

Cabinet Meeting on Wednesday 17 February 2021

Staffordshire History Centre: National Lottery Heritage Fund Round Two Submission



Cllr Victoria Wilson, Cabinet Member for Communities and Culture said,

“Staffordshire’s residents have been making history for thousands of years; as traders, inventors, writers and first-hand witnesses of the changes to Britain from the Anglo-Saxon period to the 21st century.

These invaluable collections allow both individuals and communities to reflect on our past and inform our future.

If our round two bid for National Lottery Heritage Funding for the Staffordshire History Centre project is successful, it will create imaginative and exciting ways to connect Staffordshire people and their stories, and at the same time, will secure access to historic collections for the next fifty-five years.”

Report Summary:

This report brings the business case for extending storage proposed within the Staffordshire History Centre project and an update on the final round two submission. The project received a round 1 grant in September 2019 and passed the mid stage review in December 2020. The round two submission to the National Lottery Heritage Fund (NLHF) will be made in on 1 March 2021.

A corporate review of storage identified Unit QB at Beaconside in Stafford as a potential saving if alternative provision can be made for the Archive Service collections and the Record Centre.

The report considers the risks and issues for the Archive and Heritage Service and County Council but does not include the Record Centre. This is because the business case is still being developed for the Record Centre. It also analyses the options against the risks and issues and whether they provide a short, medium or long term solution.

The report considers the capital and revenue costs for each option over 40 years as the whole life cost for this asset. All options will require additional revenue provision and three out of four require capital investment.

Recommendations

I recommend that:

- a. The Round Two application to deliver the Staffordshire History Centre is submitted to the National Lottery Heritage Fund on 1 March 2021 which will provide additional

storage, release the current QB Archive Outstore and support the Property Strategy.

- b. If the application referred to in recommendation a is successful, to authorise the Deputy Chief Executive and Director for Families and Communities to accept the grant funding, terms and conditions, and, in consultation with the Cabinet Member for Communities and Culture, deliver the project.
- c. The planned capital investment and project delivery costs of £6.332m are approved for the four-storey extension of the Staffordshire Record Office (subject to confirmation of NLHF funding) and that this is added to the Council's capital programme.
- d. Additional revenue provision is made of £0.196m from 2023/24 to meet the additional costs of this property venture.

Local Members Interest
N/A

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Recommendations of the Cabinet Member for Communities and Culture

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Report of the Deputy Chief Executive and Director for Families and Communities

Reasons for Recommendations:

Background and Context

1. On 6 February 2019, several options for delivery of the Staffordshire History Centre project were considered. A preferred option to deliver the History Centre with a Heritage Fund grant was approved by Cabinet on 15 May 2019. The stage 1 application was successful in September 2019 with a round two application to be submitted by 1 March 2021.
2. Cabinet requested that a detailed business case be prepared to consider the costs and benefits of increasing storage from two to four floors to address storage issues for both the Archive and Heritage Service and the Information Governance Unit Record Centre. Both services store records in two separate spaces within a shared facility at Unit QB in Stafford. The lease of the unit ends in 2025 and will be reviewed as part of the Strategic Property rationalisation programme for potential savings. If the whole of Unit QB was vacated it would realise a potential saving of £0.179m.

3. Development of the business case has been separated into two elements to meet the timeline for the Staffordshire History Centre project and the more complex requirements for a new Record Centre offer. A separate business case is being developed to assess storage requirements for the Record Centre and this will be brought to Cabinet at a later date.

Analysis of options against issues and risks

4. The table below shows a summary of the issues and risks faced by the County Council and Archive and Heritage Service against four options:

Issue/risk	Option 1 Do minimum	Option 2 2 storey	Option 3 3 storey	Option 4 4 storey
Deliver Service MTFs	✓	✓	✓	✓
Release 99-year lease for WSL building	X	✓	✓	✓
Heritage asset (WSL building) at risk	X	✓	✓	✓
WSL collection moved to new appropriate standard of storage	X	✓	✓	✓
Maintain Archive Service Accreditation (Assumes QB out store is retained)	X	✓	✓	✓
Maintain Museum Service Accreditation	X	✓	✓	✓
Future collecting for Archive service	X	✓	✓	✓
Future collecting capacity (in years) for Archive service	X	X	17 Years	55 Years
Vacating QB out store (Archive collections in full)	X	X	✓	✓
Planning Permission	N/A	✓	✓	TBC
Improved public access	X	✓	✓	✓
	£m	£m	£m	£m
Previously approved SCC capital	-	0.861	0.861	0.861
Additional SCC capital request	-	-	0.540	1.033
Additional SCC revenue request (ongoing)	0.051m	0.005	0.032	0.046
Additional SCC revenue request (first 10 years)	0.051	0.155	0.182	0.196

