

FULL BUSINESS CASE (FBC)

A. GENERAL INFORMATION

A1. General

Project Title <i>(as per Voyager)</i>	Full Business Case and Contract Award: Birmingham Museum and Art Gallery – Museum Estate and Development Grant		
Oracle code	L00065		
Portfolio /Committee	Leader's Portfolio	Directorate	City Operations
Approved by Project Sponsor	Chris Jordan AD Neighbourhoods	Approved by Finance Business Partner	Carl X Tomlinson

A2. Outline Business Case approval *(Date and approving body)*

Cabinet 22nd March 2022

A3. Project Description

Birmingham Museum and Art Gallery (BMAG) is part of the Council House Complex which includes the Council House, Council House extension (Margaret St) and BMAG. BMAG was built in 1885 and is Grade II* listed. It 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.

A grant application was submitted to the Museum Estate and Development (MEND) Fund in October 2021. Approval was received from the Arts Council England (ACE) in February 2022 on the full grant submission of £4.9m. The funding will fund the following works:

- Repair the 1885 and Council House roofs including replacing gutters and flashings
- Improve physical access with the refurbishment of the Gas Hall public lift and the Margaret Street goods lift.
- Replace damaged plaster and decorations
- Upgrade heating and lighting.
- Fire protection works

The project delivers on all MEND aims with the majority of funds invested to protect the fabric and longevity of BMAG's structure, displays and stored designated collections by undertaking repairs to prevent water-ingress. The project includes improving conditions and safety for building users, collections and building fabric; improving physical access and protecting collections in transit with the replacement of lifts.

The Council is currently undertaking the 'Council House Refurbishment and Rewire' project which required a decant of BMAG. The timing offers a unique opportunity to undertake the project whilst the Museum is closed to the public and the artefacts have been put into storage.

A report and Outline Business Case were approved at Cabinet on the 22nd March 2022 which approved awarding a contract up to and including RIBA Stage 4 to ISG Construction Ltd (to RIBA Plan of Works Stage 4) who are undertaking the work on the Council House Complex. This has provided an opportunity to align the BMAG works with those of the Council House Complex.

The BMAG MEND works are programmed to commence on site in January 2023 with completion anticipated in August 2023. BMT will then undertake bringing the collections back from storage.

A4. Scope

- Repairs to plaster/paint work throughout the 1885 building and extension.
- Refurbished goods lift (Margaret St) and passenger lift (Gas Hall).
- Heating upgrades to 1885 building, bridge link and the Council House extension.
- Upgrades to water inlet/outlet
- Fire door/fire stopping upgrade.
- Repair/renovations to 1885 roof and Council House roof including improving access for

future maintenance

A5. Scope exclusions

All other areas of BMAG that were not included as part of the MEND grant application and all exhibit display cases are excluded from the proposal.

B. STRATEGIC CASE

This sets out the case for change and the project's fit to the Council Plan objectives

B1. Project objectives and outcomes

The case for change including the contribution to Council Plan objectives and outcomes

The proposal supports the Birmingham City Council Corporate Plan 2022-2026. The strategic outcomes and priorities specific to this proposal are:

- A Bold Prosperous Birmingham
- A Bold Inclusive Birmingham

The proposal supports the Property Strategy 2018/19 – 2023/24. The work will help to renovate a Grade II* listed asset, working towards providing “fit for purpose” property which meets modern standards and service specific defined objectives, specifically working towards ensuring the asset is operationally efficient. The completed project will assist in the protection of the Museum's collections ensuring they are displayed and stored in an environment that is weather tight.

B2. Project Deliverables

These are the outputs from the project eg a new building with xm2 of internal space, xm of new road, etc

- Protect building fabric, structure, exhibits & collections from water ingress
- Improve physical access by repairing/replacing the public lift and goods lift that serve BMAG.
- Upgrade heating and lighting to reduce the buildings carbon footprint.
- Carry out repairs to water damaged plaster
- Renovate/repair roofs and associated fixtures and fittings including gutters, flashings and the inclusion of man safe systems for future maintenance.
- Replace the mains water outlet to ensure future internal floods are avoided in the future
- Fire protection works to improve fire avoidance.

