

Report of:	Richard Horniman - Director of Regeneration and Culture Councillor Mieka Smiles - Executive Member for Communities and Education
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Submitted to:	Executive - 11 May 2021
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Subject:	Teesside Archives
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Summary

Proposed decision(s)
<p>That the Executive:</p> <ul style="list-style-type: none"> a) approves the transfer of Teesside Archives stock to commercial storage; b) approves the relocation of Teesside Archives staff to the Dorman Museum; c) approves up to £325,000 from any subsequent sale of Exchange House to be used for relocation of Teesside Archives (subject to confirmation from the three other Custodian authorities); and, d) approves the pursuit of external funding for the longer term development of new archive storage attached to the Dorman Museum.

Report for:	Key decision:	Confidential:	Is the report urgent?
Decision	Yes it is over financial threshold	The report is not confidential	Non-urgent report

Contribution to delivery of the 2021-24 Strategic Plan		
People	Place	Business
We will invest in our existing cultural assets, create new spaces and events and improve access to culture.	Securing improvements in Middlesbrough’s housing, infrastructure and attractiveness, improving the town’s reputation, creating opportunities for local people and improving our finances.	We will ensure that we place communities at the heart of what we do, continue to deliver value for money and enhance the reputation of Middlesbrough.

Ward(s) affected
Central Ward

What is the purpose of this report?

1. To set out the future operating arrangements for Teesside Archives, and to agree the funding required to facilitate them.

Why does this report require a Member decision?

2. The Teesside Archives is a 'custodian' service managed by Middlesbrough Council. The future arrangements will require a significant investment to achieve, which will have financial implications for the Council, as they impact upon a future asset disposal.

Report Background

Teesside Archives

3. The Teesside Archives Service was established in 1974 and acquires, preserves and makes available archives created by the four local authorities it serves (Middlesbrough, Stockton, Hartlepool and Redcar and Cleveland) and other archives relating to the local area.
4. The principle statutory obligation that underpins the service is the Local Government Act 1972, Section 224, which requires that a principal Council make proper arrangements with respect to any documents that belong to, or are in the custody of, the Council.
5. Teesside Archives is currently a place of deposit for public records as set out in the Public Records Act 1958 and appointment is based on the achievement and maintenance of a standard of care which broadly meets the requirements of The National Archives (TNA). TNA's Accreditation takes into account the storage of materials, service delivery and the suitability of buildings.
6. The storage of archives (excluding the front of house facilities) currently occupies approximately 700 cubic metres of space in Exchange Buildings, a Grade II listed custodian property in central Middlesbrough, owned under the historic 'custodian' arrangements by the four local authorities.
7. The Archives cost £241,800 p.a. to operate, which is funded by the four local authorities, with Middlesbrough's share equating to £44,400.

Exchange House

8. The operation of the Archives from Exchange House has been a significant issue for many years. According to national standards, an Archives Service should ideally be housed in a building with stable temperate and humidity levels with no windows in storage areas; over one floor. Exchange House fundamentally fails to meet this

requirement, and the overall suitability of the building for housing an archive has been further compromised, as its condition has deteriorated over time.

9. Studies dating back to 2011 have identified that the building is unsuitable, and in need of significant investment to bring it up to the necessary standard. TNA have also expressed increasing concern throughout this time, and have noted that the building was ultimately unsuitable and impractical to upgrade, and therefore does not meet the necessary accreditation standard. It is estimated that achieving this standard in Exchange House would require the investment of over £2m.
10. As a result, alternative arrangements have been sought over a number of years, with numerous options explored and dismissed, as either impractical or unaffordable. The suitability of Exchange House as an archive has consequently continued to decline. The most recent building assessment has however identified significant additional expenditure on fire safety measures that must be undertaken now, if the archives are to remain in Exchange House – even in the short term.
11. It is also imperative that Teesside Archives retains its accreditation from The National Archives, which would not be possible remaining in Exchange House. Losing this accreditation would result in each local authority having to establish its own archive arrangements that would be financially inefficient.

