

Birmingham City Council

Report to Cabinet

13th December 2022



Subject: Full Business Case and Contract Award: Birmingham Museum and Art Gallery – Museum Estate and Development Grant

Report of: Rob James, Strategic Director, City Operations

Relevant Cabinet Member: Councillor Yvonne Mosquito, Cabinet Member Finance and Resources
Councillor Jayne Francis, Cabinet Member Digital, Culture, Heritage and Tourism

Relevant O &S Chair(s): Councillor Akhlaq Ahmed, Resources
Councillor Jack Deakin, Commonwealth Games, Culture and Physical Activity

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Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
Ladywood		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 010637/2022.		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential : Exempt information Schedule 12A to the Local Government Act 1972 (as amended). Paragraph 3. Information relating to the financial or business affairs of any particular person (including the council)		

1 Executive Summary

- 1.1 A £4.998m grant award from the Department of Digital, Culture Media and Sport (DCMS) Museum Estate and Development (MEND) Fund (administered by Arts Council England) was accepted by delegated authority April 2022, for building and infrastructure repairs at Birmingham Museum and Art Gallery (BMAG).
- 1.2 The report seeks approval to the Full Business Case (FBC) Appendix 2 to approve the contract award detailed in Appendix 1 from RIBA Plan of Works Stage 5 to progress the repairs and renovation works on site at BMAG.

2 Recommendations

That Cabinet:

- 2.1 Approves the FBC in Appendix 2 for the refurbishment works at Birmingham Museum and Art Gallery at a maximum capital cost of £4.998m inclusive of works, fees and contingencies.
- 2.2 Approves the award of a construction contract to ISG Construction Ltd for the repairs and renovation works to BMAG from RIBA Plan of Work Stage 5 (construction) commencing 23rd January 2023 using the Constructing West Midlands 2 (CWM) Framework Agreement. Cabinet approved the procurement route for the project and the award of a contract to RIBA Stage 4 on 22nd March 2022 to ISG Construction Ltd which has been successfully completed.
- 2.3 Authorises the City Solicitor and Monitoring Officer (or their delegate) to take all steps necessary for the preparation of any documents, to negotiate, execute and complete all necessary documentation to give effect to the above recommendations.

3 Background

- 3.1 BMAG is a Grade II* listed building and consists of the 1885 galleries (entrance, Round Room, cafe, Industrial Gallery, balcony galleries, shop) which are linked by a bridge (Link Bridge) to the rest of the building which consists of the Council House Extension (CHE) Galleries, back of house spaces, workshops, fine art stores, and the Gas Hall exhibition space.
- 3.2 The BMAG is managed by the Birmingham Museum Trust (BMT) which was set up in 2012 as an independent charity to manage the city's museum collections and buildings. The Council has a 25 year service contract with BMT (with ancillary property leases) for the provision of museum services.
- 3.3 An Outline Business Case was approved at Cabinet on 22nd March 2022, to progress the development and design works and approval to the procurement strategy and activity for the works using Acivico Ltd's Constructing West Midlands 2 (CWM2) Framework Agreement.
- 3.4 A Delegated Authority 'DCMS MEND Fund Grant Acceptance' was approved in April 2022 by the Assistant Director Neighbourhoods to accept the grant funding

of £4.998m. This is supported by a sum of £3.415m match from the Council House Complex Refurbishment and Electrical Rewire project.

3.5 The scope of works includes repairs and renovations for the following:

- Accessibility – lift repairs/replacement to the public lift on Edmund Street and the goods lift on Margaret Street.
- Fabric longevity – replace water damaged plaster and paint work and roof works to the 1885 and Council House extension roofs.
- Upgrading building services – upgrade the heating systems to the 1885 building, link bridge and Council House extension and the upgrade of the mains water inlet/outlet valve.
- Fire protection – upgrade fire doors and other fire protection works.

