

Finance and Resources Committee

10.00am, Thursday, 10 October 2019

Depots Strategy: Collections for the Future

Executive/routine	Executive
Wards	7. Sighthill/ Gorgie
Council Commitments	2 , 7 , 10 , 18 , 47

1. Recommendations

- 1.1 It is recommended that Committee agrees:
 - 1.1.1 the Business Case, for the creation of a new Collections Hub at Russell Road, as set out in the appendix to this report;
 - 1.1.2 transfer of the Council's records storage to a third-party provider;
 - 1.1.3 management of that contract and professional support is provided by the Council's Records and Archives Service; and
 - 1.1.4 to ringfence the Broughton Market capital receipt within the Depots and Storage Strategy.

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Report

Depots Strategy: Collections for the Future

2. Executive summary

- 2.1 The report sets out the proposal to create a single, accessible collections storage facility (Collections Hub) and to revise current Council physical records storage arrangements to enable the delivery of the Council's Depot Strategy and the Culture Services Review, both contained within the Council's Change Strategy.

3. Background

- 3.1 On [2 February 2016](#), the Finance and Resources Committee approved a report setting out the investment strategy for the Council's depots estate. Revised at Finance and Resources Committee on 4 December 2018, the [Depots Gateway Review](#) is going much further than previously proposed, consolidating from 16 to six depot sites. This includes addressing the Council's ambition to expand and increase its housing supply by disposing of Murrayburn Depot, and other sites, for mixed tenure housing.
- 3.2 The Depots Strategy is predicated on identifying potential synergies across Council and how these might best be facilitated through re-design and co-location. In line with this approach, there are economies of scale associated with the proposed new Collections Hub. Tangible service benefits can be drawn from a shared storage and access location, including measurable gains in improving public access arrangements.
- 3.3 The approach taken to a single, accessible Collections Hub is also a key enabler in delivery of the Culture Services Review. Museums and Galleries are currently developing a collection led redesign of the service by investigating the potential to create a new Museums and Galleries service for the city that is sustainable and appropriate to Edinburgh.
- 3.4 For the City Archives, co-locating archival storage and access on a single site will significantly improve the quality of its public service and facilitate accreditation against national archive standards for the first time.
- 3.5 As part of the Business Case, consideration has been given to the future of the Council's physical record storage needs. This approach provides a good

opportunity to reassess those needs, promoting ongoing paperless strategies and digital working solutions.

4. Main report

- 4.1 The report sets out the preferred model for delivery of a Collections Hub as described in the Business Case at appendix 1; demonstrating its appraisal over a period of 25 years; and that the consolidation of the Council's storage contributes to a wider masterplan, delivering social, economic, financial and place benefits.

Scope

- 4.2 The Council's Museum and Galleries and the Records and Archives services comprise of four core elements, as described in the Business Case: Council Records Centre; City Archives Collections; City Archives Public Access; and Museums and Galleries Collections.
- 4.3 These core elements are housed within the following buildings:
- **Murrayburn Depot:** Records Centre, City Archives, storage associated with the Museum and Galleries venues;
 - **City Chambers:** City Archives public facing facility, including management of different storage areas within the building;
 - **Innerleithen:** Iron Mountain overspill facility in the Scottish Borders (Records Centre);
 - **Store-rite:** an EDI contracted storage unit in Denny;
 - **Albion Road:** an overspill storage unit, currently leased in for the Culture estate;
 - **Museum Collections Centre:** storage associated with the Culture estate at Broughton Market; and
 - **Storage spaces associated with six Museums and Galleries venues:** Peoples Story, Museum of Edinburgh, City Art Centre, Lauriston Castle, Writers Museum, and the Museum of Childhood.
- 4.4 Detailed analysis of the buildings in scope, their services and building condition are set out in background data and can be supplied as supporting evidence. In brief, Murrayburn Depot and the Museum Collections Centre both require investment, with the condition of Murrayburn Depot much worse than previously thought (as evidenced by the recent flooding at that facility).

Records Management

- 4.5 The Council has a statutory duty to manage its records in accordance with the Public Records (Scotland) Act 2011. This includes making appropriate arrangements for the storage and management of its physical records.
- 4.6 This requirement is met through the Council's Records Centre and existing contractual arrangements with Iron Mountain PLC. The third-party provider operates the Records Centre on the Council's behalf and also provides additional storage for Council records at Innerleithen under a separate Crown Commercial Service framework agreement. With the Murrayburn depot's planned closure, 37,000 boxes will need to be relocated.

- 4.7 As part of the Business Case, an options appraisal for physical records storage was considered and fully costed. This is set out in appendices 2 and 3 of the Business Case. As detailed, transferring the Council's physical records to a third-party provider is the most cost-effective option.
- 4.8 To ensure that any new storage arrangements are properly controlled, monitored and assured, it is proposed that the Council's Records and Archives Team manage any new contract. This will ensure that the Council retains full intellectual control over its physical records and that it can continue to meet its statutory obligations and public records legislation.

Building Solution

- 4.9 Given the synergies across the Collections storage, it is in the Council's best interest to achieve a strategic building solution for the remaining storage requirements of Museum and Galleries venues, the Reserve Collections facilities and the City Archives (i.e. excluding the Records Centre).
- 4.10 A cost and options appraisal has been developed to support the Business Case, including the non-monetary benefits. Figures and findings have been incorporated into the appendices of this Business Case. The full report can be provided on request.
- 4.11 Developing a new purpose-built storage and access facility (Collections Hub) at the site of the current Russell Road Depot, is the preferred option as described within the Business Case.
- 4.12 Russell Road Depot is earmarked for closure under the Depots Strategy, approved in the last Gateway Review. With its good communication routes and city centre access via the tram, the site offers an opportunity for Council investment in a mixed-use development for start-up businesses, industrial uses and a Collections Hub in the heart of planned Gorgie / Dalry regeneration.
- 4.13 One option actively being pursued is the relocation of the Car Compound from the former Tower Street Depot, given the release of that site for housing under the refreshed Depots Strategy. The Car Compound would be operated by NSL under licence and would be a contributing element within the remodelling of the site.

5. Next steps

- 5.1 The timeline attached at appendix 6 of the Business Case, outlines the next steps, including a bid to the National Lottery Heritage Fund (NLHF) in November 2019.
- 5.2 A successful NLHF application will enhance the scope of the Collections Hub.
- 5.3 There is intent to develop new light industrial units on this site to complement the Collections Hub and address unmet demand for business space. A funding application is to be submitted to the Regeneration Capital Grant Fund (RCGF) in February 2020 to develop this.

6. Financial impact

- 6.1 The Depots Strategy continues to be self-funding. The total cost of the strategy is being met from within the capital receipts achieved and running cost savings achieved, will continue to be contained within the previously approved prudential borrowing of £20.85m. The Depots Strategy spreadsheet is attached as appendix 7 of the Business Case.
- 6.2 The Depots Strategy continues to deliver enhanced service delivery and an improved estate at no net revenue cost. At present the balance sheet shows a positive balance providing headroom as the additional savings are currently £216k per annum.
- 6.3 There are risks associated with the capital costs as the receipts could be lower than anticipated and the capital costs higher than forecast. There is sufficient headroom within the prudential borrowing limit to accommodate this.
- 6.4 External funding from the National Lottery Heritage Fund has not been included in the financial model as the outcome of the bid is not yet known.
- 6.5 If the solution set out in this report is delivered, the current store at Broughton Market will become surplus. As the release of Broughton Market is required to enable the Business Case to be self-contained, the capital receipt for Broughton Market needs to be ringfenced for delivery of the new Collections Hub. This report is requesting authority from Committee that the capital receipt is ringfenced within the Depots Strategy.