5. The Archive and Heritage Service completed comprehensive consultation on a ten-year vision for the Service in 2015 to address the issues and risks it faced. The issues and risks are outlined below.
6. **Delivery of MTFs savings of £0.482m over a five-year period.** £0.172m savings have been delivered through closure of Lichfield Record Office, move of Museum Service collections and reviews of staffing and service budgets. £0.301m savings are due to be delivered in 2020/21 by a whole-service reorganisation based upon bringing the two teams together and operating from a single base in Stafford.
7. **The William Salt Library building which is grade II* listed building and heritage asset.** The Library moved to its present site in 1918 as an improvement on its previous location. The building was leased by the County Council from the William

Salt Library Trust on a 99-year full repairing lease in 1994. The building is costly to maintain, does not provide appropriate storage conditions for the Library's collection and it does not enable inclusive public access based on the standards required today. There are risks that the collection will deteriorate if it remains in the building and storage is also at capacity limiting future collecting. If the collection remains at risk this would negatively impact upon the reputation of the William Salt Library Trust and the County Council.

8. **Achieving and maintaining Archive Service Accreditation.** The Archive Service achieved full Accreditation in 2017. This is a requirement to enable the service to perform its statutory functions as a Place of Deposit appointed by the National Archives. This means it takes regular transfers of Public Records including court registers, Coroner's Inquests, hospital records as well as the authority's own archives and major collections from private depositors. A key requirement for Accreditation is a plan for future storage, and since the closure of Lichfield Record Office in 2017 and the transfer of that collection, the service has no spare capacity. The Archive Service Accreditation Standard recommends planning for 20 years future collecting space. Losing Accreditation risks losing Place of Deposit status, loss of reputation for the County Council and losing access to some key external funding streams such as the Heritage Fund.
9. **Achieving and maintaining Museum Accreditation.** The Museum Service was fully accredited until 2016 when Shugborough transferred to the National Trust and the Shire Hall Gallery closed. Both of those buildings provided an exhibition space for the Museum Service and this is an essential requirement for Accreditation by Arts Council England. The Service is currently provisionally accredited pending the delivery of the Staffordshire History Centre project which would provide an exhibition space. Without this the Museum Service risks losing accreditation and would then be unable to access key sources of funding mainly from Arts Council England and also the Heritage Fund. This would also risk the reputation of the County Council as the Museum collections would be less accessible.
10. **Future of County Council Record Centre and Archive out store.** The County Council relocated the Record Centre and Archive Outstore in 2011 bringing the two storage facilities together in Unit QB. The Record Centre holds records for County Council services in accordance with the Corporate Retention Schedule until they reach the review period and can be destroyed or retained as archive collections.
11. **Future capacity of Archive outstore.** The Archive Service storage is of a higher standard to comply with Archive Service Accreditation and was intended to hold records which are infrequently requested or are restricted access. The records include:
 - a. Public Records specifically Coroner's Inquests taken early before they are 15 years old and assessed for archival preservation. This was to support pressures on the Coroner's Office after the move to Staffordshire Place in 2011.
 - b. In 2018 registers from the Registration Service store in Newcastle were also relocated to the outstore to enable the release of that property as part of the Castle House development. These records require archival quality storage.

