

Subject:	New Historic Records Office & Resource Centre (The Keep) - Project update, funding arrangements and future delivery		
Date of Meeting:	17 September 2009		
Report of:	Director of Culture & Enterprise		
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Key Decision:	Yes	Forward Plan No. CAB11238	
Wards Affected:	All		

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 This report advises Cabinet of progress in delivering the New Historic Record Office & Resource Centre project ('The Keep'); a project led by East Sussex County Council (ESCC), and in which the city council has participated as a full partner since April 2008. The report specifically advises Members of significant developments during the past 18 months, particularly the identification of a preferred scheme option, and seeks support for continued partnership working and revised funding arrangements to enable its continued development.

2. RECOMMENDATIONS:

- 2.1 That Cabinet notes that whilst the bid to the Heritage Lottery Fund was unsuccessful, the partners' subsequent exploration of reduced scheme options suggests a financially viable scheme is still achievable; a scheme considered capable of satisfying the original vision and objectives.
- 2.2 That Cabinet notes the joint Project Board's selection of a preferred scheme option and the work now underway to complete a revised RIBA Stage C report (outline design).
- 2.3 That Cabinet confirms the city council's commitment to 'The Keep' and supports continued partnership working with ESCC and the University of Sussex to further develop the project.
- 2.4 That Cabinet notes the current funding profile and approves the city council's revised financial contribution of up to £508,000 (a sum within the originally agreed 'in principle' figure) towards the continued development of the scheme up to RIBA Stage D (detailed design).
- 2.5 That Cabinet grants authority for the preparation of appropriate legal documents to enable the project's progression to Stage D (such documents to allow for

proceeding further to Stage H but only subject to the city council's agreement at the conclusion of Stage D.

- 2.6 That Cabinet delegates authority to enter into those legal documents to the Director of Culture & Enterprise in consultation with the Cabinet Member for Culture, Recreation & Tourism.
- 2.7 That Cabinet reconfirms 'in principle' agreement to the council's longer-term funding commitment, to a maximum of £5.345m (inclusive of development funding shown in 2.4 above), to support the capital cost of delivering The Keep, with the final decision returning to Members at the conclusion of Stage D; currently anticipated in April 2010,

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

Problems with existing Record Office

- 3.1 The East Sussex Record Office was set up in 1949 and is currently based at the Maltings in Lewes, where the public search room, conservation laboratory and staff are located. It holds approximately 5 miles of archives dating from 1101 to the present day relating to the history of East Sussex and Brighton and Hove.
- 3.2 ESCC is responsible for the city council's archives and records. Brighton & Hove has held contracts with ESCC for historic records and archives and modern record management since 1997.
- 3.3 The current arrangements for the care and access to the collections do not meet the standards of The National Archives (TNA), the regulating body for historic archives and public records. In addition to which, the current building lacks sufficient space for the collections. As a result of which, some of the archives / collections are housed remotely, including a store in Newhaven.
- 3.4 In 2003, The National Archives carried out an inspection of the facilities. TNA agreed to renew the licence to hold Public Records but stated that the only long-term solution was for a new record office on a single site. A subsequent inspection by TNA in 2006 added to the urgency to progress the project. That inspection had a dual purpose: as a follow-up inspection to that carried out in 2003 and in order to advise the Department for Culture, Media and Sport (DCMS) on the allocation of the Battle Abbey estate archives, accepted for the nation in lieu of inheritance tax. The report was extremely critical of the accommodation for records, researchers and staff and the licence to hold public records was granted only for one store (the Newhaven site) and on condition that progress towards a new record office was made within 5 years.

A New Historical Resource Centre

- 3.5 The Keep project sets out to develop a new resource at Falmer's Woollards Field to re-house the archives in a purpose built facility that will meet the sector standards. It will accommodate archives, local studies and historical resources and will provide a repository for safe keeping whilst also offering much improved public access and hands-on learning opportunities.

