

Committee(s): Barbican Estate Residents Consultation Committee – For information Barbican Residential Committee – For Information	Dated: 04 September 2023 11 September 2023
Subject: Barbican Estate Major Works 5-year Asset Management Programme	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	4, 12
Does this proposal require extra revenue and/or capital spending?	Y
If so, how much?	£29.45 million
What is the source of Funding?	Recovery from leaseholders via service charge (estimated 90%), remainder via local risk budget / city fund capital bids.
Has this Funding Source been agreed with the Chamberlain’s Department?	N
Report of: Director of Community and Children’s Services	For Information
Report authors: David Downing (Asset Programme Manager), Jason Hayes (Head of Major Works)	

Summary

Following the Savills stock condition survey, this report presents, for information, the projects proposed for years 1-5 of the Barbican Estate Major Works Programme. The programme proposes an estimated £29.45m worth of work across the five years, of which the vast majority would encompass refurbishment of the Estates mechanical and electrical infrastructure. All projects proposed are subject to detailed survey to refine cost and scope, and will progress through the City’s project governance procedures for Member approval as required.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

Background

1. The residential Barbican Estate is now over 50 years old with the first tenants moving into Andrewes House in 1969. Testament to the quality of its construction, the buildings have performed well over the years with many key components remaining serviceable considerably beyond their expected lifecycles. Such longevity cannot reasonably be expected to persist. To inform the City's asset management strategy and investment planning processes, Savills were appointed in July 2019 to carry out a combined stock condition and mechanical/electrical survey with the primary purpose of assessing the extent and cost of work to maintain the Estate for the next 30 years.
2. The survey was undertaken between November 2019 and June 2021 in the challenging circumstances of the Covid-19 public health crisis, with the outcomes presented by Savills to Committee Members in November 2022. Over the 30-year period costs are forecast by the Savills data to be in the region of £180m. A significant proportion of this forecast sum is likely to be recoverable from long leaseholders, but only in so far as works are deemed repairs or like-for-like replacements rather than improvements.

Current Position

3. The DCCS Major Works team have been reviewing the extensive data provided by Savills, and in consultation with the Barbican Estate Office and the Asset Maintenance Working Party have drafted outline 30-year and 5-year programmes of work. The Savills data gives a valuable indication of where and when aging components should be looked at but should not be taken to automatically prescribe any particular remedy. Aging components may still be serviceable. The early stages of any large project would therefore entail commissioning a detailed, expert condition survey providing recommendations and costed options for consideration. Cost smoothing and logical sequencing of projects has been applied to maximise economies of scale, realise efficiencies, and minimise the cost burden to leaseholders where reasonable to do so.
4. The draft five-year plan is attached as Appendix 1 for information and feedback. The programme is split into three sections. The first section details works currently in development or in the process of being delivered ahead of the launch of the new programme (such as the current redecorations contract, the fire door replacement programme, tower lift refurbishments and the window replacements currently being investigated). The remaining two sections, set to commence in 2025/26, detail the new mechanical and electrical works, and works to the building fabric now proposed. The total estimated cost of these new works is £29,450,000 plus fees and staff costs over the five year period.

Options

- This report is for informational purposes only, providing an update as to the content proposed for the first five years of the Major Works asset management programme. A range of costed options for each of the identified projects within the programme will be presented for approval at the appropriate time during a given projects development as dictated by the City's project governance processes. Options may include deferment or termination depending on the outcome of specialist surveys.

Proposals

- The following tables detail the proposed new projects from years 1-5 of the asset management programme. Each will progress through the City's project governance procedures as required.

New Projects – Year's 1-5 – Mechanical & Electrical

1	Electrical Infrastructure Refurbishment (All Blocks, Car Parks, Subways) - Survey Switchrooms, Common Parts, Lighting, UFH Supply/Metering & renew as required. Estimated costs assume extensive renewal required.	£16.5m
2	Car Park Sprinkler System (All Car Parks) – Survey & renew life expired sprinkler components as required	£360k
3	Hot & Cold Water Systems (All Blocks, Car Parks, Subways) - Survey Landlords Pipework, Tanks, Valves, Insulation & renew as required.	£2.7m
4	Lift Refurbishments Phase 2 (Ben Jonson, Breton, Bryer, Bunyan, Frobisher, John Trundle, Mountjoy, Seddon, Thomas More, Willoughby) - Survey & refurbish named lower rise block lifts as required.	£4.3m
5	Door Entry Systems (All Blocks exc Mews Blocks) - Survey & renew call panels, handsets as required	£1.7m
6	Building Management Systems (All Blocks) - Survey & renew existing BMS as required.	£1.6m

New Projects – Year's 1-5 – Building Fabric

7	Concrete Repairs to Vent Stacks (Podium) – Patch repair of spalling concrete	£120k
8	Flat Roof Replacement (Ben Jonson, Breton, Bunyan, Cromwell, Defoe, Gilbert, Lauderdale, Shakespeare, Thomas More) - Survey & renew existing flat roof areas as required.	£300k
9	Internal Flooring/Carpeting (Ben Jonson, Bunyan, Cromwell, Frobisher, Gilbert, Lauderdale, Mountjoy, Seddon, Shakespeare, Willoughby) - Survey & renew existing flooring as required. Replacements subject to leaseholder consultations/preference.	£210k
10	Cyclical Redecoration 2026 & 2027 (Internal: Bryer, John Trundle. External: Lambert Jones, Mountjoy, Speed, Defoe, Seddon, Postern, Thomas More) - Cyclical redecoration of	£700k

	previously painted/varnished surfaces, full scope subject to leaseholder consultations.	
11	Cyclical Redecoration 2030 (External: Ben Jonson, Breton, Bryer, Bunyan, Cromwell, John Trundle) - Cyclical redecoration of previously painted/varnished surfaces, full scope subject to leaseholder consultations.	£910k
12	Playground Refurbishments (Thomas More & Speed play areas) - Survey & renew play equipment, flooring, matting as required	£50k

Once the programme commences, progress on each project, slippage and any cost variance will be reported to Members via a regular Major Works Progress Report.