- c. Since 2018 the outstore also holds most of the holdings from Lichfield Record Office following its closure in 2017. These records are frequently requested representing 76% of retrievals from the out store in 2018-2019 and this increase has continued into 2019-2020. This is an increased pressure on staff resources at a time when they will be significantly reduced.
12. **Unit QB Lease and business case.** A separate business case will be brought forward on the future viability of the Record Centre. This will consider whether the volume of paper records can be reduced through destruction and digitisation. The residual paper records could be moved to alternative storage which may include additional storage at the Staffordshire History Centre. The Archive QB out store would need to be re-provided to release the whole unit and this requires higher quality storage which could be achieved through additional storage at the History Centre.
13. **Improved public access.** The Staffordshire History Centre project will provide improved public access and wider engagement with the archive and heritage collections. However, option 2 assumes the current Archive QB outstore is retained and this will continue the split site working for the Service. Up to 2017 most of the archive collections were available without the need for advance booking at either Staffordshire Record Office or Lichfield Record Office. Since the Lichfield collections moved to out storage, they require 48 hours' notice for access. If additional material is required by a customer during their visit, they need to make another booking for a different day.
14. There is a significant increase in staff time dealing with retrievals which diverts resource away from other work including increasing engagement and access with collections. The use of the out store was intended as a temporary solution pending the delivery of the Staffordshire History Centre project. Continued use will impact on the current public offer and severely limit the ability of the Archive and Heritage Service to widen access to the collections through outreach and engagement.
15. The Archive and Heritage Service has begun collective consultation to redesign the staffing structure. This review will deliver £0.301m of MTFs savings. Whilst not dependent on the proposed investment outlined in this paper, if supported this will mean services can be delivered from a single site and will provide for an improved and more efficient service as staff resources will be diverted from retrievals from outstores towards the public offer.

Business case options and affordability

16. Three options have been assessed against the Do Minimum position to consider costs using the 'whole-life' costing model over forty years. Forty years has been used as the reasonable life of the building and to take account of potential future repair/refurbishment liabilities. A standard discount factor of 3% has been used as prescribed by the Government 'Green Book' and future costs have been discounted to provide a Net Present Value (NPV) for each of the three options.
17. The four options are:

- a. **Option 1 Do Minimum** - This option assumes the Service retains Staffordshire Record Office, William Salt Library and the archive out store at Unit QB for 40 years. It does not relocate the William Salt Library collection. It includes the additional revenue required to deal with the maintenance backlog and purchase of additional storage possible on another site.
- b. **Option 2 Two storey bid with a Heritage Fund grant** - This option matches the 2018 round 2 submission to the Heritage Fund. It includes capital works in the phase 1 of the previous planning application. Phase 1 includes the creation of a glazed link between the William Salt Library (WSL) and Staffordshire Record Office (SRO) buildings to deliver an exhibition space. Remodelling SRO public and back office space to create new public space and education space. Light touch refurbishment of the WSL building and dividing it back in to two buildings for residential and office use. Creation of a new two storey archive store at the back of existing SRO stores. Work on external areas including new paving from Eastgate Street, the archway to the main entrance of the new History Centre. Remarking the existing car park and providing two disabled park spaces. This option secures the release of the William Salt Library collection to be stored in the new facility and the lease renegotiated on improved terms. It assumes the QB Archive out store is retained meaning that the Service will continue to operate on split sites diverting resources away from the public offer. Planning permission has been granted for this option.
- c. **Option 3 Three storey storage extension with Heritage Fund grant** - This option would provide all the items under option two plus an additional floor of archive storage. These additional floors would enable the release of the Archive out store, provide future storage space for 17 years, and enable the service to operate from one site. It also secures the release of the William Salt Library collection to be stored in the new facility and enables renegotiation of the lease on improved terms. It would not provide additional storage for Record Centre holdings to support the full release of Unit QB. Planning permission has been granted for this option with the third floor as a second phase of work.
- d. **Option 4 Four storey storage extension with Heritage Fund grant** - This option would provide all the items under option two plus an additional two floors of archive storage. These additional floors would enable the release of the Archive out store, provide storage space for 55 years which could be rented out to generate income or be used as part of the transition storage for the Record Centre business case to vacate the whole of unit QB. It would enable the service to operate from one site. It also secures the release of the William Salt Library collection to be stored in the new facility and enables renegotiation of the lease on improved terms. Planning permission would be required for the fourth floor. Permission was granted for a three storey facility in 2018 and Stafford Borough Council planning department has indicated that it would support a higher storage facility. Pre-application advice has already been sought to ensure the application is approved.

Revenue costs

22. The table below shows the revenue costs for all options:

	Option 1 - Do Minimum £m	Option 2 - 2 Storey £m	Option 3 - 3 Storey £m	Option 4 - 4 Storey £m
Rates	0.040	0.050	0.053	0.056
Utility - Electricity, Gas, Water	0.040	0.047	0.050	0.054
Premises Insurance	0.003	0.003	0.004	0.004
Planned Maintenance & Responsive Maintenance	0.130	0.049	0.054	0.060
Rental costs:				
- QB building	0.020	0.020	-	-
- Future collecting (6m3 per year)	0.006	-	-	-
Rental Income	-	(0.012)	-	(0.019)
Prudential Borrowing (Capital debt charges)	-	0.036	0.059	0.079
Estimated On Going Revenue Costs	0.239	0.193	0.220	0.234
Existing Budget	0.188	0.188	0.188	0.188
Additional Annual Revenue Cost (On Going)	0.051	0.005	0.032	0.046
Extra R&M required (First 10 years: NLHF condition of grant)		0.150	0.150	0.150
Additional Annual Revenue Cost (First 10 years)	0.051	0.155	0.182	0.196

