

Agenda

Cabinet

Date: **Thursday 26 October 2023**

Time: **2.30 pm**

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

Notes: Please note the time, date and venue of the meeting.

For any further information please contact:

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Agenda for the meeting of Cabinet

Membership

Chairperson **Councillor Jonathan Lester, Leader of the Council**
Vice-Chairperson **Councillor Elissa Swinglehurst, Deputy Leader of the Council**

Councillor Graham Biggs
Councillor Harry Bramer
Councillor Barry Durkin
Councillor Carole Gandy
Councillor Ivan Powell
Councillor Philip Price
Councillor Pete Stoddart

Agenda

		Pages
1.	<p>APOLOGIES FOR ABSENCE</p> <p>To receive any apologies for absence.</p>	
2.	<p>DECLARATIONS OF INTEREST</p> <p>To receive declarations of interests in respect of Schedule 1, Schedule 2 or Other Interests from members of the committee in respect of items on the agenda.</p>	
3.	<p>MINUTES</p> <p>To approve and sign the minutes of the meeting held on 28 September 2023.</p>	11 - 28
<p>HOW TO SUBMIT QUESTIONS</p> <p><i>The deadline for submission of questions for this meeting is:</i></p> <p><i>9:30am on Monday 23 October 2023.</i></p> <p><i>Questions must be submitted to councillorservices@herefordshire.gov.uk. Questions sent to any other address may not be accepted.</i></p> <p><i>Accepted questions and the response to them will be published as a supplement to the agenda papers prior to the meeting. Further information and guidance is available at https://www.herefordshire.gov.uk/getinvolved</i></p>		
4.	<p>QUESTIONS FROM MEMBERS OF THE PUBLIC</p> <p>To receive questions from members of the public.</p>	
5.	<p>QUESTIONS FROM COUNCILLORS</p> <p>To receive questions from councillors.</p>	
6.	<p>REPORTS FROM SCRUTINY COMMITTEES</p> <p>To receive reports from the Council's scrutiny committees on any recommendations to the Cabinet arising from recent scrutiny committee meetings.</p>	
7.	<p>REVIEW AND COMPARISON OF FULL BUSINESS CASES FOR BOTH THE SHIREHALL AND MAYLORD ORCHARDS AS LOCATIONS FOR THE FUTURE HEREFORD CITY LIBRARY</p> <p>To present the full business case for the Shirehall as a location for the Hereford Library and Learning Centre (HLLC) and compare against the full business case for the HLLC at Maylord Orchards.</p>	29 - 322
8.	<p>LEGAL STATUS OF AND FINANCIAL ARRANGEMENTS WITH BBLP</p> <p>To provide information in respect of the council's contractual arrangements with Balfour Beatty Living Places and update Cabinet on progress made following recommendations made by its external auditors in the Auditor's</p>	323 - 366

Annual Report for the year ended 31 March 2022.

9. PUBLIC REALM CONTRACT EXTENSION 2023

367 - 382

To approve an extension of the public realm service contract with Balfour Beatty Living Places in line with contract terms and conditions and provide an update on contract management arrangements.

10. TRANSITION OF FUNCTIONS FROM THE MARCHES LOCAL ENTERPRISE PARTNERSHIP

383 - 394

To establish required arrangements to transition functions from the Marches Local Enterprise Partnership (LEP) to commence from April 2024, following government's announcement in August 2023 that they will no longer provide funding to LEPs with functions to be alternatively led by Local Authorities.

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- Inspect minutes of the Council and all committees and sub-committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
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<http://www.herefordshire.gov.uk/downloads/file/1597/hereford-city-bus-map-local-services->

Guide to Cabinet

The Executive or Cabinet of the Herefordshire Council consists of a Leader and Deputy Leader and seven other Cabinet Members each with their own individual programme area responsibilities. The current Cabinet membership is:

Cllr Jonathan Lester (Leader)	Corporate Strategy and Budget
Cllr Elissa Swinglehurst (Deputy Leader)	Environment
Cllr Ivan Powell	Children and Young People
Cllr Harry Bramer	Community Services and Assets
Cllr Pete Stoddart	Finance and Corporate Services
Cllr Carole Gandy	Adults, Health and Wellbeing
Cllr Graham Biggs	Economy and Growth
Cllr Barry Durkin	Roads and Regulatory Services
Cllr Philip Price	Transport and Infrastructure

The Cabinet's roles are:

- To consider the overall management and direction of the Council. Directed by the Leader of the Council, it will work with senior managers to ensure the policies of Herefordshire are clear and carried through effectively;
- To propose to Council a strategic policy framework and individual strategic policies;
- To identify priorities and recommend them to Council;
- To propose to Council the Council's budget and levels of Council Tax;
- To give guidance in relation to: policy co-ordination; implementation of policy; management of the Council; senior employees in relation to day to day implementation issues;
- To receive reports from Cabinet Members on significant matters requiring consideration and proposals for new or amended policies and initiatives;
- To consider and determine policy issues within the policy framework covering more than one programme area and issues relating to the implementation of the outcomes of monitoring reviews.

Who attends cabinet meetings?

- Members of the cabinet, including the leader of the council and deputy leader – these are the decision makers, only members of the cabinet can vote on recommendations put to the meeting.
- Officers of the council – attend to present reports and give technical advice to cabinet members
- Chairpersons of scrutiny committees – attend to present the views of their committee if it has considered the item under discussion
- Political group leaders attend to present the views of their political group on the item under discussion. Other councillors may also attend as observers but are not entitled to take part in the discussion.

**The Seven Principles of Public Life
(Nolan Principles)**

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

Herefordshire Council

Minutes of the meeting of Cabinet held at Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Thursday 28 September 2023 at 2.30 pm

Cabinet Members Physically Present and voting: Councillor Jonathan Lester, Leader of the Council (Chairperson)
Councillors Graham Biggs, Harry Bramer, Carole Gandy, Ivan Powell, Philip Price and Pete Stoddart

Cabinet Members in remote attendance Councillors Elissa Swinglehurst, Deputy Leader of the Council (Vice-Chairperson)

Cabinet members attending the meeting remotely, e.g. through video conferencing facilities, may not vote on any decisions taken.

Cabinet support members in attendance None

Group leaders / representatives in attendance Councillors Liz Harvey, Ellie Chowns, Terry James and Bob Matthews

Scrutiny chairpersons in attendance Councillors Toni Fagan, Liz Harvey and Ellie Chowns

Officers in attendance: Chief Executive, Director of Resources and Assurance, Corporate Director - Children & Young People, Corporate Director - Economy and Environment, Director of Governance and Law and Corporate Director Community Wellbeing, Head of Strategic Finance (deputy S151) and Head of Educational Development, Children and Young People

20. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Barry Durkin, Councillor Dan Hurcomb, Councillor Nick Mason, Councillor Stark and Councillor Crockett

21. DECLARATIONS OF INTEREST

None.

22. MINUTES

Resolved: That the minutes of the meeting held on 20 July 2023 be approved as a correct record and signed by the Chairperson.

23. QUESTIONS FROM MEMBERS OF THE PUBLIC (Pages 9 - 16)

Questions received and responses given are attached as appendix 1 to the minutes.

24. QUESTIONS FROM COUNCILLORS (Pages 17 - 18)

Questions received and responses given are attached as appendix 2 to the minutes.

25. REPORTS FROM SCRUTINY COMMITTEES

There were no reports from scrutiny committees for consideration at this meeting.

26. Q1 BUDGET AND PERFORMANCE REPORT

Cabinet members considered a report setting out the performance of Quarter 1 2023/34 and the forecast position for 2023/24.

The cabinet member for finance and corporate services introduced the report and highlighted that this report is the first outline position for 23/24 and clearly demonstrates the challenges faced in delivering the revenue budget set by the previous administration in February 2023. This year's revenue budget £193.3m which includes planned savings of £20m arising from £14.1m director savings together with £5.9m central budget savings.

The cabinet member set out that the Quarter 1 report for the last four years has traditionally forecast a overspend. In:

- 2019/2020 Quarter 1 showed a zero overspend and final overspend of £600k;
- 2020/2021 Quarter 1 forecast was £15.9m with a final over spend of £0 which was underwritten by £10.2m of Covid funding;
- 2021/2022 Quarter 1 forecast was £9.4m with a final overspend of £12.6m.

Therefore this year's overspend will be less than the Quarter 1 forecast. The Quarter 1 forecast is £13.5m overspend and the Medium Term Financial Strategy, which was approved by previous administration, has a cumulative funding gap of £15.8m over a three year period (2024-2027). The cabinet member highlighted that these two figures clearly demonstrate the scale of the financial challenge we have been left by the previous administration.

The cabinet member outlined what they are going to do to address the £13.5m overspend which equates to 7% of the net budget with the most significant overspend being in Children and Young People Services at £10.6m. The cabinet member highlighted the following points:

- The overspend reflects significant national pressures including inflation, unprecedented demand for adult and children social care and national living wage increases;
- Recovery action has been identified to reduce the cost by £4m and timely delivery of this activity is a priority for the Cabinet. This includes restrictions on procurement, non-essential spends, target reductions for third party spends and reduction on the number of interim and agency staff as well as number of directorate specific measures. Table 3 shows the revised forecast in light of these actions;
- Improvement in Children's Services are supported by a robust three year financial plan. Activities planned within this service aim to reduce reliance on agency staff, improve the balance of social workers to 90% permanent employees and 10% agency staff. The lack of sufficient childrens social work places and increase in residential placement costs will be monitored over this period;
- Efforts to recruit in house foster carers to reduce the Council's need to use independent fostering agencies will renewed;
- Fully committed to reduce in year over spend and as part of 24/25 budget. A three prong approach will be adopted; Firstly, this report sets out the immediate management actions to deliver savings through controls and these actions will continue and develop into next year; Secondly, the Council will invest in the economy to generate growth; Thirdly the Council will innovate to increase revenue through maximum utilisation of Council owned assets.

The cabinet member advised that it is only through investing in growth and increasing future revenue, that the long term funding issues can be addressed. This strategy will be underpinned by this administrations belief in openness and transparency and supported, in the recommendations of the report, for active engagement by the scrutiny management board.

The cabinet member highlighted the Council has maintained healthy reserves but noted the Council's reserves have reduced over the last three years from £114.7m to £106.1m in March 2022 to the current figure of £91.4m. The cabinet member made it clear, that despite challenges and reports in the media, the Council's position is stable.

Cabinet members discussed the report and it was noted that:

- The projected overspend is predominantly within Children's Services and the Council are considering replacing agency staff with permanent staff over a 3 year period;
- The Council have increased the welcome bonus in September and the retention bonus for long serving staff. Alongside this the induction process, as well as the Learning and Development opportunities that have been strengthened;
- The majority of staff feel valued, staff recently told Ofsted they like working for Herefordshire and value support from their managers, this is helping recruitment;
- Planning to develop spirit of Herefordshire website and simplify the application process. In addition the Council are planning open days and to attend employment fairs;
- The Council wish to increase the number of apprentices and the Council is looking to grow their own workforce in Herefordshire;
- In respect of the Environment directorate it was stated there is not a massive overspend and work is being carried out to balance the figures;
- Clarified that engagement with the scrutiny management board will be welcomed;
- In respect of inflation this has been factored into the report and will continue to be monitored as the 24/25 budget is developed;
- Regarding the Community Wellbeing budget, it is showing a £3.3m overspend;
- Noted a reason for this is because demand fluctuates in Adult Social Care and Summer 2023 saw an increase in people asking for Council supported care;
- Due to shortage in social workers, it is unlikely the savings will be seen until April 2024;
- Clarified that of the £4m given to the previous administration in the fourth quarter of last year, £200k has been spent. This was spent on providing day care providers the 8% uplift, as previously this was only provided to the Council's providers;
- Savings previously put forward relied on obtaining data but this has been challenging to identify number of people in supported living and respite care;
- There is a clear action plan of achievable actions to assist Children's Services in delivering the budget. However Cabinet remain open to any further actions identified that may assist;
- Clarified the reserves in Table 1 is the total list of all reserves;
 - The general fund balance is £9.6m.
 - The ear marked reserves (currently there are none) are set aside from the general fund.
 - The future expenditure is to support specific corporate priorities.
 - The financial resilience reserve is £1.2m and is set aside for financial risk.
 - The business rate reserve is to smooth the transition of business rates.
 - The school balance is £9.3m and is held for individual maintained schools.
 - The waste reserve of £9.4m is to support increased future costs of waste disposal.
 - The unused grants reserve is currently £17.6m and represents the amount of grant funding received that has not been applied to relevant expenditure.
 - The £31.2m represents the smaller individual reserve balances.
- Explained the financial resilience reserve is where a directorate delivers an underspend, and these underspends will be transferred to manage future financial risks;

- The voluntary sector is engaged across the whole Council in particular Children's Services, notably early help. The Council has undertaken an opportunity with the Police Crime Commissioner office of a £1m grant;
- The reserves held by Herefordshire Council is above average and it was reiterated that Herefordshire Council's financial position is stable.

Group leaders gave their views of their groups. It was noted that it was a tough Quarter 1 report to present; cuts from Central Government have been a contributing factor to the issues faced in the budget and the challenges faced by Children's Services were taken seriously by the previous administration. There needs to be a focus on well-being and focus on retaining social workers however it is said this has been a recurring issue. Expressed a need for the Council to be run along business lines. Noted it was reassuring that there are prudent reserves however caution was expressed in using the reserves; the Council are in a sound financial position and the recommendation for scrutiny management board to review the Budget was welcomed.

In response to queries it was noted that:

- The Delivery Plan is in progress;
- The invitation to the scrutiny management board to review the budgets will be welcomed and the Director of Resources and Assurance is open to a conversation with the Chair regarding what information the scrutiny management board requires;
- The Q2 budget and performance report is coming down the line;
- Cabinet will consider the letter being sent to Michael Gove regarding funding for children and Adult Social Care, regulation of social workers and funding for training social workers;
- Clarification will be sought regarding the difference in figures in tables two and three and the figures agreed at full Council. In particular it was said the money allocated for All Ages Social Care (£4m) was to bring some commonality in the way the services are dealt with and that money was not to be used as a saving;
- Further information will be provided at the next Cabinet meeting regarding the Capital fund for the voluntary sector as this was part of the Capital Programme of the previous administration;
- The letter that was sent out on 28 September (morning) went to all organisations that expressed an interest in the Capital Fund for the voluntary sector.

It was unanimously resolved that Cabinet:

- a) Review performance and financial forecast for year 2023/24, as set out in the appendices A-E, and identifies any additional actions to be considered to achieve future improvements;**
- b) Note the forecast revenue outturn position at Quarter 1 2023/24 of a £13.5 million overspend, before management action, and the potential impact of this overspend on the council's reserves;**
- c) Note the management action already identified to reduce the forecast outturn position for 2023/24 to £9.5 million;**
- d) Note the impact of the 2023/24 forecast outturn on the 2024/25 budget requirement and the future financial sustainability of the council;**
- e) Agree to receive a monthly update to monitor the forecast revenue outturn position and actions being taken to address it;**
- f) Request that Scrutiny Management Board reviews the budget monitoring position and that relevant Cabinet Members provide explanation for key variances and actions identified to address key pressures; and**

- g) Agree the continuation and strengthening of management actions to reduce the forecast overspend as identified in this report.**

27. HOUSING BENEFIT RISK BASED VERIFICATION POLICY

Cabinet members considered a report to approve the adoption of the Housing Benefit Risk Based Verification Policy in determining evidence requirements for the assessment of Housing Benefit and Council Tax Benefit Claims.

