

Joint Archives Advisory Board

Dorset County Council



Date of Meeting	24 January 2019
Officers	Transformation Programme Lead for the Adult and Community Forward Together Programme
Subject of Report	Dorset History Centre - capital project update
Executive Summary	<p>Dorset History Centre has approximately two years of available expansion space remaining. This report will update the Board since its last meeting on 6 June 2018 on work that has been undertaken by the Joint Archives Service (JAS) towards a new and costed solution to the requirement for additional storage provision for archives. This follows the rejection in December 2017 of the application made by the JAS to the Heritage Lottery Fund (HLF).</p> <p>At previous meetings in 2015 and 2016, the Board has supported the approach taken by the JAS in seeking external funding to increase the storage accommodation at DHC and has mandated the use of the service's financial reserve in order to achieve this.</p> <p>Since June, work on a feasibility report has completed. This will form a key part of the re-submission to HLF. The same key drivers operate as detailed at June's meeting:</p> <ul style="list-style-type: none">(i) The imperative to reduce cost such that another application can be made to HLF that has a strong chance of success.(ii) To ensure that the project provides sufficient expansion space to accommodate archives for an additional 20 years, ideally longer <p>This report will:</p> <ul style="list-style-type: none">(i) Offer a summary of actions taken to date;(ii) Provide a schedule of future actions and activity which will culminate in the successful delivery of a capital extension to DHC.
Impact Assessment:	<p>Equalities Impact Assessment (EIA):</p> <p>The JAS has completed a review of its 2011 EIA. The 2018 EIA</p>

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	<p>was approved by the Adult and Community Services directorate equality and diversity working party in March.</p> <p>Areas for (acknowledged) further consideration include working with younger people and with black and ethnic minority groups and religious minorities.</p> <p>The employment of a Learning Officer October 2016 - March 2018 helped to address the first of these issues. The aspirations of the JAS in its 'Collecting in the Conurbation' project (part of the wider capital project) was intended to meet the other. Some of this work is being taken forward. The capital project will also help to meet JAS aspirations to work more with groups and with people with additional needs.</p>
	<p><u>Use of Evidence:</u> Application to HLF, August 2017. Report commissioned from Architype (architects), January 2018 Feasibility Report on Dorset History Centre, December 2018</p>
	<p><u>Budget Risk Assessment</u> In order to complete the project, it will be necessary to:</p> <ul style="list-style-type: none"> (i) Acknowledge potential failure: inability to deliver the project appears in the budget risk assessment area of the Service Plan and would require additional revenue funding. (ii) Ensure that match funding continues to be committed to the project, without which any application could not proceed. (iii) Fully understand the position of the Heritage Lottery Fund (HLF) which is due to publish its new strategic framework on 30 January 2019. (iv) Raise significant additional funding from a variety of sources. Failure to achieve this will mean that there will not be sufficient funding with which to progress the project.
	<p>It is recommended that the Board:</p> <ul style="list-style-type: none"> (i) Considers the contents of this report and the update on recent developments; (ii) Supports Option 1 as the best value, long-term solution for the JAS's storage requirements.
<p>Reason for Recommendation</p>	<p>To meet the reporting and decision-making requirements of the Joint Archives Agreement, 1997</p>
<p>Appendices</p>	<p>Externally provided archive storage or additional capital funding - cost/benefit analysis</p>
<p>Background Papers</p>	<p>Dorset History Centre Feasibility Report, 2018, Dorset History Centre, Options Appraisal, 2013, Reports to JAAB. www.hlf.org.uk</p>

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1. Background and Introduction