- 3.6 It will house the extensive archives and historical resources of the County of East Sussex and the City of Brighton & Hove together with the Special Collections of the University of Sussex including the internationally renowned Mass Observation Archive. It will therefore be a high profile facility that aims to be a vibrant community resource that will open up access to all of these collections in a one-stop shop for all aspects of the historic environment. The building will conform to national standards and will include adequate space for future growth.

Partnership - City Council Engagement

- 3.7 The city council has been actively engaged in the project for a number of years, with the first report to Members through the then Culture & Tourism Sub-Committee in March 2007, followed by a series of update reports to the Culture, Recreation & Tourism Committee. These close working arrangements culminated in a detailed report to the Policy & Resources Committee in 2008.
- 3.8 In April 2008, the Policy & Resources Committee agreed:
- (a) that the city council became a formal partner in The Keep Project and to fund up to 1/3 of the forecast development costs (up to a maximum sum of £0.167m) to enable development of the scheme up to Heritage Lottery Fund Stage 1 application stage.
 - (b) 'in principle' agreement to the council's longer term funding commitment to support the capital cost of delivering The Keep subject to (a) satisfactory resolution of a number of issues (as set out in the report of 3 April 2008) and (b) this funding position be reviewed following the outcome of the Stage 1 Heritage Lottery application in December 2008.
 - (c) to officers working on a number of identified funding solutions to secure the council's maximum in principle contribution to this project of £5.345m, which includes the development cost in paragraph (b) above.
 - (d) that council officers should continue to work closely with colleagues at ESCC to explore the detailed delivery, project management, governance and finance arrangements for The Keep and that final confirmation of the council's longer term financial commitment to the project would require formal approval at a future meeting of the Culture, Recreation and Tourism and Policy and Resources Committees or their successor equivalents under the new constitutional arrangements.
- 3.9 Following Policy & Resources approval, and in line with paragraph 3.8 (d) above, the project management arrangements were revised to better reflect the city council's status in the project. In addition to greater representation on the joint Project Board, a new Project Team was established. The Project Team operates as an officer steering group, with membership drawn from the three capital partners, with the city council represented by appropriate officers from the Royal Pavilion & Museum Service, Major Projects & Regeneration, Strategic Finance, Legal Services, and Property & Design. The Project Team plays an important role in advising the Board on key issues and in making recommendations on strategic decisions. A number of task orientated sub-groups have also been set up (e.g. Governance Sub-Group and Revenue Sub-Group), which again involve officers from the partner organisations.

- 3.10 A great deal of work has been undertaken in the intervening period and there have been some significant developments. Immediate activity after April 2008 concentrated on the Stage 1 application to the Heritage Lottery Fund (HLF), and the preparation of detailed information necessary to inform and support that bid. To that end, the three partners entered a simple 'Partnership Agreement' relating to the project's preconstruction phase through to RIBA Stage D; at that time coinciding with the planned submission of a Stage 2 bid to the HLF.
- 3.11 In August 2008, the Project Board agreed that rather than delay development while waiting for the HLF decision, that work should continue through to RIBA Stage C (outline design). In this way, momentum would be retained, the project would be well placed in the event of a positive decision at Stage 1, a greater level of detail would be helpful in informing future decisions, and much of the information would relate to any subsequent scheme on this site.

Joint Project Board

- 3.12 The project has been overseen by a Project Board since June 2006. The Board is chaired by Cllr Tidy and includes ESCC senior officers from their Property, Resources, Archives and Records divisions. The city council first joined the Board in March 2007 following a report to the Culture & Tourism Sub-Committee, with its presence increasing, in line with full partner status, following the report to Policy & Resources in April 2008. The city council is represented by Cllr David Smith, Cabinet Member for Culture, Recreation & Tourism, Scott Marshall, Director of Culture & Enterprise, Angela Dymott, Assistant Director Property & Design, and Janita Bagshawe, Head of Museums & Royal Pavilion, as an observer.