7. Stakeholder/community impact

- 7.1 The consolidation of the Council's storage collections contributes to a wider masterplan which includes improving and transforming frontline service delivery (including public benefit).
- 7.2 Over the last few years, the Museums and Galleries service have enhanced their engagement with local people through outreach and public event programmes, as well as through digital engagement platforms, such as Capital Collections and via social media. Both the Museum and Galleries service and the City Archives are keen to further develop their local audiences.
- 7.3 The funding application to NLHF, while strengthening collection management arrangements, would also contribute to an outreach and public activity programme. Edinburgh residents will be engaged with heritage at a personal and community level in the run up to the opening of the new facility. This insight will feed into the design of the planned facility ensuring it meets the needs of the city.
- 7.4 Construction of a new building to house the Collections Hub provides an opportunity to incorporate highly efficient systems with low energy consumption. The facility will deliver Passivhaus benefits by applying sustainable cladding to control the internal

climate rather than mechanical control. High efficiency LED lights could also be incorporated supporting the Council's energy efficiency targets.

8. Background reading/external references

- 8.1 For background on the Museums and Galleries strategy, refer to the Recognition Status Review 2013-2018 Museums and Galleries; and the Edinburgh and the Museums and Galleries Edinburgh Service Plan 2019-2023. These documents can be provided on request.
- 8.2 [Depots Gateway Review](#) and [Review of Council Depots Estate – Investment Strategy](#).

9. Appendices

- 9.1 The Business Case: Depots Strategy - Collections for the Future, is attached as a separate document.

DEPOTS STRATEGY

Business Case: Collections for the Future

(Storage associated with the Museums and Galleries venues, Reserve Collections and City Archives)

Project Details	Description
Project Name	Collections for the Future
Functional Area	Place and Property & Facilities Management
SRO	Gareth Barwell
Programme Manager	Susan Tannock
Project Manager	Caryn Elder
Finance Lead	Alan Keatinge

Revision History

Version Number	Description	Date	Approval
5.0	Appendix 1	11/09/2019	CLT

Contents

Stage 1: Strategic Case	2
Stage 2: Commercial Case - Records Management	5
Stage 3: Economic Case – the building solution	6
Stage 4: Financial Analysis.....	9
Stage 5: Risks, Assumptions and Dependencies.....	10
Stage 6: Consultation, Communication and Change.....	11

Appendices

Appendix 1: Options Appraisal	14
Appendix 2: Cost Analysis	20
Appendix 3: Running Costs Table	21
Appendix 4: Russell Road Layout Mock Up	24
Appendix 5: Depots Strategy Timeline	25
Appendix 6: Approvals Timeline	26
Appendix 7: Depots Strategy Spreadsheet	27

Context

- 1.1 This Business Case sets out the proposal to create a single, accessible collections storage facility (Collections Hub) and to revise current Council physical records storage arrangements to enable the delivery of the Council's Depot Strategy and the Culture Services Review, both contained within the Council's Change Strategy.
- 1.2 The Council's Depot Strategy forms part of the Asset Management Strategy, which also sits within the wider Council Change Portfolio, demonstrating the practical benefits of a truly transformational, joined-up and cross Directorate innovation contained within the current financial climate.

Background

- 1.3 [On 2 February 2016, the Finance and Resources Committee](#) approved a report setting out the investment strategy for the Council's depots estate which aimed to achieve more effective and efficient use of the depot assets and associated service provision. While the overarching objectives of the Council Depots Strategy remain relevant (long term savings, fit for purpose facilities, value for money), there is a renewed emphasis on efficient and effective deployment of resources and delivery of strategic Council priorities.
- 1.4 Within this revised approach, approved at Finance and Resources Committee on 4 December 2018, the [Depots Gateway Review](#) is going much further than previously proposed, consolidating from 16 to six depot sites. This includes addressing Council's desire to expand and increase its housing supply by disposing of Murrayburn Depot for mixed tenure housing. As part of this process, it is proposed to seek authority to transfer Murrayburn Depot to the Housing Revenue Account (HRA) by the end of this financial year for inclusion in the Council's house building programme.
- 1.5 The Depots Strategy is predicated on identifying potential synergies across Council services and with partners (some of whom are based in depots, others which are not); and, how these might best be facilitated through re-design and co-location. This includes exploring property-based efficiencies (through a reduction in the number of buildings and associated running costs, repairs and maintenance); together with greater levels of operational effectiveness in the delivery of high-quality services.
- 1.6 In line with this approach, there are economies of scale associated with the proposed new Collections Hub. This will bring together collection storage and access requirements currently accommodated within the Museums and Galleries venues, the Reserve Collections and the City Archives. Tangible service benefits can be drawn from a shared storage and access location, including measurable gains in improving public access arrangements, community engagement, collection care standards and conservation facilities.
- 1.7 The approach taken to a single, accessible Collections Hub is also a key enabler in delivery of the Culture Services Review. Museums and Galleries are currently developing a collection led redesign of the service by investigating the potential to create a new Museums and Galleries service for the city that is sustainable and appropriate to Edinburgh. Six of the current museum venues are used for collection storage spaces (Peoples Story, Museum of Edinburgh, City Art Centre, Lauriston

Castle, Writers Museum and the Museum of Childhood). Alternative arrangements cannot be considered without first relocating stored collections held within these cultural buildings and venues.

- 1.8 For the City Archives, co-locating archival storage and access on a single site will significantly improve the quality of its public service and facilitate accreditation against national archive standards for the first time.
- 1.9 As part of this Business Case, consideration has been given to the future of the Council's physical record storage needs. This approach provides a good opportunity to reassess those needs, promoting ongoing paperless strategies and digital working solutions.

Approach

- 1.10 The purpose of this Business Case is to set out the preferred model for delivery of a Collections Hub; demonstrating its appraisal over a period of 25 years; and that the consolidation of the Council's storage contributes to a wider masterplan, delivering social, economic, financial and place benefits by:
 - improving and transforming frontline service delivery (including public benefit);
 - releasing sites suitable for residential development and business units;
 - enabling economies of scale and service efficiencies;
 - reducing the size of the estate;
 - providing fit for purpose facilities for the future;
 - delivering both new income streams and revenue savings; and
 - provision of new business units supporting small business growth in the City.
- 1.11 Integral to this approach is an application for funding to the National Lottery Heritage Fund. The application will help fund an outreach and public activity programme of events, workshops, exhibitions, collections-based knowledge capture and voluntary work. Edinburgh residents will be engaged with heritage at a personal and community level in the run up to the opening of the new facility.
- 1.12 The programme will also help gather insight into how residents wish to access their heritage in the future and what they expect to be collected now to reflect the city's diverse communities. This insight will feed into the design of the planned facility to ensure it meets the needs of the city.
- 1.13 Finally, the funding will also provide enhanced collection management arrangements that meet national standards, ensuring the long-term care of the collections.
- 1.14 By taking a more holistic overview of Council collections management, incorporating the city's documentary and material heritage, there is a real opportunity to build an innovative facility, which improves and strengthens the care and access of the city's historic museums and archives collections.

Scope

- 1.15 The Council's Museum and Galleries and the Records and Archives services are responsible for the care, management and access to the city's municipal archives and museum collections, as well as providing storage for current Council records from across all service areas.
- 1.16 This is comprised of four core elements:
 - **Council Records Centre:** 65,000 file boxes of Council records, stretching over 21km of shelving, which are retained for statutory or business reasons.

