

Agenda Item no. 4

ELY ARCHIVES BUILDING

To: **Highways & Community Infrastructure Committee**

Meeting Date: **11th October 2016**

From: **Christine May, Interim Director of Infrastructure Management & Operations and
James Wheeler, Head of Property Services, LGSS**

Electoral division(s): **All**

Forward Plan ref: **N/a** Key decision: **No**

Purpose: **To inform Committee members of the options and updated costs to convert the former Strikes Bowling Alley in Ely to accommodate historical records and associated public access and to seek views from Members on the most appropriate option.**

Recommendation: **The Committee is asked to agree which option should be progressed and be recommended to General Purpose Committee.**

Officer contacts:		
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1. BACKGROUND

- 1.1 Highways & Community Infrastructure (H&CI) Committee on 6th October 2015, followed by GPC on 20th October 2015, approved the acquisition (subject to town planning) of the former Strikes Bowling Alley in Ely for the development of the Cambridgeshire County Council Archive Centre. This followed a reduction in building scope, to a single storey building, and a revised budget of £4.2M (previously £6M). This decision was taken on the basis that an alternative new build option would cost in the region of £12M (with 50% of the construction costs anticipated to come from external funding sources for a larger building in partnership with others).
- 1.2 At the time of the report in October 2015, it was proposed by LGSS Property that the project management, design, and construction works were procured using the County Council's Consultants and Design and Build Contract frameworks. On this basis the feasibility construction budget was derived from an MS1 ¹ cost plan provided by Atkins, who were appointed as project managers and designers. The risks of construction were covered by a risk allowance of 5% plus VAT in the cost plan. This was to cover known risks relating to the building substructure requirements to predominantly meet PD5454 ², Building Control requirements and Flood Risk mitigation.
- 1.3 Planning permission for change of use of the building was granted on 10th December 2015, and the building was acquired on 13th April 2016. In parallel to the planning process further detailed design work was undertaken. Due to the technical nature of the project, and in order to allow for continuity in design and technical specification, it was agreed that Atkins would be novated as designers to the project. The view at the time was that it was better to bottom out technical design issues before bringing a contractor on board, which would be the norm under a Design & Build Contract framework approach.
- 1.4 Following the MS2 design stage, the project was tendered under the County Council's Design & Build Contract framework in May 2016. There was only one submitted tender from Coulsons Building Group.
- 1.5 On the basis of the tender submitted, Atkins prepared an updated MS3 cost plan which showed that the project as specified would be £860k over budget.

2. FINANCE COSTS

2.1 Construction cost increase

- 2.1.1 Whilst the project brief and specification from the Service had been clear from the start, as Atkins completed more detailed work and developed their understanding of the brief it meant that the MS3 cost plan came back significantly over the anticipated £4.2M reported at Committee. The increase in costs is attributable to the following:
 - Once the building brief changed to a single storey building, it became clear that the plant room would have to be located in an upstairs space, in order to allow enough space in the store to house the collections. The storage space is 1000 sqm and the

¹ CCC Design and Build Framework use milestones (MS) to track the RIBA stages 1-7.

² PD5454 - Guide for the storage and exhibition of archival materials, including a 25 year life.

current collections holdings are c.950 sqm. There are no other second floor requirements.

- Whilst it was understood that the building is on a flood zone and that PD5454 Archival standard requires flood risk mitigations; it was initially thought that this could be achieved with concrete lining of the walls. However, this has not proved to be a suitable solution and the floor of the store needs to be raised to mitigate against a 1:100 year flood risk. Alternative engineering solutions have been suggested to contain costs on this aspect of the build.
- Because the store floor had to be raised, an internal ramp and stairs are required to move from the store to the public / work areas of the building. This added an unforeseen cost and also reduced the overall store area.
- PD5454 requires a 4 hour fire rating. The MS1 report originally stated that this could be achieved within the archive storage areas by the use of comprise concrete blocks and cavity wall insulation. Following further design work it was realised that this proposed structure would need to be increased still further, including the concrete ceiling, which requires piled foundations to provide adequate support.
- Removal of equipment from the site. On taking possession of the building, the lease allowed for a large amount of equipment to be left within the building by the previous owner. It has meant that the disposal costs need to be included within the project budget.