The cabinet member for finance and corporate services introduced the items and clarified Housing Benefit RBV is used when processing claims for housing benefits and council tax support. It allows the Council to focus resources on claims where there is a higher likelihood of fraud and error and to pay low risk claims more efficiently. It is a software application to produce a risk score based on historical intelligence and statistical information. The three categories are low, medium and high. Herefordshire Council have used this method of verification since 2012 and it has been permitted by the Department for Works and Pensions since 2012.

There were no comments from cabinet members.

Group leaders gave the views of their groups. It was noted that the Housing Benefit RBV policy was beneficial. It was commented that the benefits and fraud team were nominated for two years running in minimising fraud and acknowledged their hard work. An issue was raised regarding a resident's housing benefit claim being reassessed due to the landlord changing agents. In response to queries raised it was noted that:

- Details of the resident's case would be forwarded to the cabinet member to be reviewed.

It was unanimously resolved that:

- a) Cabinet approve the Housing Benefit Risk Based Verification Policy for 2024/25 and notes that the Policy has been effective for the period since initial implementation, as recommended by the Section 151 Officer**

28. MARCHES FORWARD PARTNERSHIP MEMORANDUM OF UNDERSTANDING

Cabinet members considered a report seeking approval for the council to sign a Memorandum of Understanding (MOU) between Herefordshire Council, Shropshire Council and Monmouthshire and Powys County Councils for collaboration as a Marches Forward Partnership. It provides the basis for enhanced working with the Council's neighbours.

The Leader explained that it will be committing to a strategy to work together and to influence the UK and Welsh Governments to gain investment and critical infrastructure such as the A49. Noted that concerns were raised by members that it would be diverting officers away from priorities of the Council. It was clarified that through the Leader's Group the focus is to remain on improving services for Herefordshire Council residents and the connectivity includes major infrastructure requirements.

The review will be brought forward to 12 months to ensure the proposed activities remain on tract. Clarified that if the Council decides to enter the MOU it does not prevent the Council from forming any other key partnerships with other local authorities.

Confirmed that subject to the decision by Cabinet the Leader will be meeting with Leaders of the other Councils on 6 October 2023 to finalise the agreement. A launch event will be held in November 2023.

Confirmed the Political Group Consultation took place and Cabinet are keen to ensure that the feedback is clear regarding the Chief Executive being delegated to in the wording of the MOU.

There were no comments by Cabinet Members.

Group leaders gave the views of their groups. The MOU was considered positively and group leaders were broadly supportive with the view of this building on the good working relationship with other local authorities. It was raised that it would be beneficial for border land issues to be reviewed by an MP, the MOU shouldn't become a financial burden nor take too more discussion time rather than action.

In response to queries it was noted that:

- There is scope for joint working and it is acknowledged that greater scope is wanted in certain areas;
- The Political Group Consultation was published later and the recommendations made will be listened to;
- The closer working relationship with the neighbouring local authorities will be a beneficial way to help tackle those cross border issues;
- The MOU is not set in stone.

It was unanimously resolved that Cabinet:

- a) Support Herefordshire Council's Leader in working with neighbouring local authorities to present outline terms of reference for a Marches Forward Partnership;**
- b) Delegate to the Chief Executive in consultation with the Council's Leader to agree changes in finalising the Memorandum of Understanding to reflect feedback from each cabinet and to complete the Memorandum of Understanding; and**
- c) Delegate to the Chief Executive and Corporate Director for Economy and Environment to proceed with development of a work programme to meet the objectives within the Memorandum of Understanding, in consultation with relevant Portfolio Holders.**

29. HIGH NEEDS CAPITAL GRANT: HAMPTON DENE PRIMARY SCHOOL, EXTENSION OF LEARNING COMMUNICATION CENTRE

Cabinet members considered the report to approve spending from the High Needs Provision Capital Grant to extend Hampton Dene Primary School's Language and Communication Centre.

The cabinet member explained that the Council have a secondary responsibility to provide sufficient high quality resources for pupils with Educational Health and Care Plans (ECHP's). There has been an increase over the last five years in children diagnosed with Autistic Spectrum Disorder referred to as ASD. The expansion will provide two new classrooms with appropriate support space and will accommodate 16 further learners.

The Council received the High Need and Capital Grant from the Department of Education. The £3.97 million is supplied to create additional places and improve existing provision for children and younger people with Special Educational Needs disorder (SEN). The extension of the Hampton Dene Provision is one of a number of projects to utilise that funding.

There were no comments from cabinet members.

Group leaders gave the views of their groups. Consensus that this is a positive project overall. Concerns were expressed about the project achieving passive house equivalent standard and due to the significant demand for Speech and Language Therapy (SALT) will students be able to access this resource remotely.

In response to queries it was noted that:

- Clarification will be provided regarding availability of funds for schools within the capital programme review;
- Sections 18, 19, 21 and the environmental impact sections of the report set out that the Council will be following environment biodiversity. It was confirmed that passive measures will be sought when designing this building. However there are no funds to retrofit the existing building. The overall footprint of the building will have a lower carbon footprint;
- The Project Management Office will lead. A suitably skilled multiplicity disciplined team will be employed to design and deliver this project;
- A 21st century technology approach will be used and will be part of a feature of the Council's future sufficiency strategy for students to access remotely.

It was unanimously resolved that:

- a) Subject to planning consent, up to £2.4m of capital spend from the high needs provision capital grant be allocated to extend Hampton Dene Primary School's Language and Communication Centre, and**
- b) The Service Director for Education, Development and Skills will be authorised to take all operational decisions necessary to deliver the works.**

The meeting ended at 16:25

Chairperson

PUBLIC QUESTIONS TO CABINET – September 2023

Question 1

Carla Boyle, Deputy Town Clerk, Ross on Wye

To: Cabinet Member, Environment

The Broadmeadows/Tanyard site in Ross-on-Wye is an extremely significant and complex site. As you will see on the map below, this area is a significant proportion of the whole built area of Ross. It is an undeveloped and mostly poor quality environment (other than the area around the ponds) across a considerable 'wedge' of the town and, as such, is a clear priority for development. Development of this site would also help to create a strong link to any developments east of the A40. Demonstrating the deliverability of a project of this scale and complexity is a key factor in determining whether it might proceed to successful completion. Ross-on-Wye Town Council requests that Herefordshire Council produce a single, overall masterplan for this site, based on the principle of financial equalization between all parts of the site.

Response

We recognise that this area of land has been identified in your Neighbourhood Development plan as a strategically important site. This will also be considered through the current countywide Local Plan Review, including the REG 18 consultation. The site is also in multiple private ownerships. Therefore at this stage there are no plans to commission a masterplan, until the longer term Local Plan is finalised, and subsequent engagement with the land owners as to how the land can be brought forward.

No supplementary question

Question 2

Steve Kerry, Hereford

To: Cabinet Member, Finance and Corporate Services

Does the cabinet member agree that when any changes are made to governance processes that affect the workload or operations of parish councils there should be full discussion with the parishes before the changes are implemented?

Response

The council has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. Operational changes to governance practices sit with the Monitoring officer. This is an operational/administrative matter. It is not a political/policy decision.

Recent operational changes were introduced in May 2023, following local elections. Discussions with Parish clerks have been established to move away from Herefordshire Council publishing all Dols on our web-site, to Parish Councils publishing them to their web-sites.

Herefordshire Council's Democratic Services have been working closely with Parish Clerks to introduce this change. A strong public interest underpins this. It:

- Gives practical support to national calls to bring alignment on practices and behaviour standards at all tiers of local government;
- Strengthens public engagement, openness, transparency and accountability; and

- Aligns more closely with what the law intended. Whereby 'A parish council must, if it has a website, secure that its register is published on its website'.

Work is continuing. Approximately half of all parish councils have implemented this change in practice. The council cannot, and is not, imposing this change. This has to be shared endeavour toward strengthening compliance and public access to information on parish council business. Ongoing advice and support is being offered with remaining parishes providing an excellent response to this change in practice.

Supplementary question

The answer does not address the broad issue of policy which I raised and is clearly an attempt by officers to deflect this into a specific matter I did not mention. Nor did I refer to changes being imposed, I said implemented. Will the cabinet member now answer the question I actually asked, in his own words?"

Supplementary Response:

Thanks for your supplementary question. Yes I agree that all councils should speak with each other when there are proposed changes to Governance, processes or anything to help and support each other. I understand that working relationships between Herefordshire Council and the various parishes is very good and long may this continue.

Question 3

John Harrington, Leominster

To: Cabinet Member, Transport and Infrastructure

It has been reported that Cllr. Price met with members of the DfT and Network Rail a few weeks ago and in that meeting Cllr. Price said that "Herefordshire Council has no interest in a railway station at Pontrilas". Can he confirm that statement was made by him and if so, can he confirm, when he says 'Herefordshire Council', whether he means himself as Cab Member, his Cabinet or the Conservative minority administration? It is important, particularly with a by election in an adjoining ward coming up, to know this administration's position on a community project that was being supported and driven forward by the previous administration.

Response

During my time as Cabinet Member I have received briefings from officers and have reviewed the report that was created supporting the additional station at Pontrilas as well as the response from DfT on that report.

As it stands the project offers poor value for money as, should it be built, it is likely that the scheme will not create additional capacity but will simply transfer journeys from other stations or the bus network. In addition it will also slow journeys as trains will be required to stop more frequently.

Experience for other parts of the country has shown that where a local authority wishes to promote the creation of a new station facility then it is the local authority that is expected to provide the financial security should the scheme fail to deliver the additional patronage expected. In light of the evidence presented thus far I would be unwilling to saddle the council with the additional financial risk that building a new station would present at this time. I will however ask the Marches Forward Partnership to add this piece of work to their work programme so that we

can further explore the options for the future and to consider what other schemes will be required to allow for a successful project to be delivered.

Supplementary question

Although you did not directly answer my question, I thank you for your response and I am very heartened to hear that you will ask the Marches Forward Partnership to add this to their work programme, especially as both Monmouthshire and Powys CC are on record as fully supporting a new station at Pontrilas, as are the respective MPs, adding to the support of our own MP, Jesse Norman.

There is good news on the feasibility front too. The scheme promoters, having met with senior members of the DfT, Transport for Wales and Network seem assured that there is time on the network (6 mins) to allow a stop and also that the economic case will be considered alongside that of new journeys. We would be very grateful if the Cabinet member would agree to meet the promoters ASAP with Jesse Norman MP to discuss this new development.

Finally, projects or proposals that have budget lines may be considered policy. So like the Eastern Crossing, the New Station proposal at Pontrilas should be discussed in the appropriate manner regarding due process and decisions then made by the Cabinet and full Council rather than potentially being made defacto by inference or back channels. I am sure the CX and the Monitoring Officer will, and should, be able to offer advice on this - and my apologies if I am misinterpreting the chain of events.

Thank you very much.

Supplementary Response –

I would thank you for your response and as a consequence have asked our team to arrange for a meeting with the necessary people as suggested.

Your comments regarding due process etc. are noted and I can assure you that this council takes very seriously the need to ensure that we adopt and follow proper process to change if necessary any of the council's pre-existing policies.

Question 4

Herefordshire Construction Industry Lobby Group, Herefordshire

To: Cabinet Member, Environment

This is the 6th year of housing moratoriums over the past decade. During which The Lugg declined.

Moratoriums don't address causes of pollution, and mitigation options have been very hard to access.

A Lichfields report (2022) identified that Herefordshire was suffering heavy financial, employment, housing and community impacts as a result of the planning ban, including lost s106, council tax and New Homes Bonus, plus lost Affordable Housing and Education contributions. This is in addition to the local sector losses.

The economic and social effects of long moratoriums are crippling, but sadly have not produced ecological improvements or protection.

Would Cabinet consider revising its position to reflect scientific evidence and utilise the willingness of local developers to purchase/deliver more mitigation (council and private)? Is there a more ambitious approach where together we can deliver sustainable homes AND accelerated ecological mitigation?

Response

Ms Albright thank you for your question and your work in continuing to highlight the needs of house builders in the County. The Council contributed to the development of the Lichfield's report which sets out the wider economic and social impact and is pleased to see its position reflected in the report you quote.

At present, we estimate that circa 800kg of Phosphate Credits will be needed to mitigate the entire 4400 homes targeted for the Lugg sub catchment within the County. That's comprised of 340kg for the existing waiting list and a further 460kg to meet likely future housing need.

Our site at Luston has secured 180kg of Phosphate Credits and our Schools Septic Tank Programme we believe will secure a further c250kg. Last week, the site we purchased at Tarrington achieved planning approval which will provide a further c90kg and I am minded to take a formal decision to build a Wetland there which will see the immediate release of a significant tranche of further credits this autumn.

Overall we have good prospects of c520 kg of credits and have a further strategic reserve of c40kg of credits available from our Titley Site (which would be more expensive to build).

At this stage, there is ample mitigation available for immediate, near and medium term use, a stark contrast to where we were six years ago. The main constraint now is resourcing the complex processes involved in determining all the homes held on the waiting list which is an intensive piece of work for the Council and developers on their side too.

As an administration we have recently undertaken a careful review of our approach to available mitigation opportunities. We have looked at whether there are any alternative sources of mitigation. We have reached the conclusion that Wetlands and Riparian buffers remain the most economic and effective approach to mitigation at scale. A conclusion consultants working for on 37000 blocked homes for five Council's in Norfolk have also reached.

I am therefore looking at one further Wetland site and riparian buffers to get us to the 800kg we will need over the next ten years. I hope to be able to say more on a further large Wetland site soon but cannot for commercial reasons at this stage.

We have submitted a funding bid of £2.1m to DLUHC and remain in discussion with them about the need for mitigation which if successful will keep the cost of credits down.

Finally, we recognise that private schemes have a part to play and have proposed a joint pre application advisory portal with Natural England and the Environment Agency which I hope they will become more positive about participating in.

Herefordshire has blazed the way nationally in solving the challenges involved in delivering Wetlands and trading credits and when it comes to housing we are now very much open for business again. I would suggest that the situation regarding available credits for immediate and medium term use is very healthy and we now need to place more attention to working with developers to clear the backlog.

Our Wetlands reserve a proportion of the phosphate captured for river betterment and bring other nature benefits too which I know is important to all at HCLG.

Supplementary question

This is all excellent news. Thank you.

We are very grateful for the specific detail you have provided and the 'trailblazing' approach that will no doubt offer some hope for beleaguered businesses in the county after many dark years.

We are also grateful that you are seeking ways to reduce the cost of the credits, speed up accessibility, support private mitigation schemes. HCLG are also very supportive of the additional ecological betterment that is being created by the mitigation as this is very important to us as purchasers of the credits.

Given the incredibly difficult trading circumstances of the past years would it be possible to rapidly expediate the credit purchases by making the backlog a priority focus and streamline the process? HCLG would be happy to help.

