



Coventry City Council

8

Public report

---

**DRAFT**

**Report of the Scrutiny Co-ordination Committee –**  
**Investigation into the Development and Funding of Coventry**  
**Transport Museum**

**July 2005**

## **1. Background**

- 1.1 The Scrutiny Co-ordination Committee were concerned at the escalating costs associated with the development of the Coventry Transport Museum, due largely to the cost of removing the asbestos found during this renovation project. They were aware that there had been an earlier Scrutiny review (in 2003/2004) into the management of asbestos, which had looked at work carried out at the Museum. However, they wanted to see this in the wider context of the Museum's development. They also wanted to examine how the different grant regimes used to fund the project had affected its overall scope.
- 1.2 A list of the meetings at which the Committee discussed this matter is attached as Appendix 1 to this report.

## **2. Initial Investigations**

- 2.1 The Committee initially commissioned a chronology of the development of the Transport Museum from when it first opened in 1980 through to the present day.
- 2.2 They found that the Matterson's building was acquired by the City Council in 1962 and was subsequently leased back to Matterson's. The Transport Museum was opened in October 1980 and in 1983 took over part of the Matterson's building. In 1994/95, a proposal was made that the Museum should be relocated to a site within the Spon Street redevelopment scheme. However, a decision was made in 1996 not to pursue this proposal, but to develop the Museum on its existing site and subsequently the Museum took over the whole of the Matterson's building.
- 2.3 In 1997 the Millennium Commission approved a grant for the Phoenix Initiative, and the Council made provision within this project for a new frontage for the Museum on its existing site. The Council indicated at this time that any other developments which the Museum Management Board wished to carry out must be funded from external sources.
- 2.4 Between 2000 and 2002, successful bids were made to the European Regional Development Fund, the Heritage Lottery Fund and the Museum Designation Challenge Fund for funding the renovation of the Museum building and the re-interpretation of the Vehicle Collection. Each award of grant funding had different conditions attached.
- 2.5 In 2002, the City Council approved a £4,076,000 development project, to be funded by grants. This could be met largely from grants already awarded, leaving £301, 000 still to be found.
- 2.6 However, between 2002 and 2004 the demolition of the Matterson's building (because it was structurally unsound) and the discovery of asbestos in various parts of that building and elsewhere in the Museum premises, led to revisions of the

renovation scheme (including re-building to replace the space lost by the demolition) and added to its cost. Further grant funding was obtained which met some, but not all, of this cost. In September 2004, the City Council approved funding of £6.2m for the remaining asbestos-related and other building-related costs, in order to keep the Museum on its current site and to prolong its life.

### **3. Further Investigations**

- 3.1 The Committee wanted to find out whether surveys of the Matterson's building at the times when crucial decisions were taken had revealed the existence of asbestos. They therefore asked for information on any survey work undertaken when the building was acquired in 1962 and when the decision was taken in 1996 to develop the Museum on the Hales Street site. However, no detailed survey information prior to 2003 could be found: in particular the acquisition file for the purchase of the building in 1962 had been destroyed. The only information which could be found was an extract from the (old) Corporate Asbestos Register, recording very limited details (relating to the period between 1984 and 1999) of where asbestos was found, its type and the action taken.
- 3.2 The Committee also asked for a breakdown of the costs incurred and the funding received in connection with the Museum development. This information was provided and is attached as Appendix 2.
- 3.3 This led the Committee to ask whether other options (with associated cost analyses) had been presented when the decision was made not to include the Museum in the Spon Street redevelopment scheme. They also asked for information on who made this decision and who advised the decision makers. However, the only information which could be provided was the report considered by the former Resources and Social Justice Policy Co-ordinating Committee on the 25th October, 1995, when they made the decision not to include the Museum in the Spon Street development. This was a very brief report recommending (with no detailed supporting information) that the Museum be excluded from the Spon Street scheme. The report refers to an "options" report, which might have contained much more detailed information, but that could not be found.
- 3.4 At this point, because so many crucial pieces of information were missing, the Committee decided not to pursue their investigation any further.
- 3.5 They registered their concern and dissatisfaction that there had not been a coherent strategy in place to deal with asbestos at the Coventry Transport Museum.
- 3.6 The Committee were also concerned to ensure that lessons had been learned from the experiences of the Museum development project and that procedures had been put in place to improve the way that major projects are managed (including the management of disparate external funding regimes). They therefore commissioned a report which would demonstrate this.