Alternative Options

12. Retaining Teesside Archives within the current building is no longer a viable option. Alternatives should not therefore be judged against the ‘do nothing’ option or current arrangements, but against the other alternatives currently available.
13. As noted above, the options for relocating the archives have been explored on a number of occasions, as TNA have increased the pressure to act, and the building’s condition has deteriorated. The options that have been explored previously for relocating the archives have included:
 - a. a new build facility;
 - b. conversion of an existing building; and,
 - c. splitting the stock across different venues in the four constituent areas.
14. All of the options around relocating the archives to another existing location have been discounted as either impractical (i.e. no suitable buildings exist) or unaffordable (the costs of refurbishing an existing building for archive storage are prohibitive). One of the biggest constraints has traditionally been the excessive floor loadings required for the volume of stock held. The options around providing a new build facility have been pursued more vigorously, as external funding has traditionally been available for projects of this type.
15. The costs of providing a new build facility have been identified as being between £4m and £10m depending upon the scale of the ambition, but proposals for a £7.7m building have previously been formalised in 2016. Unfortunately the external funding for these proposals has never been forthcoming, and is increasingly less likely to be available for a standalone archives facility.

16. One major prohibiting factor for a new build archive (or even a refurbished alternative) has been the requirement for the four local authority partners to contribute significant match funding. This could require a contribution from each authority of around £1m, which is impractical in the current climate.
17. As the need to act has become more urgent, the focus on alternative options has therefore recently moved towards finding a short to medium term solution, whilst longer term solution continues to be pursued.

Short to Medium Term Options

18. Teesside Archives essentially comprises two functions – a ‘back end’ for storing archive material, and a ‘front end’ service that provides public access. To provide a workable solution in the short to medium term, it is accepted that these two functions need to be provided separately.

Back End

19. It is therefore proposed that the 700 cubic metres of storage required for the archive be provided through a commercial storage operation, moving the stock into space run by the private sector. Commercial storage of this type is used by many local authorities to house their archives, alongside those put in safe storage by other organisations and companies. A number of companies provide these services, with some providing a range of standards, including those used to store historical artefacts by national museums. Regular retrieval arrangements would be agreed to ensure the stock can be accessed as needed, and the storage facility in which it is held, would operate very much as the storage at Exchange House currently does.

Front End

20. The staff who run the Archives provide a range of services including supporting people to access the stock, cataloguing and highlighting what is held, promoting the history of the areas, and restoring damaged or vulnerable materials. Housing these ‘front end’ services is much easier than housing the stock however, as it would only require the same type of access available to many other public services in the area. Locating the front end within an existing venue such as the Dorman Museum would also enable greater connection to be made between Teesside Archives and the wider history of the area.

Proposal – Short to Medium Term

21. Following an extensive search and costing exercise, the following proposal has emerged as the most deliverable short to medium term solution:
22. Enter into contractual relationship with Re:Store, a commercial provider with facilities in Spennymoor, County Durham, to hold up to 700 cubic metres of stock for a period of 5-10 years. A retrieval arrangement would see documents retrieved on a regular monthly basis, with the option to retrieve further documents within one week or 24 hrs depending upon the urgency required.

23. The front end of the service would be moved to vacant space within the Dorman Museum to connect it with the education offer at the Dorman, and provide a high quality public access point for the archives. Minor refurbishment of the space would be required, to ensure the facilities are welcoming for the public and appropriate for the service.

Proposal - Longer Term

24. A masterplan is being developed for the Dorman Museum that will guide future investment into the Museum, and form the basis for future external funding bids. It is proposed that this masterplan includes provision for an archive store to be integrated into the expanded museum that would ultimately replace the commercial storage arrangement over time, and reunite the storage with the front end services at the Dorman. Raising the funding for this would take many years, and would be the subject of future reports prior to any action. The assumption is that this would take a minimum of five years to put in place, so the arrangement with the commercial storage provider has been set for a minimum of five years accordingly.

