

ELY ARCHIVES CENTRE UPDATE

To: Commercial & Investment Committee

Meeting Date: 20 October 2017

From: Christine May, Interim Service Director Infrastructure Management & Operations

Electoral division(s): All

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

Purpose: The Committee is asked to note the rise in construction costs for the new Cambridgeshire Archives Centre at Ely and the work done by Officers to bring the project within budget.

Recommendation: The Committee is recommended to:
a) note the increase in construction costs and the work done by officers and contractors to bring the project back within budget
b) agree to a change in project scope to exclude the photographic nitrate store
c) agree to a change in the project scope to include improvements to the car park, making it fit for purpose as a pay and display facility
d) agree to reinstate an element of external landscaping in order to enhance the building, particularly for the purposes of registration
e) agree to support the additional expenditure of £66k for c) and d) above, and refer it to General Purposes Committee for approval
f) note the remaining risks to the project budget

<i>Officer contact:</i>	
Name:	John Clayton
Post:	Construction Project Manager
Email:	John.clayton@cambridgeshire.gov.uk
Tel:	01223 715504

1. BACKGROUND

- 1.1 This paper provides the Committee with information on the potential for an increase in project costs for the new Cambridgeshire Archives Centre at Ely at Milestone (MS) 4, and the work that officers and contractors have undertaken to bring the project back within budget. Sign-off of MS 4 is required to fix prices and for MS 5 (construction) to commence during May 2018 in order for construction completion by April 2019.

2. MAIN ISSUES

- 2.1 The agreed budget for this project stands at £5.180 million. In July 2017 CCC officers were verbally informed by Faithful and Gould/Atkins (F&G), who are project managing the project, that costs from Coulsons' subcontractors were coming out higher than expected. Coulsons' subcontractor tender processes were not at that time complete but CCC officers nevertheless notified Members of this development and scheduled a report for C & I Committee. In August Coulson's submitted a final figure to F&G which indicated a forecast outturn for the entire project of £5.607 million, which exceeded the agreed budget by £427,000.
- 2.2 Initial checks completed by F&G indicated that the budget overrun was due to higher than expected costs for the ground floor slab, archive vault structural frame and external works, and to the limited number of competitive quotes received for the project. In F&G's opinion, this is indicative of the difficulty in obtaining interest from subcontractors in a current busy Cambridge market. Sub-contractors had the added concern that some of the pricing being requested was to be undertaken up to 12 months in the future, and as such were reluctant to be tied to prices so far in advance. F&G carried out their normal due diligence on Coulsons' tender, identifying items where costs can be reduced through use of alternative suppliers or alternative design, and notified CCC officers that such reductions amount to a total cost saving of £104,200, reducing the overrun to £322,800. F&G have also indicated that some risks can be reduced on the risk register, which results in a further saving of £88,900, and have informed us of a reduction in fees by £1,900. This reduces the overrun further to £232,000 (£5.412m)
- 2.3 CCC Officers have met with F&G and Coulsons to identify areas of further value engineering the design in order to bring the project within budget, summarised below:

Works related to the dedicated nitrate negative store	-£66,005
Landscaping and car park works	-£108,583
Internal works	-£71,742
Other charges and fees	-£26,847
Total saving	-£273,177

The above savings mean that the overall cost of the archive centre project is now projected at £5.139m, or £41,000 under budget, although some risks still remain (see 2.5 – 2.7 below).

- 2.4 No concessions have been made on the original specification of the archive centre, with one exception, which is the dedicated nitrate negative store. This is an unusual requirement for an Archive, but the County Council holds a very large number (c 250,000) of flammable

nitrate photographic negatives. The original specification included a dedicated store for these negatives outside of the main archive store. CCC Officers propose instead to rent storage for these negatives at the National Conservation Service (NCS) in Oxfordshire, which already provides secure nitrate storage and can also carry out digitisation of the negatives. NCS have estimated an annual rent of £500 to store our nitrates. By removing the requirement to have a dedicated nitrate store at Ely a saving of £66,005 can be made. The Archives Manager has discussed the proposal to store the nitrate negatives at NCS with the National Archives (TNA); TNA have indicated that they would be happy with this approach and that it will not affect their view on the rest of the archive centre.