Heritage Lottery Fund

- 3.13 In September 2008, the stage one submission was made to the Heritage Lottery Fund for £4.9m as part of a total project cost of £23.6m in line with that report to Policy & Resources. Revised application arrangements introduced in April 2008 require HLF capital projects to follow a two-stage process, with stage one needing to be developed to RIBA Stage B (feasibility study).
- 3.14 In December 2008, the HLF advised ESCC that the project was not among those selected to move forward to a Stage 2 application. The HLF advised that the application was well received but that it was unable to support the project due to lack of funding nationally and with a range of strong competing proposals.
- 3.15 ESCC was subsequently advised that the HLF had put The Keep forward to ministers at the DCMS as a project that they would like to support if they were to be given more funding. The partners therefore wrote to the Secretary of State for Culture, Media and Sport, the Minister for Culture, Creative Industries and Tourism, and to local MPs in East Sussex and Brighton & Hove, asking for their support in finding additional funding for The Keep. As a result, the Programme Manager was asked to address the All Party Parliamentary Group on Archives at Westminster on 11 May 2009. Unfortunately, whilst receiving some very positive feedback and undoubtedly serving to raise the project's profile, these additional efforts have not led to the prospect of securing any additional funding.

- 3.16 The outcome of the HLF application meant the project partners needed to identify cost savings of £4.9m in order to bring the scheme within the reduced budget of approximately £19m i.e. agreed / agreed 'in-principle' by the partners.
- 3.17 At the time of the HLF decision the project was mid-way through RIBA Stage C with work well underway on the outline design. As a result of partner meetings in December 2008, it was decided to complete the current outline design work and cost plan so that this information could be used to carry out an options appraisal for the project and to inform future decisions.

Scheme Development

- 3.18 Since January 2009, the partners have investigated a range of options to address the funding shortfall. Kier-Atkins (the appointed contractor / architect) was initially asked to look at a number of options for reducing the capital cost of the scheme, while continuing to achieve the original vision. Their work considered a range of options, from reducing the overall size of the building, both repository space and public areas, reducing the specification of materials and external works, changing construction methods, alternative energy strategy, phased building of the repositories, a reduction in the BREEAM rating, and accelerating the construction programme to take advantage of lower inflation and the downturn in the construction industry.
- 3.19 The findings of the initial analysis were reported to the Project Board in February 2009. Whilst helpful, the Board agreed that more detailed information was required before a firm decision could be taken. Additional details were presented to the Project Board at its meeting on 9 March 2009. Having considered a number of options and sub-options for a revised scheme the Board agreed that provision of 100% repository space (i.e. allowing for 20 years of accruals) remained a priority, and to consider departing from this would have undermined the project from the outset and was completely at odds with the project's primary objective.
- 3.20 The Board therefore agreed to a fundamental review of the specification for both the public building and the repositories to ensure that the most cost effective solution is achieved, that significant space savings needed to be made to staff and public areas, while continuing to achieve functional requirements, and that the building design should be further examined.

Preferred Option

- 3.21 Having completed further analysis alongside the partners and their appointed consultants, Kier-Atkins put forward, in June 2009, two main options for affordable alternative schemes. These options were presented alongside the completed Stage C Outline Design Report on the comprehensive scheme; a report that recommended the positioning and form of the new record office, and which established the desirability of building connected storage and people (staff and public) blocks.
- 3.22 **Option 1** – A scheme that is basically a reduced version of the building design outlined in the original Stage C scheme i.e. the optimum scheme based on securing HLF funding. This scheme option therefore maintains the two connected blocks – repository and people blocks, but with various design

changes, service modifications, space reductions, together with a range of other changes.

- 3.23 **Option 2** – The design for this building is radically different from the original Stage C design. The building is much taller with a smaller overall footprint. The public areas would remain on the ground floor but the repositories would take up the first and second floors of the building. The staff areas would be accommodated on the third floor.
- 3.24 Both options broadly conform to the partners' reduced area requirements and are shown to be deliverable within the reduced funding constraints. These options were considered by the Project Board at its meeting on 6 July. As before, the Project Board requested additional information and clarification, the results of which returned to the Board on 5 August 2009.
- 3.25 Having considered the options, the pros and cons of each, operational constraints, planning and design challenges, the Board agreed that **Option 1** should be taken forward for further design development and is progressed to RIBA Stage C. Kier-Atkins has now been instructed to complete this work, with the results expected during October 2009.
- 3.26 As with previous stages, the revised Stage C report will then be assessed by the partners, followed by further reports to both the Project Team and Project Board. As shown in the timetable at 3.27, this stage is expected to be completed by the end of October 2009. Subject to the outcome of this stage, the project would then progress to detailed design stage (Stage D).

