

BIRMINGHAM CITY COUNCIL

PUBLIC

Report to:	CABINET
Report of:	Corporate Director - Place
Date of Decision:	31 July 2018
SUBJECT:	BIRMINGHAM MUSEUM AND ART GALLERY - THE NEW MUSEUMS HQ AND COLLECTION CENTRE OPTIONS APPRAISAL
Key Decision:	Yes
Relevant Forward Plan Ref:	005062/2018
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/>
	O&S Chair approved <input type="checkbox"/>
Relevant Cabinet Member(s)	Councillor Ian Ward, Leader Councillor Jayne Francis , Education, Skills and Culture
Relevant O&S Chair:	Councillor Mariam Khan, Learning, Culture and Physical Activity
Wards affected:	Garretts Green

1. Purpose of report:

- 1.1 To outline the alternative options and opportunities considered for the storage and conservation of the collection currently stored and displayed in Birmingham Museum and Art Gallery (BMAG) including public access to the collection.
- 1.2 To seek approval to progress to a full business case for the preferred option of a new build Collection and Cultural Centre by releasing £0.07m out of the total development fund of £0.5m allowing Birmingham Museums Trust (BMT) to develop the proposal and support the production of bid applications to contribute towards the funding package for the new Collection and Cultural Centre (CCC) proposal.
- 1.3 To seek approval to appropriate land from the Housing Revenue Account (HRA) at a single purchase cost of £3.08m. The cost will form part of the total amount required for capital purposes by the project.
- 1.4 To seek approval to allocate funding to BMT to enable them, as the Council's nominated "experts" in this area to progress the capital raised for the preferred option of a new purpose built Collection and Cultural Centre. This will have the benefit of working towards delivering a new fit for purpose facility that would accommodate the back of house workshop and office functions and storage currently occupying space at BMAG together with improved public access allowing the collections to be viewed and maintained more easily.
- 1.5 A private report contains confidential information on future land transactions.

2. Decision(s) recommended: That Cabinet:

- 2.1 Approve the development of the preferred option of seeking to construct a new build Collection and Cultural Centre to full business case as per the Options Appraisal (Appendix 1).

- 2.2 Approve the use and allocation of £0.07m previously approved policy contingency funding to Birmingham Museum Trust (BMT) as the Council's preferred service provider to inform and progress a full business case for the preferred option at 2.1 as set out in 4.2 of this report.
- 2.3 Approve the City Council's submission of bids for grant funding to the Heritage Lottery Fund (HLF), Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) and other organisations/partners noting that should sufficient funding not be raised to complete phase 1 of the Collection Cultural Centre then the funding will be returned.
- 2.4 Approve the appropriation of land at the Poolway from the Housing Revenue Account (HRA) to the General Fund at a cost of £3.08m subject to the approval of the Full Business Case.
- 2.5 Authorise the City Solicitor to prepare, negotiate, execute, seal and complete all necessary legal documentation to give effect to the above decisions

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3. Consultation

3.1 Internal

The Leader, the Corporate Director of Finance and Governance and the Corporate Director Economy have been consulted and are supportive of this proposal.

The Council's Executive Management Team (EMT) was consulted at their meeting on the 30 January 2018.

The Council's Management Team (CMT) was consulted at their meeting on the 23 April 2018.

The proposal was supported at the Council House Cross Party Working Group of Members (chaired by the Leader) in relation to the Council House Complex and BMAG Works Project at its meetings on the 20 March 2018 and 15 May 2018 where there was representation from the Labour, Conservative and Liberal Democratic parties and the Birmingham Museum Trust (BMT).

Consultation with local Ward Members has commenced (Appendix 2). Ongoing consultation with Members and key stakeholders will be undertaken as the project is further developed.

Officers from City Finance and Legal and Governance have been involved in the preparation of this report.

The Corporate Landlord function has been engaged in discussion to decant the BMAG staff and collection.

3.2 External

BMT is working in partnership with the Council to develop a full business case for the new build preferred option recommended at 2.1 in this report.

