

Forward Works Programme – Draft RCC Questions

1. Process and management approach. Greater detail is required on the City's proposed approach to managing this programme of potential works, including:
 - a. Who will be responsible for delivery? Is the intention to recruit a programme director? And if not, why not.

This is currently the responsibility of the Head of Major Works, DCCS Property Services. As you may be aware, proposals to restructure the management of the Barbican Estate are being considered. Responsibility for managing the delivery may be dependent on the outcome of the restructure and should be confirmed/determined before any of the identified projects commence.
 - b. What is the proposed governance structure?

All projects over a certain financial threshold (currently either £50k or £250k depending on source of funding) are subject to the City of London's Project Procedure and the Gateway Approval Process. A copy of the Project Procedure is attached for information. Please note, recent approvals at Policy & Resources Committee and Court of Common Council will change the City's approach to project governance. Guidance and an amended Project Procedure are awaited.

We presume there would be a programme board, including key stakeholders and resident representatives.

Under the current management structure, all projects run out of DCCS Property Services are monitored by the Housing Programme Board. This officer board, chaired by the Assistant Director, Housing & Barbican, and attended by key stakeholders across relevant City teams and departments meets every two months.
 - c. What is the intended programme and project reporting cycle and approach?

Update reports to Housing Programme Board every two months, updates to RCC and BRC at quarterly Committee meetings. Projects are also reported centrally via Project Vision which is monitored by Corporate Programme Office and reported to the Governance committee Operational Property and Projects Sub-Committee.
 - d. Who is the programme sponsor?

The Assistant Director, Housing & Barbican
 - e. What project and programme management methodology will be applied? E.g. Prince2, MSP.

The City's Project Procedure is based on Prince2 methodology, tailored to fit with the City's Committee structures.
 - f. What is the proposed approach to ensuring lessons are captured, learn, and applied through the programme and through phases from one block to the next?

Lesson learned logs are maintained and shared as a matter of course throughout each project. Outcome reports, formalising these logs are presented for Committee approval at Gateway 6 of the current Projects Procedure.
 - g. What other specialist project and programme resource requirements have been identified?

Resource for the team will need to be appointed to meet the requirements of the future programme and where required, specialist consultants will be brought in to support the project team.
 - h. Has a gap analysis been carried out to identify what capabilities are present within the City's current resources and what additional resources will need to be brought in?

These are the next steps prior to the programme starting. Proposals to restructure the management of the Barbican Estate are being considered. Responsibility for managing the delivery may be dependent on the outcome of the restructure and should be confirmed/determined before any of the identified projects commence. This will then identify any skills gaps.

- i. What is the proposed project gate approach? We note reference to the City's gateway process but understand this is primarily financial, rather than a project governance methodology.

The City's Project Procedure and Gateway Approval Process is a project governance methodology based on Prince2. Please see attached Projects Procedure.

- j. We note the City's gateway process is currently under review. When is this review expected to complete and when will updated processes be shared?

Policy & Resources Committee and Court of Common Council have approved changes to the City's approach to project governance. Initial changes to Guidance and an amended Project Procedure are expected shortly. We are advised that broader changes resulting from the Project Governance Review may take several months to implement. Changes are being managed by the Town Clerk's Corporate Programmes Office.

- k. Can details of the current process that applies in the meantime be shared?

Yes, please see attached.

- l. Has engagement has been carried out with the Arts Centre to understand any lessons from their renewal works?

Officers from the Major Works team meet regularly with the Barbican Area Advisory Group, which includes key officers from the Barbican Centre, Guildhall School, City of London School, and other City departments working in the local area, to discuss exactly these things.

- m. Section 13 notes recruitment challenges. How does the City propose to address these and ensure that the right resources are in place to manage this programme effectively?

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- n. Please provide a diagram showing proposed governance and team structures.

Proposals to restructure the management of the Barbican Estate are being considered. Responsibility for managing the delivery may be dependent on the outcome of the restructure and should be confirmed/determined before any of the identified projects commence. Governance procedures are contained within the attached Gateway Procedure.

2. Finance:

- a. At all points it should be made clear what year figures were calculated as well as whether or not inflation adjustment has been applied.

Yes, agreed.

- b. Section 5 includes £4.3m for lifts. Does this include allowance for standardisation of components and reuse of work already carried out on the Tower Lifts? If not, why not?

Yes.

- c. The figures include no allowance for professional fees and project costs. Can the City update the figures to provide an estimate for this?

An estimate of 12.5% of the works costs is usually added to a projects budget to cover professional fees and staff costs. This can be added to future versions of the 5-year programme.

- d. What is the proposed approach to managing financial risk, particularly in light of rising construction costs?

