

Supplement to the agenda for

Cabinet

Thursday 22 June 2023

2.30 pm

**Herefordshire Council Offices, Plough Lane, Hereford, HR4
0LE**

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Review of New Hereford Library and Learning Resource Centre Location

Meeting: Cabinet

Meeting date: Thursday 22 June 2023

Report by: Cabinet member community services and assets

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

A notice setting out the reasons why compliance with paragraph 4.2.49 to 4.2.51 of the council's constitution is impracticable has been published on the council's website.

Wards affected

Central

Purpose

To review options for the best possible location of the proposed new Hereford Library and Learning Resource Centre in Hereford city centre.

Further information on the subject of this report is available from
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Recommendation(s)

That:

- a) **To undertake an internal review to be reported to cabinet to identify the options for the location in Hereford for the Library and Resource Centre project. Should the outcome of the review require a change to the capital programme, Full Council approval will be required.**
- b) **To delegate to the Corporate Director for Community and Wellbeing in consultation with the Cabinet Member for Community Service and Assets authority to identify the guiding principles for the proposed review;**
- c) **To delegate to the Corporate Director for Economy and Environment the authority to cancel all current contractor and related works where necessary to secure recommendation (a) and minimise cost implications**

Alternative options

1. Do nothing – The council could continue to locate the proposed new Library and Learning Resource Centre in Maylord Orchard. However, as outlined in the decision below, a number of factors have changed since the original project was established in 2020. This option is not recommended.
2. To retain the library in the current location on Broad Street - This is not a viable option, as it would mean the separate £18 million Hereford Museum and Art Gallery project could not proceed. This is a flagship project for Stronger Towns funding, and key to enhancing the city and wider County's cultural and visitor offer.

Key considerations

3. Herefordshire Council is currently leading a project to relocate the Hereford Library and to create a Learning Resource Centre in Maylord Orchards.
4. In 2020 government selected Hereford to be one of 101 towns/ cities from across England who were eligible to seek up to £25m of funding to support regeneration and enable economic growth. As required by the funding guidance, a Hereford Stronger Towns Partnership Board was formed including wide ranging representation across the public, private and community sectors. The Board oversaw the development of a Town Investment Plan through extensive local community engagement, and inviting people to put forward project proposals for submission to government in the Plan, subsequently securing £22.4m.
5. The Hereford Town Investment Plan recognises the need to re-purpose and regenerate the city centre. As demand for physical retail space and office space declines, accelerated by the impact of Covid 19, there is a need to consider the future role of town and city centres in generating trade and jobs. In supporting the regeneration of Hereford, the Town Investment Plan has a focus on realising our significant opportunities in art, culture, heritage, tourism and learning.
6. One of the council led projects identified in the Town Investment Plan is to relocate the current Hereford Library into the Maylord Orchards shopping centre and create a new Learning Resource Centre. The original purpose of the project is to enable the current Broad Street library space to be better utilised as part of the flagship £18m linked project to create a new Hereford Museum and Art Gallery, and also create a mixed use cultural hub within Maylord

Orchards. The Town Investment Plan states *'this ecosystem of inter-connected projects stakes out a transformational post-Covid future for our city. It repurposes the Maylord Shopping Centre at the heart of the city as the base for a new Library and Learning Centre, a new Digital Culture Hub, and an enhanced creative and performance space linked to the Powerhouse and Encore initiatives which will attract footfall in its own right'*.

7. However, a number of factors have changed since the original project was identified in 2020. The demand for retail/ commercial space in Maylord Orchards has remained relatively high, other Town Investment Plan projects that were originally due to be clustered with the library in Maylord Orchards (Rural Media Digital Culture Hub, Powerhouse and Encore) to create a cultural hub are now locating elsewhere, the draft Hereford City Masterplan has identified a wide range of future needs for strategically significant sites across the city centre, and alternative locations have become available for redevelopment.
8. As such it is proposed that the current Maylord Orchards Library and Learning Resource Centre project is paused whilst the council undertakes a review of the best possible location for these services in the city centre. The review will ensure that the original vision of the Town Investment Plan and the draft Hereford City Masterplan is realised, with new developments enlivening the city centre, to enable growth, and create an environment of opportunity for rejuvenation.
9. The review will not impact the Hereford Museum and Art Gallery project. The library is due to be temporarily relocated from the shared Broad Street building in mid July 2023 to enable the Museum and Art Gallery project to proceed. This will proceed whilst the review is undertaken.
10. The review will be completed by the end of July 2023 and reported to cabinet for consideration.

Community impact

11. The proposed Library and Learning Resource Centre project will be of significant benefit to the local community, establishing a modern high quality library and learning facility at the heart of the city centre. Creating new reasons for people to visit, spend time and money in the city centre, responding to the decline of retail as a primary footfall driver, will also help secure the economic viability of Hereford and local jobs.
12. Whilst all sectors of the local community will benefit from the enhanced facilities and services, the project will specifically benefit local schools and colleges in terms of access to the library for educational purposes. The Learning Resource Centre located in a prominent city centre location will provide the whole community with a wide range of services to support the development of their skills, advice and support in seeking new career or personal development opportunities.
13. The proposed project will ensure that our communities have good access to high quality modern services, such as libraries, in good and accessible locations that enable the maximum economic benefit and investment in Hereford City are leading priorities for this administration.

Environmental Impact

14. A key aim of the project is to achieve the highest possible environmental and energy efficiency standards possible.

Equality duty

15. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
16. The proposed project will significantly enhance access to Herefordshire's cultural and learning offer for all. The project will establish a modern, accessible new library and a Learning Resource Centre at the heart of the city centre, providing enhanced access to key local services for learning and development across all sectors of the local community.
17. Whatever the outcome of this proposed review of location for the new library, we will ensure that, when designing infrastructure schemes and redesigning the public realm in our city and town centres, we will work with user groups to ensure that the design improves access for all. And in all our proposals, we will aim for the highest level of accessibility.