- 2.5 Construction, including necessary strip-out and demolition work within the current structure, is expected to begin in May 2018 following receipt of planning permission. This permission will be sought for (1) the construction of a water storage tank for the fire suppression sprinkler system, (2) changes to the layout of the car park, partly to link it with the adjacent East Cambridgeshire District Council (ECDC) Pay & Display (P&D) car park, and (3) permission to use the building as a venue for wedding ceremonies (see 2.6 below).
- 2.6 Members are advised that the outcome of this proposed planning application is not yet known, and there is a potential project risk that planning/pre construction conditions could be applied to the project which would have an adverse impact on budget. This position will be clearer in early 2018, when a decision from planners would be expected.
- 2.7 Members are also advised that a further budget risk remains in relation to the shelving required for the archive centre. The archive centre will contain a great deal of shelving (at least six linear kilometres) and the budget allocation is currently £245,000. A full tender exercise will be carried out this year to award the shelving contract, at which point the exact shelving cost will be known.
- 2.8 Other remaining risks are contained in the revised risk budget of £68,100, which is already included within the overall project budget of £5.139m. These specific risks are around planning amendments (£50,000), poor ground conditions and contaminations (£16,500) and asbestos removal (£1,600).
- 2.9 Members are advised to note that although the project is now within budget, there are certain items that officers strongly recommend should be added to the project which are additional to the original project scope.
- 2.10 Members had previously requested that the project team work closely with East Cambridgeshire District Council in order to provide additional pay and display car parking, to that currently being constructed by ECDC on Cawdle Fen (adjacent land to the archive centre building). This request was not scoped in the original specification or budget. The project team therefore recommends that an additional budget of £87,200 is allocated to the project to ensure that the car park is refurbished to an acceptable standard, to that similar to the new car park being constructed by ECDC. The P&D car park is currently estimated to have a potential income of £12,000 p.a., which would contribute towards the running costs of the centre.
- 2.11 This £87,200 includes an allowance of £77,200 for car park resurfacing, drainage, line marking and lighting, and £10,000 to provide a vehicle link between the existing car park and the ECDC car park. Members should note that the £10,000 figure is at this stage an estimate only, as firm prices have not yet been received for this additional element of work.

- 2.12 Members are also requested to make a further amount of £20,000 available in order to provide suitable landscaping as a result of the proposal to relocate the Registration service to the Archive building. This is primarily to provide a pleasant external area for registration guests. A report recommending that the archive centre be used as a ceremony venue, in order to maximise use of County Council assets, is being taken to the October H & CI Committee. The use of the centre for ceremonies would save £23,000 p.a. from ceasing to lease the current building, and would therefore pay for the landscaping costs within its first year of operation.
- 2.13 The request for additional funding totalling £107,200, when added to the above construction figure of £5.139m would provide a total project budget of £5.246m, which would be an overspend on the budget of £66,000.
- 2.14 The Committee is asked to note that officers from the National Archives (TNA) inspected the current archives storage in Shire Hall basement on 24 July 2017. The post-inspection letter from TNA (available from the Archives Manager) confirms that the basement of Shire Hall remains unsuitable for the long-term preservation of records, and that appointment as a place of deposit is only being temporarily maintained due to progress with the Ely project.
- 2.15 The deadline for all places of deposit for public records to be awarded TNA's Accredited Archive status is the end of 2017. TNA have generously extended this deadline for Cambridgeshire County Council until the spring of 2019, in order for the move of the records to Ely to be carried out. Cambridgeshire will therefore be the very last County Council in the country to apply for Accredited Archive status.

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, GP and A&I 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 Implications

Section 2.3 outlines the savings made by value engineering the design to bring the project £41K under budget. Section 2.6 describes the request for £107,200 additional funding for improvements to the car park and external landscaping. If supported by C&I Committee, the proposed increase will go to General Purposes Committee for approval.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category. The shelving procurement will shortly be underway (see paragraph 2.5).

4.3 Statutory, Legal and Risk Implications

Storage public records by Cambridgeshire County Council is subject to inspection by officers of the National Archives (TNA) who may decide to withdraw the Council's public records licence. Current storage of records within the basement is only temporarily acceptable to TNA because the Ely project is on stream (see paragraph 2.7). The value engineering work carried out by CCC officers and officers of F&G/Atkins does not affect the design of the archive storage areas at Ely, the design of which TNA has already expressed satisfaction with.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health

There are no significant implications within this category.

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: Fiona McMillan
Are there any Equality and Diversity implications?	Yes Name of Officer: Tamar Oviatt-Ham
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Eleanor Bell
Are there any Localism and Local Member involvement issues?	Yes Name of Officer: Tamar Oviatt-Ham
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Tess Campbell

Source Documents	Location
Post-inspection letter from TNA dated 4/10/17	Available from Alan Akeroyd, Archives Manager alan.akeroyd@cambridgeshire.gov.uk