23. The current total revenue budget for running costs for the Staffordshire Record Office and William Salt Library is circa £0.188m. This includes £0.020m for the existing lease/rental charges for part occupation of Storage unit QB.

24. The analysis of future maintenance and running costs liabilities has predicted increased levels of expenditure. The current cost of “Do nothing” will cease to be enough as the full maintenance liability becomes a reality. Over the coming years more building elements will come to the end of their design life and will require renewal or replacement.

25. **Option 1:** As a minimum it is estimated the Council will be required to invest a further £0.051m per annum therefore requiring a total annual budget of £0.239m per annum. This will enable the service enough resource to maintain its building to a satisfactory level and to acquire additional storage space going forward to accommodate its growing collection. However, this is not ideal as it:

- a. continues to deliver the service over split sites
- b. fails to offer the appropriate environment / protection to some of our key archives
- c. and there is a risk that, if in the future the QB site lease is terminated, then alternative accommodation would be required at potentially greater cost.

26. Other alternative options have been brought forward for the extension of the archives building for two, three or four storeys. This will be delivered in partnership with the National Lottery Heritage Fund and other partners. The additional capital

investment is outlined above and will also impact on the Council's revenue requirement.

27. **Option 2:** is for a two-storey extension of the existing building. This assumes storage at Unit QB will be retained, and that the additional capacity created through the extension will be enough to accommodate its growing collection (and a small surplus for possible leasing/income generation). Whilst in the long term the on-going revenue costs are minimal at c £0.005m (after allowing for additional capital debt charges), for the next ten years a further £0.150m is required to meet the greater repairs and maintenance standards required as a condition of the NHLF grant.
28. **Option 3:** is for a three-storey extension of the existing building. This will provide sufficient additional capacity to vacate the Unit QB Archive outstore and to accommodate its growing collection, however it will not provide for any further surplus capacity either for leasing/income generation or to support the wider corporate property strategy. Due to the additional capital debt charges, the long term on going revenue costs are higher at c £0.032m; however for the next ten years a further £0.150m is required to meet the greater repairs and maintenance standards required as a condition of the NHLF grant.
29. **Option 4:** is for a four-storey extension of the existing building. This will provide enough additional capacity to vacate the Unit QB Archive out store and to accommodate its growing collection. It will also provide significant additional surplus capacity (the fourth floor) for either leasing/income generation or to support the wider future corporate property strategy. Due to the additional capital debt charges, the long term on going revenue costs are higher at c £0.046m; however for the next ten years a further £0.150m is required to meet the greater repairs and maintenance standards required as a condition of the NHLF grant.
30. Though the most expensive, the preferred option is Option 4 as this meets both the Archive Service's immediate and future requirements and will provide valuable surplus capacity for additional income generation and/or to support the Council's wider future property strategy.

Mid-stage review with National Lottery Heritage Fund

31. On 10 December the Staffordshire History Centre project was assessed by the National Lottery Heritage Fund through the mid-stage review process. This review is an essential stage which the project must pass to proceed to a round two application. All the plans and documentation are considered, and they must be at least 80% complete.
32. The feedback on the project was that it had made significant progress from the round 1 submission in 2019. The strategic context was strong, referencing the contribution the project will make to the economy and recovery of Stafford following the COVID-19 pandemic. The Conservation Plan highlighted the outstanding collections and heritage asset of the William Salt Library building.

