

HIGHER EDUCATION FACILITY FOR HEREFORDSHIRE

PORTFOLIO RESPONSIBILITY: RESOURCES AND ECONOMIC DEVELOPMENT AND COMMUNITY SERVICES

CABINET

4 JUNE 2009

Wards Affected

The site is located in Central ward. Benefits will be County-wide

Purpose

Cabinet is asked to allocate the Council owned Blackfriars site in Hereford for possible use as a Higher Education (HE) Centre and reserve it for that purpose.

Key Decision

This is a Key Decision because it is likely to result in the Council incurring expenditure above agreed budgets for the service or function (shown as a line in the budget book) to which the decision relates but allowing for virements between budget heads and savings within budget heads of up to £500,000.

Recommendation

THAT:

- a) **the allocation of the Council's Blackfriars site as a location for a possible Higher Education Centre be approved, and;**
- b) **authority be delegated to the Director of Regeneration, in consultation with the Director of Resources, to finalise arrangements subject to development of a robust business plan.**

Reasons

1. The allocation of this Council owned site is a sign of the Council's commitment to deliver a HE facility for the County.

Considerations

2. The Higher Education for Herefordshire Management Board is chaired by Worcester University and includes representatives from Herefordshire Council, the Primary Care Trust, local Further Education (FE) establishments, the Open University and surrounding universities operating in Herefordshire, the Bulmer Foundation, the Lifelong Learning Network, The Learning and Skills Council, The Federation of Small Businesses, Chamber of Commerce Herefordshire and Worcestershire, ESG (Herefordshire) Ltd., the Robert Owen Society, The National College for the Blind, Advantage West Midlands and Government Office West Midlands.
3. Starting from the point that Higher Education (HE) facilities have a major positive

impact upon their local economy, the group have been active in developing higher education learning opportunities and progression routes for learners. The offer provided locally has grown substantially but there is evidence that there remains unmet latent demand as well as potential for growth in currently underprovided specialist provision.

4. In March 2008, John Denham, the Secretary of State at the Department for Innovation, Universities and Skills (DIUS) published 'A New University Challenge'. This document set out the Government's vision for increasing access to local Higher Education (HE), making funding available for: existing university or consortia to set up a university campus or centre to serve a particular area; a stand alone HE centre set up by a university or Further Education Colleges (FEC) or both; providing more HE in FEC's or creating new universities with a minimum of 4000 full time equivalent students.
5. The Higher Education Funding Council for England (HEFCE) has been charged with supporting the development of up to 20 new HE centres by 2014 utilising its Strategic Development Fund to support the work. This fund includes £150 million awarded in the last spending review and is intended to support the creation of some 10,000 student places.
6. The Higher Education for Herefordshire Management Board is currently preparing applications to various funding pots including the DIUS new University Challenge initiative to develop a Higher Education facility in the County. DIUS guidance requires a bid to have 'strong, coherent support from local partners'. Other funding sources e.g. European, Regional Development Agency etc. normally require 50% plus local contributions. The Council could demonstrate such support by allocating the Blackfriars site as a possible location for the HE Centre.
7. In November 2008, the Council and the Lifelong Learning Network co-hosted a consultation seminar, which provided the opportunity for attendees to contribute to workshop discussions on potential options to expand HE education opportunities in the county. There was a widespread level of support to proceed with a bid to establish facilities in the County.
8. Partners have agreed a vision (see attached schematic, Appendix 1) that encompasses a single prospectus, shared facilities within the ESG area and continuation of delivery on a range of individual sites both in the city and across the county.
9. In March 2009 HEFCE published a new 'University Challenge': proposals for higher education centres, which sets out the process for submitting a proposal for a higher education centre or campus (background paper).
10. The Paper advises that proposals will be considered in 2 stages, and in line with this the board is looking to submit a 'statement of intent' (the first stage) by the deadline of 30th June 2009. Following which if feedback is supportive the second stage – a full business plan - will need to be submitted by the end of the year.
11. The guidelines advise that the statement of intent needs to be concise and address a number of areas. One key area is; 'the commitment of the partners to this project and a clear statement of the nature of their support, for example major financial investment, donation of land, member of the project steering group'.
12. This is normal practice and usually for an external funding bid to be successful there normally needs to be a local public/private/voluntary sector contribution in excess of 50% of the total costs.

13. Although a definite site for the new provision has yet to be agreed by all parties, the ESG Masterplan allocates a site for this provision. The Masterplan was adopted by the Herefordshire Council Cabinet in September 2008 as a material consideration within the planning process. The HE allocation was introduced into the Masterplan following the extensive community consultation that the draft document was subjected to from the summer of 2007.
14. The allocated site itself is in three ownerships. Herefordshire Council owns the Blackfriars Education Centre together with the portion of Merton Meadow car park included in the site to the north; the Red Cross own their corner property, and a private ownership comprises the furniture retailer on Blackfriars Street, the surface car park to the north west of the building, and the engineering works to the north of the building. Please see Appendix 2 for a map of the allocated site and individual land ownerships.
15. The total site extends to 1.327ha with the Herefordshire Council ownership hatched in blue extending to 0.632ha. ESG Herefordshire have engaged with the private landlord and discussions about the inclusion of their ownership within any Higher Education allocation are ongoing.
16. Located between the Retail Quarter and the Urban Village, the site which could provide a potential mix of academic, research, accommodation and location for a student union, is well positioned to complement both of these strategic land allocations.
17. The Council element of the site is due to become surplus to requirements, as part of the Council's broader accommodation strategy. It is proposed that the site would be made available at the point that the building became vacant.
18. The Estates and Valuation Manager has estimated that the site is currently worth £1.2 million.
19. It is proposed that Cabinet give approval to allocating the Council owned part of the Blackfriars site (see attached site/location plan). It is also proposed that delegated authority be given to the Director of Regeneration, in consultation with the Director of Resources, to finalise arrangements conditional on the development of a robust business case for an HE facility on the site.

Legal Implications

20. Deliberations on the details of the HE Centre will need to include which organisation will own the site, and who will be the accountable body for any funding.

Financial Implications

21. The site has not been factored into any assumptions about funding future Accommodation Strategy as it has always been included in the ESG development. The value of the contribution is estimated at £1.2 million (see paragraph 18).

Risk Management

22. Risks and opportunities will be identified within the business plan to be developed.

Alternative Options

23. No alternative options have been identified.

Consultees

24. Director of Resources, Head of Asset Management and Property Services, Estates and Valuation Manager, Economic Development Manager, Corporate Risk Manager, Legal Practice Manager and Management Accounts Manager, ESG Herefordshire Ltd, Higher Education for Herefordshire Management Board.

Appendices

Appendix 1 – Higher Education in Herefordshire Vision - schematic

Appendix 2 – Blackfriars Site Map

Background Papers

A new 'University Challenge': proposals for higher education centres. March 2009