

Committees:	APPENDIX	
Projects Sub Barbican Residential Committee	23 November 2016 12 December 2016	
Subject: Barbican Estate Residential Baggage Store/Storage Space Installation	Gateway 3/4 Options Appraisal(Regular)	Public
Report of: Director of Community & Children's Services Report Author: Barry Ashton		For Decision
<p style="text-align: center;"><u>Summary</u></p> <p>Baggage Stores are very popular and the Barbican Estate Office has an opportunity to install a further 336 stores/storage space as part of a development project within unoccupied car park areas and former car bays.</p> <p>The stores provide a good financial income for the Barbican Estate and there are currently over 260 residents on the waiting list for a new store.</p> <ul style="list-style-type: none"> • New baggage stores/storage space for all residents on waiting list (currently 260) and immediate future. • Estimated annual income of circa £180k from letting based on full occupancy. • Best use of BEO asset and making use of an unoccupied space with an infill opportunity. Overall car park occupancy at 67% (498 vacant bays). • Stakeholder consultation with Cultural Hub Project Board and the Beech Street Project Board to ensure best use of assets. • Contribution to BEO's Service Based Review target of £154k income generation for 2017/18. • To reach the next Gateway £18,850 is required for Staff and Consultants fees. 		
Project Status	Green	
Time Line	November 2016 – commence procurement and planning application December 2017 – appoint contractor Spring 2017 – commence works Autumn 2017 – complete works	
Programme status	Green - Pending Approval of Gateway 3/4 Options Appraisal	
Estimated cost of works	£570,000	
Total estimated project budget	£610,000 (including fees and staff costs)	
Expenditure to date	£7,850 – Approved £7k, however £850 allocated to project from revenue risk account and if approved a journal will be arranged.	

Progress to Date

- Gateway 2 approved by Committee June 2016.
- Further Residents Survey completed in July regarding the supply of larger stores and number required.
- The DCCS Property Services team have been working with a Quantity Surveyor and an Architect for the enclosed costs and store plans within the car parks.
- A budget of £18,850 is approved to reach the next Gateway.

Overview of Options

- Progress with installation of Metal stores - **Recommended** – Lower Cost and potentially a reusable and transferable product.
- Progress with installation of Block work stores – **Not Recommended** – Much higher cost.
- Do nothing – **Not Recommended** - If no action is taken an opportunity to improve the operation efficiency will be lost as well as a potential income of £180k pa, the waiting list will not reduce and if there is anticipated to be a shortfall in achieving the 2017/18 budget plan of income generation for the service based review then an option for a reduction in staff costs &/or increase to charges would need to be considered.

Proposed Way Forward

Larger stores will provide an increased income, estimated at £180k pa – this is subject to Barbican Residential Committee approval for new recommended charges for the new stores.

To progress with installation of 336 large and extra-large stores of a metal construction, as detailed in option 1 of the appendix.

Procurement Approach

It is recommended that these works are advertised on the City of London's E-sourcing portal with Contractors invited to express an interest in the works by submitting a complete tender. The process would be managed by City Procurement.

Financial Implications

Description	Option 1: Installation of Stores
Works Costs	£570,000
Fees & Staff Costs	£48,850
Total	£618,850
Funding Strategy	
Source	City Fund with a payback period of approx. 3.5 years.

Recommendations

1. That Option 1 is approved for proceeding to Procurement and Gateway 5.
2. That the estimated budget of £618,850 is noted.
3. That a budget of £18,850 is approved to reach the next Gateway.
4. Approve increase of staff costs to £18,850

Options Appraisal Matrix

See attached.

Appendices

Appendix 1	Options Appraisal Matrix
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Contact

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Options Appraisal Matrix

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
1. Brief description	<p>Baggage Stores are very popular and the Barbican Estate Office has an opportunity to install a further 336 stores/storage space as part of a development project within unoccupied car park areas.</p> <p>The stores provide a good financial income for the Barbican Estate and there are currently over 260 residents on the waiting list for a new store.</p>		
2. Scope and exclusions	<p>Scope:</p> <p>336 Stores.</p> <p>67% (2.0 x 2.1m), 17% (3.0 x 2.1m) and 16% (4.0 x 2.1m)</p> <p>Exclusions:</p> <p>None.</p>		<p>Scope:</p> <p>Do nothing; do not install 336 new stores.</p> <p>Exclusions:</p> <p>None.</p>
<i>Project Planning</i>			
3. Programme and key dates	<p>November 2016 – commence procurement and planning application</p> <p>December 2017 – appoint contractor</p> <p>Spring 2017 – commence works</p> <p>Autumn 2017 – complete works</p>		None
4. Risk implications	<p>Low overall risk.</p> <ul style="list-style-type: none"> Planning Application required for change of use from resident car park amenity to resident storage facilities. 		If no action is taken an opportunity to improve the operation efficiency will be lost and the waiting list will not reduce.