Would it also be possible for a public statement to be issued to explain that there are now ample credits available, and to celebrate the collaborative endeavours of Herefordshire Council and Herefordshire homebuilders? It would be beneficial that any statement explains that developers are funding the mitigation strategy entirely, but that this initiative will sadly not restore the catchment.

Thank you again.

Supplementary Response –

The council has already brought in additional planning resources to expedite the processing of the backlog of applications which can now be taken forward with the credits, prioritising those that have been impacted by the delays. So far we have made decisions on 6 applications, 17 are in the process of agreeing section 106 agreements and we have written to the remaining 128 applicants to give them the option to purchase credits when they become available. We will continue to promote the availability of the credits as the construction lobby group has helpfully suggested. Whilst the private sector income from the credits will pay for the future management of the wetland sites, there has also been significant public sector investment in establishing the wetlands in the first instance. I thank them for their question.

Question 5

Ms Reid, Hereford.

To: Cabinet Member, Children and Young People

From the Q1 Budget and Performance Report and its appendices:

The forecast overspend of the Children and Young People Directorate is £10,669,000 - £7,772,000 on Looked After Children. Also, all of the directorate's "Approved Savings" of £4,500,000 are at risk.

The Children's Commissioner's report (March 2023) stated:

"Most of the additional funding has met the cost of increased number of placements for looked after children and the cost of many more agency workers ..."

From the above-mentioned meeting's report:

"Continued focus on reunification to support the step down of care ..."

However, according to the latest version of Herefordshire Children's Services Improvement Plan (7/6/2023), the Draft Reunification Guidance is not due to be completed until December 2023 (6.6).

To reduce the overspending on Looked After Children, should reunification be rolled out at a much quicker pace with greater focus?

Response

Thank you for your question.

The current projected overspend in children's services is significant but it should not be concluded that this is all associated with the costs of Looked After children. The Cabinet report provides more detail on the breakdown of the projected overspend (para 24).

We have a 'Reunification Practice Guidance' which is part of a refreshed overarching Permanence Policy. The Reunification Practice Guidance was developed in accordance with the NSPCC (2015) 'Evidence-Informed Framework for Return Home Practice' which is a well-established framework used in many other local authorities. The most recent update of the Improvement Plan was presented to the Improvement Board in September and reflects the completion of this activity (6.6).

Children in care have an Independent Reviewing Officer who chairs Children Looked After Reviews where the care plan, including the plan for permanency, is considered. There is an established Permanence Panel which ensures that there is an appropriate permanence plan in place and this includes children who are 'potentially suited' to a plan of reunification. There is a Permanency Champion in post who has a dedicated team of Social Workers specifically focussing on the discharging of care orders and supporting children to go home to the care of their parents and/or family members where this is in their best interest and in line with their care plan.

As a culmination of work that began earlier in the year, eight Care Orders were discharged in August and a number of others are expected to be taken to court before the end of December. We do not however embark on this activity with families as a cost-cutting exercise. It is very much about doing what is in the best interests of the particular child(ren) where circumstances may have changed.

Our focus on this in recent months has included extending our capacity to support Family Group Conferences, and creating additional posts and resources to support reunification activity, alongside close liaison with CAFCASS and the local Courts to minimise delay.

Supplementary question

Directorate is £10,669,000. Looked-After Children (LAC) has increased by £7,772,000, from £26,617,000 to £34,390,000) ie 72.8% of the overspend. The council's total forecast overspend is £13,500,000, ie 79.0% is from directorate.

The Looked-After Children rate is about twice that of the county's Statistical Neighbours' average (source: LAIT). 396 children were in care (at 18/9/2023). The average cost of each child in care for one year was:

- Fostering: over £16,000
- Fostering agencies: over £46,000
- Children's homes: over £260,000

Source: Freedom of Information, FOI2022/01890, January 2023

The above with anecdotal evidence indicate the necessity for greater pace and focus on reunification. Recruitment of permanent social workers and foster parents are also essential.

The Cabinet may choose to refer the “under-performance” to the CYP Scrutiny Committee (Paragraph 1). **Will the Cabinet consider this option?**

Supplementary Response –

Thank you for the question and your supplementary question. With specific regard to your reference to underperformance, it's important to recognise there is scrutiny in terms of governance, from not only the young person's scrutiny committee but also Ofsted as the inspectorate, and the detail of the discussion from the children improvement board and the content of the children improvement plan. Those are important foundations of the governance progress against the required improvements. With specific reference to under performance of Children's services leaders and staff, they are working hard to deliver the improvements from what have been acknowledged as a very low base. They are determined to secure best value for money moving forwards, as they build on the improvement activity which has already been seen since the inspection last year. So those are wholly documented in previous Ofsted reports. Those service leaders and staff have my full support.

It's for members of the children and young people's scrutiny committee and other scrutiny committees to determine their own forward work plans.

COUNCILLOR QUESTIONS TO CABINET – 28 September

Question 1

Councillor Hitchiner, Stoney Street

To: Cabinet Members, Economy and Growth and Transport and Infrastructure

The paper to Cabinet on the Marches Partnership refers (para 21) to the new administration's priority to address congestion on the A49 "through developing a western bypass to Herefordshire". Can the Cabinet member confirm that for the time being at least the new administration is continuing the work instigated by the previous administration to look at the viability of building a new bridge to the East of Hereford, and when the results of this work will be provided to Councillors and the public. This project, and the associated active travel measures will deliver the same benefits to relieve congestion on the A49 as a western bypass at much lower cost and much more quickly.

Response

The Council is continuing to work with Aecom to deliver the Strategic Outline Business Case for the Eastern River Crossing. This work is expected to be completed in the next few weeks. The projected cost of the project has now grown significantly since the original scheme was mooted by the previous administration. It is therefore no longer the cheap scheme that was envisaged. To ensure that the residents of Herefordshire are presented with a scheme that delivers the best value and rate of return this administration is seeking to explore the development potential that the creation of a western bypass will present.

At the same time we are looking to reinvigorate the construction of the Southern Link Road, a project that will provide some relief to the business traffic that is accessing the Rotherwas Enterprise Zone and will also create an essential link should the western bypass be adopted as a part of the Council's plans.

Supplementary question –

Thank you for your response. I know you refer to an increase in costs and suggest that will apply equally to a Western Bypass. The WSP report from October 2020 shows an indicative price of £55million for the Eastern River Crossing and £190million for the Western Bypass. I suggest whatever the increase in price for the Eastern River Crossing will also apply to the Western Bypass as well as the Southern Link Road. You refer to the Southern Link Road to be built to provide relief to business traffic going to Rotherwas from the A465. The previous administration were unable to produce this, what has changed to make this more viable now. What the city and county need is another bridge, not a relief road to the south which will do very little to relieve congestion on the Belmont Road. Where Councillor Price do you expect to find funding for the Southern Link Road and the Western Bypass. Isn't it time you accepted that the Eastern bridge would be much more viable and more of a priority.

Supplementary Response

There was quite a bit in that question and a number of items you want addressing. We have support for the Eastern River Crossing and we're awaiting the AECOM report which I understand is due next week or the week after. We will take view of what it actually says in regards to the strategic outline business case and what it will cost us. I appreciate costs have risen all round. As far as we were concerned in the previous administration, we had got the Western Bypass to a point where we were discussing financing with the Department of Transport Treasury and we were assured the money was coming forward and the final business case of planning was due in a short period of time. The Southern Link Road which you refer is a policy we are adopting because it is necessary, whatever future infrastructure is built around Hereford East or West, should have the Southern Link Road. I have to say, having not been a councillor in the last

administration, I was able to stand back and see what was happening and I was quietly gobsmacked that the Southern Link Road was cancelled by the previous administration in which you were involved. It's quite clear that we had to do something. The Local Plan is bringing forward even more houses to be built, we just have to have a reach across that river. Whether it's to the East to the West or both, it'll get clearer as we move forward. Either way the Southern Link Road is a necessary part of either bridge or both bridges. I'll leave it there and see how we progress as the evidence comes forward.



Title of report: Review of the Full Business Case for the Shirehall as a location for the future of Hereford City Library

Meeting: Cabinet

Meeting date: 26 October 2023

Cabinet Member: Harry Bramer, Cabinet member community services and assets

Report by: Corporate Director, Community Wellbeing

Report Author: Programme Manager

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.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

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.

Wards affected

Central;

Purpose

To present the full business case for the Shirehall as a location for the Hereford Library and Learning Centre (HLLC) and compare against the full business case for the HLLC at Maylord Orchards.

Recommendation(s)

That:

- a) **Cabinet approves the Shirehall as the location for Hereford Library and Learning Centre (HLLC);**
- b) **The full business case (FBC) be submitted to the Stronger Towns Board with a request to transfer the funding associated with the Maylord Orchards project to Shirehall;**
- c) **Subject to recommendations (a) and (b), the Stronger Town grant be accepted with permission to spend the full budget allocation of up to £3.005m with all operational decisions to progress the project to conclusion delegated to the Corporate Director Community Wellbeing in consultation with the Cabinet Member for Community Services and Assets and the Deputy s151 Officer; and**
- d) **Subject to recommendation (a) the project to locate the HLLC at Maylord Orchards be terminated.**

Alternative options

1. Hereford Library remains in its current temporary location – this is not recommended as the Museum Resource and Learning Centre (MRLC) on Friars Street is a temporary site whilst a new permanent location is finalised. The MRLC was funded by National Lottery Heritage Fund specifically for museum service activities and a permanent change in function may compromise the funding agreement.
2. Hereford Library and Learning Centre (HLLC) is located at Maylord Orchards. This was the previous preferred location. 12 possible locations for the HLLC, including Maylord Orchards and Shirehall, were considered in the strategic review and presented to Cabinet in July 2023. Following this strategic review, Cabinet's preferred option was Shirehall and a full business case for this location has been developed using the same template as for Maylord Orchards. Whilst Maylord Orchards can remain an alternative option, it is to be noted that it scores less favourably than Shirehall against these criteria.

Key considerations

3. On 20 July 2023, Cabinet agreed the preferred location for the new Hereford Library and Learning Centre (HLLC) as the Shirehall and sought the development of a full business case (FBC) for Shirehall with authority to submit a Project Adjustment Request to the Stronger Towns Board ([Decision - Review of New Hereford Library and Learning Resource Centre Location - Herefordshire Council](#)). Cabinet agreed that the full business case for the Shirehall development should include the library works and all enabling works and be reported back to Cabinet in October 2023 where these would be considered against existing plans for Maylord Orchards.
4. The FBC for the Shirehall has been developed using the same Stronger Towns template as the Maylord Orchards business case in order to enable a comparison between the two locations and has been substantiated with evidence from the National Universal Library Offer and

Hereford Town Investment Plan. The template provides the necessary information for the Stronger Towns Board and meets the requirements of government's Green Book. The FBC covers the following areas:

- i. Strategic fit
- ii. Value for money
- iii. Financial viability (including any funding implications)
- iv. Stronger Towns outcome deliverability
- v. Statutory Duty compliance
- vi. Deliverability
- vii. Equality Impact potential

Case for change

5. The vision for the HLLC addresses the desired outcomes and objectives of the Herefordshire County Plan 2021-24, the draft Hereford City Masterplan 2050 and Big Economic Plan 2050. This proposed relocation places communities and culture at the very heart of future ambitions for 'Herefordshire's arts and heritage destination offer'. The project harnesses Herefordshire's County Plan vision to 'protect and promote our heritage, culture and natural beauty and enhance quality of life and support tourism'. It also 'supports education and skills development' and fulfills the priorities of the Herefordshire Cultural Strategy 2019-29 by creating 'connected and sustainable cultural infrastructure' that offers quality experiences, learning and career development opportunities for visitors and residents of Herefordshire alike.
6. The current location of the Hereford Library in Broad Street is no longer compatible with both the contemporary needs of users and this administration's ambitions to develop a world class library in the county. A library in a new location will be able to respond to the national Universal Library Offer issued by Libraries Connected, to promote:
 - a. A combination of reading, information and digital, culture and creativity, and wellbeing; and
 - b. Cultural enrichment, economic prosperity, digital access and digital literacy, written literacy, healthier and happier lives, and stronger and more resilient communities.

Delivering the Universal Library Offer necessitates new approaches in facility design and layout.

Economic Case

7. The redevelopment of Hereford Library is a core strand of the Hereford Town Investment Plan as it directly meets Stronger Town Interventions such as *Urban Regeneration, Planning and Land Use, Arts, Culture and Heritage, Skills Infrastructure* and *Enterprise Infrastructure*. It will provide an improved arts, cultural and heritage offer, and will also increase the number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces.
8. The Learning Centre will provide residents with access to learning services, addressing skills gaps and allowing them to seek higher value roles providing enhanced living standards.
9. Although both business cases provide a 'very good' Benefits Cost Ratio (BCR) of over 2, the ability of Shirehall to provide extra cultural and learning programmes provides for a higher BCR (2.7) than that of Maylord Orchards (2.3).

Financial Case

10. Stronger Towns approved a grant to support the HLLC in Maylord Orchards and £2,610,715.96 remains of that grant. If Cabinet take the decision, having compared the two FBCs, that

Shirehall offers the best opportunity to locate the HLLC, it will be necessary to request transfer of this funding from the Department of Levelling Up, Housing and Communities. The remaining element of council match capital grant funding of £394,655.08 will similarly be transferred creating a total funding envelope for the HLLC related works of £3,005,371.04. The Stronger Towns budget will fund all works associated with the installation of the HLLC including all architectural enabling works necessary to open the library service provision to the public, e.g. a service goods lift, book stacks and furniture, Sensory Room and Makerspace equipment, new blinds, stage works and accessible platform lifts within the Assembly Hall.

11. If the decision is to move the location of the library to Shirehall, then essential refurbishment works to the building will be required to enable the HLLC to function effectively. The cost estimate for these critical Shirehall refurbishment works is £4.2m (Phase 1). £1.2m is already approved in the capital programme and the additional £3m is to be included in the revised capital programme for consideration by full Council. Opening up the whole building through refurbishment and wider relocation of staff and services will maximise the HLLC offer, and bring a key strategic site back into full use. Therefore, it is proposed that these future refurbishment works would continue over a further four phases to 2029. The impact on the HLLC of the future works will be carefully managed to minimise noise and accessibility issues.
12. The cost of moving the library service from Broad Street to either Maylord Orchards or Shirehall will require an increase in budget as the footprint for the library in both locations will be greater and the Learning Centre is a new provision. For Maylord Orchards, the increase was estimated at £515,973 and for the Shirehall £390,077. Both business cases indicate that additional staffing will be required and this will form part of the annual budget planning for the service, alongside consideration of volunteer recruitment.
13. The difference in the costs to the service between the two locations, beyond staffing, mainly relate to rent/rates, service charge, utilities, cleaning and telephones associated with Maylord Orchards as a commercial centre. If commercial tenants occupy the allocated space in Maylord Orchards, then they would cover the service charge costs (costs of running the centre) and pay the non-domestic rates, with the council expecting to receive a rental income in the region of £55,000 per annum.