33. The designs for the History Centre and additional storage were welcomed. The summary of the environmental impact and sustainability for the project was strong.
34. The Heritage Fund requested that the themes from the collections were more explicit within the Interpretation Plan. This plan includes the exhibition space designs, signage and how the Centre and the William Salt Library will be accessed by visitors.
35. The Activity Plan was noted as a well written document with passion and had a clear narrative of the journey that the project has taken during the development stage. The step change that the service is making was also noted. The Evaluation Plan was also good however it must be updated to include the capital works for the Centre.
36. The Business Plan was at the appropriate stage and had a good strategic overview and context. The organisational change was clearly described and it was noted that it was important to include the links to recovery from the COVID-19 pandemic. The Maintenance and Management Plan was noted as nearly complete. The Marketing Strategy and healthy budget of £40,000 was welcomed.
37. The updated budget for the project was presented including the increased funding towards the additional two floors of storage. The increased contribution from Staffordshire County Council was welcomed and it was noted that the grant percentage by the Heritage Fund had reduced. It was recommended that the business case for the increased storage was referenced in the other documentation. It was recommended that funding is identified to complete the masterplan for the project to strengthen its position when considered at round two. The cost of completing the masterplan is £43,600 which will be covered by revenue budgets and partnership funding.
38. It was recommended that the Project Executive Summary was updated to reflect the progress made in the other plans. The feedback overall was very positive, and the Heritage Fund welcomed our round two application.

Conclusion

39. The business case and analysis of risks and issues facing the Archive and Heritage Service and County Council has shown that there are immediate risks to the ability of the service to perform its statutory functions. Since 2019 the risks have become more apparent as Unit QB is being reviewed under the Strategic Property Rationalisation.
40. This means that Do Minimum does not meet all the project objectives and presents reputational risks for the County Council and William Salt Library Trust. This option does not present a long-term basis for the service and planning for future storage will still be required.
41. Option 2 meets more of the project objectives, would support retention of the Service Accreditation and preserve the County Council and William Salt Library Trust reputations. Whilst some growing space is provided it is dependent on

retaining the out store at QB. It delivers improved public access but as it maintains the split site this will divert resources away from the public offer and result in a less efficient and resilient service. It represents a medium-term option.

42. Option three meets all the project objectives. It would preserve the reputations of the County Council and William Salt Library Trust. It enables the whole service to be able to retain full Accreditation and will enable the release of just the archive out store at QB. It does not support release of the whole of Unit QB. It represents a medium-term option.
43. The preferred option, option four, meets all the project objectives. It would preserve the reputations of the County Council and William Salt Library Trust. It enables the whole service to retain full Accreditation. It enables the release of the archive out store at QB and will provide valuable surplus capacity for additional income generation and/or to support the Council's wider future property strategy. It represents a long-term option. Option four and the additional funding has been welcomed by the Heritage Fund.
44. Following the successful mid-stage review the round 2 application will be submitted on 1 March 2021. A decision by National Lottery Heritage Fund: England, Midlands and East committee will be made in June 2021.
45. Cabinet approval for the preferred option is sought and for submission of the round two application.

Legal Implications

46. The delivery of the project will have several legal implications:
 - a. A joint venture development agreement has been drafted between the County Council and William Salt Library Trust to enable both parties to deliver the project in partnership.
 - b. The current 99-year lease between the County Council and William Salt Library Trust will be surrendered. A new lease for the ground floor of the Library as part of the History Centre will be agreed between both parties at a cost of £15,000 per annum which is included in the project costs and modelling for the business case.
 - c. The land between the William Salt Library and Staffordshire Record Office will be conveyed the William Salt Library Trust ? to the County Council to enable the Staffordshire History Centre to be constructed on the site. The value of the land is included as matched funding within the project.
47. The legal agreements listed above have been agreed in draft between the County Council's legal team and the legal team for the Trust. They will be completed if the round two application is successful. Authority to complete the legal agreements will be obtained via the Property Sub Committee in due course.

Resource and Value for Money Implications

48. The business case within this report outlines the resource implications for capital and revenue funding modelled over a forty-year period. Over this period the project demonstrates value for money for investment and development of existing assets and supports delivery of Archive and Heritage Service MTFs savings.
49. Receipt of a grant from the National Lottery Heritage Fund is subject to their Standard Terms for Delivery Grants. Specific terms are included in the grant offer and typically include clawback either where a project is underspent or where the project objective have not been fulfilled. The period of the terms is usually around 25 years but this cannot be confirmed until an offer is received. Submission of the application requires:
 - a. A letter from the person with overall responsibility for the building confirming that there are no future plans for closure of the building which will be funded via the project.
 - b. Confirmation that Staffordshire County Council will underwrite the funding shortfall if fundraising grants are unsuccessful.
50. Funding has been confirmed for delivery of the project with additional grants to be applied for to support additional elements within the project. These include the exhibition space and the entrance space.

List of Background Documents/Appendices:

Community Impact Assessment – Summary Document

Contact Details

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