Costs

25. The costs of transferring the archive material to anywhere is significant, and has been estimated at £140,000 by Re:Store. This one off cost includes boxing and cataloguing, so would not be as high if moved again in future. This cost could either be paid as a one off, or spread across the five years of the initial contract if required. An annual charge would be paid to store the stock, estimated at £48,000 p.a.

26. The cost of monthly retrievals has been estimated at £15,000 p.a. giving a total revenue cost of £315,000 across five years, at £63,000 p.a.

Cost	Amount	Explanation
Initial service charge	£140,000 - one off	To transfer, catalogue and relocate the archives collections to Restore, Spennymoor, and archive of special collections and decant of items to Restore Heritage Storage, Upper Heyford (if required).
Storage Costs	£48,000 p.a.	Annual cost of storing the current stock (minus any rationalisation currently underway)
Retrieval Costs based on 700 items retrieved per month	£15,000 pa	Costs represent worst case scenario of no charging
Total Annual Cost	£63,000	

27. This would be funded through the following routes:
28. Moving out of Exchange House would reduce property costs by £60,900 p.a. with only £12,000 being required to fund running costs for the front end at the Dorman museum. This would leave a saving of £48,900 p.a. to contribute to the overall running costs identified above.
29. The retrieval costs incurred can be largely offset through the introduction of charging for some items that are not currently charged for. Some of the requests for information received by the archive are for organisations (such as solicitors) who then charge individual clients for providing the service. As these retrievals will now come at a cost to the Council, these costs will be passed on where appropriate.
30. The costs of establishing and operating the storage of the archive material and its regular retrieval would therefore be met in their entirety through savings achieved on Exchange House and limited customer charging.
31. The only cost requiring additional input from the four local authorities would be the cost of moving the staff, and equipment, and refurbishing the space at the Dorman Museum that is estimated at around £185,000, and the one off cost of £140,000 for moving the stock to Re:Store.

Disposal of Exchange House

32. As Exchange House is owned by the four local authorities through the Custodian arrangements, the future of the building requires agreement from all parties. At present there is significant commercial interest in purchasing the building, although its value is somewhat compromised by the improvements it requires before it could be reoccupied commercially. A recent valuation confirmed that Exchange House would be worth in the region of £700,000 which would be split between the four authorities were it to be sold.
33. It is therefore proposed, that once Teesside Archives moves out of the building, it is disposed of, and a sum of £325,000 is retained from the sale to cover the four Council's contributions to the refurbishment costs attached to relocating the front end of the archives.
34. The remaining capital receipt would be split according to the Custodian arrangements. A further report would be brought to Executive to formalise the disposal of Exchange House when appropriate. Until then, it is proposed that Middlesbrough Council 'cashflow' the refurbishment, and a charge for the £325,000 contribution is effectively put on the asset for when it is sold.
35. Approval to undertake this course of action will be required from the other three local authority partners before being implemented.

What decision(s) are being asked for?

36. That the Executive:

- a. approves the transfer of Teesside Archives stock to commercial storage;
- b. approves the relocation of Teesside Archives staff to the Dorman Museum;
- c. approves the use of up to £325,000 from any subsequent sale of Exchange House to be used for relocation of Teesside Archives (subject to confirmation from the three other Custodian authorities; and,
- d. approves the pursuit of external funding for the longer term development of new archive storage attached to the Dorman Museum.

Why is this being recommended?

37. The proposed relocation to commercial storage and the Dorman Museum would enable the Teesside Archives to retain their accredited status with The National Archives. Remaining in Exchange House would not.

Other potential decisions and why these have not been recommended

38. Retaining Teesside Archives within the current building is no longer a viable option. The proposed option should not therefore be measured against the 'do nothing' option or current costed arrangements, but against the other alternatives currently available. As a result, the following options were considered and discounted:

Refurbishing an existing building

39. No buildings were identified that were surplus to requirements and had the size and configuration of space that would meet The National Archives accreditation standard. The requirement for significant floor loadings also ruled some potential buildings out. Ultimately no suitable buildings could be identified.