Commercial Case

14. The Council's external consultant 'Take the Current' has carried out a commercial feasibility study of the HLLC in both locations. On balance, the Shirehall location offers more opportunities to generate income through hire of space and a programme of events and activities for which the library can make a charge. The Maylord Orchard location does not offer the same opportunities to generate income, although some income would be achieved from space hire.
15. In both locations, other income will be generated from regular library services such as schools service, printing, inter library loans and minor publication retail offer. Through outreach services and online opportunities, the library service will offer additional significant reach across Herefordshire communities. Although many of the services are non-chargeable, the increased footfall into the city will have an economic impact.

Comparison of Shirehall FBC and Maylord Orchards FBC

16. Locating the HLLC in Shirehall would:
 - bring a valuable heritage asset back into community use
 - make more visible the civic, communal and built heritage of Shirehall, connecting to the wider cultural and visitor attraction aspirations of the city

- deliver 895m² total floor space, which includes a 435m² Library footprint, 174m² Learning Centre footprint and 286m² back of house, circulation and other space.
- maximise the potential to integrate the library, adult learning, health and wellbeing and other community services under one roof
- provide residents with new access to sensory learning, digital skills lounge, makerspace and business development advice in a series of dedicated spaces (these resources would not be achievable at Maylord Orchards due to space limitation)
- provide a dedicated events space on the Assembly Hall stage to enable the delivery of a broad-ranging and quality cultural programme to widen participation
- generate income through hire of spaces and events and programmes in the Assembly Hall (income to library service plus income provided to Property Services from hire of training rooms)
- retain the earmarked space in Maylord Orchards for commercial purposes

Locating the HLLC in Maylord Orchards would:

- regenerate and repurpose key shopping centre units in the city centre
- benefit businesses in the shopping centre and surrounding area through additional Library and Learning Centre footfall
- allow the potential to increase and widen use of Library and Learning Centre by shoppers
- deliver 823m² total floor space, which includes a 374m² Library footprint, 105m² Learning Centre footprint and 344m² back of house, circulation and other space.
- generate income through hire of rooms and a small café operation in a city centre location (necessary to cover the service charges due)
- support aspirations for a cluster of cultural organisations that were planning to locate in the city centre (but this is no longer going forward)

17. Assessment of each location against the Stronger Towns business case criteria is set out in the table below

Criteria	Shirehall	Maylord Orchards
i Strategic fit	<ul style="list-style-type: none"> • Supports regeneration of redundant historic building stock in city centre • Supports Town Investment Plan projects, and Herefordshire Council strategic plans and policies 	<ul style="list-style-type: none"> • Supports regeneration of city centre in high street retail decline • Supports Town Investment Plan projects, and Herefordshire Council strategic plans and policies
Conclusion	Both cases meet the strategic fit of the Town Investment Plan and Council priorities	
ii Value for money (VFM)	<ul style="list-style-type: none"> • More Stronger Towns/ Herefordshire Council funds spent on fit out and therefore the visitor experience • More learning and skills spaces afforded • Independently validated Benefit Cost Ratio: 2.7 	<ul style="list-style-type: none"> • More Stronger Towns/ Herefordshire Council funds spent on build enabling (construction) works (less than 10% of overall budget cost would be on fixtures, fittings and equipment) • Independently validated Benefit Cost Ratio: 2.3

Criteria	Shirehall	Maylord Orchards
	<ul style="list-style-type: none"> Revenue uplift for staffing larger space than Broad Street 	<ul style="list-style-type: none"> Revenue uplift for staffing larger space than Broad Street Additional revenue uplift for Maylord Orchard to cover rent/rates, service charges etc.
Conclusion	Shirehall provides much better VFM in terms of Stronger Towns and council capital investment and future revenue uplift.	
iii Financial viability	<ul style="list-style-type: none"> Transfer of Stronger Towns funding required Dependent on full Council approving additional funding for essential refurbishment works to the building (additional £3m) Reduced expenditure on rent/rates and service charge 	<ul style="list-style-type: none"> Funding approved by Stronger Towns Board and Herefordshire Council Service charge applies Limits commercial potential of Maylord Orchards retail centre
Conclusion	Shirehall provides better future financial viability for Herefordshire Council (assuming transfer of Stronger Towns funding)	
iv Stronger Towns outcomes	<ul style="list-style-type: none"> Urban Regeneration, Planning, Land Use Development of abandoned/ dilapidated sites Delivery of quality commercial space in key locations Delivery of new public spaces Arts, Culture and Heritage New, upgraded or protected libraries New, upgraded or protected community hubs Skills Infrastructure Increase in capacity/ accessibility to new skills facilities Availability of new specialist equipment Increase in the breadth of the local skills offer that responds to local skills needs Enterprise Infrastructure Increase in the amount of shared workspace and/or business 	<ul style="list-style-type: none"> Urban Regeneration, Planning, Land Use Delivery of quality commercial space in key locations (town centres) Delivery of new public spaces Arts, Culture and Heritage New, upgraded or protected libraries Skills Infrastructure Increase in capacity/ accessibility to new skills facilities Increase in the breadth of the local skills offer that responds to local skills needs

Criteria	Shirehall	Maylord Orchards
	development and innovation facilities	
Conclusion	Shirehall provides more/greater outcomes for the same Stronger Towns grant investment	
v Statutory compliance	<ul style="list-style-type: none"> Meets Department of Digital, Culture, Media and Sport (DCMS) statutory compliance Offers more Library and Learning Centre footprint overall compared to Maylord Orchards to deliver service Design supports 'Universal Library Offer' approach reducing book stack levels and increasing other offers 	<ul style="list-style-type: none"> Meets DCMS statutory compliance More linear metres of book stack included (due to design by specialist not yet completed)
Conclusion	Shirehall offers a greater degree of compliance to requirements set out by DCMS in terms of Universal Library Offer through the added facilities to extend the range of services etc that can be supplied/supported.	
vi Deliverability	<ul style="list-style-type: none"> Planned delivery in June 2026 Requires additional capital funding (£3m) to carry out essential refurbishment to the building to enable the HLLC to operate Subject to transfer of Stronger Towns funding 	<ul style="list-style-type: none"> Planned delivery in April 2024 Funds already allocated by Stronger Towns and Herefordshire Council
Conclusion	Subject to the additional funding for enabling works supported at Full Council and the transfer of Stronger Towns funding, there is an extended timescale for Shirehall but it will achieve wider community impacts.	
vii Equalities impacts	<ul style="list-style-type: none"> No major impacts identified Accessibility improvements to the building to be undertaken as part of wider funded build works More offers for Special Educational Needs (SEN) families and users with learning disabilities 	<ul style="list-style-type: none"> No major impacts identified Changing Places facility to be installed (separate project)
Conclusion	Although Shirehall will not have a Changing Places facility, the extra facilities for SEN families and users will provide an enhanced opportunity. A Changing Places facility could be considered within Shirehall in the future should opportunity arise and in development of the full use potential.	

Community impact

18. The project to develop a new, innovative and modern Library and Learning Centre will create a mixed development to support the regeneration of the city centre, and will improve the opportunities and wellbeing outcomes of the population through enhanced cultural facilities. The new library will be a hub for cultural activities and will broaden the groups being reached and provide a much improved quality of experience.
19. The Learning Centre will not only provide basic skills learning, but will also enable users to access technical equipment through the Makerspace to upskill at entry level and catalyse entrepreneurship and business start-up.
20. The Learning Centre will also contribute to a wide range of outcomes for individuals and the wider community including personal and social, educational attainment, economic regeneration, and improved health and wellbeing. As well as supporting adult learning, the facility could provide space for health and wellbeing clinics which provides an opportunity to reach our most vulnerable groups, supporting 'health on the high street' as part of the national direction for NHS services.
21. The Sensory Room will provide learning potential for disabled adults and children, enabling a safe space for them to learn and for parents and carers to connect. It will also provide necessary quiet space for those users who require it during a visit.
22. The combination of increased skills and advice/support in one location has the capacity to increase the income potential which is vital within the current economic climate and particularly within Herefordshire, which struggles with social mobility and below average incomes.

Environmental Impact

23. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
24. The refurbishment of the Shirehall and installation of HLLC will seek to deliver the council's [environmental policy commitments](#). Options for renewable energy sources such as solar photovoltaics (PVs) are limited due to heritage conservation, however, an array could sit on the site of the current CCTV extension, once demolished. These have been included within Phase 2 works as non-essential but desirable. LED lighting and intelligent lighting controls are also included within Phase 2 build works. The library has been designed to make best use of natural daylight to minimise the use of artificial lights during the day. Blinds will be installed to control the sunlight. Listed building constraints prevent adding insulation lining to walls, however roof spaces and flat roofs being recovered can be insulated. Windows will be repaired but are likely to remain single-glazed due to listing constraints.
25. In both locations, all audio-visual (AV) display and electrical equipment will be LED and designed with energy-reduction aims in mind. The exhibition equipment will be on an individual control system so that they can all be switched off when visitors are not in the building. AV hardware and software can be programmed so that they can go into low power mode with a screensaver when not being used during opening hours.
26. In terms of Maylord Orchards, as noted in the original approval report, the LLC was largely an internal fit out of a small part of an existing building. Therefore, it would not be possible to significantly enhance the environmental standards of the building as a whole. However, the project would have sought to achieve the highest environmental standards wherever possible.

Equality duty

27. 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.
28. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine ‘protected characteristics’ (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have ‘due regard’ to the public sector equality duty when taking any decisions on service changes.
29. The HLLC in either location will be open to all, aiding the development of skills to enable people to access higher value employment opportunities and improve their health and wellbeing. Adult Learning Services will deliver courses to improve people’s skills. In both locations, there will be space to work with partners to deliver events and activities to promote positive health and wellbeing agendas.
30. The HLLC will be made fully accessible to modern standards as part of the design. Staff and volunteers will be trained in diversity, inclusion, mental health, dementia awareness and neurodiversity, and in the delivery of activities for different needs.

Resource implications

31. The cost of the HLLC project in the Shirehall location is £3,005,371.04.
32. The cost of the Shirehall Phase 1 refurbishment works is £4,200,000 to enable the HLLC project. This involves critical works to resolve fabric and safety factors (compliance, mechanical and electrical works, replacement boiler and heating system alterations, roof and skylight repairs, access, damp ingress, ceiling and structural repairs).
33. The table below summarises the funding streams and the total budget available for the project:

Type	Source	Total Amount
Public Sector	Stronger Towns Fund	£2,610,715.96
Public Sector	Herefordshire Council	£394,655.08
	Total	£3,005,371.04

34. The council is committed to ensuring the services have the appropriate levels of staffing and overheads which will require additional revenue funding within the future model for the library provision. Detailed business planning will continue to be developed for the services to ensure transition to the future model and delivery of the service.

35. The table below indicates the shift in revenue expenditure for the service. (Please note that costs presented are based on current year values and have not been uplifted to reflect pay inflation).

	Current library service budget (Broad Street)	Maylord Orchards	Shirehall
Income			
Grants	£1,570	-	-
Facilities	£2,500	£1,500	£1,500
Printing / Photocopying	£4,000	£4,000	£4,000
NMITE management system (off-off payment)	£7,000	-	-
Hire of staff (Colwall Library)	£7,000	£11,600	£11,600
Admin charge/ Travel Expenses	£375	£1,100	£1,100
Inter Library Loans Charge	-	£200	£200
Lettings	£3,000	£2,500	£2,500
Schools Service	£33,000	£33,000	£33,000
Commission	£500	-	-
Catering	-	£11,178	*
Adult Training Room	-	£42,180	*
Events Hire	-	-	£6,000
Events and Programming (Day)	-	-	£4,860
Events and Programming (Evening)	-	-	£16,478
Retail	-	-	£1,400
Sensory Room Hire	-	-	£26,580
Makerspace Hire	-	-	£26,500
Total Income	£58,975	£107,258	£135,718
Expenditure			
Payroll	£1,095,830	£1,474,929	£1,474,929
Overheads (Sensory Room and Makerspace)	-	-	£15,000
Overheads (Events Hire)	-	-	£2,280
Overheads (Events Evening)	-	-	£4,560
Book Fund	£206,000	£210,000	£210,000
Inter Library Loans	£3,555	£3,750	£3,750
Subscriptions	£1,791	£1,791	£1,791
Rent/Rates	£1,100	£42,000	£1,434

	Current library service budget (Broad Street)	Maylord Orchards	Shirehall
Service Charge	£19,844	£38,000	£19,844
Computer Expenditure	£79,266	£80,000	£80,000
Buildings Maintenance	£585	£5,000	£1,000
Promotion / Events	£5,530	£20,000	£20,000
Advertising (Recurrent)	£2,500	£2,500	£2,500
Advertising (Non-recurrent)	-	£1,500	£1,500
Utilities	-	£58,000	-
Insurance	-	£3,000	-
Training and Recruitment	-	£6,724	£6,724
Cleaning / Refuse	£660	£17,370	£660
Telephone	-	£5,000	-
Equipment	£2,330	£3,000	£3,000
Stationery / Postage	£20,900	£21,000	£21,000
Materials	£6,002	£5,000	£5,000
Furniture/ Fittings	£950	£5,000	£5,000
Vehicle Costs	£6,680	£7,500	£7,500
Mileage	£3,954	£2,500	£2,500
Agency Staff	-	-	£29,155
Security	-	£5,000	£5,000
Other	£2,800	£6,000	£3,000
Total Expenditure	£1,460,277	£2,024,564	£1,927,127
Net Revenue Expenditure	£1,401,332	£1,917,306	£1,791,409
Variance		£515,973	£390,077

* Note income generated received by Property Services

36. The table below shows the predicted drawdown according to the programme for both council capital and Stronger Town funding streams for Shirehall only, and the following table indicates the additional revenue pressure across the cycle of the project.
37. If the decision is taken to locate the HLLC in Shirehall, there will be a requirement for a longer period of temporary accommodation for the library. This may have an additional revenue implication for the service and options for this are being worked through.

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2023/24	2024/25	2025/26	Total
	£000	£000	£000	£000
<i>Stronger Towns Fund</i>		675	1,936	2,611
<i>Herefordshire Council Capital</i>	180		214	394
TOTAL	180	675	2,150	3,005

Additional Revenue budget implications *	2024/25	2025/26	2026/27	Total
	£000	£000	£000	£000
<i>Additional revenue</i>	0	0	390	390
TOTAL		0	390	390

*The above table is revenue net position and is dependent on a growth bid through the budget setting process for 2026/2027 onwards.

Capital Budget	2023/24	2024/25	2025/26	Total
	£000	£000	£000	£000
Construction costs			997	997
Client contingency		138	138	276
Principle Designer			10	10
Project Management Costs		40	40	80
Clerk of Works Fee			10	10
Sensory Room			25	25
Makerspace hardware, tooling, materials			40	40
Accessibility provision			30	30
Business IP Centre set-up allocation			20	20
AV hardware, additional electricals, software installation			120	120
Surveys	30			30
Exhibition Infrastructure and Display			85	85
Orientation and signage			35	35
Main Contractor Design Fees – Stage 1	50			50
Main Contractor Design Fees – Stage 2		50		50
Preliminaries		82	82	164
OH&P		32	32	64
Inflation			54	54
Professional Fees		76	76	152
Client Development Costs		34	34	68
Project Risks		21	21	42

Contingency	100	202	301	603
TOTAL	180	675	2,150	3,005

Legal implications

38. If the recommendations are approved Stronger Towns Funding and Council approval of capital funding will be required to deliver the project.
39. The project is also dependent on achieving listed building consent for the proposed works.
40. The works will be procured in accordance with the Council's Contract Rules and the Public Contract Regulation 2015.