Timetable

- 3.27 With Cabinet's agreement to the recommendations in this report, the indicative timetable for future phases of work is as follows:

Event	Timescale
Report to Cabinet to secure agreement to continued partnership working and revised funding arrangements.	17 September 2009
Complete RIBA Stage C (outline design)	Early November 2009
Stage C report considered by joint Project Board	December 2009
Commencement of RIBA Stage D (detailed design)	December 2009
Complete RIBA Stage D	March 2010
Stage D report considered by joint Project Board	April 2010
Report to Cabinet advising of Stage D findings and seeking confirmation of capital funding	22 April 2010
Planning application submitted	May 2010
Start on Site	April 2011
Completion	September 2012

- 3.28 As shown above, based on its continued development, and final confirmation of it being a financially viable scheme that the partners ultimately commit to funding, it is anticipated that a planning application will be submitted in May 2010. This is entirely reliant on progress during the next 5 to 6 months, with the timing of the

next report to Members being dependent on the delivery and outcome of Stages C & D. If more rapid progress is made it may be possible to report to Members in March 2010. Equally, delay may mean reporting to a later meeting. Whilst there is a clear desire to make progress, as with major projects led by the city council, it is considered appropriate for Members to agree the scheme prior to the submission of a planning application. It is therefore vitally important that full and comprehensive details are presented as part of the next phase of work and that all outstanding issues (e.g. revenue costs, governance and legal arrangements) are resolved.

4. CONSULTATION

- 4.1 An Audience Development Plan (ADP) was drawn up following extensive consultations with potential partners, stakeholders and users in 2007. The recommendations of the ADP have therefore informed the vision and shape of the project and this work will be further refined as part of the next phase. Consultation during the past 18 months has necessarily been confined to internal consultation between the partners as part of the process of examining financial viability. Consultation has therefore been via the Project Board on which there is elected Member representation.
- 4.2 As work progresses the partners will be carrying out a series of consultations with residents, organisations and community groups in Brighton & Hove and East Sussex to seek their views on The Keep and to look at ways in which they will be able to use and benefit from the new centre. Consultation with ward Members will form part of this process.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The report to Policy & Resources in April 2008 projected the council's contribution to the project at £0.345m for development costs for the period to March 2010, and £5.0m towards the capital build from April 2010 to March 2013 giving a total contribution of £5.345m. The capital expenditure would be funded from unsupported borrowing with Culture & Enterprise funding the financing costs for the £0.345m (estimated at £0.031per annum) and the financing costs for the £5.0m (£0.45m per annum) included as a commitment within the Medium Term Financial Strategy.
- 5.2 The council's contribution of £0.345m towards the development costs to complete stage D represented 1/3 of the total development costs and were estimated to be £0.167m during 2008/09 and £0.178m during 2009/10.
- 5.3 Subsequent events, including the agreement to progress Stage C earlier and to undertake additional work on alternative options, meant that the city council's contribution to the development costs would mainly fall in 2008/09 and the Targeted Budget Management report approved at Cabinet on 12 February 2009 included the re-profiling of costs to a total of £0.3m in 2008/09, with the balance of £0.045m in 2009/10.
- 5.4 Agreement to the recommendations set out in this report requires the city council to commit to an increased contribution to development costs for additional Stage

C design work and to complete Stage D. The total cost to Stage D is estimated at £1.524m including all costs to date; based on the city council contributing a 1/3 share, the city council's revised contribution is £0.508m, an additional £0.163m. However the overall contribution to the scheme will remain at £5.345m. The additional financing costs in 2009/10 of bringing this funding forward is £0.004m and can be met within existing budgets.