Resource implications

18. There is currently a £3.5m budget in the capital programme for this project, funded from a £3m Stronger Towns Grant and £0.5m use of the capital receipts. The funding is specific to the Maylord Orchard location detailed in the business case.
19. If the project does not continue as planned then all costs will need to be decapitalised and funded from revenue resources. The table below sets out total spend to date and estimated abortive costs for cancelling all current contracts and identifies the amount of funds, £679k, which will be required to de-capitalise the project.
20. To date £329k has been received from the Stronger Towns Board, it is not yet known whether they will seek repayment of any of the grant awarded, although £150k was for the feasibility element and not refundable if the project did not get delivered.
21. Summary of the costs and revenue required for decapitalisation at the point of pausing and cancelling the contracts as at 14 June 2023. The total costs for 2023/24 of £245k will have to be funded by revenue budgets in year, this will increase for any further demobilisation costs, if the project is cancelled and legal costs in the result of any disputes.

	Spend up to March 2023	Spend in 23/24 to date	Estimated Abortive costs	Total costs subject to decapitalisation
	£000	£000	£000	£000
Capital costs	434	105	140	679
	Funding to March 2023	Funding in 23/24 to date	Estimated Funding Required	Total Funding for decapitalisation
Stronger Towns Grant	329			329
Capital Receipts Reserve	105			105
Potential Revenue Funding		105	140	245
Total Funding	434	105	140	679

22. The abortive costs estimated include costs of internal staffing as no timesheets have been recharged this financial year, costs to cancel contracts and work completed that has not yet been paid for. These include design, construction and project management costs estimated at approximately £140,000 in total. These abortive costs will be applicable due to the pausing of the project whether or not the review concludes that Maylord Orchards is the best possible location.
23. As identified in the risks section below, there may also be additional demobilisation costs from the contractor, which could be circa a further £610K. Although these costs are outside of the scope of the current Letter of Intent.
24. Following the outcome of the review, a further cabinet decision will outline the impact on the available budget of any proposed changes. Should the review result in an alternative preferred location, any continuation of Stronger Towns funding would be subject to the agreement of the Hereford Towns Fund Board and a new detailed business case. A Full Council decision would also to be required should there be any resulting changes to the capital programme.
25. Should the outcome of the review identify an alternative location for the new Library and Learning Resource Centre, the original decision to develop the project identified any abortive costs would need to be funded from an *'alternative revenue budget such as the Financial Resilience Reserve'* should the project not proceed. The decision taken in February 2022 to complete the detailed design works can be found here: [Decision - Maylord Orchard Library and Learning Resource Centre \(Detailed Design\) - Herefordshire Council](#)

Legal implications

26. The delivery of the relocation of the Hereford Library is referenced in the Hereford Town Investment Plan.
27. Consideration of the Stronger Towns funding agreement and funding options will be undertaken as part of the review process. All associated contracts relating to Maylord Orchards will be reviewed and relevant provisions considered prior to any termination.

Risks

28. The following are the identified key risks which will be managed by the Project Board;

Risk / opportunity	Mitigation
<p>The delay caused by the review of the Library and Learning Resource centre location may mean the current project cannot be completed in the Stronger Towns funding timescales.</p>	<p>It is intended the review will be completed by the end of July 2023, resulting in only a months delay. The outcome of the review will consider the impact on future timescales.</p>
<p>Should the review result in a change of proposed location, the current Stronger Towns grant funding may not be available for the alternative project.</p>	<p>The outcome of the review will consider the impact on grant funding, and any proposed change would be discussed with the Hereford Towns Fund Board and government.</p>
<p>Should the review of the location result in a new location, there would be abortive costs from the current Maylord Orchard project.</p>	<p>The review will consider the related costs of any proposed change in location. As per the resource section above, previous decisions to develop the project have recognised the need to identify an alternative revenue budget should the project not proceed. Due to the urgency in terms of potential rising costs certain contracts may be terminated in accordance with the recommendation prior to review and may be re-tendered at a later stage following the outcome of the review.</p>
<p>The delay caused by the review, or a decision to locate the Library and Learning Resource Centre project elsewhere may impact the Hereford Museum and Art Gallery project.</p>	<p>The delay will not impact the Hereford Museum and Art Gallery project. The library was due to temporarily relocate to the Museum Resource and Learning Centre to enable the Museum project to proceed anyway. The temporary relocation will continue as planned so there will be no impact on the museum and art gallery project.</p>
<p>Should the current Letter of Intent with the contractor be terminated they may seek demobilisation costs.</p>	<p>The council has been advised that the contractor has placed orders totalling £608k in anticipation of the project proceeding. A review would have to be undertaken to ascertain the extent of the works and commitments authorised pursuant to the Letter of Intent to minimise costs.</p>
<p>The delay or potential cancellation of the project might have consequences for other associated works around the Maylord Orchard site and other sites.</p>	<p>A timely review to manage impact and communication across the works to enable planning</p>

Consultees

29. A political group consultation will be undertaken.

Appendices

N/A

Background papers

None Identified

Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 14.06.2023
Finance	Karen Morris/ Rachael Hart	Date 14.06.2023
Legal	Emma-Jane Brewerton	Date 14.06.2023
Communications	Luenne Featherstone	Date 13.06.2023
Equality Duty	Harriet Yellin	Date 13.06.2023
Procurement	Lee Robertson	Date 14.06.2023
Risk	Kevin Lloyd	Date 14.06.2023
Approved by	Ross Cook	Date 15.06.2023

