

Item No	Referred from:	OVERVIEW & SCRUTINY COMMITTEE
6A	Date:	12 NOVEMBER 2024
	Title of item:	MUSEUM STORAGE OPTIONS APPRAISAL
To be considered alongside agenda item:		Agenda Item 7

The report considered by Overview and Scrutiny Committee at the meeting held on 12 November 2024 can be viewed here: [Agenda for Overview and Scrutiny Committee on Tuesday, 12th November, 2024, 7.30 pm | North Herts Council](#)

RECOMMENDED TO CABINET:

- (1) That Cabinet note the current projected costs, advantages and disadvantages of each option.
- (2) That Cabinet approve use of £30k of the allocated £4m budget in the current capital programme for this project to develop more detail on the costs of Option D (warehouse proposal) and to acquire the necessary details for a planning application to be made.
- (3) That Cabinet approve use of £20k of the allocated £4m budget in the current capital programme for this project to develop more detail on the costs of Option E (Purchase of a freehold/long leasehold building (new or existing)), should a suitable property become available.
- (4) That Cabinet consider and give approval for officers to apply for grant funding towards the investigations mentioned in 2.2 and 2.3 and recognise the need to align investigations with grant funding timetables in this instance.
- (5) That Cabinet resolve to discount options A, B and G and recommend that they are no longer developed or explored further.
- (6) That Cabinet indicates that Options C, F and H outlined within the report should be pursued further.

REASONS FOR DECISIONS:

- (1) Officers do not have the capacity or financial budget to progress all 8 options to an advanced stage and some early decisions are required in order to focus time and budget on pursuing the most advantageous options based on the best information available to officers and members at the present time.
- (2) In addition, the pursuit of greater detail on a number of the options will require expenditure on external reports and consultants which officers are seeking Cabinets approval to progress. Estimated figures are included in the main body of the report which can be found in Appendix 1 and are summarised in the Executive Summary Grid in Appendix 2.

Audio recording: 1 hour 47 minutes 21 seconds

Councillor Tamsin Thomas, as Executive Member for Enterprise and Arts, presented the report entitled 'Museum Storage Options Appraisal' and advised that:

- The purpose of this report was to showcase the range of options that have been explored to resolve the museum storage issues.
- The primary objective of this report was to focus on the most viable options to put forward to Cabinet on 19 November 2024.
- The museum service provided a continual historical record of this district, and the collection had been accumulated over a few hundred years.
- The collection continued to grow and there was not enough space in the current warehouse for safe storage.
- The current site at Bury Mead Road was not designed to be used for a long-term storage area and the building was past its life span.
- A long-term solution was required to protect the heritage collection which had played a key role in the museum obtaining accreditation from the Arts Council, last awarded in 2019.
- Accreditation by the Arts Council was a valuable status which allowed the museum to host exhibitions and this also allowed the museum to apply for project and capital-based grants.
- This paper highlighted three shorter term options, A, B and C, which only addressed the current issues and provided solutions only in the shorter term.
- It was therefore preferable to find a longer-term solution to protect the ever-growing fragile collection.
- Option A was in the report to provide a baseline for comparison. Option B was a minimal solution to maintain commitments to the collection and option C provided this with the addition of some extra storage facilities.
- Option D, E and H provided the clearest long-term solutions which were worth further explorations and costings.
- Option F explored the possibility of a leasehold solution, but a leasehold property would not address the strategic long-term challenges faced and would not meet the eligibility criteria for the largest grant option for which Officers could submit an application.
- Option G explored whether there was a suitable asset already within the ownership of the Council which could be utilised.

The following Councillors asked questions:

- Councillor Tom Tyson
- Councillor Ralph Muncer
- Councillor Matt Barnes
- Councillor Laura Williams
- Councillor Jon Clayden
- Councillor Elizabeth Dennis
- Councillor Donna Wright

In response to questions, the Culture and Facilities Service Manager advised that:

- Option H had not been mentioned in recommendation 2.4 as the property was not owned by the Council and therefore it would be for a third party to continue to explore this option, and for Officers to maintain open lines of communication over such developments.
- The allocation of £30k for option D, would be used to allow the Council to progress investigations up to the planning application stage of the warehouse proposal.