	2008/09	2009/10	2010-13	Total
	£'000	£'000	£'000	£'000
Original expenditure profile	167	178	5,000	5,345
Revised expenditure profile	300	208	4,837	5,345

- 5.5 During the progress of the design to stage D, work will be undertaken to establish the estimated running costs of the new facility. The Council currently contribute £0.17m per annum towards the running costs of the existing archive service however the new facility will be much larger and have the plant and equipment to store archive material under the correct conditions which could increase the council's contribution significantly. The report to Cabinet following the completion of Stage D will include the estimated increase in ongoing revenue costs. If the scheme is approved these increased costs will be built into the medium term financial strategy as a commitment.

Finance Officer Consulted: James Hengeveld

Date: 13/08/09

Legal Implications:

- 5.6 The Keep project will benefit from the SEEDA funded highway improvements that are due to commence later this year. Those improvements include a widening of the road from the A270 to the tunnel approach to Falmer School, which will result in improved access to Woollards Field and The Keep in the longer term, and also to the contractors' compound in the short term. The operational arrangements of this have been agreed and the works timetable should not adversely impact on the Project timetable.
- 5.7 As discussed above, Kier-Atkins, originally appointed in February 2008 following a tendering process, were subsequently commissioned to prepare alternative proposals (resulting in Options 1 & 2) the preferred option of which to be progressed to RIBA Stage C.
- 5.8 As shown in the timetable at 3.27, the revised Stage C report is due to be considered by the Project Board during December 2009. Subject to the Board's agreement, it will then be necessary to agree appropriate legal arrangements covering the future stages of design development and delivery. A follow up agreement to the existing Pre-Construction Agreement with Kier-Atkins will be required to advance to RIBA Stage D and subsequently on through to Stage H. As this important stage occurs after this report to Cabinet but before the next report at the conclusion of Stage D, delegated authority to enter the next stage legal agreement is required, without which the project would be delayed.
- 5.9 The form of such agreement will be a Design & Build Contract based on the appropriate industry standard (JCT agreement DB(R1)). Agreement also needs

to be reached with the County Council and where appropriate the University of Sussex on issues identified in the Partnership Agreement exchanged on 09.09.08 including the legal framework for The Keep's operation, ownership of the building and its contents, governance and strategic management and the provision of facilities management.

- 5.10 It should be noted that the Project Board has no delegated authority to act on behalf of the council i.e. it can only make recommendations to be duly considered as appropriate by officers and members in accordance with the council's constitution.

Lawyer Consulted:

Bob Bruce

Date: 20/08/09

Equalities Implications:

- 5.11 Development of The Keep provides the opportunity to greatly improve access to the archives and historic records for learners, researchers and the public. The current Record Office at the Maltings does not comply with DDA standards; this purpose built facility will comply with DDA. To assist with this process, the partners have appointed an experienced Access Consultant to review the building designs as they develop. This will ensure inclusive design is addressed, as appropriate to the site and project, through RIBA Stage C and D. An assessment of the proposed designs at these stages will consider the usability and inclusive experience for people visiting the building or using associated services and facilities. This will reflect a visitor's journey through information, arrival and entry, orientation and circulation, interpretation, access to the archives and learning resources etc.
- 5.12 In addition, an Activity Plan is to be commissioned. The plan will focus on all of the activities associated with The Keep including audience development and participation. It will therefore take into account the needs of differing audiences.

Sustainability Implications:

- 5.13 The current storage of the archives does not conform to TNA standards for archives, which means that the long term conservation and sustainability of these collections is at risk. Purpose built accommodation will ensure the long-term care of the archives and historic records.
- 5.14 The development aims to achieve a BREEAM 'excellent' rating and a bespoke assessment has been progressed with draft assessment criteria issued by the BRE. There have also been helpful initial meetings with the council's Sustainability Team and these will continue through the next phase of work.

Crime & Disorder Implications:

- 5.15 There are no direct implications for the prevention of crime and disorder contained within this report.