While many records are eventually destroyed, a small percentage of these have historical value and are routinely transferred to the City Archives for permanent preservation.

- **City Archives Collections:** currently stored on 7km of shelving in an environmentally controlled and monitored storage unit, and includes historical records of the Council and its predecessor bodies which date from the 12th Century to the present day;
- **City Archives Public Access:** 450 sqm of space which includes a public search room for accessing documents, staff facilities and additional storage; and
- **Museums and Galleries Collections,** ranging from paintings and manuscripts to printing presses and cannons occupying 7km of shelving. The collections include social history, literary, childhood, archaeology, fine and applied art, many of which are recognised by the Scottish Government as being of national significance. The Museums and Galleries collection is valued at £50m for insurance purposes.

1.17 These core elements are housed within the following Council buildings:

- **Murrayburn Depot:** Records Centre, City Archives, storage associated with the Museum and Galleries venues;
- **City Chambers:** City Archives public facing facility, including management of different storage areas within the building;
- **Innerleithen:** Iron Mountain overspill facility in the Scottish Borders (Records Centre);
- **Store-rite:** an EDI contracted storage unit in Denny;
- **Albion Road:** an overspill storage unit, currently leased in for the Culture estate;
- **Museum Collections Centre:** storage associated with the Culture estate at Broughton Market;
- **Storage spaces associated with six Museums and Galleries venues:** Peoples Story, Museum of Edinburgh, City Art Centre, Lauriston Castle, Writers Museum, and the Museum of Childhood.

1.18 Detailed analysis of the buildings in scope, their services and building condition are set out in background data and can be supplied as supporting evidence.

Condition

1.19 Many of the archive and museum collections are of considerable historical value and of both local and international significance. However, these collections are currently dispersed across 11 different locations; some of which have poor preservation conditions that do not comply with professional archive and museum standards.

1.20 Murrayburn Depot and the Museum Collections Centre at Broughton Market both require investment. The condition of Murrayburn Depot is much worse than previously thought, with £1,459,148 of repairs identified in a 2017 condition survey.

1.21 More broadly, the Council's storage provision across the six identified Museums and Galleries venues does not currently meet with current national standards for their retention and upkeep, including Building Focused Standard – BS EN 16893:2018, and Storage Systems Focused Standard – BS 4971:2017.

1.22 The current arrangements have created inefficiencies and risks, such as:

- High property running costs associated with the whole site of Murrayburn Depot (£375,679), Broughton Market (£18,523) and Albion Road (£13,920) – a total of £408,122 per annum based on 2018/19 costs;
 - Overall safety and maintenance issues associated with Murrayburn Depot as the Depots Strategy implements a phased closure programme, including risk of building failure;
 - Use of the Innerleithen facility as an ‘overflow’ for Council records (£243,000 per annum); and
 - Space optimisation restrictions at the City Chambers – for example, if the 450sqm currently occupied by City Archives were backfilled by other Council services, this then could potentially release more accessible space for third party lease.
- 1.23 In summary, maintaining these buildings in their current state creates a budget pressure with inefficiencies and the risk of further ongoing and unforeseen maintenance costs. While the repairs and maintenance budget associated with these properties has not been factored into the Business Case, the Council will significantly benefit from closing these buildings. Doing nothing is not an option.
- 1.24 Moreover, maintaining records, archives and artefacts in these conditions will lead to the deterioration and loss of unique assets which the Council has a statutory responsibility to preserve, the risks of which are evidenced by the recent flooding at the Murrayburn facility.

Stage 2: Commercial Case - Records Management

- 2.1 The Council has a statutory duty to manage its public records in accordance with records management best practice.
- 2.2 A major component of this compliance is the Council’s Records Centre and the current arrangements with Iron Mountain PLC. These provide secure, managed and audited storage for the Council’s physical records received from all service areas.
- 2.3 The main facility for the Council Records Centre is located at Murrayburn Depot and is directly impacted by the Depots Strategy and proposed site closure. The Council Records Centre is located at the Murrayburn Depot and currently stores and manages 37,000 boxes - 57% of the Council’s current storage requirements for physical records. With the planned closure of Murrayburn Depot, these boxes will need to be relocated. The other 43% of boxes, currently stored in Iron Mountain facilities, will be impacted by the change in contractual arrangements.
- 2.4 As part of this business case, an options appraisal for physical records storage was considered and fully costed:
- **Option A:** maintenance of the current delivery arrangements with Iron Mountain;
 - **Option B:** the introduction of an in-house service; and
 - **Option C:** transfer to a third-party provider.
- 2.5 Set-up and annual running costs have been considered as part of this process and are set out in detail in appendix 2 and 3 of this Business Case.

- 2.6 In short, the most cost-effective option is Option C: transferring Council records to a third-party provider. This is in the context of the wider revenue and capital impact of having to construct a larger building to accommodate either of Options A and B.
- 2.7 Both Options A and B would require the Council financing the build costs to store 40,000 boxes, a significant capital outlay.
- 2.8 Moreover these options would have fixed property and staffing costs, even with declining usage in terms of storage and associated services (e.g. uplifts, retrievals, destructions etc.).

Option C: transfer to a third-party provider

- 2.9 The estimated cost of Option C is approximately £200,000 per annum. This is based on the reduced box total of 40,000 boxes, current Crown Commercial Services (CCS) framework agreement rates, and the average Records Centre usage over the last five years.
- 2.10 The CCS framework agreement is renewed every four years and rates and associated costs are expected to change. While these are likely to remain competitive and represent best value in terms of commercial storage and management, a mini-procurement exercise could also be considered to provide longer term stability around rates and costs associated with Option C.
- 2.11 While Option C would tie the Council into a commercial arrangement, the reliance on a third-party provider (and associated costs) is likely to reduce through time as the Council requires less physical records storage. However, any potential reduction is reliant on Council strategies and IT programmes which facilitate and promote:
- paperless working / channel shift;
 - electronic records management; and
 - long term digital preservation and access of Council records.
- 2.12 To ensure that the new external arrangements and costs are controlled, the Council's Records and Archives team would manage any new contract. This service would provide a monitoring and assurance role to:
- ensure approved record retention rules are properly applied;
 - oversee destruction of Council records stored under the new arrangement;
 - ensure that the provider keeps to agreed service levels in terms of record retrievals and returns; and
 - address any identified security or data quality issues.

Stage 3: Economic Case – the building solution

- 3.1 Given the synergies across the Collections storage, it is in the Council's best interest to achieve a strategic building solution for the remaining storage requirements of Museum and Galleries venues, the Reserve Collections facilities and the City Archives (i.e. excluding the Records Centre).
- 3.2 Co-location brings the added benefit of economies of scale and potential service delivery enhancement through public access, shared use of facilities and cross professional working from a single building solution, through for example, engagement and outreach.