- 1.1 Dorset History Centre (DHC), the home of the Joint Archives Service (JAS) was constructed in 1991 with an anticipated 25-year expansion space. After 28 years, the repositories are approaching capacity with around 2 years' remaining space for archives.
- 1.2 The volume of material held at capacity (c. 1200 cubic metres) will be approximately three times that quantity of material that was held when DHC first opened 25 years ago. By way of illustration, the capacity of DHC is c. 45,000 boxes and the service currently receives around 1000 boxes of new material annually.
- 1.3 The need to provide further, future storage has been identified as a service priority for at least seven years. The extension is intended to have no additional revenue implications for the funding councils (excepting business rates). Environmental efficiency measures would be built into the project with a primarily passive environmental management system. Failure to provide additional storage on-site would result in the need to revenue fund a remote storage solution. An options appraisal in 2013 selected a two-storey extension to the current building as the preferred option. Following discussion between the three funding councils at the Board it was agreed that an extension to the current building provided the lowest cost and best value for money solution. In the 2017 project proposal, the extension, if built, would provide 25-30 years' expansion space and would potentially provide space for all the remaining paper and parchment archives likely to be acquired by the service (as opposed to the on-going accessions of digital material). With the rejection by HLF of the application, (which they acknowledged was 'likely to deliver strong outcomes') it has been necessary to review the whole project - not for its rationale, which remains as strong as before - but in terms of its scope and cost.
- 1.3 It seems likely that the project is made up of at least two discrete elements which may be phased, depending on the most financially propitious means of achieving the agreed outcomes.

2. Requirement for Archive Accommodation

- 2.1 The need for additional accommodation for archives has not diminished. Without additional provision, the service will in due course have to cease acquiring archives and thereby preserving our written and recorded heritage. It would then fail to be accredited by The National Archives and the councils' ability to comply with General Data Protection Regulations would be impaired.
- 2.2 After considerable analysis of the available scenarios to provide additional space, it has been concluded that the best value option would be a two-storey extension over the car park to the rear of DHC. The option to use the DHC attic space as a repository was deemed by property professionals to be both too costly and to involve too many risks and uncertainties. The two-storey extension proposal would provide approximately 22,000 additional box spaces. Within this total, it would also allow for additional storage of over 2,500 box spaces for modern media (film, photographs and tape). It is felt that this offers the best value option and a means by which the service's accommodation needs will be met for at least two decades in a building with low running costs.
- 2.3 The only viable alternative to the extension proposal would be for the JAS to look to a third party specialist storage supplier to meet its future needs. At present, the only two such providers are located in Cheshire and Oxfordshire respectively. The likely cost

adopting this solution whilst low in the short term, would be up to £10 million over the 60 year (full-life equivalent) of the extension (see appendix).

- 2.4 The JAS commissioned a feasibility report from Dorset Property based on the preferred option. The recently completed report suggests that the total cost of the capital project (repository extension and refurbishment of public spaces) would be c. **£2.6 million**. This figure could be lower, depending on the profiling of spending over the Development and Delivery phases of the project. In addition, the further cost of the activity plan required by HLF would take the total project cost to c. **£3.1 million**.

3. Project Funding

- 3.1 At present, there are a number of uncertainties and unknowns associated with the funding of the DHC capital project. The position of the HLF itself is still not known; after a lengthy period of consultation, it will publish its new approach to funding in late January 2019. The indications are that whilst there will be changes of emphasis, there will be no radical departures from the Fund's current priorities. The second principal uncertainty for the project is Dorset's transition to two unitary councils through Local Government Reorganisation (LGR). Clearly, the new councils will have a huge array of changes to implement and it is impossible to say at this stage what the financial position will be or what priorities Dorset Council (as the match capital funding authority) will have.
- 3.2 It seems likely that the South West regional HLF fund will continue to assess applications of up to £1 million with any request exceeding this being considered by the national board of trustees. It is highly likely that the DHC capital project would fare better at the regional level than the national, so it would be desirable that the project costs be kept within an overall cost framework that would make this possible. There has been regular communication with HLF since June 2018 and a meeting has been scheduled to take place once the new strategic framework has been published to discuss the best approach for the project.
- 3.3 It is important that the DHC extension project does not clash with any other Dorset projects of a similar size and scale as this would reduce its chances of success. A proposal to convert the Maltings (part of the former brewery site in Dorchester) into an arts centre seems likely to approach HLF during later 2019. It is crucial therefore that it and the DHC project are not submitted at the same time. This suggests that DHC's approach to HLF should take place in the first half of 2019.
- 3.4 At present, the breakdown of available and potential funds for the project is understood to be this:

Spend to date: £51,000 (feasibility report and other property services)

Remaining funds:

- £150,000 - JAS reserve
- £831,000 - DCC capital match funding (currently allocated)
- £100,000 - DCC Civil Society Fund

Potential funds

- c. £900,000 - HLF (assumed maximum, although confirmation of maximum figure is still awaited)

- £200,000 - JAS/Dorset Archives Trust fundraising (approximate figure).