Risk management

Risk	Mitigation
Delays to project delivery and additional cost	The project team is working closely with Herefordshire Council procurement team as is Mace Ltd procurement team, who understand the current market to mitigate this risk.
Department for Levelling Up, Housing and Communities, and Stronger Towns Board do not support Shirehall project/committed spend not achieved by March 2025	We are working closely with both parties involved to ensure they are updated throughout the Cabinet decision process.
Rise in inflation may result in an increase in costs	Value engineering may be required. Scope may need to be reduced. Additional funding may be required. Feasibility assessment will ensure financial reassurance.
Specialist contractor requirement/ volatile construction market	There is a generous contingency for this project within the budget. For the Shirehall, extensive surveys and site investigations have been carried out to understand the building and its requirements.
The library does not meet statutory requirements	The design team will continue to work closely with the Library service to ensure the new design provides the spaces and area required to fulfil its statutory obligations.

Consultees

41. Key stakeholders have continued to be engaged following from the original review of Shirehall as a potential location. As well as the Stronger Towns Board, this has included the Herefordshire Cultural Partnership (which includes a wide range of organisations representing the cultural sector in the county, including The Courtyard), internal delivery partners including library staff as well as Talk Community, Health and Wellbeing, Public Health and Post 16 Adult Learning Services, Hereford Business Improvement District, NMITE, Hereford City Council and the Joint Action on Herefordshire Libraries (JAHL) group, representing service users.

42. A number of site visits have also been provided to the Shirehall building for all council members and stakeholders to allow people to walk the space and ask questions about the overall potential of the building. Responses were positive and a number of partners offered suggestions for opportunities where they could work with the service and potentially utilise the bookable spaces in other areas of the building as well. Specific comments received included statements such as, '*Sounds exciting*' and '*exciting opportunity*', while one comment stated '*this project might breathe a fresh lease of life into both the building and the library service*'.
43. The political groups' consultation took place on 10 October 2023. Issues raised were:
- Accessibility – it was confirmed that there are lifts throughout the building which will be replaced or brought back into use. Accessible toilets will be introduced throughout the mezzanine levels.
 - Clarification that the phase 1 costs for the essential refurbishment works to Shirehall are £4.2m. An estimate of the total cost for the five phases of refurbishment work was requested.
 - Clarification on the floor space footage figures – the actual floor space for the library and learning centre for both locations is included in the report.
 - Clarification that if the decision is made to locate the library in the Shirehall, Maylord Orchards would remain a commercial space.
 - There was a suggestion that there should be one overall business case as there is a connection between the two projects and the one impacts the other.
 - The cost of keeping the temporary library for two years in the Friar Street unit as the Shirehall, if approved, would not open until June 2026, has been addressed in the report.
 - Clarification requested on the cost of design works. Detailed design works were not commissioned for Maylord Orchards and therefore there is no cost associated with that.
 - Potential impact on the library of ongoing phased building work in the Shirehall has been addressed in the report.
 - There was a query on the building maintenance costs of Shirehall. The figures identified in the report relate to the cost to the service of building maintenance – which will be higher for Maylord Orchards than the Shirehall.
 - A comment was made that Maylord Orchards is coming to the stage where it would require a major refurbishment and therefore capital investment.

Appendices

Appendix 1 Full Business Case Shirehall Redevelopment Library and Learning Centre
Appendix 2 Full Business Case Maylord Orchard Redevelopment Library and Learning Centre

Background papers

None identified

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published

Governance	John Coleman	Date 06/10/2023
Finance	Karen Morris	Date 03/10/2023
Legal	Emma-Jane Brewerton	Date 01/10/2023
Communications	Wayne D J Rabin	Date 22/09/2023
Equality Duty	Harriet Yellin	Date 09/10/2023
Procurement	Lee Robertson	Date 25/09/2023
Risk	Click or tap here to enter text.	Date Click or tap to enter a date.

Approved by Hilary Hall Date 18/10/2023

[Note: Please remember to overwrite or delete the guidance highlighted in grey]

Please include a glossary of terms, abbreviations and acronyms used in this report.

BUSINESS CASE

Shirehall Redevelopment Library and Learning Centre



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EXECUTIVE SUMMARY

STRATEGIC CASE

This full business case supports the proposed relocation of the Hereford library from Broad Street to within Shirehall, and the development of a Learning Centre.

The purpose of the project is to establish a modern and innovative Library and Learning Centre (LLC) in Hereford, creating a mixed-use development to support the regeneration of the city centre, and to improve the opportunities and wellbeing outcomes of the population through enhanced cultural facilities, whilst fulfilling the Council's statutory obligation to provide library facilities.

As reflected in the Hereford Town Investment Plan, town and city centres are evolving. High streets are transforming and the historic civic buildings of yesteryear are becoming redundant as public needs change. This project looks sustainably at the Council's older building stock, opting to reuse a former heritage building and reinvent it for the 21st century. It looks to create a new community hub at the heart of the city focused on culture, learning and wellbeing, giving it a new lease of life for local people.

Hereford Library has shared a site with the Museum and Art Gallery on Broad Street since 1874, but the building is no longer fit-for-purpose with significant structural issues and outmoded spaces. £18m grant funding will now see it completely renovated into the new Hereford Museum and Art Gallery and the library will move out of the building to a new location.

Library services are also changing nationally and the current set-up no longer meets guidance in terms of provision and the contemporary needs of users. The Universal Library Offer, the national guidance from Libraries Connected, promotes a combination of reading, information and digital, culture and creativity, health and wellbeing aimed at improving cultural enrichment, economic prosperity, digital access and literacy, written literacy, healthier and happier lives, and stronger and more resilient communities. Delivering the universal offer necessitates new approaches that go way beyond the current provision. Libraries need to respond to the specific needs of its communities, work with local partners and provide flexible spaces for different types of learning and wellbeing activities. The new premises within Shirehall provide an opportunity to design this new kind of service.

Our ambition is to reinvent the Shirehall building as a vibrant community hub, a place that is talked about and creates a buzz around the city. It will be for, and used by, everyone – a place of civic pride once more. In addition to the library services, the Shirehall building will be refurbished and opened up to provide hireable courtroom spaces, meeting room spaces, film and TV hire potential, heritage interpretation and tours, community skills facilities, and spaces for the Coroner's office and Registrars to operate from. It will break down the barriers, be inclusive and welcoming to all, and be able to flex to the changing needs of its residents.

The redevelopment of Hereford library is a core strand of the Hereford Town Investment Plan, alongside the £18m development of the Hereford Museum and Art Gallery. The project meets the following Stronger Town Interventions:

Intervention	Output	Outcome
Urban Regeneration, Planning and Land Use	<ul style="list-style-type: none"> • Remediation and/or development of abandoned or dilapidated sites • Delivery of quality residential or commercial space in key locations (town centres, gateway areas, employment sites) • Delivery of new public spaces 	<ul style="list-style-type: none"> • Enhanced townscape that is more attractive and more accessible to residents, businesses and visitors
Arts, Culture and Heritage	<ul style="list-style-type: none"> • New, upgraded or protected community centres, sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens • New, upgraded or protected community hubs, spaces or assets, where this links to local inclusive growth 	<ul style="list-style-type: none"> • Improved arts, cultural and heritage offer that is more visible and easier for residents/visitors to access
Skills Infrastructure	<ul style="list-style-type: none"> • Increase in capacity and accessibility to new or improved skills facilities • Availability of new specialist equipment • Increase in the breadth of the local skills offer that responds to local skills needs • Increased benefit for the public education over the long term 	<ul style="list-style-type: none"> • Increased share of young people and adults who have relevant skills for employment and entrepreneurship
Enterprise Infrastructure	<ul style="list-style-type: none"> • Increase in the amount of shared workspace or innovation facilities 	<ul style="list-style-type: none"> • Increased number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces

Table 1

Strategically, the project meets the outcomes and objectives of the Herefordshire County Plan 2021-24, Hereford City Masterplan and Big Economic Plan, which place communities and culture at the very heart of future ambitions to ensure 'Herefordshire is further strengthened as an arts and heritage destination'. The project supports the Herefordshire County Plan's vision to 'protect and promote our heritage, culture and natural beauty to enhance quality of life and support tourism' and to 'support education and skills development', and also fulfils the priorities of the Herefordshire Cultural Strategy 2019-29 in creating a 'connected and sustainable cultural infrastructure' that offers quality cultural experiences, and learning and career development opportunities to all its residents.



Fig 1: Artist impression of Hereford Library in the Shirehall Assembly Hall (© thedesignconcept)

ECONOMIC CASE

Herefordshire faces some significant, long-term economic challenges, further impacted by Covid-19. In particular the visitor economy, non-essential retail and cultural sectors were the worst impacted by Covid-19, having been required to close for many months during lockdowns.

Herefordshire has the lowest county tier Gross Value Added (GVA) of any county in England and is the second lowest in the UK (second to our neighbour, Powys). Average weekly wages are 20% below the national average, 39% of residents have a NVQ level 4 or above qualification compared to a national average of 43%, 24% of the population are aged over 65, and the county is a Higher Education and social mobility 'cold spot'. As younger generations reach higher education age, they have tended to move away to access university education, and the county does not have the higher level jobs to attract them back.

The proposed project will support in addressing the above issues. The redeveloped Shirehall site at the heart of the city will re-purpose a former judicial centre into a mixed use community facility, offering access to modern library services, as well as other hireable spaces, heritage interpretation and tours, community skills and kitchen facilities, and spaces for the Coroner's office and Registrars to operate from. The Learning Centre will provide local residents with access to Adult Learning Services, addressing skills gaps and enabling them to seek better higher value roles, leading to improved living standards, and provide additional sensory and

creative learning opportunities. It will also provide a central city centre location for access to wellbeing support, health advice and other public services.

The project will deliver the following outputs:

Output	2026/27	2027/28	2028/29
Remediation and/or development of abandoned or dilapidated sites	1		
Delivery of quality residential or commercial space in key locations (town centres, gateway areas, employment sites)	3		
Delivery of new public spaces	1		
New upgraded or protected libraries	1		
New, upgraded or protected community hubs, spaces or assets, where this links to local inclusive growth	1		
Increase in capacity and accessibility to new and improved skills facilities	3		
Availability of new specialist equipment	6		
Number of learners gaining relevant experience/being 'job ready' (makerspace, business advice)	40	50	50
Number of non-accredited community learners (ALS, sensory room, digital skills)	100	150	150
Number of accredited learners (ALS)	12	16	16
Increase in the amount of shared workspace or innovation facilities	1		

Table 2



Figs 2 / 3: Library feature seating area on the former Assembly Hall stage and main library space (© thedesignconcept)

A bespoke economic model was created to calculate the Benefit Cost Ratio (BCR) of the proposed project. The results are summarised below:

Value for money assessment (£M, discounted, 2021 prices)		Core scenario	Sensitivity test 1	Sensitivity test 2
			No Development Land Benefits	Optimism Bias 24%
Economic benefits				
Value of Capital Learning Investment		£751,342.00	£751,342.00	£661,180.96
Value of Development Land		£1,150,000.00		£1,012,000.00
Increase in capacity and accessibility to new and improved skills facilities		£289,927.90	£289,927.90	£255,136.55
Increased skills offer in response to local need		£4,185,953.03	£4,185,953.03	£3,683,638.67
New upgraded or protected libraries. Delivery of new public spaces		£5,319,944.40	£5,319,944.40	£4,681,551.07
Non-accredited Community Learning Number of learners inc job ready learners		£1,796,103.12	£1,796,103.12	£1,580,570.75
Accredited learning number of learners		£172,634.59	£172,634.59	£151,918.44
Remediation of Dilapidated sites - increase in GVA by site use		£124,061.34	£124,061.34	£109,173.98
Additionality Factor 0.65				
Total economic benefits	(A)	£9,101,377.80	£8,342,377.80	£8,009,212.47
Economic costs				
Towns Fund	(B)	£3,005,371	£3,005,371	£3,005,371
Optimism Bias	(C)	£360,645	£360,645	£721,289
Total public sector	(D)=(B)+(C)	£3,366,016	£3,366,016	£3,726,660
Benefit Cost Ratio	(A) / (D)	2.7	2.5	2.1

The analysis undertaken in this Economic Case was consistent with HM Treasury’s Green Book and other departmental guidance. For the Library and Learning Centre proposal, we identified amenity benefits, social benefits, housing/development benefits, skills and tourism (cultural benefits).

The costings have been calibrated for Optimism Bias and discounted using HMT’s 3.5%. The BCR = 2.7 provides a very high level of value for money (MHCLG Appraisal Guide classes a BCR greater than two as ‘high’ value for money and between one and two as ‘acceptable’).

FINANCIAL CASE

Cabinet is due to consider a decision paper on 26 October 2023 recommending that Hereford Library and Learning Centre move to Shirehall, and any agreed funds for the project be transferred to deliver the library in this new location. The full business case and Cabinet recommendation will go to the Stronger Towns Board in November 2023 for a final decision on the transfer of Stronger Towns grant funding for this project.

The table below summarises the funding streams and the total budget available for the project:

Type	Source	Total Amount
Public Sector	Stronger Towns Fund	£2,610,715.96
Public Sector	Herefordshire Council	£394,655.08
	Total	£3,005,371.04

Table 3

The table below summarises the capital cost breakdown for the Library and Learning Centre:

Item	Cost
Architectural enabling and Library and Learning Centre fit-out works	£1,916,792
Principal Designer Fee	£10,000
Project Management	£100,000
Clerk of Works	£10,000
Sensory Room	£25,483.10
Makerspace equipment	£30,000
Access provision	£20,000
Business IP Centre set-up allowance	£20,000
Audiovisual hardware, electricals, software, installation	£120,000
Surveys	£30,000
Exhibition Infrastructure and Display	£85,000
Orientation and signage	£35,000
Project Contingency 20%	£603,095.94
Total	£3,005,371.04

Table 4

The table below summarises the financial drawdown for the project:

Funding Profile	23/24	24/25	25/26	Total
<i>Value</i>	£m	£m	£m	£m
Towns Fund		0.67	1.936	2.606
Herefordshire Council	0.18		0.214	0.394

Table 5

The Library and Learning Centre project is dependent on the wider refurbishment of the Shirehall building to ensure it is safe and accessible for the public. Build works to open up the full Shirehall building will be carried out across five separate phases up to 2029. Phase 1 is critical to preparing the building for the LLC (Health & Safety compliance, mechanical and electrical works, replacement boiler and heating systems, roof and skylight repairs, access). The cost of the Shirehall Phase 1 refurbishment works is £4.2m (subject to approval on 13 October 2023).