#### 4. The "Lessons Learned" Report

4.1 The report commissioned by the Committee indicates that six key changes have been adopted as a consequence of the learning experience from the Transport Museum development and other major projects, as follows:-

- (1) There is greater clarity about project lead, project manager and project management processes. In the original Museum project there were different projects happening in the building at the same time, led by different people using different contractors. Now there is one client and one project manager who oversees the whole project, with a project team involving all relevant people meeting on a regular basis.

The Council has now adopted a more robust project management process, set out in a "Project Toolkit". A Programme Office has been established to improve project management skills, to ensure that best practice programme and project governance arrangements are followed and to support corporate decision-making.

However, despite all this, there will inevitably be some occasions when the original project plans have to be changed, for bona fide reasons.

- (2) All key funders meet together to endorse new projects, and to resolve key issues, to ensure that there is unanimity of purpose. This has happened recently in relation to the Belgrade and Herbert Art Gallery schemes.
- (3) There is now greater focus on risk awareness and risk management: for example within the Arena scheme there are monthly reports from all project managers on risks and how they are being addressed. There is also a corporate risk register which includes major projects whose failure might have corporate repercussions. This is monitored regularly by the Management Board and Cabinet.
- (4) There is more emphasis on asbestos surveys, assessments and management. An asbestos register for Council buildings is being compiled and there are clearer ground rules for what has to be done on Council buildings in terms of the whole identification, risk appraisal and then management of asbestos.

The Committee were informed that, however, it was necessary to monitor procedures closely as there had been an occasion recently when an asbestos survey report (by a private contractor) had not been passed to the appropriate body.

- (5) There are now two Project Champions who manage and direct complex high profile projects.
- (6) Member Advisory Panels are now set up to oversee key projects.

## **5. The Committee's Views and Concerns**

- 5.1 During the course of their investigation, the Committee were continually frustrated by the fact that crucial pieces of information could not be found (a list of these is set out in Appendix 3 to this report). On a number of occasions, having identified lines of enquiry which they wished to pursue, they were informed that records had been destroyed or that there was no trace in the official archives. Consequently, the Committee were forced to abandon their investigation. The Committee were very concerned that there was no record of the information taken into account when major decisions were made.
- 5.2 The Committee were also concerned that there appeared to be no information about the scale of the asbestos problem in the Museum buildings available at the beginning of the development project. Consequently, there was no provision made for this in the original cost of the project: each time asbestos was discovered, additional costs were incurred, for which additional funding had to be found.
- 5.3 In relation to identifying areas where asbestos might be found in buildings earmarked for renovation or conversion, the Committee reiterated the view of the Scrutiny Review of Asbestos Management that members of the public should be invited to contribute any information which might help to do this.
- 5.4 The Committee were in the main reassured by the procedures now put in place for the management of large-scale projects. However, they asked officers to look at ways in which backbench Members could be kept informed of the progress of such projects.

## **6. Recommendations**

- 6.1 In view of their concerns, the Committee made the following recommendations to the Cabinet:-
  - a) **That they ask officers to examine current practices relating to the retention of documents (including survey reports and particularly legal documents) connected with key projects, with a view to revising them to ensure that such documents are retained permanently.**
  - b) **That they ask officers to ensure that a comprehensive asbestos survey is carried out at the beginning of any large-scale project involving building renovation/conversion, so that any resulting costs can be built into the financial projections for the scheme.**
  - c) **That they inform the Committee of their decisions on a) and b) above.**