Design Option Appraisal

- 3.3 The construction consultancy, Currie & Brown, were commissioned to provide a cost and options appraisal to support the Business Case, including the non-monetary benefits. Figures and findings have been incorporated into the appendices of this Business Case. The full report can be provided on request.
- 3.4 For the Currie and Brown Options Appraisal, a benchmark of 0.14 U (energy) value has been used for consistency and to address sustainable, environmental and building requirements.
- 3.5 The Options Appraisal evaluated five building options over an appraisal period of 25 years, and these are summarised below:
 - 3.5.1 **Option 1: Retain and upgrade existing buildings** which assumes no change to the location of the storage facilities, but instead invests in the retained buildings. The original Depots Strategy, 2014, proposed retaining the Council's historic City Archives and Records Centre buildings at the Murrayburn site, with the remainder of the depot being demolished and cleared for development or sale. Subsequent investigations have deemed that that this is not feasible. Given the City Archives and Records Centre occupy approximately 25% of the footprint, Currie & Brown were asked to test the feasibility of this assumption in Option 1: Retain and upgrade existing buildings.
 - 3.5.2 **Option 2: Develop new purpose-built** storage and access facilities at Russell Road Depot for the City Archives, Records Centre, Museums and Galleries requirements;
 - 3.5.3 **Option 3: Repurpose an existing Council building** at Russell Road Depot as a storage and access facility for the City Archives, Records Centre, Museum and Galleries collections;
 - 3.5.4 **Option 4: Develop new purpose-built** storage and access facilities at Russell Road Depot for the City Archives and Museums and Galleries requirements, with the Council's organisational records being managed by an external provider; and
 - 3.5.5 **Option 5: Partner with other organisations** (primarily National Museums Scotland at Granton Waterfront) for City Archives and Museum and Galleries storage collections, with a separate commercial solution for the Records Centre (as per Option 4).
- 3.6 Option 4 is the most cost effective and appropriate option due to reduced capital requirements and revenue operating costs, as well as an inability to find suitable partners who could meet with the Council's timescales and priorities.
- 3.7 The design costs and viability of Option 5 were tested solely for the storage requirements for the City Archives and Museum and Galleries collections. This would have involved a multiple split site solution for both public access to the city's archives and the Council's Records Centre.
- 3.8 The benefits of partnering with the National Museums and National Galleries, in Granton, were investigated. However, these were outweighed by the challenges associated with differing timescales, logistics, public access requirements and the reliance on as yet unsecured funding.

Option 4 - Russell Road Depot

- 3.9 The construction of a new building, as the recommended solution for the Collections Hub, brings opportunities to incorporate highly-efficient systems with a low energy consumption. This will result in substantial energy savings.
- 3.10 It is also important that the thermal performance of the building fabric is optimised, reducing heat loss within the building envelope during winter. Internal conditions may need to be closely controlled in certain areas to guarantee good conservation of collections. Therefore, to ensure that the temperature, humidity or internal air quality are not substantially influenced by external conditions, it is essential to maximise buildings air tightness.
- 3.11 The use of high efficiency LED's and lighting controls can also be incorporated, contributing further to potential building energy efficiencies. Eco-friendly opportunities, such as the use of the Passivhaus principles, will be investigated as part of the detailed design of the building. This type of building lends itself to using Passivhaus.
- 3.12 With Option 4, the site of the current Fleet Workshops at Russell Road Depot in the Gorgie/ Dalry ward has been chosen as its location, given the potential to contribute to the regeneration aspirations of the area. In addition, there are significant benefits of developing a site in Council ownership.
- 3.13 Acquisition of an alternative suitable site for a new Collection Hub was discounted as costs associated with any purchase would add additional budget pressures to the Depots Strategy.

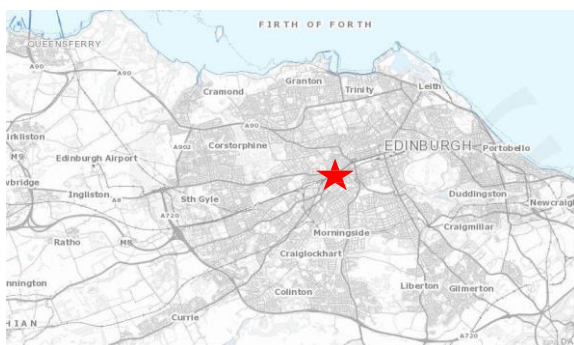


Figure 1: Site of Russell Road Depot

- 3.14 Russell Road Depot is earmarked for closure under the Depots Gateway Review. At 6.4 acres, the site offers an opportunity for Council investment in a mixed-use development for start-up businesses, industrial uses and a Collections Hub in the heart of planned Gorgie / Dalry regeneration.
- 3.15 Given the original intent was to consolidate Fleet Services at Russell Road Depot, this site is not earmarked for a capital receipt in the Depots Strategy. Fleet Services will exit Russell Road in approximately two years as part of the relocation to the new North West Sector Depot at Bankhead. Retaining the site in Council ownership brings additional benefits, not least control of timescales.
- 3.16 The opportunity cost associated with sterilising the site for any future housing expansion is offset by the very substantial challenges to developing housing at Russell Road. The land would not currently attract a significant value on the open

market and is offset by potential planning constraints and the likely, lengthy compulsory purchase and demolition of privately owned industrial units to the front of the depot.

- 3.17 Instead, with its good communication routes and city centre access via the tram, there is potential to masterplan the Russell Road site. There are several development opportunities under consideration. One option actively being pursued is the relocation of the Car Compound from the former Tower Street Depot, given the release of that site for housing under the refreshed Depots Strategy. The Car Compound would be operated by NSL under licence and would be a contributing element within the remodelling of the site.
- 3.18 There is scope to develop new light industrial units to address unmet demand for business space and create a new income stream for the Council. This could potentially be financed via the “Spend to Save” mechanism and/or the City Strategic Investment Fund.
- 3.19 A Commercial Needs Study for the Industrial Market, commissioned by the Council, has found that the market has a low vacancy rate (4.9%), with the majority of existing stock now over 40 years old and approaching obsolescence. The study identifies a need for 81,000 sqm of new build industrial space over the period 2019 to 2030, with demand focused on smaller units. Although future demand is expected to be concentrated in well-connected locations on the city outskirts, there remains demand for modern industrial space in inner city locations, such as Russell Road, for trades/workshops, creative uses and urban services.

Stage 4: Financial Analysis

- 4.1 The financial modelling, detailed in appendix 2, describes the Business Case for the recommended delivery model of a new purpose-built Collections Hub at Russell Road, with the Council’s organisational records being managed by an external provider.
- 4.2 The total project cost of the new build Collections Hub is estimated at £3,911,600, this includes professional fees and external site works. The capital costs of construction are funded by the release of capital receipts at Broughton Market and Murrayburn Depot. In addition to the property running costs estimated at £112,000, the current CCS framework agreement rates are £200,000 per annum for records management.
- 4.3 The annual running costs are shown in appendix 4.
- 4.4 The Business Case is contained within the Depots Strategy funding model which continues to be self-funding. The total cost of the strategy is being met from within the capital receipts achieved and will continue to be contained within the previously approved prudential borrowing of £20.85m. The Depots Strategy spreadsheet is attached as appendix 7.
- 4.5 At the outset of the Depots Strategy, the overall loan charges associated with the expenditure to be funded by borrowing over a 20-year period was originally forecast to be a principal amount of £20.85m and interest of £13.59m, resulting in a total cost

of £34.44m based on a loans fund interest rate of 5.1%. The annual loan charges would be £1.72m which could be accommodated by identified revenue savings.