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
5. Benefits and dis-benefits	<p>Benefits</p> <ul style="list-style-type: none"> • Best use of the City of London Corporation's assets. • Eliminate resident's waiting list for a storage facility (currently over 260). • Increase annual income of circa £180k from letting the baggage stores. • Low payback period and shorter than Option 2. • Cost is lower than Option 2. <p>Dis-benefits</p> <ul style="list-style-type: none"> • Loss of Car Bays – however due to low occupancy level sufficient bays will still be available for residents use. 	<p>Benefits</p> <ul style="list-style-type: none"> • Best use of the City of London Corporation's assets. • Eliminate resident's waiting list for a storage facility (currently over 260). • Increase annual income of circa £180k from letting the baggage stores. • Low payback period. <p>Dis-benefits</p> <ul style="list-style-type: none"> • Loss of Car Bays – however due to low occupancy level sufficient bays will still be available for residents use. • Cost is Higher than Option 1 • Payback period is longer than Option 1 	<p>Dis-benefits</p> <ul style="list-style-type: none"> • Will not be providing best use of the City of London Corporation's assets. • Over 260 residents will remain waiting for a storage facility. • The opportunity to receive additional annual income of circa £180k from letting the baggage stores will be missed. • A shortfall in achieving the 2017/18 budget plan of income generation for the service based review. • Would need to consider an option for a reduction in staff costs &/or increase to charges.
6. Stakeholders and consultees	<ul style="list-style-type: none"> • Property Services officers, BE Office staff, Town Clerk's Cultural Hub Property Director, City Surveyors, Chamberlains, City Planning and BE residents. 		N/A
<i>Resource Implications</i>			
7. Total Estimated	£618,850	£848,850	N/A

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
cost			
8. Funding strategy	The project will be funded by a bid to City Fund New Projects reserve for 2017/18.		N/A
9. Estimated capital value/return	<ul style="list-style-type: none"> • Additional annual income of circa £180k • Baggage Stores - City Fund with a payback period of approx. 3.5 years. 	<ul style="list-style-type: none"> • Additional annual income of circa £180k • Baggage Stores - City Fund with a payback period of approx. 4.7 years. 	None
10. Ongoing revenue implications	<p>Low Risk</p> <p>The additional income generated will help fund the required overall annual SBR savings.</p> <p>On-going costs associated with stores contained within existing revenue budgets.</p>		Anticipate a shortfall in achieving the 2017/18 budget plan of income generation for the service based review, would need to be considered an option for a reduction in staff costs &/or increase to charges.
11. Investment appraisal	<p>Cost - £618,850</p> <p>Income per annum – £180,000 (Estimated)</p> <p>Payback period – 3.5 years</p> <p>Generating income as part of our Service Based Review.</p>	<p>Cost - £848,850</p> <p>Income per annum – £180,000 (Estimated)</p> <p>Payback period – 4.7 years</p> <p>Generating income as part of our Service Based Review.</p>	Opportunity to improve the operation efficiency will be lost.
12. Affordability	Yes with costs recovered within 3.5	Yes with costs recovered within 4.7	N/A

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
	years	years	
13. Legal implications	Listed Building Consent Application required to assess the impact of the proposal to the heritage significance of the Barbican Estate.		None
14. Corporate property implications	Possible Cultural Hub and Beech Street project implications. Officers have been working with the CH Director to align each other's requirements, where there is combined potential use of the car parks.		None
15. Traffic implications	None		
16. Sustainability and energy implications	Lighting		None
17. IS implications	None		
18. Equality Impact Assessment	An equality impact assessment will be undertaken		
19. Recommendation	Recommended	Not Recommended	Not Recommended
20. Next Gateway	Gateway 5 - Authority to Start Work		

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>												
21. Resource requirements to reach next Gateway	<table> <tr> <th>Item</th><th>Reason</th><th>Cost (£)</th><th>Funding Source</th></tr> <tr> <td>Staff</td><td>Staff Costs</td><td>£2,000</td><td>Local Risk</td></tr> <tr> <td>Consultant</td><td>Develop options for the locations</td><td>£16,850</td><td>Local Risk</td></tr> </table>			Item	Reason	Cost (£)	Funding Source	Staff	Staff Costs	£2,000	Local Risk	Consultant	Develop options for the locations	£16,850	Local Risk
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