B3. Project Benefits

These are the social benefits and outcomes from the project, eg additional school places or economic benefits.

Measure	Impact
<i>List at least one measure associated with each of the objectives and outcomes in B1 above</i>	<i>What the estimated impact of the project will be on the measure identified – please quantify where practicable (eg for economic and transportation benefits)</i>
Deliver revenue savings – reduced maintenance and energy consumption	Reduces reactive repairs and maintenance, lower energy costs.
Supports income generation	Allows for areas to be used for functions, exhibitions without the risk of disruption from water ingress etc.
Improved fire protection, roof repairs and work to upgrade the water inlet/outlet	Collection safety - Reassurance that the collections are protected from the risk of fire and water damage in the future
Refurbishment of goods lift	Exhibits can be moved internally and externally without being damaged.
Refurbishment of the public lift	Refurbishment of the Gas Hall public lift will ensure that there is access for all.
Improved visitor experience	Installation of heating in the Tearoom, Bridge Link

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	and other areas of the building will provide a more ambient environment for visitors.
New heating and energy efficient lighting together with the roof repairs	Health and safety, access and building sustainability issues addressed
B4. Benefits Realisation Plan	
<i>Set out here how you will ensure the planned benefits will be delivered</i>	
<p>The Project Team will oversee the key actions and timeline in this proposal. Costs will be managed on an ongoing basis with strict control to keep within the limitations of the grant budget. The Programme will be aligned with that of the Council Complex project to ensure the reopening of the BMAG is not delayed and the grant condition relating to the deadline of spend are adhered to.</p>	
B5. Stakeholders	
<p>A stakeholder analysis is set out at G4 below. A summary of consultation responses is in the covering Executive report.</p>	
C. ECONOMIC CASE AND OPTIONS APPRAISAL	
<i>This sets out the options that have been considered to determine the best value for money in achieving the Council's priorities</i>	
C1. Summary of options reviewed at Outline Business Case	
<i>(including reasons for the preferred option which has been developed to FBC)</i> <i>If options have been further developed since the OBC, provide the updated Price quality matrix and recommended option with reasons.</i>	
<ul style="list-style-type: none"> 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. Award a contract for RIBA Stage 5 and progress the works on site. - this is the recommended proposal to enable the work to be carried out site. 	
C2. Evaluation of key risks and issues	
<i>The full risks and issues register is included at the end of this FBC</i>	
<p>The keys risks are unforeseen works and the impact on the programme. It is essential that the project is completed within the MEND grant guidelines and whilst the building is closed (as part of the Council House Complex refurbishment and rewire project) and within budget. A contingency has been included within the cost plan to offset the cost of any unforeseen works Arts Council England will not increase the grant as it was the maximum amount awarded within the £5m threshold. Any additional funds will need to be identified by BCC and BMT.</p>	
C3. Other impacts of the preferred option	
<i>Describe other significant impacts, both positive and negative</i>	
<p>This is the only opportunity to carry out intrusive works whilst the building is closed to the public and the artefacts are not on display.</p> <p>Provides an opportunity to reduce the carbon footprint of the BMAG by improving energy and thermal efficiency in the building</p>	
D. COMMERCIAL CASE	
<i>This considers whether realistic and commercial arrangements for the project can be made</i>	
D1. Partnership, Joint venture and accountable body working	
<i>Describe how the project will be controlled, managed and delivered if using these arrangements</i>	
<p>Although not a formal partnership arrangement the Council has been working collaboratively with BMT as a partner, to deliver the project on site. BCC was awarded the grant formally but are working in partnership with BMT to ensure the project is delivered on site according to the grant conditions. Both BCC and BMT are members of the Project Team.</p> <p>The day to day relationship is that of Landlord and Tenant with BMT occupying their demised areas under a 25 year lease as part of the overall management agreement between the City Council and</p>	

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Birmingham Museum Trust for management of the collection and historic premises.