Public consultation will commence as part of the development stage of the preferred option. BMT will lead on the community engagement.

Discussions with potential regional and national partners (including the British Council, the National Trust, SAMPAD, Friction Arts, Beatfreaks and the Royal Academy) have commenced.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

The proposal in this report contributes to the Council Plan Outcomes and Priorities 2018-2022 specifically supporting the 4 strategic priorities of :

Birmingham is an entrepreneurial city to learn, work and invest in

Birmingham is an aspirational city to grow up in

Birmingham is a fulfilling city to age well in

Birmingham is a great city to live in

The detail illustrating how these priorities are met is included in the Options Appraisal (Appendix 1).

The proposals support the Council's strategic approach to managing assets ensuring that assets are fit for purpose in terms of suitability, sufficiency, condition, cost, environmental impact and affordability.

Birmingham's Cultural Strategy 2016-19 (Imagination, Creativity and Enterprise) also demonstrates the City's ambitions as a cultural capital and describes the need for new business models to be developed to improve sustainability of the sector as the Council's resources decline.

4.2 Financial Implications

(Will decisions be carried out within existing finance and resources?)

On the 21 March 2017 Cabinet authorised the Corporate Revenue Budget Monitoring Report 2016/17 Month 10 which included an allocation of up to £0.5m from Policy Contingency to support the development work on the capital proposals for BMAG and to manage the interdependencies. The funding, allocated to the Place Directorate, was also to be used to support the preparation of a Stage 1 HLF bid and a bid for GBSLEP funding.

Following further discussions and negotiations with BMT, work to progress the HLF application on behalf of the City Council has been agreed up to the value of £0.34m. However this report only requests the release of £0.07m to develop the preferred option for a new Collection and Cultural Centre at this stage. The target is to submit a Stage 1 HLF bid by their bidding deadline of the 16 August 2018; the outcome of the HLF Stage 1 bid will not be known until December 2018. The Stage 2 HLF submission is timetabled to be made in 2019, subject to a Stage 1 approval. The Museum Development Trust has commissioned Associated Architects in the sum of £0.024m to progress the proposal to RIBA Plan of Work stage 2 Concept Design.

The estimated capital and revenue cost implications of the different options are detailed in Options Appraisal (Appendix 1). No commitments will be entered into until a full resourcing package for the capital works has been secured and revenue budget implications assessed for overall affordability. This will be included within the full business case. It is acknowledged that should sufficient capital for the build not be received, then grant funding received in partial contribution will have to be returned. The draft business case shows an affordable revenue position without any additional support from the council over and above the existing annual service fee.

A capital funding solution is being developed for the delivery of the proposal as part of the feasibility works based on the following:

Funder	Amount
Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP)	£4.00m
Heritage Lottery Fund (HLF)	£4.00m
DCMS/Treasury	£2.00m
Trusts and foundations	£3.50m
Additional fund raising	£2.80m
<u>BMT total fundraising</u>	<u>£16.30m</u>
BCC Land Sales	£3.08m

However it should be noted that the Council House Complex project and the Collection and Cultural Centre proposal are intrinsically reliant on each other. While the phase 1 works to the Council House can proceed by BMAG decanting from the Council House to the Extension, the proposed phase 2 works to the Council House Extension cannot commence unless a solution is identified for storing the artefacts and accommodating the back of house functions currently sited at BMAG both during the phase 2 works and also permanently.

After completion, it is anticipated that only a small percentage will be returned due to the reduced BMAG footprint, assuming that the Council House Complex project proceeds on the basis of reconfiguration of the buildings to release space for commercial letting opportunities.

A Revenue Business Case for the preferred option will be submitted as part of the Full Business Case. The preferred option for this proposal is to utilise a site currently held by the HRA as described in 5.10 of this report. It is recognised that there is a cost to the General Fund associated with the appropriation of this site and in addition a possible part clawback of £4.5m grant funding for the provision of 300 houses previously received in relation to this site.