- 4.6 The Depots Strategy continues to deliver enhanced service delivery and an improved estate at no net revenue cost. The accelerated approach to delivery of the strategy since December 2018 now means that the project may deliver a further potential revenue saving. At present the balance sheet shows a positive balance providing headroom as the savings are currently £216k per annum to the good.
- 4.7 The planned capital expenditure is £33.53m and is offset by £20.36m of capital receipts, which leaves a sum of £13.04m capital budget required to be funded by prudential borrowing. This is lower than the original forecast and is therefore still within the previously approved prudential borrowing limit.
- 4.8 There are risks associated with the capital costs as the receipts could be lower than anticipated and the capital costs higher than forecast. There are also risks inherent in the revenue savings forecast as the costs are based on estimates and are liable to change. There is sufficient headroom within the prudential borrowing limit to accommodate this.
- 4.9 External funding from the National Lottery Heritage Fund has not been included as the outcome of the bid is not yet known.
- 4.10 If the bid to the National Lottery Heritage Fund is successful, it would bring added value to the scope of the new build facility. The grant fund would allow for a bespoke technical facility, with enhanced public access, all under one roof.
- 4.11 Only through the delivery of the project is it possible to release Broughton Market and for this reason it is proposed that the capital receipt is ringfenced. This will enable the Depots Strategy to remain financially self-contained,
- 4.12 This Business Case will be requesting authority from Council that the capital receipt is ringfenced within the Depots Strategy for delivery of the Collections Hub.

Stage 5: Risks, Assumptions and Dependencies

- 5.1 A major risk to delivery of the Depots Strategy is failure to reach a decision on the preferred option for the Collections solution. This delays the closure of Murrayburn Depot.
- 5.2 The financial assumptions in this model have been tested to ensure that there is no double counting with delivery of the Depots Strategy.
- 5.3 There is a risk of building failure at Murrayburn Depot, due to an absence of regular maintenance which could impact on delivery of operational services.
- 5.4 In 2018/19 the repairs at Murrayburn Depot were £96,916. An additional £40,000 is projected in the first six months of 2019/20 due to recent flooding. The removal of

the repairs and maintenance burden at Murrayburn would achieve an efficiency which could be deployed across the rest of the operational estate.

5.5 Delivery of the consolidated Collections Hub is an enabler in delivery of the Cultural Services Review.

5.6 A fuller risk assessment forms part of background data gathering and is available as supporting evidence.

Stage 6: Approvals and Consultation

Approvals

Name	Action	Role	Date
City Collections Storage Board	Approval of Options Appraisal to next stage	Lynne Halfpenny, Director of Culture – Chair and SRO	06/05/19
Depots ISG	Approval of Options Appraisal to next stage	Gareth Barwell, Head of Place Management - Chair	30/05/19
Asset Management Board	Approval of Options Appraisal to next stage	Stephen Moir, Director of Resources - Chair	11/07/19
Change Board	Referral of Business Case to CLT	Andrew Kerr, Chief Executive	21/08/19
CLT	Approval of Business case and Records Management recommendation	Oversight from Council Leadership Team ahead of Committee approval	11/09/19
Committee	Decision	Finance & Resources	10/10/19
Lottery Heritage Fund	Decision	Stage One Submission	19/11/19
Committee	Decision	City of Edinburgh Council	21/11/19

Consultation

Department	Name(s)	Role	Date
Place Management	Gareth Barwell	SRO/ Approval of Business Case	27/08/19
Culture	Lynne Halfpenny	SRO/ Approval of Business Case	27/08/19

Finance	Hugh Dunn	Briefing as Head of Finance	29/08/19
Strategy and Communications	Gavin King	Approval of Business Case	05/09/19
Property and FM	Peter Watton	Briefing as Head of Property and FM	03/09/19
Locality	Mike Avery	Community Engagement	27/08/19
National Lottery Heritage Fund	Tom Ingrey Counter/ Megan Braithwaite	Feedback on application to NLHF	27/08/19
Ward Councillors	Denis Dixon Catherine Fullerton Ashley Graczyk Donald Wilson	Briefings to be offered to Ward Councillors	16/09/19 - 27/09/19
Property and FM	Lindsay Glasgow/ Craig Dalglish	Input into Business Case	04/09/19
Finance	Alan Keatinge/ Rebecca Andrew/ Mark Hare/ Denise Pryde/ Sheona Walker	Input into Business Case	04/09/19
Strategy and Communications	Kevin Wilbraham/ Henry Sullivan	Input into Business Case	04/09/19
Culture	Frank Little and Nico Tyack	Input into Business Case	04/09/19

Appendices

Appendix 1: Options Appraisal Summary

Appendix 2: Cost Analysis

Appendix 3: Construction Costs

Appendix 4: Running Costs Table

Appendix 5: Murrayburn Occupancy

Appendix 6: Running Cost Savings

Appendix 7: Depots Strategy Spreadsheet

Appendix 1: Options Appraisal Summary

Option 1: Retain and upgrade existing buildings

This option makes no change to the location of the storage facilities and assumes the retention of storage in the following buildings:

- **Murrayburn Depot:** Records Centre, City Archives, storage associated with the Museum and Galleries venues;
- **City Chambers:** City Archives public facing facility, including management of different storage areas within the building;
- **Innerleithen:** Iron Mountain overspill facility in the Scottish Borders (Records Centre);
- **Albion Road:** an overspill storage unit, currently leased in for the Museum and Galleries venues;
- **Museum Collections Centre:** storage associated with the Museum and Galleries at Broughton Market; and
- Storage facilities dispersed across **six Museums and Galleries venues.**

Option 1 concludes that the location of the City Archives and Records Centre would not change, but the retained Murrayburn Depot building needs investment. The current offices and workshops would be demolished and refurbishment works undertaken on the remaining buildings. This is necessary to bring the City Archives and Records Centre up to a Building Focused Standard – BS EN 16893:2018 and Storage Systems Focused Standard – BS 4971:2017.

Retention of the City Archives and Records Centre at Murrayburn require a cost of £1,750,289 for separating and modifying underground services, plant and public utilities from the buildings which are being demolished. Although existing mechanical installations are in reasonable working order and have remaining lifespan of 5 – 10 years, they would be replaced as part of the services renewal to reduce the need for longer term capital investment. The costs quoted by Currie & Brown are likely to be an underestimate, as initial investigations suggest that separating, replacing service and plant is not straightforward. An enhanced contingency has been factored into the financial table at appendix 1 to cover this additional risk.

The upgrading of Murrayburn Depot, as part of **Option 1**, necessitates a total decant and temporary storage solution for the duration of the works, costing in the region of £286,046. This in addition to £1,750,289 separation costs and is factored into the financial tables at appendix 2. Moreover, it is unlikely that any temporary storage solution will have sufficient capacity to store archival materials with necessary environmental controls. This could lead to record deterioration and information loss.

The retention of part of Murrayburn Depot for City Archives and the Records Centre would sterilise the remainder of the site for residential redevelopment.

By taking a more strategic, placemaking approach to the site, perhaps incorporating neighbouring Longstone Depot (now vacant as part of the refreshed Depots Strategy), then the land becomes attractive for residential development. Murrayburn Depot alone could provide land for between 150 - 200 homes, while the Longstone development has potential

to add a further 33 homes. Acquisition of the neighbouring builder's merchants site, to consolidate ownership, would greatly enhance the development opportunity by linking the two depot sites. Murrayburn Depot, is currently valued at £3.6m (this capital receipt could be allocated to re-provisioning City Archives and the Records Centre in a different location under one of the other options detailed in this appraisal).

There are additional one-off (pro rata) costs associated with repairs and upgrades at the Museum and Galleries sites (£696,085) and an annual lease renewal cost at Albion Road (£11,785). There is an opportunity cost associated with retaining storage across the Museum and Galleries venues, as this entails using floor-space in prime locations for low value uses.