D2. Procurement implications and Contract Strategy:

What is the proposed procurement contract strategy and route? Which Framework, or OJEU? This should generally discharge the requirement to approve a Contract Strategy (with a recommendation in the report).

The report and Outline Business Case approved at Cabinet on 22nd March 2022 approved the procurement route of a direct award to ISG Construction Ltd . Following successful completion of RIBA Stage 4, the recommendation is for ISG Construction Ltd to commence RIBA Stage 5 and progress the works on site.

D3. Staffing and TUPE implications:

There is no staffing or TUPE implications for this project.

E. FINANCIAL CASE*This sets out the cost and affordability of the project***E1. Financial implications and funding**

	Financial Year:	2022/23	2023/24	2024/25	later	Total
		£000	£000	£000	£000	£000
Capital code:	<input type="text"/>					
CAPITAL EXPENDITURE						
Capital costs already incurred						
Other costs to complete:		2,224,428	2,164,071	610,321		
Acivico fees						321,233
BMT PM						66,000
Works						4,289,519
Contingency						322,068
Total capital expenditure		2,224,428	2,164,071	610,321	0	4,998,820
CAPITAL FUNDING:						
Development costs funded by:						
[please itemise]						
Other costs funded by:						
MEND Grant		2,224,428	2,164,071	610,321		4,998,820
Total capital funding		2,224,428	2,164,071	610,321	0	4,998,820

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Financial Year:	2022/23	2023/24	2024/25	later	Total
	£000	£000	£000	£000	£000
Revenue code:	<div></div>				
REVENUE CONSEQUENCES					
Revenue costs during project delivery:					
[please itemise]					0
					0
Operating period expenditure:					
[please summarise main items]					0
					0
					0
					0
Less income:					
[please itemise]					0
					0
					0
Less proposed savings					0
Net revenue consequences	0	0	0	0	0
REVENUE FUNDING:					
					0
Current budget provision					0
Other revenue resources identified:					0
[please itemise]					0
					0
Total revenue funding	0	0	0	0	0
E2. Evaluation and comment on financial implications:					
The works are to be funded from the MEND Grant of £4.998m with match funding of £3.415m apportioned from the Council House Complex Refurbishment and Electrical Rewire project. Total value of the project £8.414m					
E3. Approach to optimism bias and provision of contingency					
A 7.5% client contingency for unforeseen additional works has been included within the cost plan.					
E4. Taxation					
Describe any tax implications and how they will be managed, including VAT					
The Council will be able to recover the 20% VAT on payments to the contractor under the normal procedures.					
F. PROJECT MANAGEMENT CASE					
This considers how project delivery plans are robust and realistic					
F1. Key Project Milestones			Planned Delivery Dates		
The summary Project Plan and milestones is attached at G1 below					
Cabinet approval			13 th December 2022		
Contract Award			20 th December 2022		
Planned start date for delivery of the project			23 rd January 2023		
Practical completion			August 2023		