## APPENDIX 1

### Scrutiny Co-ordination Committee Investigation into the Development and Funding of the Coventry Transport Museum

#### List of Meetings

6 <sup>th</sup> October, 2004	The Committee decided to carry out the review
3 <sup>rd</sup> November, 2004	Initial consideration of the chronology of the Museum's development since 1980
1 <sup>st</sup> December	Further consideration of the chronology  Consideration of relevant information in Cabinet reports relating to: <ul style="list-style-type: none"><li>- The development of the Hales Street site (Cabinet on 6<sup>th</sup> August and 10<sup>th</sup> December, 2002)</li><li>- The funding of the development (Cabinet on 21<sup>st</sup> January and 2<sup>nd</sup> September, 2003)</li></ul>
12 <sup>th</sup> January, 2005	Consideration of documents relating to: <ul style="list-style-type: none"><li>- The acquisition of the Matterson's building in 1962 and subsequent leasing arrangements</li><li>- An extract from the (old) corporate Asbestos Register relating to the Museum, showing entries between 1984 and 1999</li><li>- Financial information on the costs of the Museum development and the sources of funding</li></ul>
23 <sup>rd</sup> February, 2005	Consideration of information in a report to the former Resources and Social Justice Policy Co-ordinating Committee (25 <sup>th</sup> October, 1995) relating to the decision to exclude the Museum from the plans for the development of Spon Street
27 <sup>th</sup> April, 2005	Consideration of a report setting out the action taken to improve the planning of major projects

**Scrutiny Co-ordination Committee**  
**Investigation into the Development and Funding of the Coventry Transport Museum**  
**Breakdown of Costs and Funding**

Description	Cabinet Approval	Final Account Settlement Figure/Latest Cost Information
	£	£
New museum entrance	263,000.00	5,764,559.18
Mezzanine/exhibition space	1,292,000.00	1,191,110.00
Exhibitions	1,499,000.00	1,522,741.00
Visitor services	387,000.00	428,000.00
Repairs to existing areas	123,000.00	503,098.51
Project management/disruption	340,000.00	335,557.00
Mattersons	1,381,000.00	1,415,352.00
Crf costs including asbestos	1,003,000.00	1,679,050.28
Additional items	-	282,479.00
Contingency	300,000.00	-
<b>OVERALL TOTAL £</b>	<b>6,588,000.00</b>	<b>13,121,946.97</b>

**Phoenix project costs** - 3,968,523.58

**City Services Council Repair Fund costs** - 501,000.00 1,747,587.79

**Overall total Museum of British Road Transport** 6,087,000.00 7,405,835.60

	£	£
European Regional Development Fund	2,988,000.00	2,840,000.00
Heritage Lottery	1,029,000.00	1,029,000.00
Museum Designation Challenge Fund	365,000.00	530,000.00
Charity Contributions	60,000.00	60,000.00
City Development	1,391,000.00	1,347,280.00
City Services	-	-
Phoenix Initiative	-	1,511,068.00
Museum of British Road Transport	57,000.00	197,000.00
<b>£</b>	<b>5,890,000.00</b>	<b>7,514,348.00</b>
<b>Funding Gap</b>	<b>197,000.00</b>	<b>-108,512.40</b>

**Scrutiny Co-ordination Committee**

**Investigation into the Development of and Funding of the Coventry Transport Museum**

**List of information requested which could not be provided**

3<sup>rd</sup> November, 2004

The Committee asked for any survey information relating to the Matterson's building and for copies of reports produced when the decision was taken in 1996 to develop the Hales Street site for the Museum, including any surveys which may have been undertaken.

**It was not possible to find any of this information**

1<sup>st</sup> December, 2004

The Committee wished to determine whether there was evidence of asbestos in the Matterson's building when it was purchased (in 1962)

**The acquisition file has been destroyed**

12<sup>th</sup> January, 2005

The Committee asked for details relating to:

- Background information available at the time the key decision was made to exclude the Coventry Transport Museum from the Spon Street development.
- Who made the decision, what costings were considered and how the decision regarding asbestos was reached.
- Who gave advice on the matter at the time.

**Apart from details of who took this decision (the former Resources and Social Justice Policy Co-ordinating Committee) none of this information could be found**