Option 1 costs, detailed in appendix 2 and 3 are as follows:

Upgrade costs, including fees total £2,754,425

25 year costs total £17,207,386 (including built costs, running costs and records management).

Option 2: Develop new purpose-built storage facilities at Russell Road Depot retaining organisational records in-house

This option entails the Council funding the development of a new storage facility which it would then own and operate as part of its operational estate.

The obvious benefit of this approach is that a new purpose-built facility could be designed to meet the Council's precise specifications and that the Council retains management control. The building would be energy efficient, sustainable and have its own public access. Co-location of museum and archive staff would also provide opportunities to enhance existing services and collections management.

A purpose-built facility would host all the City Collections storage in one location facilitating the release of Murrayburn Depot, both the back office and the public facing element of the City Chambers, Innerleithen overspill facility, Albion Road stores and the Museum Collection Centre. Exiting the storage areas associated with six museums and galleries is an enabler to the wider Cultural Services Review.

A major consideration in relation to this option is the cost. Currie and Brown estimate the build costs to create a new, purpose-designed storage facility of this size would be £6,154,008 including all fees and taxes. Given the Russell Road Depot site is to be vacated as part of the refreshed Depots Strategy, this option assumes its retention for delivery of the storage solution alongside other mixed use options.

Creating a new purpose-built store at Russell Road Depot requires the demolition and clearance of the current fleet maintenance sheds. This has been included in the estimate, together with wider site remodelling at an additional cost in the region of £600k.

The main benefit to the Council of a new purpose-built storage facility at Russell Road Depot is that it is designed to a bespoke brief which accords with professional archival and museum standards, and provides opportunities for improved service delivery.

However, a large new building will take more time to construct, require additional design fees and additional preparation works on the site of the current depot Maintenance Shed. The existing services to the site would need to be isolated and new services installed also adding to the time and cost associated with a new build. The costs below are therefore high-level

budget figures which are likely to increase during site clearance, demolition and grubbing out of foundations and investigative works.

Option 2 costs, detailed in appendix 2 and 3 are as follows:

Build costs, including fees total £6,154,008

25 year costs total £17,495,085 (including running costs and Records Management).

Option 3: Re-purpose an existing Council building at Russell Road Depot as a storage facility for the City Archives, Records Centre, Museum and Galleries storage collections

Option 3 entails the same brief and service requirement as a new build, but is more affordable as it involves re-purposing and fitting-out the 3,000 sqm workshop at Russell Road Depot. This is a two-storey building comprising a mix of vehicle workshop space and modular ancillary areas including offices, staff facilities and stores. While invariably some degree of refurbishment is required, the costs of major structural works are potentially avoided.

A survey of the building undertaken in 2016 identified £230k repairs required to address major faults, not including works required to the surrounding grounds.

Currie and Brown estimate the re-purposing design and costs of the main depot building would be approximately £3.605m, with a further £600k to remodel the wider site. Like Option 2, site remodelling includes the relocation of the Car Compound from Tower Street Depot and the creation of industrial units which will be funded separately.

Currie and Brown estimate an 18 month build period; which taking account of lead in times, suggest that this site could be ready for occupation in 2022. The refurbished building would be energy efficient and with an enhanced level of conversion which includes profiled wall cladding, renewal of windows and renewal of insulated roller shutter doors. Public access, office, welfare and other facilities would be refurbished with new fittings, finishes and redecorated. Services would be completely renewed and incorporate a new goods lift, fire alarm access controls, security and CCTV systems.

The Council would also have an opportunity to apply to external funding bodies for build costs or to potentially extend the use of facilities.

In addition, under both options 2 and 3, there may also be potential to include space for a partner such as Historic Environment Scotland (HES), generating an additional income stream for the Council and offer opportunities for greater community engagement.

Such a facility could significantly open up the City's Collections to a wider and more diverse audience through combining professional standard storage and enhanced collections management with a focus on outreach and community engagement. In turn, this would help meet the Council's Business Plan outcomes associated with citizen participation in the cultural life of the city and with access to suitable amenities.

While there are similar pros and cons between options 2 and 3, the costs of re-purposing Russell Road Depot are considerably lower. Both options allow for a bespoke, fit for purpose storage and access facility.

Option 3 facilitates the consolidation of the combined storage requirements of City Archives, Records Centre, Museums and Galleries, a key objective of this Business Case. The

performance of the re-provisioned building will significantly increase from what exists at present across a number of sites and would meet the required standards of the Council's archival and other materials.

Option 3 costs, detailed in appendix 2 and 3 are as follows:

Build costs, including fees total £4,945,080.

25 year costs total £16,120,544 (including built costs, running costs and records management).

Option 4: Develop new purpose-built storage and access facilities at Russell Road Depot for the City Archives and Museums and Galleries requirements, with storage of the Council's organisational records being managed by an external provider

This option entails the Council funding the development of a new small storage facility which it would then own and operate as part of its operational estate. The Council's physical records storage needs would be handled externally.

As with option 2, the obvious benefit of this approach is that a new purpose-built facility could be designed to meet the Council's precise specifications and that the Council retains management control. The building would be energy efficient, sustainable and have its own public access. Co-location of museum and archive staff would also provide opportunities to enhance existing services and collections management.

A purpose-built facility would facilitate the release of Murrayburn Depot, both the back office and the public facing element of the City Chambers, Innerleithen overspill facility, Albion Road stores and the Museum Collection Centre. Exiting the storage areas associated with six museums and galleries is an enabler to the wider Cultural Services Review.

Currie and Brown estimate the build costs to create a new, purpose-designed storage facility of this size would be £3,911,600. Given the Russell Road Depot site is to be vacated as part of the refreshed Depots Strategy, this option assumes its retention for delivery of the storage solution alongside other mixed use options.

Creating a new purpose-built store at Russell Road Depot requires the demolition and clearance of the current fleet bodyshop, whose operatives will relocate to the large maintenance shed. This has been included in the estimate, together with wider site remodelling at an additional cost in the region of £550k. The small new build location will be cleared sooner than the fleet maintenance shed allowing for the construction of the smaller new build to take place sooner than the large scale build. However, there is still a potential risk regarding isolating existing services.

The main benefit to the Council of a new purpose-built storage facility at Russell Road Depot is that it is designed to a bespoke brief which accords with professional archival and museum standards, while providing enhanced service delivery.

For this option, the Council Records would be stored externally. Based on the reduced box total of 40,000 boxes, current CCS framework agreement rates and average Records Centre usage over the last five years (new consignments received, retrievals and destructions etc.), it is estimated that an out-sourced solution will cost approximately £200,000 per annum.

Option 4 costs, detailed in appendix 2 and 3 are as follows:

Build costs, including fees total £ 3,911,600.

25 year costs total £14,889,996 (including built costs, running costs and external records management).

Option 5: Partner with other organisations (primarily National Museums Scotland at Granton Waterfront) for City Archives and Museum and Galleries storage collections, with a separate solution for the Records Centre

This option entails the Council entering an agreement with a partner organisation(s) to work together to meet the Council's storage requirements. A number of national public bodies are potentially developing new storage facilities in Edinburgh, all of whom have expressed an openness to working with the Council.