3.6 A detailed costed options appraisal has been prepared to maximise the amount of work being carried out to take advantage of the closure period whilst still addressing the outcomes included within the MEND application and keeping within the budget allocation. The option included in the original application has been developed to RIBA Plan of Work Stage 4 with a full schedule of surveys commissioned to inform the design, achieve more cost certainty and to de-risk the project. The revised cost plan for this option exceeded the original estimate by £2.91m due to the complicated nature of replacing the patent glazing in the 1885 roof and the scaffolding required, extended programme of 18 months and increased cost of inflation, materials, labour and preliminaries. Together with the financial pressure of the reinterpretation costs (new display cases, rehanging of artwork, decoration of galleries) of reopening the BMAG in 2024 this cost has been deemed unaffordable hence the scope has been redeveloped in line with the findings of the surveys carried out and the work to the 1885 roof refined to necessary works to address the buildings defects whilst still meeting the original outcomes of the MEND application.

3.7 Following the completion of the electrical refurbishment of the Council House, BMAG reopened spaces within that block to the public on a reduced scale in April 2022 ready for the Commonwealth Games. However, the elements within the Council House Extension will not be available until the completion of the Council House Complex Refurbishment and Rewire programme of works in the summer 2023. Due to the scope of works included in this proposal i.e., roof and high level plaster repairs/replacement which will require internal scaffolding it is not possible to allow the public into these areas for health and safety reasons and it therefore makes sense to limit impact on the public to undertake these works whilst the facility is closed for other refurbishment activity.

3.8 The scope of works in the MEND proposal will take approximately 31 weeks to complete with a proposed start on site in January 2023 with completion anticipated for the end of August 2023. There will be a period of time thereafter

when BMT will reconfigure the displays in the galleries and recall the artefacts from storage prior to reopening to the public.

4 Options considered and Recommended Proposal

- 4.1 Do nothing and not to award a contract for RIBA Stage 5 – this would result in the building (Grade II* listed) deteriorating further and putting the building and collections at considerable risk. Doing nothing now will lead to escalating costs in the future to address the works.
- 4.2 The recommended proposal is to award a contract at RIBA Stage 5 and progress the works on site. This is a one-off opportunity to carry out major repair works whilst is BMAG already closed to the public and its collections removed from the galleries due to the current electrical refurbishment allowing full access for work to be carried out.

5 Consultation

- 5.1 The Leader of the Council and relevant Ward Members have been consulted on this proposal and support it going forward to the next stage of delivery.
- 5.2 The report and FBC was presented to Capital Board on the 9th November 2022 who supported the proposal being progressed.
- 5.3 On approval of the contract award to progress RIBA Stage 5 further consultation will be carried out with customers to inform them of the timetable, scope of works to be carried out and alternative service provision during the temporary closure of BMAG.
- 5.4 BMT's Trustees are working in partnership with the Council and are supportive of the works progressing on site.
- 5.5 The consultation with Arts Council England is ongoing as part of the development and delivery process for the project.

6 Risk Management

- 6.1 A risk register is appended to the Full Business Case Appendix 2.
- 6.2 The main risks to the project at this stage are unforeseen works and the impact these could have on the programme. If additional works are identified an informed decision will be made to what works can be progressed within the constraints of the budget. A contingency has been included within the cost plan.

7 Compliance Issues:

- 7.1 **How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**
 - 7.1.1 The proposal supports the Birmingham City Council Corporate Plan 2022-2026 Our strategic outcomes and priorities:

- A Bold Prosperous Birmingham - The renovation work and continued operation of this internationally significant building will have a positive impact on the City's profile nationally and internationally with the potential to support the City's growing reputation as tourist destination.
- A Bold Inclusive Birmingham – BMT will be able to operate in a building that is watertight with internal areas upgraded allowing them to promote and champion diversity, civic pride and culture, and to empower the citizens of Birmingham to have a voice in how BMAG operates.

7.1.2 The repairs and renovations to BMAG will support the delivery of museum services that benefit the citizens of Birmingham and other stakeholders. The design development will be looking for sustainable solutions to evidence that Birmingham takes a leading role in tackling climate change.