2.1.2 The initial design solutions and cost plan at MS1 stage did not anticipate the extent of the required structural changes to meet the project brief or the removal of equipment, and the risk allowance was inadequate to cover these additional costs. A chronology of events since approval to acquire the building was given by GPC is included in **Appendix 1**.

2.1.3 An internal review and lessons learned exercise was carried out by LGSS Property, which identified that there was an underestimation of the work required to meet PD5454. In hindsight, given the technical considerations of a building of this kind it might have been preferable to use a more traditional route of procurement, or allow more time at MS1 stage, or for the project to move towards MS2 stage, to allow for further detailed surveys and design to inform budgets. It perhaps would have been prudent to wait for MS3 design stage before committing to the acquisition. However, the building was operational at the time and there was pressure to confirm the plan to re-locate the archives held in Shire Hall in order to meet The National Archives (TNA) deadline.

2.1.4 Members are reminded that the current storage conditions in Shire Hall basement are entirely unsuitable for the preservation of historical records and that with every year that passes the documents are subjected to further extremes of heat, cold and humidity that cause further deterioration and mould growth. Members are also reminded that there was a long standing and an extensive search spanning 25 years for alternative premises across the County, with the former Bowling Alley being the best fit to meet a minimal service specification. As a result there was subsequent pressure to get budgets finalised and agree heads of terms with Strikes in order to secure the building. On balance, given the lack of other suitable available premises available in the County, the fact that there is work underway to determine the future of Shire Hall, and that there will be a revenue off-set with

the disposal of Cottenham Store, the former bowling alley is still seen as the only opportunity for the Archive Centre to be created at a relatively reasonable cost.

- 2.1.5 In light of the cost increase, consideration has been given to the procurement route for the building works. An alternative would be to finalise the detailed design through Atkins and go to tender in the open market (via a restricted OJEU procurement route). However, this is not considered to be preferable as it would add delay to the project (minimum 2 months). The increase in time would therefore increase the overall cost (due to construction cost inflation), and would not guarantee a better price from the market. The present data from BCIS³ indicates negative inflation over the next periods, and forecasts costs to only be back to present day levels around midpoint of 2020. While this negative forecast is over the period that the current Ely Archive project programme covers, advice received suggests that this may represent an immediate reaction to the Brexit vote only; given that the project has not been market-tested, and taking into account recent feedback from the Cambridgeshire market, it would be sensible and cautious to allow for inflation costs based on BCIS forecasts before the referendum, which indicated an average increase of 1% every quarter-year that the project is delayed.
- 2.1.6 It is not recommended that the County Council continue its search for alternative premises as the former bowling alley is still considered value for money, compared with other archive facilities across the country. Furthermore, TNA have relaxed their deadline for re-locating the Archives on the basis that this project is moving forward. The building is now in the ownership of the County Council, so any alternative long term use implications would need to be considered. In conclusion, it was considered that a value engineering exercise was the best way forward to determine what could be delivered for the original budget of £4.2m, and what the cost implications would be for other possible options.

2.2 Value Engineering

- 2.2.1 The construction project team (including Atkins, LGSS Programme Manager and Coulson Building Group (appointed under a letter of intent)) have undertaken a thorough process of value engineering. This was carried out having undertaken ground investigation and structural surveys including the testing of the existing foul drainage pump. Furthermore, a review of the mechanical and electrical design was undertaken.
- 2.2.2 The project team have identified potential value engineering savings. These have been subsequently reviewed by the County Council Archives, Facilities Management and Energy teams to help determine the operational impact and the running costs of the building.

If the Council were to build to the £4.2M budget based on the original MS1 design brief, including locating the plant room on the ground floor, Cambridgeshire Archives would not have a compliant PD5454 rated building, as the 1:100 year flood risk and 4 hour fire rating cannot be achieved for this budget. Neither would it be able to accommodate its current holdings or have any growth space, due to the move to the ground floor of the entirety of the plant room; Cottenham Store would have to be retained at a cost of £58k per annum. The National Archives (TNA) would not approve the building for archives accreditation and Cambridgeshire would be the first UK public archive to be condemned by the TNA in this way. In summary, following this review the following tables set out the alternative options:

³ BCIS – Building Cost Information Service – Exchange of detailed cost information that is pooled and used as a cost data base for clients of the construction industry.