However, assuming land value of £0.700m per acre, the impact of the appropriation of 4.4 acres would be a transfer of £3.08mm of debt from the HRA to the General Fund. In order to offset this cost an exercise is being carried out to identify similar sized sites within the constituency whereby the HRA title could be transferred and additional costs of clawback averted.

4.3 Legal Implications

The Public Libraries and Museum Act 1964 contains the statutory power for the provision and maintenance of museums and art galleries.

The Council is not under any statutory duty to provide a museums service; however, the Public Libraries and Museums Act 1964 gives the power to make contributions towards expense incurred by any person in providing or maintaining a museum.

Under Section 1 of the Localism Act 2011 the Council has the power to enter into the arrangements set out in this report, which are within the remit and limits of the general power of competence.

4.4 Public Sector Equality Duty

An equality assessment screening reference 002901 has been completed and is appended to this report (Appendix 3).

5. Relevant background/chronology of key events:

- 5.1 The Council House complex is Grade II* listed and consists of the Council House and Council House Extension which are joined via a bridge link. The Council House accommodates the Council's Civic and Democratic functions, parts of Birmingham Museum and Art Gallery (BMAG) and ancillary offices. 61% of the overall Council House Extension area and 21 % of the Council House is occupied by BMAG, with the remaining spaces occupied by BCC.
- 5.2 During 2016 the Council House Complex electrical installation was subjected to the statutory five yearly Electricity at Work Act testing regime. This together with previous technical reports confirmed the poor condition of the electrical installation. A review was undertaken to assess the condition and life expectancy of the overall services infrastructure, particularly electrical and mechanical installations, across both the Council House and the Extension. The report concluded that the electrical installations are in an unsatisfactory condition and recommended replacement in the near future with a more frequent testing regime in the interim.
- 5.3 A dedicated project team is leading on the delivery of the Council House Complex and BMAG works. The proposal being developed advocates changes in the way the Council House complex is utilised and occupied in the future. The reconfiguration will impact on the future amount of space being available for the on-site storage of artefacts by BMAG and some of the current functions they carry out from the building. BMAG will be relinquishing 6,870m² gross space within the building. This space will be released for commercialisation opportunities.

This equates to approximately only 5,000 out of 50,000 items in the BMAG collections being returned after the refurbishment. Therefore a new storage solution needs to be identified to securely house the 45,000 artefacts that will not be returning to the Council House complex.

- 5.4 In order to facilitate the works to the Council House complex, BMAG will need to vacate the areas they occupy including the relocation of the collections on display and in storage within the building. The work to the Council House complex will be carried out in two phases:

1 - Decant of BCC and BMAG occupied areas within the Council House to enable the first phase of works to proceed. BMAG will look to move those parts of the collection currently within the Council House into the Council House Extension to facilitate the first phase of works. This phase of work will commence no earlier than October 2019 when BMAG will close to the public for approximately 4 years.

2 - Decant of BMAG occupied areas within the Council House Extension to enable the second phase of works to proceed. It is not safe for the collections to remain in the building during the infrastructure replacement works. It is estimated that this phase of work will commence in 2021; hence the new Collection and Cultural Centre would need to be operational by 2020/21 to meet existing programme targets. Whilst the feasibility will also consider options of temporary storage, initial thoughts are that because the collections when moved would become vulnerable to damage, theft etc. it is considered preferable that they are moved directly to a new permanent location which is likely to have significant revenue savings.

- 5.5 BMT was set up in 2012 as a registered charity and a company limited by guarantee to manage the Council's historic houses, cultural sites and collections on behalf the City Council. As part of the creation of the Trust all of the staff were transferred from BCC to BMT. This means all of the relevant specialist expertise and knowledge to deliver the museum service now sits within the Trust. It should be noted that Birmingham has the largest civic museum service in England.