The gateway process includes a Costed Risk Register which uses a risk-based assessment to identify any potential future risks and how mitigating actions can help minimise or remove those risks. Construction Category Board is a regular meeting where these issues are discussed cross-departmentally to ensure awareness of any future risks is shared and covered. Further to this, the City has strict procurement rules and financial checks are completed as part of this process.

- e. Section 9 states that there are areas where the City has high confidence in the costs presented and other areas where confidence is lower. While examples are given, we would like a full list of areas of scope, categorised or RAG'd (red / amber / green) by confidence.

Item	RAG
Electrical Infrastructure Refurbishment	Red
Car Park Sprinkler System	Green
Hot & Cold Water Systems	Green
Lift Refurbishments	Green
Door Entry Systems	Green
Building Management Systems	Amber
Concrete Repairs	Green
Flat Roof Replacement	Green
Internal Flooring/Carpeting	Amber
Cyclical Redecoration	Green
Playground Refurbishments	Green

For Electrical Infrastructure Refurbishment, the scope will depend greatly on further detailed survey, not all components listed by Savills may need replacement and the cost may vary significantly. It will also depend on changes to the electrical regulations in line with any new fire safety requirements.

Similarly for Building Managements System works, estimates are tentative subject to further detailed surveys.

The replacement (and specification) for flooring/carpet will largely be a matter of resident choice so costs could vary significantly (up or down) depending on what residents want.

- f. Section 11 notes the estate's listed status is expected to impact on estimates. Has this been accounted for in the figures presented? If not, why not?

As per Section 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'. It was not within scope of Savills appointment to specify, design, or cost bespoke heritage compliant components. In order to refine cost estimates, significant design work will be required funding for which will be sought at the relevant Gateway stage for each project.

3. Scope:

- a. The report makes repeated reference to like for like replacement, e.g. section 10 which states that modernisation isn't accounted for in costs. This seems unlikely to apply universally, i.e. it is hard to believe that Savills costed like for like replacement of 50 year old electrical equipment rather than modern equivalents. What will the approach be to modernisation in the following scenarios and has this been accounted for:
 - i. Situations (potentially electrics) where modernisation is legally required.
This is accounted for in the costs presented. Savills have not provided costs for non-compliant components. Only compliant components will be installed.
 - ii. Situations where modernisation is cheaper due to the age of items in scope for replacement and the extent to which industry and best practice have moved on.
Savills have costed for modern equivalents that fulfil the same function. Industry best practices will be followed wherever possible.
 - iii. Situations where modernisation is desirable to address the climate crisis, e.g. single vs double glazing.
Works deemed to be 'improvements' (typically understood as adding something to a building that was not there before – e.g. Soffit insulation) may not be recoverable from leaseholders under the terms of their leases; they will thus be reliant on securing central funding or (for carbon reduction measures) external funding. There is a risk that sufficient funding may not be available to complete all such desirable 'improvement' works to the specification desired.
- b. Underfloor heating is excluded (section 17). While we agree the current system is largely maintainable there are isolated instances where this is not the case. As with the windows, the City needs to have an adequate strategy for addressing such edge cases which can scale if more widespread renewal becomes necessary. (i.e. not repeating the approach that has been used to manage the windows issues.)
Yes, agreed. The underfloor working party may discuss this in more detail to ensure a proactive approach is applied and consulted on.

4. Other:

- a. Section 3 notes that there has been consultation with the AMWP. While there is some truth to this and we have been discussing and giving feedback on the outline plan for years 1-5, the report was presented to the working party but feedback given was not incorporated which is extremely disappointing. Consultation should be meaningful and reports should be shared with the working party far enough in advance of finalisation to ensure feedback is can properly be addressed.
Unfortunately, detailed feedback from the AMWP was only received after the deadline for report submission to the RCC. The purpose of the report was to update RCC and BRC members as to progress made on developing the first five-year programme of Major Works and present it for feedback. As Barbican Committee's only meet quarterly it was decided to submit the report as is and collate all feedback for response, rather than delay the process by three months. It is the intention of the City to consult with all projects. Examples of this are the Lift Replacement project in the Towers where resident representatives have been involved with the scope of the work and the

specification, which will go out to tender once all house groups have been consulted on the final draft.

- b. What are the proposed next steps? The RCC is merely asked to note the report. As above, the purpose of the report was to update on progress in developing the programme. Before progressing any of the identified projects, questions as to the restructuring of the Barbican Estate Office, responsibility for managing the works, resourcing the delivery team should be resolved. Furthermore, the proposed changes to the City's project governance procedures should be complete and bedded in before any of the identified project's progress. Once these matters are confirmed, a report, for decision, will be drafted confirming the proposed programme, with then each individual project progressing through the approval process as required by the new governance procedures.