Option 1: Redevelop the former bowling alley so that the minimum is done to achieve compliance with PD5454 for an archive store: cost £4.635M	
Cost Implications	<p>Accept the following value engineering savings:</p> <ul style="list-style-type: none"> • omit BREEAM⁴ requirements -£80k • limited works to front entrance lobby - £32k • limited external works - £86k • alternative engineered design of the substructure and superstructure (that will deliver PD5454 compliance) -£160k • omit roof lights to search room and sprinkler system from registry room - £10k • limited works to public and office areas (potentially making them unusable at project end) - £57k <p>Total construction cost saving - £425k</p> <p>Overall increase in budget of £435k</p>
Advantages	<p>PD5454 compliant building; TNA accreditation may however not be possible, depending on the scale of the negative impact to office and public areas.</p> <p>Reduction in overall cost overrun, with a more limited impact on the budget and appearance of the building.</p>
Disadvantages	<p>If the BREEAM requirements were omitted there would be potential long term implications in terms of increased running and operation costs of the building.</p> <p>The loss of the external works and internal entrance lobby would be detrimental to the impact and appearance of the building, and reduce its potential for any other uses such as venue hire, activities and events.</p>

⁴ BREEAM – Construction Industry sustainability assessment method

Option 2 – Redevelop the former bowling alley so that the building is PD5454 compliant and fitted out to a suitable standard for public and staff: cost £4.820M	
Cost implications	<p>Accept the following value engineering savings:</p> <ul style="list-style-type: none"> • omit BREEAM requirements -£80k • alternative engineered design of the substructure and superstructure (that will deliver PD5454 compliance) -£160k <p>Overall increase in budget of £620k</p>
Advantages	<p>Current site is made PD5454 compliant with TNA accreditation; project concludes satisfactorily</p> <p>Positive impact on appearance of the building.</p>
Disadvantages	<p>Cost implications</p> <p>Potential for increased running costs of the building without BREEAM and PV panels etc; less attractive building and possible associated reputational risk</p>
Option 3 – Redevelop the former bowling alley so that the building is PD5454 compliant and also attractive, well fitted out and energy efficient, in line with the current projected cost of £5.060M	
Cost implications	<p>Total construction exceeds authorised budget by £860K</p> <p>A total budget of £5.060m</p>
Advantages	<p>TNA compliant building</p> <p>Positive impact on appearance of the building</p> <p>Strong reputation</p> <p>No long term implications for the running and operation cost of the building, as BREEAM requirements will not be omitted</p>
Disadvantages	<p>Cost implications</p>

2.3 Funding

2.3.1 If Members choose an option that incurs the need for additional funding then the options are as follows:

- ETE could part fund using £300k of an Adult Learning reserve that is not now required and is available to be written off.
- Increase the total borrowing by:
 - £435k (Option 1), which would cost the authority an additional £27k per year (over 25 years) in debt charges;
 - £620k (Option 2), which would cost the authority an additional £38k per year (over 25 years) in debt charges;
 - or £860k (Option 3), which would cost £53k per year (over 25 years) in debt charges.

2.3.2 There may also be opportunities for a revenue stream by utilising the car park for pay and display for Ely station users. We can value engineer out works to the car park at this stage whilst we work with partners (East Cambridgeshire District Council) to see what options are available for making this a cost neutral or potentially income generating asset for the centre.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

The principle of converting the former bowling alley building to archives accommodation for the county's Archive Service has already been agreed by Members of H&CI and GP Committees. The following bullet points set out details of implications identified by officers for earlier reports to Members:

- Archive services draw visitors from a wide distance; around 50% of visitors come from beyond the county and some from overseas, so convenient access by public transport and to a range of other services is important.
- Studies have shown that archive users make an important contribution to the economy of the local area (using restaurants and local accommodation) and this is even more likely in an area that is attractive to tourists.
- Use at Huntingdonshire Archives and Local Studies has increased significantly since the services were combined in fit for purpose new accommodation in 2009; the same can be expected in Ely.