7.1.3 It also supports the Property Strategy 2018/19 – 2023/24 by improving a Grade II* listed asset, providing “fit for purpose” property which meets modern standards and service specific defined objectives, specifically working towards ensuring the asset is operationally efficient.

7.1.4 An Environment and Sustainability Assessment was included as part of the report and Outline Business Case “Birmingham Museum and Art Gallery – MEND Grant’ approved at Cabinet on the 22nd March 2022 (Appendix 3).

7.1.5 Birmingham Business Charter for Social Responsibility (BBC4SR)

ISG Construction Ltd is an accredited signatory to the BBC4SR and has produced an action plan with commitments relevant and proportionate to the value of the proposed contract as part of the work to deliver this proposal. The commitments enhancing and increasing skill levels within the local labour market during construction, focusing on the following key areas:

- Provision of work placements for both education sector and those not in employment
- Jobs for local people and pre-employment routeways into roles for local people
- Educational activities and community activities around health and well being
- Support local community using Match My Project

7.2 Legal Implications

7.2.1 The Council has a best value duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of efficiency, economy and effectiveness.

- 7.2.2 This report exercises powers contained within the Public Libraries and Museums Act 1964 by which the local authority for the area is under a duty to provide and maintain museums and art galleries.
- 7.2.3 The Council has a duty under the Occupiers Liability Act 1957 to take such care as in all the circumstances of the case is reasonable to see that visitors will be reasonably safe in using the Council's premises for the purposes for which they are invited or permitted by the Council to be there
- 7.2.4 Under Section 145 of the Local Government Act 1972 the Council may do, or arrange for the doing of, anything necessary or expedient for the provision of entertainment of any nature, the provision of a theatre, development and improvement of the knowledge, understanding and practice of the arts and the crafts which serve the arts and any purpose incidental to the matters aforesaid.

7.3 Financial Implications

- 7.3.1 The capital cost of the scheme as set out in the FBC in Appendix 2 is £4.998m. This is funded by the MEND grant as awarded by the Department of Digital, Culture Media and Sport (DCMS). A breakdown of costs is included within Exempt Appendix 1. These works will improve the fabric of the building negating the need for ongoing revenue repairs.
- 7.3.2 Following escalating cost pressures as outlined in paragraph 3.6 the scope of the project has been revised to be contained within the affordable budget envelope whilst still meeting grant requirements

7.4 Procurement Implications

- 7.4.1 A contract was awarded to ISG Construction Ltd approved by Cabinet in the Outline Business Case 'Birmingham Museum and Art Gallery – MEND Grant' report dated 22nd March 2022 for the first stage of the construction under a Preconstruction Services Agreement up to and inclusive of RIBA Plan of Works Stage 4, using Acivico Ltd's CWM2 Framework Agreement by direct award. This report seeks authority to award a construction contract to ISG Construction Ltd in accordance with the approved procurement route to deliver the main works from RIBA Plan of Works Stage 5 (construction) to completion. Further details relating to the award of contract are in Exempt Appendix 1.

7.5 Human Resources Implications

- 7.5.1 Professional services to support the project are being provided by Property, Finance, Procurement and Legal Officers who will be engaged to deliver this proposal with technical support from Acivico Ltd who will administer the contract.

7.6 Public Sector Equality Duty

- 7.6.1 A copy of the Equality Act 2010 – Public Sector Duty statement together with the initial equality assessment screening are appended – Appendix 4 ref EQUA545 The initial equality assessment discloses that the report recommendations will not have a negative impact on the characteristics and groups protected under the Equality Act 2010 and therefore it is considered that a full assessment is not required for this report.

8 Background Documents

- 8.1 Cabinet report and Outline Business Case 22nd March 2022 'Birmingham Museum and Art Gallery – MEND Grant'

List of appendices accompanying this report:

Appendix 1 Exempt Information

Appendix 2 Full Business Case

Appendix 2a Construction Programme

Appendix 3 Environment and Sustainability Assessment

Appendix 4 EINA