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| Committee(s) | Date: |
| Finance and Risk Committee – For information Barbican Board Committee – For information | 5 September 2022 21 September 2022 |
| Subject: Barbican CWP and Capital Projects Update Report | Public |
| Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly? | 1, 5, 12 |
| Does this proposal require extra revenue and/or capital spending? | No |
| If so, how much? | N/A |
| What is the source of Funding? | N/A |
| Has this Funding Source been agreed with the Chamberlain’s Department? | N/A |
| Report of: CEO, Barbican Centre | For Information |
| Report author: Cornell Farrell – Head of Engineering and Projects | |

Summary

1. The purpose of this paper is to update members on the progress and financial position of the 58 live Barbican refurbishment and maintenance projects of which, six are capital projects.
2. The City Surveyor’s Department is delivering three of the six capital projects and the Centre is the client/intelligent client for these projects
3. All capital projects were placed on hold in the July Operational Properties and Project Sub Committee meeting, pending financial review.
4. The financial information on each project is in a separate non-public appendix due to commercially sensitive information. There are no serious financial concerns, related to any individual project raised in this report. This could change based on the outcome of the financial review.

Recommendation(s)

- Members are asked to note the contents of this report.

Main Report

Background

1. The Centre remains committed to the buildings strategy to maintain, improve and enhance the facilities for the benefit of the community, audiences, and staff. Funding for improvement/enhancement/refurbishment projects is from the Cyclical Works Programme (CWP), the Corporation's Capital reserves (City Fund) or occasionally through the Centre's local risk.
2. Historically, CWP projects had to be completed within three years from when the funding started. 2021/22 saw a change that required projects to be completed in a single financial year. 2022/23 has seen a further change so projects have a two-year deadline. The nature of the operations and the size of the projects team means there is still some risk, and the Centre maintains the optimum period is three years.
3. A corporate financial review of all capital projects is underway, following the July Operational Properties and Projects Sub Committee meeting

Current Position

CWP projects

4. The Centre is managing 52 live CWP projects.
5. Funding for 19 new CWP projects became available in April 2022.
6. A financial summary of CWP projects is given in the table below:

| Financial year approved | Original no of CWP Projects | Original CWP Combined Projects Value £000s | No of Live (Outstanding) CWP Projects | Combined Live CWP Projects Value £000s |
|-------------------------|-----------------------------|--|---------------------------------------|--|
| 2018/19 | 10 | 1,065 | 2 | 245 |
| 2019/20 | 14 | 1,255 | 6 | 655 |
| 2020/21 | 24 | 3,745 | 21 | 3,245 |
| 2021/22 | 10 | 972 | 4 | 450 |
| 2022/23 | 19 | 2,011 | 19 | 2,011 |

7. The project status summary is given for CWP projects below:

| Financial year | No of Live (Outstanding) CWP projects | Project status (RAG) | | |
|----------------|---------------------------------------|----------------------|-------|-------|
| | | RED | AMBER | GREEN |
| 2018/19 | 2 | 2 | 0 | 0 |
| 2019/20 | 6 | 0 | 1 | 5 |
| 2020/21 | 21 | 0 | 1 | 20 |
| 2021/22 | 4 | 0 | 2 | 2 |

| | | | | |
|---------|----|---|---|----|
| 2022/23 | 19 | 0 | 0 | 19 |
|---------|----|---|---|----|

8. Red status projects

The two projects with red status are:

- **Replace Barbican Kitchen doors**
An amendment to the Planning Permission and Listed Building Consent applications caused a significant delay to the programme. The works have been extended from March 2022 to October 2022.
- **Replace Electrical Distribution Boards**
Arranging full power shutdowns is problematic for operational reasons. Works have now been scheduled to take place out of hours (overnight) for completion by the end of 2022. Surveys currently underway.