3.2 Helping people live healthy and independent lives

The principle of converting the former bowling alley building to archives accommodation for the county's Archive Service has already been agreed by Members of H&CI and GP Committees. The following bullet points set out details of implications identified by officers for earlier reports to Members:

- Archives make an important contribution to achieving sustainable local communities. Archives help people to develop their personal identities and collective memories; they are used as tools to develop community identity, engagement and cohesion through a wider understanding of the history and values of others; they offer a way for citizens to "give back" to the wider community and to future generations of their own community, through the deposit of their own records and photographs, or

through the cataloguing and indexing of other historical documents; and they act as a source of inspiration for new ideas and activities.

- Nationally some 99% of visitors agree that archives contribute to society by preserving written heritage and culture, and the same proportion strongly agree that archives strengthen family and community identity. [Source: National Council on Archives survey of visitors to British Archives 2006]

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource

The significant resource implications are contained within the body of the report.

4.2 Statutory, Legal and Risk

4.2.1 Local government archive services are subject to s.224 of the Local Government Act 1972 which states that principal authorities must make 'proper arrangements' for records in their ownership or custody. The nature of 'proper arrangements' was defined by Government guidance published in 2000, which describes proper arrangements for archives (historical records) as follows:

- Storage conditions should meet the requirements of BS 5454:2000.
- Provision should be made for the preservation needs of records and for active conservation work.
- Access arrangements for the public should be sufficient to 'satisfy normal demand'. Access should be constantly supervised by trained staff.
- All records open for inspection should be described in available finding aids which may be made accessible remotely by electronic means.
- Proper arrangements should include liaison with schools and other educational bodies 'so the educational potential of archives can be realised'.
- Staffing should be sufficient, in terms of numbers, qualifications and experience, to keep the records safe and make them available for public inspection.

4.2.2 The following points set out details of significant implications identified by officers:

- If the Council fails in its statutory duty, TNA can remove public records from the County Council's custody. 'Public records' in this context include records relating to hospitals, courts etc. TNA would charge the Council for the costs of removal, conservation and storage of these records, because the County Council would remain the body statutorily responsible for their preservation. The Council will still have a duty to provide appropriate accommodation for the rest of the records in its care.
- The removal by TNA of public records from Cambridgeshire Archives' custody would be a public declaration that the County Council is unfit to preserve archives. This removal would likely be followed by other major depositors withdrawing their

collections as well, leading to the potential break-up of the archives service to the detriment of generations of researchers to come. Cambridgeshire would be the first UK public archive to break down in this way.

4.3 Equality and Diversity

There are no significant implications. The building will be fully DDA compliant.

4.4 Engagement and Communications

The fact that the new archives accommodation would be in Ely was made public in September 2014 and the identity of the specific building was announced publicly in March 2015. A Community Impact Assessment was carried out in May 2015, for an earlier iteration of the project which included a proposal to move the Cambridgeshire Collection from Cambridge Central Library and to house CFA teams in the archive centre building too. Archives officers have kept users up to date with progress, as much as they are able to, through the corporate website and through face to face time with individual users in the archive searchrooms. The Archives Manager has kept TNA briefed with progress (representatives from TNA visited the site and the building itself in May 2015). The service's main stakeholder groups are represented on the County Advisory Group for Archives and Local Studies, which meets infrequently, and the Archives Manager has reported on progress with the project, and discussed aspects of the design and layout, with this group.

The Archives Service has consulted regarding the changes to opening hours. No consultation on the wider principle of relocating to Ely was carried out. Details relating to the identification of the building and reasons for its selection are covered in section 2.1.2 of this report. H&CI Committee approved the principle of relocating the archive service to Ely on 23 September 2014.

4.5 Localism and Local Member

There are no significant implications. The planning application for Change of Use has been considered and endorsed by East Cambridgeshire Planning Committee Members.

4.6 Public Health

There are no significant implications for this priority.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Sarah Heywood
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Lynne Owen
Are there any Equality and Diversity implications?	Yes Name of Officer: Tamar Ham-Oviatt
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Ed Strangeways
Are there any Localism and Local Member involvement issues?	Yes Name of Officer: Paul Tadd
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Tess Campbell

Source Documents	Location
HCI Committee Meeting minutes 6 October 2015	http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=12167
General Purposes Committee meeting minutes, 25 October 2015	http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=12222