The collections are displayed and stored in nine venues including BMAG which operates as the head office for the BMT. The collection contains approximately 1 million objects. Much of it is designated by Arts Council England (ACE) as being of national importance and many collections are of international significance. Only 1% is on display or on loan at any one time. The collection is stored in 2 locations; BMAG and the Museum Collection Centre (MCC), Dollman Street, Nechells. Neither building meets modern standards of collections care with issues relating to the security of the collection, limited public and goods access and difficulty in movement of objects, generally declining condition of the buildings, pest infestation, inadequate storage furniture, serious episodes of water ingress and limited environmental controls. The MCC is also partially impacted by proposals for HS2. Failure to address these issues could result in the ACE removing their accreditation.

- 5.6 BMT has reviewed the requirements for storing the collection in line with current UK and international guidelines and standards for conservation and collections care. These have helped shape the brief for the proposed new build.
- 5.7 The options appraisal has been carried out to review and assess the viability of each option to accommodate the storage and conservation of the collection including the current facilities; however, to be able to operate, maintain and manage the collection properly including building in capacity for the collection to grow, the preferred option is to have a new purpose built facility as recommended in 2.1 of this report. This would provide a solution to the issue that there will be insufficient capacity on completion of the Council House complex works for all of the collection and back of house functions to be returned. A new build solution could also allow co-location of partner organisations and their collections. BMT and the Council acknowledge that this is an opportunity that has not previously been realised on this scale either nationally or internationally creating a building that would be more than a storage facility with offices to act as BMT headquarters, workshops and visitor facilities in one purpose built hub. There is an aspiration to investigate designing a building to meet Passivhaus requirements which is a rigorous European standard that works by insulating the building to the most effective levels reducing running costs by anything between 50% - 90%.
- 5.8 The forthcoming Department for Digital, Culture and Media review of regional museums is likely to advocate and support the creation of regional hubs similar to what BMT strive to deliver for museum storage and associated facilities. This creates the possibility of creating a completely new type of cultural attraction offering opportunities for learning, creativity and research based on collections, performance and other arts practice. The combination of community hub, cultural offer and learning from under-5s to academic research will be unique in the UK and is likely to attract international interest. It will also ensure that BMAG retain their ACE accreditation. It offers unparalleled opportunities for community engagement and skills development, contributing to social and economic regeneration.

- 5.9 A site appraisal exercise was carried out in 2017 whereby different potential sites were viewed. It is proposed that the Poolway at the Meadway is the most appropriate in size and location to be able to deliver the preferred option. However the site was originally intended for new housing following intensive consultation with Ward Members and residents. A master planning exercise is being carried out to look at how the site can be reconfigured to still meet the local aspirations of new housing provision whilst also being able to deliver a new Cultural and Visitor Centre. The proposal is to create an urban village integrating housing, retail, green spaces and the Cultural and Visitor Centre. The new build facility would form the focus for a cultural and community hub involving other cultural and education institutions, acting as a catalyst for regeneration, community cohesion and skills development for the local community. The Birmingham Plan 2031 identifies the Meadway as part of the Eastern Triangle earmarked for regeneration and growth including the provision of new homes and improvements to local centres and a proposed new Metro route connecting the area to the City Centre and the Airport/NEC. Local government statistics show that East Birmingham has not experienced the same improvement rates in employment figures as other parts of the City. BMT's cultural offer, in partnership with other organisations, will attract new investment to this area of current low-growth. The location of Meadway is crucial, located within short walking distance of Lea Hall railway station, which in turn is connected to Birmingham, Coventry (City of Culture in 2021) and Birmingham International Airport. An average of one million passengers a month pass through the airport, and the new store will be less than a ten-minute train journey away
- 5.10 The preferred option site, the Poolway at the Meadway is situated in Garretts Green Ward to the east of the City. The 2011 census identified a population of approximately 25,757 with a working population of 15,788 (age 16 -64). This is a growing population, having increased to approximately 27,182 in 2016. It has a similar age profile to the City average as is the unemployment rate. However 27% of the population have no qualifications which is higher than the City average of 21% of the population. There are 14 schools within a mile radius of "The Meadway", made up of primary and secondary schools which could all access the learning and development programme offered by BMT. East Birmingham has been identified as having a higher proportion of young people who are not in work, full-time education or training, than other parts of the city. The new Collection and Cultural Centre, in collaboration with partners, will bring fresh training and volunteer opportunities, as well as the prospect of some new jobs. BMT has operated a successful Career Ladder over the last decade, inspiring and supporting young people from across the city to pursue careers in the arts, culture and STEM (science, technology, engineering, and mathematics). BMT will bring apprenticeships and other training offers to the new centre, and would expect their partners to also present a similar offer.