The table below summarises the income and expenditure forecast for the Library and Learning Centre at Shirehall:

	Current Budget	Shirehall Operation
Income		
Grants	£1,570	-
Facilities	£2,500	£1,500
Printing / Photocopying	£4,000	£4,000
NMITE management system (off-off payment)	£7,000	-
Hire of staff (Colwall Library)	£7,000	£11,600
Admin charge/ Travel Expenses	£375	£1,100
Inter Library Loans Charge	-	£200
Lettings	£3,000	£2,500
Schools Service	£33,000	£33,000
Commission	£500	-
Catering	-	-
Adult Training Room	-	-
Events Hire	-	£6,000
Events and Programming (Day)	-	£4,860
Events and Programming (Evening)	-	£16,478
Retail	-	£1,400
Sensory Room Hire	-	£26,580
Makerspace Hire	-	£26,500
Total Income	£58,975	£135,718

Expenditure		
Payroll	£1,095,830	£1,474,929
Overheads (Sensory Room and Makerspace)	-	£15,000
Overheads (Events Hire)	-	£2,280
Overheads (Events Evening)	-	£4,560
Book Fund	£206,000	£210,000
Inter Library Loans	£3,555	£3,750
Subscriptions	£1,791	£1,791
Rent/Rates	£1,100	£1,434
Service Charge	£19,844	£19,844
Computer Expenditure	£79,266	£80,000
Buildings Maintenance	£585	£1,000
Promotion / Events	£5,530	£20,000
Advertising (Recurrent)	£2,500	£2,500
Advertising (Non-recurrent)	-	£1,500
Utilities	-	-
Insurance	-	-
Training and Recruitment	-	£6,724
Cleaning / Refuse	£660	£660
Telephone	-	-
Equipment	£2,330	£3,000
Stationery / Postage	£20,900	£21,000
Materials	£6,002	£5,000
Furniture/ Fittings	£950	£5,000
Vehicle Costs	£6,680	£7,500
Mileage	£3,954	£2,500
Agency Staff	-	£29,155
Security	-	£5,000
Other	£2,800	£3,000
Total Expenditure	£1,460,277	£1,927,127
Net Revenue Expenditure	-£1,401,332	-£1,791,409
Variance		-£390,077

Table 6

In summary, the project variance is mainly due to the uplift in staffing required to operate the additional Library and Learning Centre spaces, extended opening hours and commercial activities (£379,099). New income streams help to offset other additional costs.

COMMERCIAL CASE

A commercial feasibility study on the Library and Learning Centre redevelopment has been undertaken by external consultant, Take the Current Ltd (see Appendix 1).

The redesigned library will provide an enhanced and innovative facility for all ages across the county. Through outreach services and online opportunities the service will offer additional significant reach across Herefordshire communities. Although these services are non-chargeable, the increased footfall into the city will have an economic impact.

The new Library and Learning Centre design also provides the opportunity to rent space for a range of activities including workshops, events, programmes, learning experiences, meeting space and creative workspaces in the centre of the city, wellbeing initiatives and health clinics. There will also be opportunities for retail income and small hire income from the Sensory Room and Makerspace facilities. The multi-functional Assembly Hall library space can host events and programmes, and be hired out by third parties, with financial projections showing the cost of any overheads (staff resource, insurance etc.) offset against income received outlined in the Economic Case above.

Part of the delivery model will be for the Council's Adult Learning Services to utilise the Adult Training Room within its core offer of service, re-locating the educational programmes being delivered to this space. As Property Services remain landlords of Shirehall, any income from meeting rooms managed centrally by them will not form part of the Library and Learning Centre financial projections. This full business case will only include activities paid for, operated and staffed by the Library service.

Commercial opportunities include:

- **Paid-For Events and Programming in the Library** - The new library is not intended to be a quiet space so events can take place in the library at different times of the day. It has the benefit of a ramped fixed seating stage area (accommodating up to 65 people) with integrated audiovisual facilities which could accommodate a range of activities and also be programmed with classes, events and meet-ups both in the day and in the evening. The event space can also be hired to third party organisations after hours for events and programmes.
- **Sensory Room hire** - The Sensory Room in the Learning Centre will be kitted out with equipment of a high standard and designed by a company who has fitted out a number of other sensory rooms across the UK. It will target early years to around 12 years with special educational needs (SEN), and teenagers and adults with learning disabilities. It is anticipated that the room will also be used by family and community groups whose members have additional needs and can suffer sensory overload. The room will be charged on a low per session basis to offset overheads.
- **Makerspace hire** – It is anticipated that the Makerspace in the Learning Centre will be developed in partnership with NMITE, and complementary to their Stronger Towns-funded Skills Hub project. Shirehall has the advantage of being a highly accessible location attracting different types of user groups, for example those looking to upskill at entry level to improve their opportunities, wellbeing and skills. The Makerspace will be a digital fabrication lab only, with basic printing, sewing machines, tool hire, and a small group session programme led in partnership with NMITE to upskill local residents starting

on their journey into business, making and new skills. It is proposed that the Makerspace is operated on a tiered membership model with bookable system for specific machine hire at a low cost.

Other income will be gained from regular library services such as schools service, printing, inter library loans and a small publication retail offer. Income from the hire of the Adult Training Room in the Learning Centre will go to Property Services, who will manage and operate the booking of all meeting spaces centrally in Shirehall. Income from commercial opportunities are offset in the financial projections by any overheads, staffing, service charges and other expenses.

The income potential for each new opportunity is outlined below, and the full financial projections for the Library and Learning Centre is shown in context in Table 6 above:

Item	Cost
Events Hire	£6,000
Events and Programming (Day)	£4,860
Events and Programming (Evening)	£16,478
Retail	£1,400
Sensory Room Hire	£26,580
Makerspace Hire	£26,500
Total	£81,818

Table 7

MANAGEMENT CASE

The project is managed by Herefordshire Council's Programme Management Office (PMO). The Senior Responsible Officer is Hilary Hall, Corporate Director Community Wellbeing. The following governance arrangements are in place for the Library and Learning Centre project:

1. **Library and Learning Centre Project Board** - The project is overseen by the Library and Learning Centre Project Board, which meets at least monthly. The role of the Project Board is to direct, develop, oversee and make recommendations for the project. The Board is accountable for the delivery of the project, ensuring the project meets its strategic purpose, delivering high quality value for money outcomes for the Council and follows the Council's applied Governance model for project management.
2. **Major External Fund Delivery Board** - the purpose of the Delivery Board is to provide a regular oversight, decision and recommendation making forum for projects that are being delivered through this Board. The Board is accountable for the delivery of Council Projects (under the Board's remit), ensuring the projects meet their strategic purpose, delivering high quality value for money outcomes for the council that follows the Council's applied Governance model for project management.
3. **Hereford Towns Board** has established a Programme Management Office with responsibility for Monitoring and Evaluation of the delivery of all Hereford Town Deal projects, including the delivery of the Hereford Museum and Art Gallery refurbishment.

4. **Herefordshire Council Section 151 Officer** will report to HM Government every six months on the Library and Learning Centre project service delivery as stipulated in the Town Fund guidance.

The project manager maintains all documentation and regularly reports using highlight reports to the Senior Responsible Officer, Project Board and Delivery Board as required.

Assurance

All projects at Herefordshire Council are monitored by the Executive Programme Board. The Executive Programme Board has many roles, including exception reporting, final approvals and annual review of the Capital Programme and reviewing the PMO process. Stronger Towns Board will have oversight of monitoring and evaluation throughout.

Project Scope

The project team will continually monitor the scope of the project and will implement the PMO's change management process to ensure that any change to scope is correctly managed.

In Scope	Out of Scope (covered by a separate project)
<ul style="list-style-type: none"> • Relocation of the Library from Friars Street temporary location to the Assembly Hall at Shirehall, and create a Learning Centre within the Undercroft. • Building enabling works to support relocation of Library and Learning Centre in Shirehall. • Ensure all public areas of Library and Learning Centre are accessible and have access to appropriate facilities. • Provision of a goods lift • Access porch to the Undercroft and entrance works 	<ul style="list-style-type: none"> • Wider refurbishment to Shirehall including H&S compliance, electrical works, replacement boiler and heating systems, roof and skylight repairs, court reinstatement, building repairs • Redecoration of any areas not Assembly Hall/Undercroft • Platform lifts/accessibility to other areas of Shirehall • Fire escape from Assembly Hall

Table 8

Project Programme

Stage/Milestone	Indicative Date
Stage 0 - Project Mandate approved	N/A
Stage 1 - Outline business case completed	N/A
Stage 2 - Full business case completed	Oct 2023
Full Council approval	Dec 2023
Approval to spend obtained	Feb 2024
Stage 3 - Delivery	Feb 2024
<i>Construction commences</i>	Jan 2025

Stage 4 – Handover and Opening	May 2026
Stage 5 - Project Closure	July 2027

Table 9

Dependencies

This project is independent of other Town Investment Plan projects so has no reliance on other timescales within the programme. The wider refurbishment of the Shirehall is NOT dependent on the installation of the Library and Learning Centre. Whilst they are mutually beneficial, the Council has provided a commitment to the refurbishment of the building and to secure the building for civic use.

The project is wholly dependent on the refurbishment of the Shirehall building including heating, rewiring, roof works to ensure it is safe and accessible for the public. The refurbishment is dependent on gaining further budget approved by full Council.

The project is dependent on securing external funding (Stronger Towns) within the anticipated timescales. The project is also dependent on achieving listed building consent.



Fig 4: Artist's impression of the Digital Skills Lounge (© thedesignconcept)

INTRODUCTION

Herefordshire Council will deliver a new, innovative and modern Library and Learning Centre, creating a mixed development to support the regeneration of the city centre, and to improve the opportunities and wellbeing outcomes of the population through enhanced cultural and learning facilities. The aim is to improve the quality of life for local people, to create the infrastructure required to support the development of critical skills in the county, addressing the gap identified in the Town Investment Plan, and create an 'attractor' to bring people into the city centre, which will support in the delivery of the Council's County Plan.

The Council aims to develop an efficient service that makes the best use of the assets available in order to meet its core objectives and vision, whilst recognising the constraints on resources. By integrating services and opportunities, Shirehall will provide a multi-purpose destination for learning, encouraging literacy, access to advice, information, and digital skills, and supporting more people in the community to fulfill their potential in an inclusive and accessible environment.

The existing library is located in Broad Street within a building also housing the Hereford Museum and Art Gallery. As the owners of Shirehall, it is the intention of Herefordshire Council to relocate the library and redesign the available space to provide a Library and Learning Centre within Shirehall allowing the existing Broad Street building to provide a dedicated and enhanced facility for the new Hereford Museum and Art Gallery.

The Library Service

Herefordshire Council is a designated "library authority" with statutory duty to provide library services under the 1964 public libraries act. This requires the Council to provide a comprehensive and efficient library service for residents, students and people working in Herefordshire. The library duty is broadly drawn, which gives wide scope for interpretation. Over the past decade or so, library authorities have expanded their offer, acknowledging the unique potential that libraries have in their communities, as spaces which are universally accessible, able to reach to residents with a diversity of interests and needs, to deliver social as well as cultural outcomes.

Herefordshire has 11 libraries across the county with a mixture of staff and volunteer-led operations and also has a library van that visits communities and schools.

Hereford library has historically been the busiest library in the county and its book stock is key to supporting the other library sites, and to giving the widest possible access to stock; service users can request items from other libraries free of charge. The service and building has not undergone major renovations for a significant amount of time and in its current state is not offering the wealth of opportunities that could be provided from a remodelled, redesigned and repurposed building.

Since its inception, Hereford library has endeavoured to support reading, learning and research. The library team delivers a range of services from the current site at Broad Street including, but not limited to, a book lending service (including new books). This is a statutory obligation under the Public Libraries and Museums Act (1964) which states: *'...a library authority shall in particular have regard to the desirability...of securing, by the keeping of adequate stocks, by arrangement with other library authorities, and by any other appropriate means, that facilities are available for the borrowing of, or reference to, books and other printed matter... sufficient in number, range and quality to meet the general requirements and any special requirements both of adults and children'*. The library team also delivers rhyme time and schools activities, programmes for vulnerable adults and carers, and community events from Hereford library.

Libraries are trusted by the public and have extremely high levels of satisfaction and confidence. They remain a free service accessible to everyone, providing the entry point for many on their journey to improved literacy and skills development.

Although books have become increasingly more available to many, there are still large sections of the population who cannot easily buy books or have no digital access or the means to buy eBooks or audio books. The development of eBooks has interestingly increased reading and engagement with physical books amongst all ages. The physical book remains the first entry point for toddlers and pre-schoolers when the early development of a reading habit is so important.

A 2015 report on reading for pleasure and empowerment by BOP Consulting describes how recreational reading events (e.g. book groups, school and library events) are linked to enhanced social skills, decreased loneliness, and engagement in an aesthetic process. It also notes that reading improves not only vocabulary and spelling in young people but also has a beneficial impact on mathematics. It has a more beneficial impact than having a parent with a degree in terms of the attainment of young people. There are countless studies and papers proving the benefits of reading for society; better communication, self-expression, self-esteem, motivation to learn and relatedness, to name a few.

For those with additional needs, less socially confident, or having low incomes, a “free at the point of use” library service is crucial. For adults with additional needs, reading has proven to help reduce depressive symptoms, reduced/delayed onset of the symptoms of dementia and increased health literacy. Libraries are often at the heart of initiatives designed to encourage readers with specific groups or in particular communities e.g. migrant communities.

However, the number of people using public libraries has decreased over the last decade, which has caused a number of papers investigating and imagining the future for libraries. Councils across the UK have started to think about the role that libraries play, investing heavily and placing them at the centre of towns in beautifully designed buildings. This has radically changed the ‘user experience’ broadening the cultural activities, events and workshops on offer whilst not losing sight of the core purpose of a library and who it best serves. This approach uses the book, and the ability to read and write, as a jumping point for discovery, enjoyment, connectedness, learning and self-improvement.

Library and Learning Centre Vision

To establish a showpiece Library and Learning Centre which brings culture, entertainment, skills and education together into a vibrant cultural hub. It will create a place that the community will be rightly proud of and where they feel they belong. It will be a home for creatives, for culture and for community, and will emphasise the importance of learning and literacy to the county's future success.

Aims

- To regenerate a disused civic building at the heart of Hereford, bringing a contemporary twist on a heritage statement.
- To provide access to information, resources, and services that promote personal growth, cultural enrichment and lifelong learning for all members of the community.
- To act as a counterpart to the transformational vision for a world-class museum in the city centre.
- To provide a multi-functional infrastructure that promotes skills, learning, enriching activities and education.
- To create an opportunity to build sustainable partnerships across sectors and facilitate health and wellbeing initiatives.
- To create a thriving and connected cultural hub open to collaboration and innovation.



Fig 5: Artist impression of Hereford Library in the Shirehall Assembly Hall (© thedesignconcept)

The Library and Learning Centre sits within the wider Shirehall complex. Our ambition is to reinvent the building as a vibrant community hub, a place that is talked about and creates a buzz around the city. It will be for, and used by, everyone – a place of civic pride once more. In addition to the library services, the Shirehall building will be refurbished and opened up to provide hireable courtroom spaces, meeting rooms, film and TV hire potential, heritage interpretation and tours, community skills facilities, and spaces for the Coroner’s office and Registrars to operate from. It will break down the barriers, be inclusive and welcoming to all, and be able to flex to the changing needs of its residents.