Over the last year, lengthy discussions have been had with the National Museums of Scotland (NMS) and, to a lesser degree, Scottish Futures Trust (SFT) as outlined below:

National Museums Scotland

- In line with its aspirations to create a National Museums Collection Centre, NMS recently completed a £3.5 million extension and has plans to develop further new buildings at the NMCC including "Gateway North". To facilitate this expansion, National Museums Scotland approached the Council to acquire an adjoining site in Council ownership. Finance and Resources Committee approved this transaction in 27th March 2018;
- Three joint workshops have been held with NMS and Council officers to explore the synergies of how a shared space could operate, including access arrangements, security and potential shared space, such as conservation laboratories, meeting rooms and welfare facilities. Discussions concluded that there would be difficulties in trying to maintain the current level of public access required by the City Archives. While this could be mitigated by maintaining public access at the City Chambers or by utilising another Council facility; there would be increased staffing costs and operational difficulties in trying to operate across multiple sites;
- NMS plans for their new 6,500 sqm storage facility includes 2,300 sqm space for the Council's City Collections storage requirements, which equates to a £3.3m contribution to build costs from the Council. This capital injection would be in return for a peppercorn rent for the facility. However, the Council would be expected to contribute to both a percentage of running costs and a site service charge. NMS have not as yet provided detail on these costs;
- The Council would need to pay Land and Building Transactions tax, as well as non-domestic rates.
- NMS have not secured capital funding to purchase the required development land from the Council, nor do they have approved Scottish Government finance in place to pay for the construction of the storage facility (estimated at £13m); and
- The Council has been advised by Scottish Government officers that they are currently unable to provide a definitive timetable for funding being made available to NMS.

Scottish Futures Trust

- Scottish Futures Trust are currently scoping the delivery of a collaborative storage solution that would bring together the storage needs of National Records of Scotland (NRS), National Library of Scotland (NLS) and Historic Environment Scotland (HES), along with Scottish Government records. The proposal is to develop a building which will meet the archival-based records storage requirements of each organisation for the next 25 years. A preferred site for the development has been selected in the Sighthill area of Edinburgh on land owned by NRS and NLS adjacent to Thomas Thomson House, an existing NRS facility;
- The Council has held regular discussions with SFT. While SFT are noting the Council's interest in this development and will include it within their strategic Options Appraisal, this storage solution would only be available for the City Archives. Alternative locations would be required for the Museums and Galleries storage, as well as the Records Centre, in effect, splitting the Council's City Collections storage across three sites; and
- SFT have confirmed that there would be no capital funding available until at least 2021. This does not align with the Depots Strategy timescales.

Realistically, a partnership with SFT does not look viable for reasons of split site solutions, lack of confirmed funding and uncertain timescales.

By contrast, the National Museums (and National Galleries) are hoping to invest significant funds and resources to develop their services in Granton. In partnership with government and third sector agencies, there is a major commitment to Placemaking. The opportunity to partner with the national institutions would bring benefits of shared services and align with both Scottish Government's and the Council's own agenda.

The main advantage of a partnership approach is that the risks to the Council associated with developing storage space could be shared with a third party. Additionally, partnering with other organisations to deliver services could potentially bring economies of scale and operational efficiencies, as well as synergies associated with a "one public sector" approach.

However, securing a joint solution with NMS, while supporting the wider regeneration objectives of Granton Waterfront, does leave the Council exposed to delays and costs outwith its control. A more immediate, secondary solution is required for the public access facility associated with the City Archives.

Option 5 is further complicated by the need to secure alternative arrangements for the management and delivery of the Council's Records Centre. It is not possible to host City Collections, Archives, and Records in the same facility in Option 5. A quote of £200k has been provided for the provision of records management by an external provider.

Despite considerable effort, it has not been possible to negotiate a joint solution with the National Museums of Scotland for a shared storage facility at Granton Waterfront, at this time, due to challenges around timescales, logistics, public access requirements, and reliance on Scottish Government funding.

Option 5 costs, detailed in appendix 2 and 3 are as follows:

Build costs, including fees total £4,354,100

25 year costs total £14,523,859 (including built costs, running costs and records management).

Appendix 2: Cost Analysis

		Option1	Option 2	Option 3	Option 4	Option 5
		Retain and Upgrade	New Build internal Records Management	Repurpose Russell Road Depot	Small new build external Records Management	NMS and (External Arrangement for Records Centre)
1	Build costs plus fees, taxes and external work*	£ 2,754,425	£ 6,154,008	£ 4,945,080	£ 3,911,600	£ 4,354,100
2	Released Capital Receipt	£ -	£ 4,600,000	£ 4,600,000	£ 4,600,000	£ 4,600,000
3	Capital Receipt less costs	£ -	£ 1,554,008	£ 345,080	-£ 688,400	-£ 245,900
4	Building Running costs (year 1)	£ 117,538	£ 209,793	£ 180,993	£ 111,982	£ 104,311
5	25 year running building costs	£ 5,609,701	£ 10,012,812	£ 8,638,271	£ 5,344,576	£ 4,978,439
6	Records Management running costs	£ 243,000	£ 156,772	£ 156,772	£ 200,000	£ 200,000
7	Records management costs over 25 years	£ 11,597,685	£ 7,482,273	£ 7,482,273	£ 9,545,420	£ 9,545,420
8	Records management costs over 25 years Plus running costs over 25 years	£ 17,207,386	£ 17,495,085	£ 16,120,544	£ 14,889,996	£ 14,523,859

* line 1 includes an additional 5% uplift for options 1,2,3 and 5 to bring them in line with the September 2019 costs. The costs for Option 4 are based on September 2019 prices.

Appendix 3: Running Costs Table

<u>Baseline Costs (running costs 2018/19)</u>	Amount
Murrayburn: Utilities	£ 112,036
Murrayburn: Rates	£ 230,483
Murrayburn: Insurance and Security	£ 33,160
Broughton Market: Utilities	£ 6,283
Broughton Market: Rates	£ 12,240
Albion Road: Rent	£ 8,600
Albion Road: Rates	£ 3,120
Albion Road: Utilities	£ 2,200
Total	£ 408,122

Option 1: Retain Murrayburn and current arrangements for M&G sites, Annual cost	Year 1	Year 5	Year 25	
Status quo (with investment) running costs	2021/22	2025/26	2045/46	Total over 25 years
Murrayburn: Utilities (gas, electricity, water 1,305@£13.70 m2)	£ 17,879	£ 21,731	£ 57,660	£ 853,289
Murrayburn: Rates (1,305@ £25m2)	£ 32,625	£ 39,656	£ 105,219	£ 1,557,097
Murrayburn Site maintenance (1,305@£10 per m2) *	£ 13,050	£ 15,862	£ 42,088	£ 622,839
Broughton Market: Utilities (gas, electricity, water 635@ £13.70 m2)	£ 8,700	£ 10,574	£ 28,057	£ 415,202
Broughton Market: Rates (635@ £25m2)	£ 15,875	£ 19,296	£ 51,198	£ 757,668
Broughton Market: Site maintenance (635@ £10m2)	£ 6,350	£ 7,718	£ 20,479	£ 303,067
Broughton Market: Cleaning (635@£17m2)	£ 10,795	£ 13,121	£ 34,815	£ 515,214
Albion Road: Rent	£ 8,200	£ 9,967	£ 26,446	£ 391,362
Albion Road: Rates (105@ £25m2)	£ 2,625	£ 3,191	£ 8,466	£ 125,284
Albion Road: Utilities	£ 1,439	£ 1,749	£ 4,641	£ 68,679
Option 1 total	£ 117,538	£ 142,865	£ 379,069	£ 5,609,701
Records Management Under current agreement	£ 243,000	£ 295,368	£ 738,699	£ 11,597,685
Total (Option1 plus Records Management)	£ 360,538	£ 438,233	£1,117,768	£ 17,207,386