Recent research has shown that there are lower rates of participation/engagement in arts and heritage among children born into low income families. The establishment of an inclusive arts/heritage centre, that includes offers specifically for young families and which actively welcomes and encourages participation of young families will go some way to addressing that issue.

BMT is actively committed to the promotion of health and well-being across the social spectrum. THEY operate an established Creative Carers programme, Dementia Café and events for those living with neurodiversity, and relish the opportunity to further extend and expand on these offers, working with local community groups and organisations, such as FitCap and Heartlands Hospital.

- 5.11 The proposed new build will house BMT's support services and commercial, learning, curatorial, conservation and technical functions and the 50,000 artefacts stored in BMAG. This makes this part of the collection publicly accessible for the first time. BMT intend to work with partners to create a vibrant public programme including guided tours, digital labs, community exhibitions, schools learning, outreach, study sessions, workshops and other formal and informal learning and skills development activities, catering to audiences from mothers and toddlers to academics.

There is an aspiration that the new building will include a cafe, play area, retail and flexible learning/performance/exhibition spaces, generating income and contributing to BMT's sustainability. Phase 1 will also include spaces for collocation of partner organisations. Financial contributions in the form of revenue income and one of capital payments will be assessed as part of the negotiation process with potential partners.

- 5.12 In the medium term it is proposed to relocate all of the artefacts from the Museum Collection Centre at Dollman Street to the Poolway site. This would mean all BMAG items in storage would be in one building. This would release the MCC site for either an alternative use by BCC or to be sold, generating a capital receipt. This second phase is inextricably linked to the first part of the project.
- 5.13 The proposal to bring the storage of artworks and artefacts together in one building will make their environmental and physical management more efficient. The proximity to the conservation and technical teams will streamline the work programming for exhibitions and loan. Public access to the stores will be through guided stores tours, object viewing in the study rooms adjacent to the stores, and object viewing and handling sessions for schools and families. Digital access to the collection will also be greatly enhanced. The proposed Museum Collection and Cultural Centre will support the wider BMT aspirations to redevelop BMAG as a major attraction showcasing the city's internationally important collections and improving the visitor experience.
- 5.14 It is proposed that the project will be delivered by the Constructing West Midlands Framework via a competitive process with the Lot 7 contractors.

6. Evaluation of alternative option(s):

- 6.1 The options considered in coming to the proposed recommendation at 2.1 are set out in the Options Appraisal.

7. Reasons for Decision(s):

- 7.1 To approve the Options Appraisal, outlining the options considered and enabling orders to be placed to progress the development of the preferred proposal to the next stages of development.
- 7.2 To support the Council's strategic priorities in the Council Plan Outcomes and Priorities 2018 as outlined in 4.1.
- 7.3 To progress the grant funding bid applications to secure funding to support this proposal.

Signatures

Date

Cabinet Member

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Cllr Ian Ward Leader of the Council

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Cllr Jayne Francis, Education, Skills and Culture

Chief Officer

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Robert James ,Acting, Corporate Director - Place

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List of Background Documents used to compile this Report:

Cabinet report 18 October 2016 Council House Complex Options Appraisal
Cabinet Report 12 December 2017 Council House Complex Works Phase 2

List of Appendices accompanying this Report (if any):

1. Options Appraisal
2. Councillor Matrix
3. Equality Analysis

Report Version

Dated