Converting a larger industrial building

40. Plans were considered for constructing appropriate storage within an empty industrial building, but the costs were prohibitive, with some options exceeding the costs of constructing a new purpose built facility.

New build facility

41. As identified above, the costs of constructing a new archive facility were identified as prohibitive. The latest designs were costed in excess of £7m, which would not be possible to secure for a standalone archive.

Splitting the archive into four

42. Returning material to the original local authority area was considered, and would be achievable at a cost lower than building a single new facility, but not every authority could accommodate the stock, and the costs of managing and storing four separate archives would be prohibitive.

Impact(s) of recommended decision(s)

Legal

43. The principle statutory obligation that underpins the service is the Local Government Act 1972, Section 224, which requires that a principal Council make proper arrangements with respect to any documents that belong to, or are in the custody of, the Council.
44. Teesside Archives is currently a place of deposit for public records as set out in the Public Records Act 1958 and appointment is based on the achievement and maintenance of a standard of care which broadly meets the requirements of The National Archives (TNA).
45. The accreditation required from The National Archives will be formally sought for the new arrangements, although they have been involved at every stage of the development of this proposal and have already viewed the facilities at Spennymoor for compliance purposes. This should ensure Teesside Archives remains legally compliant.
46. The contractual relationship with Re:Store will be established in conjunction with the Council's Procurement Team to ensure the appropriate processes are followed.
47. The sale of the Exchange house would require further formal approval through Executive having considered the interests of all Local Authority Interested Parties.

Financial

48. As set out above, the costs of the proposed changes will add £63,000 to the annual revenue costs for Teesside Archives, whilst savings from the building will fund £48,900 of it. The remaining revenue costs would be met through the implementation of charging for specific items to reflect the real cost of retrieval. This will be done in conjunction with The National Archives, who need to agree what is chargeable, and what needs to be provided for free.
49. The current cost estimates represent the worst case scenario, based on 700 cubic metres of storage. As the stock is currently being reduced in preparation for a move, this figure would reduce to ensure there is sufficient contingency within the budget to allow for a balanced charging policy that recoups appropriate costs, without penalising those that would expect to receive a free service.
50. The capital costs of establishing the front end in the Dorman Museum is estimated to be around £325,000 which could be funded through the commercial disposal of Exchange House. As this sale is likely to take place up to a year after moving the front end to the Dorman Museum, then there would be a need for the Council to 'cash flow' the £325,000, with a charge placed on the building to enable it to be recovered prior to any distribution of capital receipts.
51. Each of the four partner local authorities would need to agree to this arrangement prior to any commitments being made. Subject to their agreement to provide this

capital contribution, the proposals to relocate Teesside Archives should be cost neutral.

52. A further report would be brought to Executive regarding the process for disposing of Exchange House.

Policy Framework

53. The decision will not amend the Council's policy framework.

Equality and Diversity

54. An impact assessment was completed and attached as Appendix II. The assessment has concluded that the decisions would not have any disproportionately negative impacts.

Risk

55. The following high level risks, which are identified in the Strategic and Directorate Risk Registers, will be reduced by the proposed actions:

O8-055 - If the Council doesn't respond effectively and efficiently to legislative changes it could be in breach of statutory duties in relation to service delivery and fail to make the most of opportunities.

Actions to be taken to implement the decision(s)

56. The contractual arrangements with Re:Store will be formalised during June, with the relocation of the archive material set to commence in July. Subject to the approval of the four local authority partners, work to refurbish the Dorman Museum would commence in July/August, with a view to moving the front end by the end of 2021. The move from Exchange House would be complete at that point, and the property prepared for disposal (subject to further Executive reports).

Appendices

57. None

Background papers

58. No background papers were used in the preparation of this report.