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Date of Post Implementation Review	September 2024
F2. Achievability <i>Describe how the project can be delivered given the organisational skills and capacity available</i>	
<p>Acivico Ltd and ISG Construction Ltd are already contracted to deliver the 'Council House Complex Refurbishment and Rewire' Project which is currently progressing on site. They have a team of specialists who understand the building and have carried out surveys relating to the works in this proposal which puts them in an excellent position to continue and deliver the BMAG MEND project.</p>	
F3. Dependencies on other projects or activities	
<p>The proposal will be aligned with the programme for the Council House Complex Refurbishment and Rewire Project which is already progressing on site.</p>	
F4. Officer support	
Project Manager (client): Lesley Steele	
Project Accountant: Lisa Pendlebury	
Project Sponsor: Chris Jordan AD Neighbourhoods	
F5. Project Management <i>Describe how the project will be managed, including the responsible Project Board and who its members are</i>	
<p>The project will be managed by the client Property Services on behalf of the end user BMT. Acivico Ltd have been commissioned to administer and manage the Pre-construction services agreement (PCSA) and on approval of the Cabinet report will be commissioned to administer the construction contract for delivery of the works.</p> <p>A project team has been set up, made up of BMT end user representatives, Client PM, Acivico and the contractor.</p> <p>The Project Board will be made up from representatives from Finance, Property Services, BMT and City Operations Directorate</p> <p>The project preconstruction is being managed through monthly design meetings and monthly Project Team meetings chaired by Acivico.</p> <p>Cost control will be a key measure as there is access to additional grant funding from MEND so change control must be rigorous to ensure there is no overspend.</p> <p>.</p>	

G. SUPPORTING INFORMATION

(Please adapt or replace the formats as appropriate to the project)

G1. PROJECT PLAN

Detailed Project Plan supporting the key milestones in section F1 above

Attached Appendix 2a

G2. SUMMARY OF RISKS AND ISSUES REGISTER

Risks should include Optimism Bias, and risks during the development to FBC

Grading of severity and likelihood: High – Significant – Medium - Low

		Risk after mitigation:	
Risk or issue	mitigation	Severity	Like- lihood
1. Unforeseen Works	Surveys have been carried out to identify the full scope of the works. A contingency is built into the cost plan to offset any additional costs and programme delays arising from unforeseen requirements. A further value engineering exercise will be carried out to ensure the scope does not exceed the grant funding.	M	L
2. Programme delays	Programme has been aligned with the Council House Complex programme to ensure there are no abortive or duplication of works. The programme will be reviewed regularly, and activities adjusted if required. The completion date is well within the deadline of spend for the MEND Grant of March 2025.	L	L
3. BMT request compensation for delay in reopening BMAG	The programme has been aligned with that of the Council House Complex to ensure completion in the summer of 2023. It is recognised that any deviation to this programme could result in claims for loss of income. See point 2 above	H	M
4. Listed Building Consent	The Conservation Planner has been consulted on the scope and specification for the works and is supportive.	L	L
5. Brexit, market conditions, material shortages & inflation	Competitively tender all sub-contract packages and monitor supply chain. Inflation and contingency sums included in cost plan.	M	M
6. Further Covid 19 Outbreak	Construction industry is familiar with working under pandemic conditions Government /NHS guidance to be followed. Welfare facilities will be provided to ensure hand washing/sanitiser stations are in place	L	L

G3. EXTERNAL FUNDING AND OTHER FINANCIAL DETAILS

Description of external funding arrangements and conditions, and other financial details supporting the financial implications in section E1 above (if appropriate)

The terms and conditions associated with the MEND Grant are laid out in the offer letter. Payments are made in instalments as per the MEND schedule and are conditional on receiving the appropriate monitoring reporting information.

G4. STAKEHOLDER ANALYSIS		
Stakeholder	Role and significance	how stakeholder relationships will be managed
Birmingham Museum Trust	Partner	Regular meetings
Cabinet Member Digital, Culture, Heritage and Tourism & Cabinet Member Finance and Resources	Portfolio holders for the Service and Budget	Regular verbal and email updates via the Head of Cultural Development and Tourism
Strategic Director City Operations and Assistant Director Neighbourhoods	Sponsor	Regular verbal and email updates via the Head of Cultural Development and Tourism
Department of Digital, Media Culture and Sports, Arts Council England	Grant originator and administration	Regular progress reports as stipulated in the grant conditions.
The Public	End users	BMAG social media
ISG Construction	Contractor	Meetings and regular contact with Acivico

Other Attachments <i>provide as appropriate</i>	
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