

ITEM No ...3.....

REPORT TO: POLICY & RESOURCES COMMITTEE – 27 JUNE 2016
REPORT ON: V&A MUSEUM OF DESIGN – PROGRESS REPORT
REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT
REPORT NO: 224-2016

1 PURPOSE OF REPORT

1.1 To update the Committee on progress towards the delivery of the V&A Museum of Design project.

2 RECOMMENDATION

2.1 It is recommended that the Committee notes the progress being made on the construction of the V&A Museum of Design and notes that officers will continue to closely manage and monitor its delivery to ensure a successful outcome.

3 FINANCIAL IMPLICATIONS

3.1 The expenditure to date on the construction contract is slightly lower than the proposed spend profile at month 15 of the project. There is in place a robust and tested Change Control Procedure that ensures, through a number of gateway check points, that any potential request for change to the tender design, emanating from any party, is clearly identified and analysed and challenged against requirement, cost and programme. Eighteen minor and one major Construction Contract Change Orders have been issued to date; although the level of spend on the Construction Contingency is in line with the anticipated commitment of these contingencies at this stage of the project.

3.2 Significant progress has been made with the proposed Growth Accelerator fund for the Dundee Waterfront Project including the requested £12.61m towards the construction costs of the V&A Dundee. The Scottish Government have approved the business case submitted by the Council and detailed discussions are now underway with the Scottish Futures Trust on the funding conditions. Details of the Growth Accelerator funding will be reported to Committee after the summer recess.

3.3 As part of the Budget on 17 March, the Chancellor announced an additional contribution of £5m from Libor Fines for the V&A Museum of Design project. This will be used to contribute towards the overall funding target and to allow the public experience of the new museum to be enhanced in line with that expected of a world class museum.

3.4 Regular feedback and liaison is being provided to existing funders such as the Scottish Government's Infrastructure Investment Board, Scottish Enterprise and the Heritage Lottery Fund.

4 CONSTRUCTION PROGRESS

4.1 The Committee at its meeting on 26 January 2015 (Article IV of the Minute of Meeting and Report No 21-2015 refer) agreed to proceed with the construction contract for the V&A Museum building, landscaping and associated works and the formal contract with BAM Construction Ltd was signed on 23 February 2015. The construction site was fully mobilised by end March 2015. On 9 November 2015 (Article XI of the Minute of Meeting and Report No 400-2015 refer) the Committee received and noted a Progress Report which advised that the construction works were on programme and on budget and this remains the case.

- 4.2 The construction of the remodelled river wall has now been completed both for the building and the riverside promenade. This has allowed the temporary piling and reinforced concrete slab to be constructed along the riverside for the external wall construction which is now making good progress. The superstructure for the Cores of Building A and B are now 100% complete which give an excellent idea of the overall height of the museum building. The precast stairs within both core structures are now installed. The 1st Floor Steelwork installation works commenced at the end of April 2016 with the sub contractor welding the steel to steel connections to the cast in plates prior to installing the 1st floor structural steelwork which commenced in early May 2016 and the associated concrete floors have now been poured
- 4.3 The design and construction of the external walls have been a unique challenge and, therefore, progress on these had initially been slower than programmed by BAM Construction. The Construction Team, Project Manager, Design Team and Council Officers have worked together to re-sequence these works and to increase resources to allow the overall construction delivery to be achieved for the end of 2017 as programmed. The external walls are now advancing well as BAM Construction and their Concrete Sub Contractor and specialist formwork designer/supplier refine their construction methodologies.
- 4.4 **Key construction milestones**
- Cofferdam to be complete by June 2015; completed last week in May 2015.
 - Building piles to be completed September 2015; completed August 2015.
 - Contiguous River Wall piling to be completed September 2015; completed August 2015.
 - Tower cranes erected end of August 2015; completed on programme.
 - Core Wall construction to commence end of August 2015; commenced September 2015.
 - External wall construction to commence start of October 2015; commenced November 2015 and currently on programme. Building A West and North walls have reached Level 2 (Restaurant Terrace level). Building B East and North walls are progressing to Level 2.
 - Level 1 steel work and concrete floor slabs to be completed end of May 2016 and completed on time
 - Level 2 Steelwork due to arrive on site end of August 2016
 - Geothermal bore holes completed and connected to external manifolds ready to pipe into the building. Completed 1 year ahead of programme [Water feature slabs completed 1 year ahead of programme and providing a reduction in overall cost due to acting as the temporary works slab
 - M&E 3 D coordinated services installation model completed 6 months ahead of installation commencing
 - All key sub contractors now appointed
- 4.5 The Design Team and Main Contractors meet with the Project Manager every two weeks to review Progress and current/future design and construction issues. Formal progress meetings are held on a monthly basis. Specific Technical/Design workshops are held weekly with a focus on identifying future issues and ensure these are mitigated well in advance of programme and/or cost impact. Additional design team resources have been secured to ensure a full time on-site presence to monitor quality and resolve any design details expeditiously.
- 4.6 The Council's V&A Project Board continues to meet regularly to monitor progress and guide the construction of the project. As part of their last meeting there was a site visit to see first hand the progress on the building and the high level of performance of the contracting team. It is hoped to organise a similar site visit for all councillors prior to the consideration of this report in June.