- The allocation of £20k for option E, would only be used if a suitable property became available on the property market, eliminating the need to seek approval before being able to explore suitability.
- Option D involved redevelopment of the existing site.
- Whilst Option E appeared to be more expensive than option D, it would have fewer financial risks for the Council being a freehold property.
- Option E would facilitate a capital receipt or long term income generation from the whole site at Bury Mead Road, whereas option D would not.
- Option B would be too small in total space to accommodate the collection.
- Option C would provide storage space but would not properly care for the collection in terms of delivering the desired stability of the internal environment.
- If accreditation was lost, this would impact on the Council in four ways. The recruitment and retention of staff, the possible inability to secure future grants, fall out from loss of reputation in the museum sector, and the inability to secure most travelling exhibitions which in turn would have a significant impact on footfall.
- It would not be preferable to explore other options outside of the district or county as this would restrict residents access to their own heritage.
- The collection was insured, however most objects were irreplaceable and had limited monetary value, therefore the loss of these would not be covered by the financial insurance cover.
- To obtain a grant from the largest grant funder of projects like these, the Lottery Heritage Fund, the property needed to be freehold or have a long lease of over 100 years.
- All options from C onwards would free up the current museum collection storage use in the former Letchworth Museum.
- Although option F would solve the problem for a number of years, as it was a leasehold proposal, this would not preserve the collection permanently, and a museum collection would be expected to need preservation in perpetuity.
- Thomas Bellamy House was not large enough to store the entire collection and as the collection was very fragile, it required moving as little as possible.
- The Ashe Construction proposal in option D was based on costing provided through the SCAPE procurement framework. This proposal would require considerable funding upfront to establish more accurately the overall cost estimate. This would present a higher level of risk in comparison with the pursuit of greater clarity on the costs of a warehouse based approach.

In response to questions, the Principal Estates Surveyor advised that:

- The allocation of £30k capital for option D was for professional fees to work up more detailed costings up to planning application stage, to ensure suitability of the scheme.
- The allocation of £20k for option E was to enable the Council to obtain valuation and acquisition advice quickly if a suitable property became available on the property market.
- Option E would enable a ground lease rental value of approximately £50k to be obtained from the existing site as a levelled, hardstanding surface, secure yard. Sale of the site would be approximately £500k and this could potentially be improved by planning permission.
- Suitable industrial properties rarely become available on the property market.
- The current value of the Letchworth Museum was not known, but it was a substantial building in central Letchworth and therefore expected to be significant dependent upon suitable future use.
- External surveyors had agreed with the Estates team view that it would be beneficial for the Council to have regard to investment value and a potential future income generating asset, and flexibility of use for a new building.

In response to a question, the Executive Member for Enterprise and Arts advised that:

- Future sustainability of all the options had been considered and the warehouse proposal in option D would provide the ability to limit certain areas to be dedicated to cooling.
- The accreditation granted in 2019 by the Arts Council was only based on finding a more suitable accommodation for the collection going forward.
- The Arts Council was the main provider of grants and if accreditation was lost it would be hard to regain.
- The 40-year lease as outlined in option F, was a standard period for a lease for a property of this type.
- Thomas Bellamy House, Hitchin, as detailed in option G, was a heritage building.

In response to questions, the Executive Member for Finance and IT advised that the principal cost involved for a 40-year period lease could be less than predicted if current interest rates fell.

Councillor Matt Barnes proposed that recommendations 2.2, 2.4 and 2.6 be amended to provide more clarity for Cabinet and for all recommendations to be voted on separately.

Councillor Matt Barnes proposed, as amended, and Councillor Claire Winchester seconded and, following individual votes for each recommendation, it was:

RECOMMENDED TO CABINET:

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- (5) That Cabinet resolve to discount options A, B and G and recommend that they are no longer developed or explored further.
- (6) That Cabinet indicates that Options C, F and H outlined within the report should be pursued further.

REASONS FOR RECOMMENDATION:

- (1) Officers do not have the capacity or financial budget to progress all 8 options to an advanced stage and some early decisions are required in order to focus time and budget on pursuing the most advantageous options based on the best information available to officers and members at the present time.

(2) In addition, the pursuit of greater detail on a number of the options will require expenditure on external reports and consultants which officers are seeking Cabinets approval to progress. Estimated figures are included in the main body of the report which can be found in Appendix 1 and are summarised in the Executive Summary Grid in Appendix 2.