Risk & Opportunity Management Implications:

- 5.16 A detailed project risk register is maintained by ESCC's appointed Project Managers (Faithful & Gould) and is subject to regular review at client team meetings. The risk register is also presented to the Project Team and Project Board at each meeting and updated accordingly. In addition to which, ESCC's Programme Manager maintains a wider risk register covering the non-capital elements of the scheme e.g. the operational and partnership aspects including revenue costs and fundraising.

Corporate / Citywide Implications:

- 5.17 The Keep project at Woollards Field is one of 4 significant projects to be delivered in the Falmer area i.e. Community Stadium, Falmer Academy, and SEEDA funded infrastructure works. Effective coordination between the respective projects is important and appropriate lines of communication have therefore been established. These arrangements are further aided by the fact that Kier is the appointed contractor for both Falmer Academy and The Keep. The project will provide improved services to B&H residents who will no longer need to travel to Lewes where there is sub-standard facility.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 The evaluation of alternative options has been a fundamental consideration since the project's inception, and has continued at each stage of its development. The original Feasibility Study from 2004 looked at six possible scenarios, from which the preferred option for a new record office and resource centre was first identified. Subsequent work has considered the possible inclusion of modern records and museums collections, partnership and delivery arrangements, and a detailed appraisal of potential sites, with Woollards Field identified as the preferred location in 2007.
- 6.2 In addition to which, the 2008 report to Policy & Resources set out alternative options that were open to the city council. Assessment of those options confirmed that the most appropriate way to improve public access and the future management of the city council's historic records and archives was through partnering with ESCC. It was on that basis that the city council agreed to become a full partner, with agreement to meet a one-third share of the development costs to support its progression.
- 6.3 Failure to attract HLF funding at the end of last year necessitated a further review of options; work that is summarised in this report and which suggests a financially viable scheme is achievable. The review also included the 'do nothing' option, which effectively means remaining in the existing premises, but this was again confirmed as unacceptable.
- 6.4 As set out in the report to Policy & Resources, the only real alternative option open to the city council would be to withdraw from the partnership and seek to provide a stand alone records office for the city. As the earlier report confirmed, this is likely to require a greater level of capital funding, there are precious few appropriate sites available, it would be extremely difficult to separate the records / archives and to operate independent services would be contrary to national trends and it would have a negative effect on service users.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 The Keep is an innovative project that will address the long term storage and preservation of the city's historic records and archives. The current facilities are completely inadequate and unsustainable, even in the short to medium term. Action is now required, without which it is possible that The National Archives could remove the licence and seek to place the collections elsewhere. The new centre will overcome these problems and will represent the next generation of archive buildings in the UK, in line with the new Government Archive Policy, 'Archives for the 21st Century', which is currently out to consultation and makes specific reference to the need for "fewer, bigger, better" archive facilities.
- 7.2 Despite the obvious set-back of not attracting HLF grant funding, the partners' subsequent exploration of reduced scheme options suggests that a financially viable scheme is still achievable; a scheme considered capable of satisfying the original vision and objectives. While it has been a challenging period, the project has continued to develop during the past 18 months.
- 7.3 The city council has already made a considerable financial investment in supporting the project to this point, and has previously indicated its commitment to the longer-term, subject to it being financially viable. Continuing to work in partnership with ESCC and the University of Sussex, with agreement to financial support to enable the project's progression through RIBA Stages C and D requires relatively limited further funding, and remains within the originally agreed in principle total of £5.345m.
- 7.4 Completion of the next phases of design work will advance the scheme to a point where there will be far greater certainty about both the capital build costs and longer-term revenue implications of operating the new facility. Both of these areas are vitally important to the project's future and are central to informing decisions at the next stage, when a further report will come to Members prior to final confirmation of capital funding.

SUPPORTING DOCUMENTATION

Appendices:

1. None

Documents In Members' Rooms

1. None

Background Documents

1. Report to Policy & Resources Committee - 3 April 2008
2. Reports to Culture, Recreation & Tourism – 13 June & 12 September 2007
3. Report to Culture & Tourism Sub-Committee – 28 March 2007