5 RISK MANAGEMENT

- 5.1 A risk register is maintained by the Project Manager and reviewed with the Contractor and Design Team every two weeks to ensure all mitigating measures are being actively progressed. The Risk Register has been significantly overhauled following progress on reducing key risks over the first year of the project, such as the coffer dam installation, the piling of foundations and the re-sequencing of the external wall construction.
- 5.2 The risk status is reviewed monthly with Council Officers, Project QS, Project Manager and DDL representation every month; this is then reported to the DCC Project Board. There are currently no issues or concerns to report on at this time, but all remaining risks will be rigorously monitored and managed as the project progresses. The Risk Register is also reviewed every month by the Project Manager, Project QS and the Head of Scottish Government Procurement Unit who has extensive expertise in delivering major capital projects

6 COMMUNITY BENEFITS

- 6.1 To date approximately 57% of the labour on site has been from the local area (defined as within 35 miles of site) and for the month of May 2016 this was 72%. In total 33 new employment opportunities have been created on site of those 16 have been defined as 'new start' employment opportunities; this means that they have been filled with previously unemployed candidates, young people from training programmes or those experiencing redundancy. There has also been 5 new apprentice opportunities created due to this project, with 7 existing apprentices also employed on the project.
- 6.2 The provision of work experience is an important tool in supporting students from school, college, university or employability programme to gain an insight into the industry and improve their skills. To date 9 work placements have been delivered on site. This has included a work placement programme for 3 senior school pupils interested in Engineering. They undertook a 2 week placement in November and will be returning in late June 2016 to complete a second 2 week placement. Feedback from participants has been very positive including 'It has given me an insight into what the engineers are doing on this project and I still want to pursue a career in engineering. I have thoroughly enjoyed my two week placement working with Careys' and another indicated that 'I want to do engineering at university and I loved my experience'
- 6.3 A full programme of both onsite and offsite awareness raising activity is also underway, up to the end of April 2016 this had supported 284 individuals, participating in 14 visits or activities, including site visits for Employability, college and university groups to 'Insight to Construction' talks with local primary schools.
- 6.4 Measures are also in place to encourage local contractors to compete for subcontract and supply opportunities. To date 12% of project funding has been spent with local contractors or suppliers (within 35 miles), this percentage will increase significantly as further sub-contracting packages are awarded. Only two specialist sub-contractors are currently active on site. Four Supplier Development Events (including participation in Meet the Buyer Events) have been held locally with more to be delivered later in the programme.

7 FURNITURE, FIT-OUT AND EQUIPMENT (FF&E)

- 7.1 The FF&E delivery has been split into a number of packages and a Project Execution Plan developed for delivery along with individual programmes. An FF&E Steering Group and a Dundee City Council FF&E Working Group have been established to ensure full management of the FF&E delivery by the Council.