<u>Option 2: New build at Russell Road, annual cost (full size)</u>	Year 1	Year 5	Year 25	
New build running costs	2021/22	2025/26	2045/46	Total over 25 years
Rates (25m2)	£ 82,500	£ 100,279	£ 266,071	£ 3,937,486
Utilities (gas, electricity, water)	£ 65,493	£ 79,607	£ 211,221	£ 3,125,791
Site maintenance (£10 per m2)	£ 61,800	£ 75,118	£ 199,611	£ 2,949,535
Option 2 total	£ 209,793	£ 255,004	£ 676,903	£ 10,012,812
Internal Records Management Provision	£ 156,772	£ 190,557	£ 505,605	£ 7,482,273
Total (Option 2 plus Records Management provision)	£ 366,565	£ 445,561	£ 1,182,508	£ 17,495,085

<u>Option 3: Repurpose Russell Road, annual cost</u>	Year 1	Year 5	Year 25	
Russell Road running costs	2021/22	2025/26	2045/46	Total over 25 years
Rates (25m2)	£ 82,500	£ 100,279	£ 266,071	£ 3,937,486
Utilities (gas, electricity, water)	£ 65,493	£ 79,607	£ 211,221	£ 3,125,791
Site maintenance (£10 per m2)	£ 33,000	£ 40,112	£ 106,428	£ 1,574,994
Option 3 total	£ 180,993	£ 219,998	£ 583,720	£ 8,638,271
Internal Records Management Provision	£ 156,772	£ 190,557	£ 505,605	£ 7,482,273
Total (Option 2 plus Records Management provision)	£ 337,765	£ 410,555	£ 1,089,325	£ 16,120,544

<u>Option 4: Small new purpose built storage facilities external records management</u>	Year 1	Year 5	Year 25	
New build at Russell Road, annual cost (1845m2)	2021/22	2025/26	2045/46	Total over 25 years
Rates (Increased rate due to uses)	£ 75,000	£ 91,163	£ 241,882	£ 3,579,532
Utilities (gas, electricity, water breakdown below)	£ 18,532	£ 22,526	£ 59,768	£ 884,479
Site maintenance (£10 per m2)	£ 18,450	£ 22,426	£ 59,503	£ 880,565
Option 4 total	£ 111,982	£ 136,115	£ 361,153	£ 5,344,576
External Records Management Provision (IM contract only)	£ 200,000	£ 243,000	£ 645,019	£ 9,545,420
(Total Option 4b plus Iron Mountain Contract)	£ 311,982	£ 379,115	£ 1,006,172	£ 14,889,996

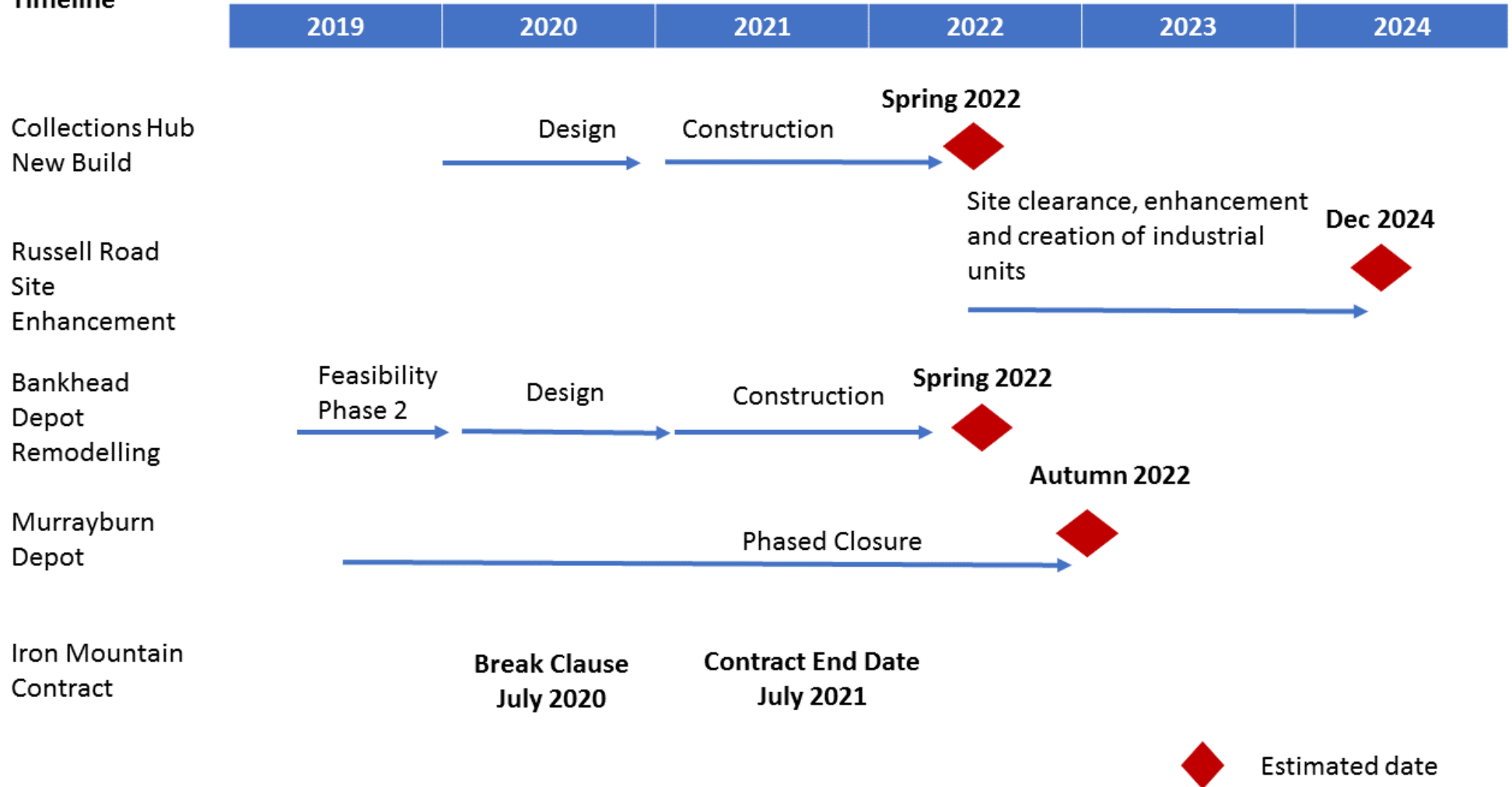
Option 5: Partner with NMS and External Records management (M&G and Archive only)	Year 1	Year 5	Year 25	
NMS Granton Site annual costs	2021/22	2025/26	2045/46	Total over 25 years
Rent (peppercorn)	£ 1	£ 1	£ 1	£ 25
Non domestic Rates (£25m2)	£ 45,000	£ 54,698	£ 145,129	£ 2,147,719
Utilities (C&B costs)	£ 41,310	£ 50,213	£ 133,229	£ 1,971,606
Site maintenance (£10 per m2)	£ 18,000	£ 21,879	£ 58,052	£ 859,088
Option 5 total	£ 104,311	£ 126,790	£ 336,411	£ 4,978,439
External Records Management Provision (IM contract only)	£ 200,000	£ 243,000	£ 645,019	£ 9,545,420
Total (Option 5 plus Iron Mountain contract)	£ 304,311	£ 369,790	£ 981,430	£ 14,523,859

Appendix 4: Russell Road Mock Up



Appendix 5: Depots Strategy Timeline

Timeline



Timeline