Key Data

7. The estimated cost of the new projects detailed in years 1-5 of the new programme is £29.45m. Of this, it is anticipated that £26.43m could be potentially recovered from leaseholders. These are low confidence estimates that will be improved during the survey phase of each project.

Corporate & Strategic Implications

Strategic implications

8. The proposed programme of works will provide secure, well-maintained buildings, preserving a heritage asset, and protecting and enhancing value for the City and its leaseholders.

Financial implications

9. The Savills data gives a valuable indication of where/when aging components should be looked at but does not provide the final word on what to renew or how to do it. Within the estimated costs Savills have provided there are components where we have high confidence in the scope of works required and the cost to complete them, lift refurbishment for example where the age and condition of the existing equipment is known as are the costs of replacement, and those where we have low confidence such as those concerning the Estate's electrical infrastructure where components, although operating beyond their expected lifecycles, may well still be serviceable for the short-medium term. Specialist survey at the early stages of projects to provide recommended, costed options may significantly impact current estimates.
10. Furthermore, the Savills data costs for like-for-like replacement of existing components. Any move to modernise or 'improve' a given component has not been costed for. Works deemed to be 'improvements' may not be recoverable from leaseholders; they will thus be reliant on securing central funding which may or may not be available. This could have a significant bearing on what can or cannot be achieved over a given period of time.
11. The cost data provided covers the repair/replacement of generic/standard items only. Any non-standard or heritage sensitive items will come at a premium. The Barbican

Estate's listed status and many unique fittings can be expected to have a significant impact on programme costs.

12. The cost data provided is at 2021 prices with no allowance for inflation or for any professional fees or staff costs.

Resource implications

13. A review is required to ensure that adequate internal resource is in place to deliver the scale of the works proposed. Recruitment to project management roles is currently challenging with the financial remuneration on offer in local authorities out of step with the private sector.

Legal implications

14. All proposed works and procurements where costs can be recovered from leaseholders will need to be compliant with the processes laid out under Section 20 of the Landlord & Tenant Act 1985. Existing Barbican Estate residential leases contain no improvement clauses and allow for recovery of costs for repair or like-for-like replacement subject to statutory legislation or regulation changes.

Risk implications

(a) Cost Risk

15. There is significant uncertainty surrounding the accuracy of the estimated costs at this stage of programme development. As previously stated, Savills have costed for like-for-like replacement of components with costs drawn from a generic industry price list and have assumed that aging components will require wholesale replacement. On one hand, the replacement of non-standard items that satisfy heritage constraints will likely come at a cost premium, on the other hand, not all items marked for renewal by Savills may need to be replaced at this time. The early stages of each large project would entail commissioning a detailed, expert condition survey providing recommendations and costed options for consultation and approval. As stated, the cost data provided is at 2021 prices with no allowance for inflation or for any professional fees or staff costs. The wider economic situation remains turbulent with inflationary pressures persisting. Sufficient allowance with each projects budget should be factored in to mitigate further economic uncertainty.

(b) Organisational Risk

16. The City's project governance processes have been under review with changes to the existing Gateway and project procedures expected to be launched in the coming months. Revised processes would ideally be in place and bedded in prior to commencement of the programme to allow for consistent governance and stakeholder engagement in line with new best practice from the outset. Despite these forthcoming changes, the value of many of the new projects proposed is still expected to require a full engagement with all stages of the City's Gateway process however reconfigured. As Barbican Residential Committees only meet quarterly, the opportunities for securing

Committee approval remain limited and will likely impact project planning and delivery timescales.

Exclusions

17. During the stock condition survey, Savills recommended the Underfloor Heating System for replacement due to the age of the system. The Barbican Estate Resident Engineers regard the current system as maintainable with only limited works required to upgrade the metering system. The Underfloor Heating Working Party continue to monitor the current system; any future works they recommend could be added to this, or later programmes, at their request.
18. The long-term future of the Garchey system is under review with works to the existing components excluded from this programme at present. As above, any future works recommended could be added to this, or later, programmes as required.

Equalities implications

19. None

Climate implications

20. The data provided by Savills does not include any energy efficiency/net zero initiatives and is therefore yet to be costed in to estimates. The Major Works team is working closely with colleagues in the Climate Action Strategy team to identify opportunities to incorporate net zero initiatives and to secure any available external funding to support their delivery. Energy efficiency measures may not be recoverable from long leaseholders and could very be reliant on securing central or external funding to realise.

Security implications

21. None

Conclusion

22. After 50 plus years of operation, a significant body of work has been identified to ensure that the Barbican Estate remains a well-maintained place to live, visit and work for the foreseeable future. Underpinned by the outcomes of the Savills stock condition survey, this report outlines the projects proposed for the first five years of the Major Works Asset Management Programme. Each project identified will be subject to further survey to refine scope and cost, identify options, undergo stakeholder consultation and will be progressed as per the City's project procedures and brought to Committee for oversight and approval as required.

Appendices

Appendix 1 – Years 1-5 Programme

Appendix 2 – Future Programme

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