The ambition for the Library and Learning Centre is to deliver outcomes under the four key Universal Library Offer themes of Health & Wellbeing, Employment & Skills, Digital Literacy and Culture & Creativity (including reading for pleasure). Some of the ambitions are set out below:

- **Library as a cultural asset** – the LLC is a key space with diverse footfall that forms part of the cultural heartbeat of the city. Partnership with other cultural providers seeking space and audiences will help build its reputation as a place to experience a range of cultural experiences, while at the same time helping smaller cultural organisations to reach bigger audiences.
- **Library as a “third space”** – the LLC is a third space (not work or home) providing a safe and supported social space and relaxed atmosphere where everyone feels like they belong.
- **Library for children** – the LLC is a place where children and families can access books and activities such as rhyme time, storytelling and crafting sessions to help early years’ development, leading to a lifelong love of reading, as well as offering families a way to connect, play and get to know each other. Progression reading is an important element of literacy, while reading for pleasure enhances quality of life.
- **Library and digital access** – the LLC is a place where people can learn the skills required to use digital technology purposefully and confidently to communicate, find information, purchase goods/services, problem solve and create.
- **Library for young people** – the LLC is a place for teenagers and young people to access independently for quiet study, homework or revision, or to find resources and a quiet space and time to think and engage with topics outside school or college.
- **Library for learning** – the LLC is a space for teaching and learning with adult education classes and flexible spaces which can be hired by external partners for skills development.
- **Library as an advice hub** – the LLC is a neutral and accessible space for advice and confidential consultations to avoid “white coat syndrome”, supported by access to professional advice and information and signposting to library resources on healthy lifestyles, financial advice and job support and the Talk Community network.
- **Library as a creative start-up incubator and co-working space** – the LLC provides a complementary outpost to the NMITE Skills Hub, building in makerspace and fab-lab capability to enable the library to play a role in supporting creative future skills, business advice or digital fabrication.

The space proposed for the Library and Learning Centre is the Assembly Hall and its Undercroft. This site combines the opportunity to create a state-of-the-art public library, with a modern, accessible learning centre beneath.

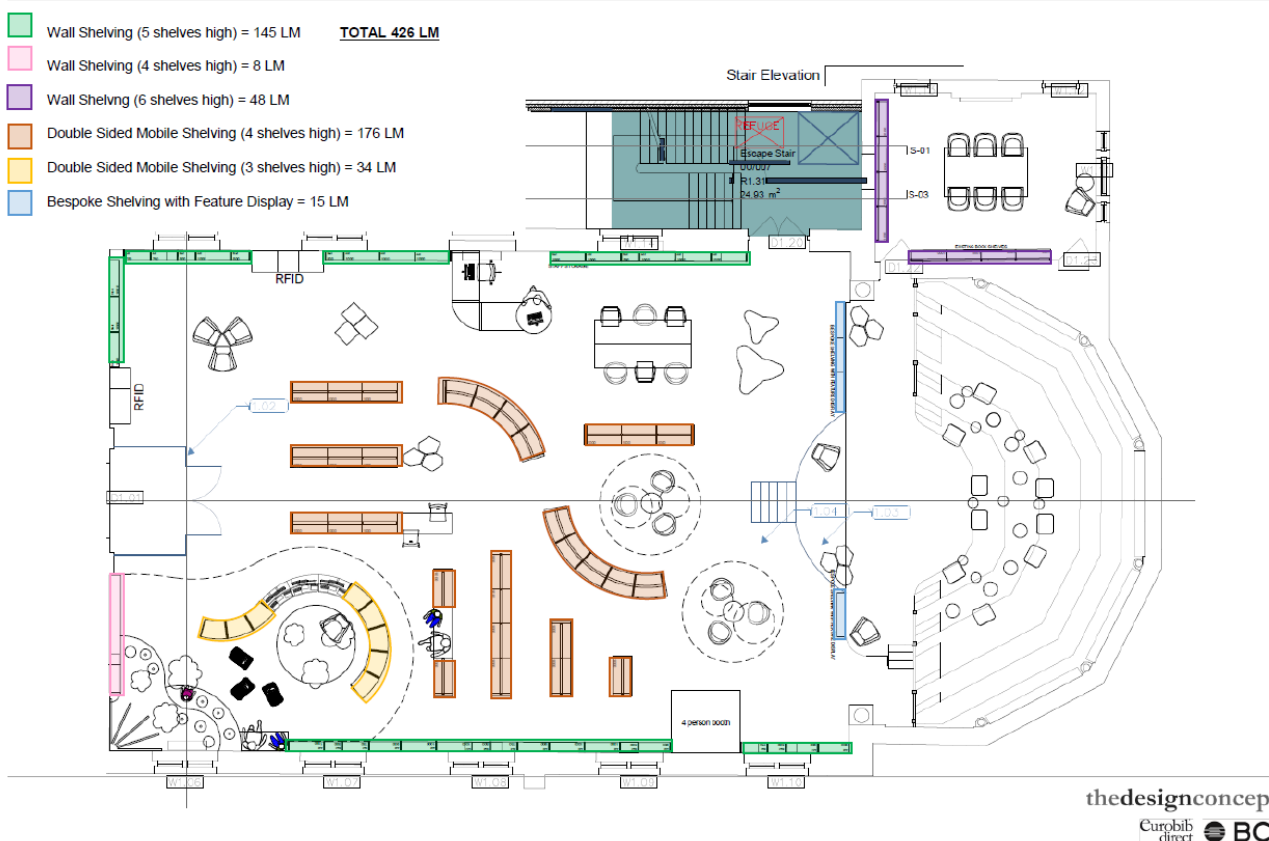
The lending, reference and children’s library and the local history collection will be located in the grand Assembly Hall on the first floor. The Undercroft on ground level will provide important space for the Learning Centre: informal learning and advice, digital skills lounge, creative learning (Makerspace), sensory learning (Sensory Room), adult learning (consultation and adult training room) and back of house storage and staff working spaces.

The location of the two elements over different floors mean that the Library and Learning Centre can be operated independently of each other, for example, so that evening classes can take place in the Undercroft without the need for the Assembly Hall to be open and staffed upstairs.

The Library

The Shirehall provides a unique opportunity to create a purpose-built library offer in the former Assembly Hall space. This open-plan concert hall on first floor will be redesigned and carved up to deliver the different library services. The Assembly Hall is a light and airy triple height space with a stage and backstage areas (including a green room and basic facilities) to the rear. From a design perspective, the Assembly Hall presents a heritage ‘wow’ factor and the amphitheatre-style stage area will be repurposed for feature amphitheatre seating.

Shirehall Library – Linear Meterage



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Fig 6: Plan of the proposed Library in Shirehall (see Appendix 5 for more detail)

The library will create an atmosphere for people to dwell and enjoy the activities and resources available, with a “living room” feel and a variety of informal seating, study and engagement areas. Key elements include a staff welcome point with self-serve kiosks, printer services and small retail offer, a core arrangement of fiction and non-fiction library stacks totalling 426 linear metres, a children’s library with feature display, and a meeting pod.

The stepped area of the stage will be repurposed as a feature seating area for up to 45 library users with scatter cushions, movable ‘lap stations’ and other contemporary features to make it a large-scale informal area to ‘hang out’. The main stage area will also provide a space for presentations, activities and events directly facing the amphitheatre-style seating area (capacity 65 people) for programmable events. This multi-purpose flexibility enables the operation to remain agile to changing programmes and needs going forward. The former Green Room will become a dedicated Local Studies room housing the local history and reference book collection, with a central study area with tables and chairs.



Figs 7-9: Artist impression of Hereford Library including the Children’s Library (© thedesignconcept)

The Learning Centre

The Learning Centre will be a multi-functional community hub space on ground floor that can be accessed directly from car park or via the central circulation core of the Shirehall. It is in the vicinity of the library, but not physically connected to it. The Undercroft space will be opened up to create a warm, open-plan welcome point and buggy park at the entrance.

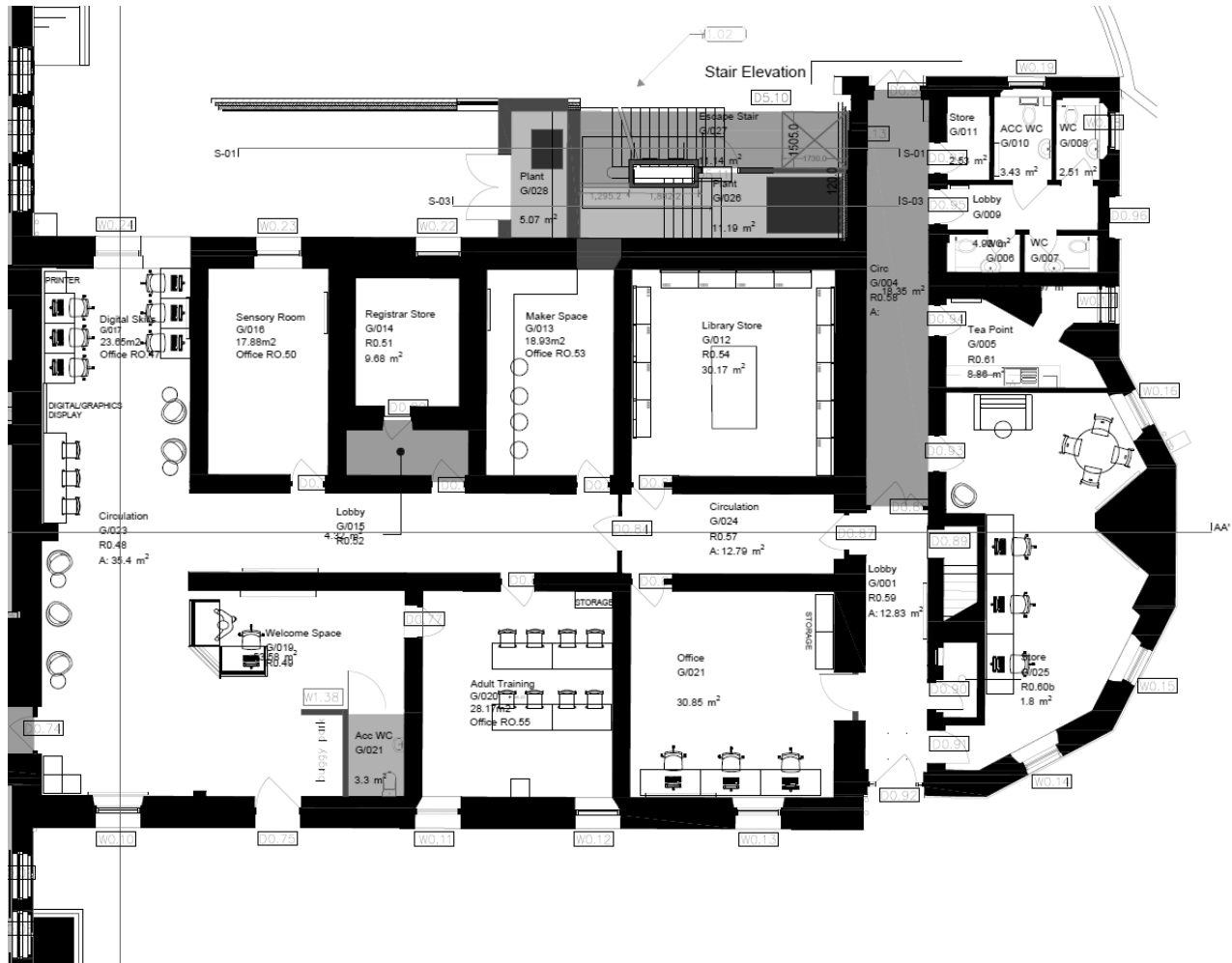


Fig 10: Plan of the proposed Learning Centre in Shirehall (see Appendix 7 for more detail)

The Centre will have a number of rooms specifically designed for different types of learning and development:

- **Digital Learning** – a digital lounge with 6no. fixed terminals, workstations and free seating/work stations for Bring Your Own (BYO) device customers. The lounge is designed to support co-working, informal meetings and be a safe and welcoming space for the community to access their digital needs. The entire space will be WI-FI enabled and have ample charging points and seating throughout.
- **Sensory Learning** – a Sensory Room with a variety of equipment for the development of learning, communication and skills for early years, families with SEN needs and adults with learning disabilities.
- **Creative Learning** – a digital fabrication lab developed and managed in partnership with NMITE, with hireable equipment, software, tooling, materials and workstations. Complementary ‘Future Skills’ activities will help users to develop skills and offer entry level advice for local people.

- **Skills, Advice and Wellbeing Support**– a hireable, digitally-enabled meeting room for a range of services, including for the council's Adult Learning Service (ALS), and health and wellbeing clinics. Other flexible rentable spaces will also be available throughout the Shirehall providing even more opportunities to bring council services under one roof. The council's ALS team has a strategic aim to engage with local people who are least likely to participate in learning and enable them to access a range of high quality learning opportunities. This will enable participants to lead more independent lives, support their families, gain a qualification, get a job, volunteer and become less socially isolated.

The Learning Centre will contribute to a wide range of outcomes for individuals and the wider community including personal and social, educational attainment, economic regeneration, and improved health and wellbeing. Supporting adults back into learning, training and employment, through community outreach provision delivered at local venues. In order to achieve the above, the service will widen adult participation in learning through a targeted approach, promoting equality and diversity and improving access to learning for particular under-represented groups and those who have not been engaged in learning for a significant period of time.

In particular the service will continue to work with those people who are:

- unemployed;
- residents with learning difficulties and/or disabilities;
- mental health service users and adults with mild to moderate mental health problems;
- homeless, or in danger of becoming homeless;
- living in sheltered accommodation;
- carers of people with learning difficulties and/or disabilities, including mental health issues;
- care leavers;
- yet to achieve a prior level of attainment at full level 2 qualification;
- yet to achieve level 2 in English and Maths;
- families, where parent/carers, have basic English and Maths needs or who have not reached level 2, where there is a single parent or families with complex needs;
- wishing to improve their parenting skills;
- from areas identified as local areas of deprivation;
- earn less than £16,009.50 annual gross salary;
- digitally excluded (unable to access ICT based services or opportunities due to having little or no knowledge of ICT);
- Refugee or Asylum Seeker status;
- ex-Armed Forces personnel.

Currently, as the council has no Learning Centre of its own, delivery is through community facilities, third party organisations and by subcontractors. However, the new facility will allow a move towards either direct delivery or a hybrid model. As well as supporting the ALS, the facility will provide space for health and wellbeing clinics which provides an opportunity to reach our most vulnerable groups that will be accessing the library and ALS, as well as providing a central location in the city centre. Providing health on the high street and within this facility supports the national direction for the NHS service, including:

- running health services from vacant property, including vaccination programmes
- broadening the range of services provided within communities
- supporting and participating in the design of healthy communities and places

Shirehall

The Shirehall is an iconic building situated in St Peter's Square in the heart of Hereford city centre. The Shirehall opened in 1817 as a home for the courts of justice in Hereford. Designed by Sir Robert Smirke, this Grade 2* listed building occupies a significant place in Herefordshire's heritage and stands on a prominent site (the former gaol house) in the city centre. The Assembly Hall was added in 1862 at the rear of the building. The Shirehall itself is no longer occupied and has been identified as a key strategic site, needing investment to bring it back into use.