9. Amber status projects

The four projects with amber status are:

- Concert Hall accessibility study and minor works
- Replace level 4 flooring
- Level 4 heating replacement
- Frobisher Crescent Level 4 environmental controls

The three level 4 projects are mutually dependent works. As previously reported the deadline for the earliest has been extended to March 2023 which has a knock-on effect on the others. Planning/Listed Building Consent and funding all remain as issues/risks and hence projects will remain as amber until resolved.

The Concert Hall Accessibility project was scheduled to start construction in August 2022 but has been extended because of long lead in times for materials.

10. The project status summary is given for the six Capital projects below:

| Financial year | No of Live (Outstanding) Capital projects | Project status (RAG) | | |
|----------------|---|----------------------|-------|-------|
| | | RED | AMBER | GREEN |
| 2018/19 | 1 | 1 | 0 | 0 |
| 2019/20 | 0 | 0 | 0 | 0 |
| 2020/21 | 1 | 0 | 1 | 0 |
| 2021/22 | 2 | 0 | 0 | 2 |
| 2022/23 | 2 | 0 | 0 | 2 |

11. Red status projects

Fire Safety Projects - The projects are now managed by the City Surveyor. A complex project, for which the completion date may now extend beyond March 2023.

12. Amber status Capital projects

Replacement Art Gallery Chiller - Consultants have now been appointed and it is anticipated that this project, which remains essential, will now be completed during winter 2022/23 dependent on the Art Gallery/Centre programme.

13. Corporate Review of Projects

All City of London capital projects were suspended in the July Operational Property and Projects Sub Committee meeting, pending a financial review. This is likely to lead to a three-month hiatus for some projects. Other projects are at further risk of being deferred or cancelled.

Proposals

14. The Barbican Centre continue to deliver CWP, and capital funded projects for the on-going upkeep and improvement of the Centre utilising project management resource from the Barbican and/or City Surveyor's Department as appropriate.

15. The Projects Department will work closely with the Barbican Renewal Team to ensure there is synergy between cyclical and capital programme and Barbican Renewal

Options

16. No alternative options are suggested in this report.

Strategic Implications

17. This work contributes to the City's aim to 'shape outstanding environments' by ensuring 'our spaces are secure, resilient and well maintained'.

18. Financial implications

The Barbican Project Management Team aim to deliver Value for Money as part of a key output for all projects. Savings from CWP projects are returned to the City to help fund other essential projects across the Corporation.

The financial review of all Capital projects is likely to have an impact on whether these projects continue as proposed/planned.

19. Resource implications

A small team of four project managers deliver all the projects excluding the three allocated to the City Surveyor. This team also manage multiple projects for the Guildhall School of Music and Drama buildings.

20. Legal implications

Legal implications are specific to each project. There are no current issues to be raised to the Board.

21. Risk implications

Every project carries some degree of risk that could impact on the project delivery. Rising prices, increased lead-in times, challenges in supply and delivery of materials are the current external generic risks to project delivery, whilst the internal risk are still access restrictions.

Section 13 above refers to the financial review that is underway. A three-month delay poses additional risk to timeframe on existing projects. It is possible other projects could be deferred to future years or cancelled completely.

22. Equalities implications

Equality, diversity and inclusion are key to the Barbican Centre and to the project team. These are integral considerations in, for example, involving and including excluded groups when we request quotes or undertake procurement processes. We have started a process of questioning our own behaviours when inviting quotes for consultancy or works, and we have actively engaged with CoL colleagues to improve our EDI performance. We will continue to monitor and review our performance on this key issue with City of London colleagues.

23. Climate implications

The Barbican Centre has high energy use, and the trend has been upwards. All MEP (mechanical, electrical, plumbing) and some fabric projects are an opportunity to replace kit with more efficient equivalents and to improve the controls and programming strategy to reduce the Centre's carbon footprint.

24. Security implications

There are no notable security implications within the current projects programme for the consideration of the Board.

Conclusion

25. The Centre currently has 58 live projects. The RAG status of these projects is detailed in this report. The financial data on each project is listed in appendix 1.

Appendices

Appendix 1 – **Project financial information (Non-Public)**

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