Total potential project funds: c. £2,181,000

- 3.5 This means that currently, there is a funding gap of up to **£919,000**, although it is hoped that this figure will drop significantly.
- 3.6 Apart from feasibility work on the extension and other works to DHC, the service has been reviewing the activity planning dimension to the project. This will need to be changed significantly both due to a smaller budget, but also to ensure that it fully meets the HLF's outcome framework and the priorities of the funding councils. DHC continues to build on the very positive partnerships that have been generated as a result of the HLF application process. In particular, the relationship with Bournemouth University offers significant opportunities and these will continue to be explored through a range of departmental contacts.

4. Summary of Current Position

- 4.1 A two-storey extension has been identified as the best value option to meet the JAS's increasingly urgent long-term storage requirements.
- 4.2 The only alternative to an extension would be to use an external storage contractor. The revenue implications for this will grow over time. It is estimated that this would impact from 2021 or 2022 and would cost c. £750,000 over the first 20 years of the contract.
- 4.3 The HLF is the only funder of sufficient size that could meet a substantial part of the costs associated with this project. The prospects of support from HLF are good, although a cautious approach, making no assumptions is the default position.
- 4.4 In terms of funding, HLF is still designing its strategy for 2019/24. The maximum sum that might be requested by the project is still not known.
- 4.5 The view of the new Dorset Council in regard to the project is also not known. They would need confirm that the current DCC commitment would continue and consider any bid for additional funding. This cannot be approved by DCC at this time. It is likely to be very difficult to obtain commitment from Dorset Council during this transition period.
- 4.6 It will be necessary for the JAS to fund professional support from Dorset Property, particularly in relation to project management, architectural design and mechanical, electrical and structural engineering. It will be important that communication is maintained between all parties so that any opportunities to reduce costs are taken.

5. Options

- 5.1 It would appear there are only two viable options for the Board to consider:
- 5.2 **Option One** - To pursue the current course which involves ongoing dialogue with HLF and development of a second application in the expectation that it will be submitted in the first half of 2019. There remain at present clear questions over the full funding of the project and the position of the new Dorset Council will need to be clarified.

- 5.3 **Option Two** - Efforts to extend the DHC building are abandoned and options relating to commercial out-storage with a consequent long-term and growing revenue implication for the funding authorities are considered.
- 5.4 The first of these options would appear to be preferable as it continues to offer the best long-term solution for the management of the county's archives on-site at least cost to the three (from April 2019, two) funding councils and delivers a wider programme of benefits to the people of Bournemouth, Dorset and Poole.

6. Conclusion

- 6.1 This report has attempted to clarify the options that exist in regard to the provision of future storage for the JAS along with a summary of available pertinent data relating to costs and feasibility. The position remains dynamic with a significant quantity of 'unknowns' and caveats which need further analysis and clarification. These principally relate to the HLF's position and the implementation and impact of LGR.
- 6.2 However, there would seem to be a clear choice open to the funding councils, one that involves a local, capital solution, and the other which requires a long-term revenue commitment and out-of-county storage. On a positive note, it has been shown that the costs of the project would be significantly lower than the 2017 proposal and that it is possible to provide a large quantity of new accommodation on-site should the funding be available to construct it.
- 6.3 It is hoped that the Board will support the JAS continued work to deliver the best value and most effective project to ensure a long-term home for more of our written and recorded heritage.

Helen Coombes
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Appendix: Externally provided archive storage or additional capital funding - cost/benefit analysis

Purpose: to clarify the respective scenarios associated with resolving the DHC accommodation challenge.

Scenarios:

- 1) Identify and secure additional capital finance - up to £919,000 (but potentially lower)
- 2) Consider using an external storage contractor.

Extension or external provision?	2019-2041	2042-79 (60 building lifespan)
Scenario 1: Additional capital finance	Repayment of £919k mortgage on standard public sector borrowing terms (illustrative)	Running costs only
Scenario 2: External storage provider 'Deepstore' (Cheshire)	£750k (at 2% interest, subject to several variables)	Storing same quantity of material as at 2048 (when DHC extension projected to be full) £5.1-£10.2 million (2% and 5% interest rates respectively)

This suggests that in the short to medium term, the costs of storage over a repayment mortgage or loan are not dissimilar. However, over a 'full life' of the extension the value of the capital asset is demonstrated as external storage costs rise steeply over the duration.