7.2 The key packages are:

- Scottish Design Gallery (SDG)
- Charles Rennie Mackintosh Oak Room (CRMOR)
- V&A Temporary Galleries
- Back of House Gallery areas
- Digital/AV/IT
- Kitchen/Serveries
- Office/Workstations
- Education facilities
- Wayfinding/Signage
- Restaurant Fit Out
- Retail Fit Out

All FF&E packages are to be procured via Dundee City Council including design services associated with each package. To ease the interface and coordination with the Construction delivery and to accelerate costing and design input, packages such as the Kitchen are being instructed into the main Construction Works.

7.3 The progress on each FF&E package can be summarised as follows;

- Scottish Design Galleries: Design Services tender process began April 2016.
- V&A Temporary Galleries: Show-case costs obtained and within budget allowance
- CRMOR: Tender process commenced April 2016.
- Gallery Back of House: Briefing being developed to allow scoping of equipment and layouts to be considered and costed over 2016
- Kitchen: Design completed and being coordinated with the building design for costing purposes
- Office/workstations: Costs benchmarked. Final briefing to be developed in 2016
- Education facilities: Requirements scheduled and reviewed against Council frameworks. Selection, sample boards and costs to be developed over 2016
- Wayfinding: Short list of specialist designers finalised for tendering May 2016
- Digital/AV/IT: DDL to prepare a Project Execution Plan to allow programme development. Outline brief developed over May 2016

8 MCCLELLAND REPORT RECOMMENDATIONS

8.1 Following consideration of the McClelland Review by Committee on 24 August 2015 (Article VIII of the Minute of Meeting and Report No 296-2015 refer), all of the remaining recommendations which had not already been acted upon at that time have now been implemented. Work is well underway on the Fixtures, Furniture & Equipment (FF&E) component of the project budget. CBA's role as Cost Manager for the project has been strengthened such that they report directly to the Council while still forming an integral part of the design team.

9 MUSEUM OPENING

9.1 The handover of the museum building from the main contractor is still scheduled for the start of 2018 and progress on planning for the following FF&E installation phase which will follow is being advanced. At this early stage, it is not possible to specify an exact opening date in 2018 for the V&A Museum of Design as this will depend on the nature of the opening exhibitions in the main galleries and the possible need for commissioning and testing of the building by way of a 'soft opening' prior its full launch. Further work will be undertaken on these aspects and an update will be provided in future progress reports.

10 DDL BOARD

- 10.1 There have been some changes to the membership of the Board of Design Dundee Ltd which the Committee should note. The Lord Provost has joined the Board to bring experience in the operation of museums and other cultural and leisure facilities. The Chief Executive's alternate has changed from Mike Galloway to Stewart Murdoch in order to remove any potential conflict of interest that the Executive Director of City Development may have had as the Council's lead officer for the construction of the museum.

11 DDL OUTREACH

- 11.1 DDL are developing a three year plan for communities and outreach work both locally and nationally, in line with V&A Dundee's new strategic plan and departmental plans. Their Communities Producer has been meeting with community groups and other organisations from across Dundee to help inform this.
- 11.2 An excellent example of this outreach work was the V&A Schools Design Challenge where twenty schools in Dundee and Angus signed up to take part and, as a result, entries from over 1,000 pupils were received. Ten teams from ten schools across Dundee were selected to take their ideas forward to develop with designers at a Design Jam, which took place in January. The event was filmed for an exhibition, which opened at the Overgate in March. The exhibition was visited by over 5,000 citizens and the pupils films had been viewed on the V&A Dundee website over 30,000 times.

12 POLICY IMPLICATIONS

- 12.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

13 CONSULTATIONS

- 13.1 The Chief Executive, the Executive Director of Corporate Services and Head of Democratic and Legal Services have been consulted and are in agreement with the contents of this report.

14 BACKGROUND PAPERS

- 14.1 None.

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MPG/EC

17 June 2016

Dundee City Council