

Gateway 3/4: Options Appraisal

Committee(s): Barbican Residents Consultation Committee (redacted Version) Resource Allocation Sub-Committee Barbican Residential Committee Project Sub-Committee	Date(s): 3 June 2013 13 June 2013 17 June 2013 19 June 2013	Item no.
Subject: Outline/Detailed Options Appraisal/Authority to Start Work - Installation of Baggage Stores (42), and Relocation of Staff (40)		Non-Public
Report of: Director of Community & Children's Services		For Decision

Overview

Context	<p>Cleaning Staff x 40 to be relocated from their onsite office (mess/staff room with kitchen, lockers, staff area) beneath Speed House on the 03 level to the Barbican Estate Office (BEO) to make best use of the asset. To improve management by bringing staff all together.</p> <p>The range of Baggage Stores currently available provide good financial income for the Barbican Estate Office (This style of store produces an income of £xxx per store per annum with RPI charging policy each year producing circa £xxx total revenue per annum). The additional stores will see an additional income of £xxx per annum (plus index linking).</p> <p>Following review of infill opportunities and efficiencies a shortfall of domestic storage was identified, the current resident waiting list is 172 residents requiring baggage stores. The vacated location beneath Speed House, 03 level would provide 42 new built baggage stores. (see Appendix 1)</p>
Brief description of project	<p>This project has 2 objectives:</p> <ol style="list-style-type: none"> 1. Relocation of staff from existing welfare areas and operational integration of staff in existing offices. (see Appendix 2)

	2. Installation of baggage stores in vacated space.
Success Criteria	<ul style="list-style-type: none"> • Reduction of residents waiting list for 42 new baggage stores (from current 172) • Reduction in rates of £xxx for current mess/staff room (already pay rates for BEO area where cleaning staff to be located) • Increased annual income of circa £xxx from letting the baggage stores after initial letting and establishment. • Best use of BEO asset and making use of an infill opportunity
Notable Exclusions	Not Applicable
Link to Strategic Aims	<ul style="list-style-type: none"> • To provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes. • To provide valued services to London and the nation.
Within which category does the project fit	<p>3. Spend to save/ income generating</p> <p>5. Any other priority developments determined by the Medium Term Financial Strategy</p> <p>7. a) Asset enhancement/improvement (capital)</p>
Resources Expended To Date	Staff time in preparation of the specification

Options Appraisal Recommendation

List of options described	<ol style="list-style-type: none"> 1. Do Nothing – <ul style="list-style-type: none"> • Continue to pay £xxx rates, an opportunity to improve the operation efficiency will be lost and the residents waiting list will not be reduced. 2. Progress with installation of Baggage Stores and Staff Relocation – <ul style="list-style-type: none"> • Best use of Barbican Estate Office Asset • Reduction in residents waiting list by 42 • Reduction in rates £xxx • Increased annual income of circa £xxx
Option recommended to progress to Authority to Start	Option 2.

Work stage	
Resource requirements to reach Authority to Start Work and source of funding	£xxx Staff Costs
Plans for consultation prior to Authority to Start Work	Not Applicable
Level of approval for Detailed Design (if required)	Not Applicable
Procurement Strategy	Quotations (see Appendix xxx)
Tolerances	+/- 10%

Detailed Options Appraisal

Option	
Description	<p>Cleaning Staff to be relocated from their onsite office to the Barbican Estate Office (BEO). Changes required to layout of BEO (partitions/kitchen) and purchase of suitable equipment (furniture/facilities).</p> <p>Build 42 Infill Baggage Stores in the vacated cleaner's area which will be let to Barbican Estate residents. The location would need to be cleared of existing facilities/equipment and then the necessary plumbing, electrical and building work can take place.</p>
Benefits and strategy for achievement	<ul style="list-style-type: none"> • Reduction of residents waiting list for 42 new baggage stores (from current 172) • Reduction in rates of £xxx for current mess/staff room (already pay rates for BEO area where cleaning staff will be located) • Increased annual income of circa £xxx from letting the baggage stores after initial letting and establishment. • Best use of BEO asset and making use of an infill opportunity

Option	
Scope and exclusions	N/A
Constraints and assumptions	N/A
Programme	Evaluation of report - June 2013 Design/Specification – July 2013 Procurement/Installation Start – August 2013 Completion – October/November 2013
Risk implications	Low Risk <ul style="list-style-type: none"> Under £xxx
Legal implications	N/A
HR implications	N/A
Anticipated stakeholders and consultees	Property officers, Barbican Estate Office staff, Barbican Estate Cleaning staff, City Surveyors, Chamberlains, Town Clerks and Barbican Estate residents.
Results of consultation carried out to date	Barbican Residential Committee – Informed and supported the project Barbican Estate Office and Cleaning Staff – Consulted and positive regarding project
<u>Financial Implications</u>	
Estimated capital cost (£)	<u>Under £xxx</u> Approx. £xxx-xxx including: <ul style="list-style-type: none"> Approx. £xxx-£xxx building of baggage stores/electrical works Approx. £xxx for new furniture/facilities/changes to layout of BEO (partitions/kitchen) Approx. £xxx staff costs Approx. £xxx fees
Source of capital funding	To be subject to bid to Resource Allocation Sub Committee for allocation of resources from £xxx provision for new City Fund Capital schemes in 2013/14.
Anticipated phasing of capital	Not Applicable

Option	
expenditure	
Estimated capital value/return (£)	£xxx per annum
Fund/budget to be credited with capital return	Local Risk – Payback will be effected by reduction in local risk resources over the 5 year payback period.
Estimated revenue implications (£)	Any on-going future maintenance &/or lighting costs will be absorbed into existing programmes leading to increased efficiencies.
Source of revenue funding	Local Risk
Fund/budget to be credited with income/savings	Income from residents is apportioned to the Baggage Stores Account
Anticipated life	30 years
Investment Appraisal	Not Applicable
Benchmarks or comparative data	Not Applicable
Proposed procurement approach	Conventional Tendering using a specification of works
Affordability	Not Applicable
<u>Recommendation</u>	
Reasons	<ul style="list-style-type: none"> • Operational integration of cleaning staff into existing Barbican Estate office; also provides staff with improved welfare area and facilities. • Reduction of residents waiting list for 42 new baggage stores (from current 172) • Reduction in rates of £xxx (already pay rates for BEO area where cleaning staff will be located) • Increased annual income of circa £xxx from letting the baggage stores after initial letting and establishment. • Best use of BEO asset and making use of an infill opportunity
Next Steps	Progress to Gateway 5 and delegated to Chief

Option	
	Officer for approval.

Appendices

Appendix 1	Proposed floor plan of Infill Baggage Store at Speed House, 03 level
Appendix 2	Proposed floor plan of Cleaning Staff at Lauderdale Place
Appendix xxx	Quotations received – <i>Not included</i>

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