Fig 11: Front of Shirehall building

The Shirehall building contains two working court rooms and judge's quarters, a grand jury room, a custody suite, a series of large meeting rooms, a kitchen and a large assembly hall also used as a concert hall, and for dinners, meetings, events and celebrations. The Undercroft underwent a full refurbishment in 2015 and was then used as council offices for Library, Archives and Committee services. It operated as Hereford Crown Court and was used by Herefordshire Council up until 2020, when a ceiling collapse forced the closure of the building. The Crown Court has now formally moved out of the building and will not return.

The Shirehall is owned and managed by Herefordshire Council. A separately-funded project led by Property Services will refurbish the building (roof and masonry repairs, damp-proofing, window repairs, replacement of heating systems and outdated mechanical and electrical services, decoration, lighting, safety and access compliance). Some of this work has already begun to secure the collapsing roof of the courtrooms. These critical works will make the building good for the fit-out of the Library and Learning Centre and wider Shirehall in Phase 1, and future works to open up more of the building will continue in a phased approach up to 2029. Once complete, the Shirehall ancillary spaces (outside of Library and Learning Centre service operation) will continue to be managed and operated by Property Services.

Phase	Outline scope of works	Proposed Programme
Phase 1	<ul style="list-style-type: none"> • Basic refurbishment and repair of the Shirehall building (H&S compliance, mechanical and electrical works, replacement boiler and heating systems, roof and skylight repairs, access) • Court reinstatement – Courtroom 1: ceilings, lighting, heritage repairs, ventilation and Courtroom 2: flooring repairs, floor coverings, ceiling repairs, lighting installation, ventilation, and removal of barriers/ screens. • Library and Learning Centre enabling build works (paid for by LLC project) • Relocate CCTV to Maylord Orchards Management Suite / mothball existing • Exhibition space / accessible WC works (custody suite) • Dilapidation report • Pedestrianise front and vehicular management 	2023-26
Phase 2	<ul style="list-style-type: none"> • LED lighting upgrade • Window repairs • Photovoltaics installation (including removal of CCTV block) • Kitchen refurbishment including fire escape route and move to a community centre style kitchen • New lift to lower level to improve DDA and catering access as well as remove existing lift on other staircase and make good 	2025-26
Phase 3	<ul style="list-style-type: none"> • Reception reinstatement works (heritage request to remove arched infills and reinstate original ceilings, lighting, family room reconfiguration, DDA WC and FOH area) • External seating, public space revamp and front of building additions 	2026-27
Phase 4	<ul style="list-style-type: none"> • Courtroom 2 modernisation - two tier floor levels, access lift, new coverings and furniture. 	2027-28
Phase 5	<ul style="list-style-type: none"> • Full redecoration • Carpets as required (full clean where not) • Paintings restoration and conservation 	2028-29

Table 10

STRATEGIC CASE

STRATEGIC CASE

INTRODUCTION

This part of the full business case positions the development of the Library and Learning Centre within the strategic context of the development of the cultural, community, leisure and tourism infrastructure in Hereford and wider county.

The purpose of the library service is to promote wellbeing and enrich lives for people at different stages in their life. Libraries are ideally placed to be safe spaces that the community feel comfortable using, which have no barriers to age, background or income level. The range of services provided are particularly relevant to children at the foundation of their learning and for people of different ages that want to feel connected to others and their community. Libraries are also resource centres with access to technology and advice, often shared with other support services, and used by voluntary groups for community activity.

Towns and city centres are evolving. High streets are transforming and the historic civic buildings of yesteryear are becoming redundant as public needs change. The Hereford Town Investment Plan states, ‘the cluster of assets at the heart of the city currently controlled by the City Council, Herefordshire Council and the Diocese represents significant collaborative potential to repurpose the city centre’. This project looks sustainably at wider city planning and the Council’s older building stock, opting to reuse a former heritage building and reinvent it as a Library and Learning Centre for the 21st century. It will create a new community hub at the heart of the city focused on culture, learning and wellbeing, giving it a new lease of life for the local population.

The proposed project directly addresses some of the key issues identified in the Hereford Town Investment Plan, enabling the wider regeneration of the city centre and providing a new facility that offers a fairer, heritage-focused, creative, digital, connected and skills-based offer.

The Plan identifies a number of issues that the proposed project will seek to address through the provision of educational facilities at the heart of the city centre: *‘there are 15% fewer workers qualified to NVQ level 4 and above than the national average. At a county level, wages earned in Hereford make up 44% of all incomes, with the county average salary almost exactly £100 per week lower than the national average [23]. Hereford scores lower than the England median in relation to income, education and living environment domains within the English Indices of Deprivation 2019[24]. Herefordshire is a cold spot for social mobility; it is one of the worst 20% of local authorities in England in terms of school achievement for disadvantaged children who go on to get a good job and secure housing.’*

CASE FOR CHANGE

Library services are changing nationally. Old ways of working are being challenged and new models of service delivery are being developed - that is the strategic position from Government on future library and learning services. There has never been so much change and innovation across national library services. Alongside this, many library services are seeing the enormous benefits that technological and digital innovation can bring – giving them opportunities to offer new services, bring in new customers and extend their reach into communities.

Public libraries provide a unique ‘cradle-to-grave’ service. They reach and support the whole community regardless of age, gender, socio-economic status or educational attainment, and they – and the people who work in them – can also support other public services to achieve the outcomes needed for individuals and communities to flourish.

Through their buildings, outreach activities and online digital services, libraries are being seen increasingly as community hubs – bringing people together and giving them access to a greater breadth and depth of services and support, and acting as a gateway to physical and digital information; from public health to adult learning, school readiness to employment, and a broad range of business, community and cultural services. But libraries face significant challenges as almost every aspect of modern life continues to change rapidly. People’s experience and expectations around living, learning, shopping, leisure and entertainment are radically different to those which existed a decade before. And like all public services, libraries have to adapt accordingly – continually developing their offer and responding to changing needs and circumstances.

The best libraries offer far more than their original role of making books and other published material available. A mix of on-site resources including books, e-books and magazines, job-seeking assistance, computer stations, free Wi-Fi tech-hubs, refreshments, meeting rooms, community spaces and safe spaces for groups of all ages are provided.

Hereford Library no longer adheres to the contemporary needs of users. The Universal Library Offer, the national guidance from Libraries Connected, promotes a combination of reading, information and digital, culture and creativity, and wellbeing aimed at improving cultural enrichment, economic prosperity, digital access and digital literacy, written literacy, healthier and happier lives, and stronger and more resilient communities. Delivering the universal offer necessitates new approaches that go beyond the current provision. The new Shirehall development provides an opportunity to design this new kind of service.

As social places, libraries offer much-needed public spaces helping with the social outcomes of companionship for older adults, club-space for a variety of groups, de facto childcare for busy parents, language assistance for those in need and welcoming public spaces for the poor, the lonely and the young. They have proved their resilience as social institutions funded by local authorities in the UK for over 150 years and can serve – along with museums – as important places to foster positive mental health and social wellbeing. Research has demonstrated that libraries remain highly trusted places in a world grappling with fake news and deliberate fabrication. As such, a design which offers open, easy access, a variety of spaces and free-to-use services over long opening hours, all within a safe and welcoming environment, is key. In

this way, the modern library can supplement other activities in a town centre location, such as that proposed in Hereford.

The current library is co-located with Hereford Museum and Art Gallery in the city centre within a Grade II listed building where limited investment has been made over the years. Although the library has space for activities the current building has a number of areas that are inaccessible due to dilapidation, and the environment does not meet the future vision of the service. The building is also subject to proposed changes to be solely used as an innovative and progressive Museum and Art Gallery project also through Stronger Towns and other funding sources.

Hereford library, as with other public-facing activities, was also greatly impacted by the pandemic. The table below shows that the number of visits fell by 55% (comparing the 2019/20 with 2021/22). The number of active borrowers fell by 27%, new members fell by 26% and computers sessions were less than a quarter what they were in 2019/20. Numbers have started to increase in 2022/23, but have not yet reached pre-pandemic levels. More needs to be done to engage in new and different ways to drive footfall back.

Year	Visits	Issues	New Members	Public Computer Sessions
22/23	84,510	119,058	2567	6,521
21/22	65,390	100,819	1898	3146
19/20	144,410	142,138	2570	13590

Table 11

Hereford library consistently falls short of recommendations in terms of book stock compared to similar-sized settlements. For the catchment area it services, Hereford library should have around 20% more book stock than it currently has. There is a need for a flexible space which can be used for a variety of events and activities, and this would need to be able to facilitate performances, rhyme time etc. with sufficient room for audiences and pushchairs:

- Space for a children’s library including sufficient space to accommodate pushchairs etc.
- Sufficient space to facilitate school class and early years setting visits
- The facility and space to deliver services, advice and skills sessions with community partners such as Heathy Lifestyles, Adult Learning Service and other health providers as well as for small exhibitions and displays
- Study space (appropriate tables and chairs) as well as comfy seating
- Fast and robust Wi-Fi
- Public access

There is no doubt that these are challenging times for councils and the library services they run are no exception. The way people use libraries, together with their expectations of public services are changing. The pressures on public finances are being compounded by demographic changes and increasingly speedy technological advances by the private sector. We need to embrace this change and make adjustments accordingly.

The social commentator Richard Watson suggested that the future of libraries: *“is one of being gathering places where people exchange knowledge, wisdom, insight and, most importantly of all, human dignity”*. He went on to say that: *“a good public library is a showroom for culture and learning. It’s a place that celebrates creativity, encourages exploration and discovery, helps people to work productively, and provides community engagement and empowerment... They are where people come to ask for help in finding things, especially themselves. They are places where people come to improve themselves.”* The library of the 21st century is thus one where people meet, maybe browse through a book or a newspaper. As a locally-accountable service,

libraries are well-placed to respond to local needs and issues. Libraries can therefore have a critical role in helping people to realise their potential, especially those from disadvantaged backgrounds.

NATIONAL LIBRARIES GUIDANCE ALIGNMENT

The Public Libraries and Museum Act 1964 places a statutory duty on councils to provide a 'comprehensive and efficient library service' for all people working, living or studying in the area who want to make use of it. This has never been formally defined, in order to allow local areas to design services that best meet their unique local circumstances and needs. Herefordshire Council works closely with DCMS to deliver on its statutory obligations across the county.

The National Libraries Taskforce has specifically identified seven outcomes that libraries contribute to in their '***Libraries Deliver: Ambition for Public Libraries in England: 2016-21***':

- **cultural and creative enrichment**
- **increased reading and literacy**
- **improved digital access and literacy**
- **helping everyone achieve their full potential**
- **healthier and happier lives**
- **greater prosperity**
- **stronger, more resilient communities**

The ambition is for everyone to:

- choose to use libraries because they see clear benefits and positive outcomes.
- understand what library services offer and how they can make the most of what's available to them.
- be introduced to new ideas and opportunities, then given confidence and quick and easy access to tools, skills and information they need to improve their quality of life.
- receive trusted guidance through the evolving information landscape and build the skills needed to thrive in a changing world.

And for communities to have:

- a library service that helps different groups come together, co-designed with local people to meet local needs and strengthen the local community
- local services available through well-designed and well-regarded 'community hubs', bringing together different partners' offerings in a seamless way
- safe, welcoming and accessible physical and virtual environments freely open to all, which encourage participation, creativity and mutual learning and support

The new Shirehall Library and Learning Centre will create a safe community space where local people can come to in order to gain skills and confidence, be exposed to new opportunities, and improve their health and wellbeing. It will go beyond the current library offer and provide additional learning centre facilities to a one-stop community hub in the heart of the city.

'Libraries change lives for the better. They not only provide access to books and other literature but also help people to help themselves and improve their opportunities, bring people together, and provide practical support and guidance. As a locally accountable service, they are well-placed to respond to local needs and issues.' Libraries Deliver: Ambition for Public Libraries in England, 2016-2021

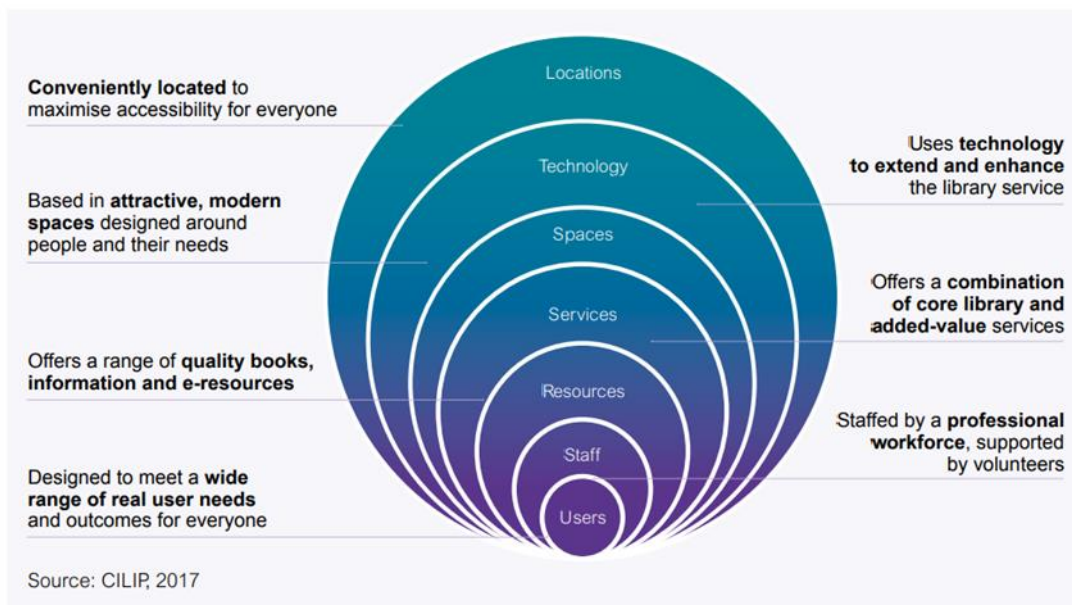
Libraries Connected ‘Universal Library Offers’ - The Shirehall Library and Learning Centre design follows the Universal Library Offers framework, which aims to connect communities, improve wellbeing and promote equality through learning, literacy and cultural activity. Its four key pillars are: 1) Culture and Creativity, 2) Health and Wellbeing, 3) Information and Digital and 4) Reading. The Universal Offers were launched in 2013 to demonstrate the power of public libraries to enrich the lives of individuals and their communities. Two of the offers (Reading, and Health and Wellbeing) are delivered in partnership with The Reading Agency. The offers were reviewed with the public library sector and stakeholders in 2019 and relaunched to create a new streamlined and consistent framework.



- Culture and Creativity** - Curious, Creative and Cohesive Communities
- Health and Wellbeing** - Healthier, Happier, Connected
- Information and Digital** - Inform, Inspire, Innovate
- Reading** - Engage, Imagine, Discover

CILIP – The Library and Information Association has developed the diagram below which identifies that public libraries are perfectly placed to deliver through staffing, building, location, accessibility and resources available making them ideal as ‘community hubs’ delivering core and added-value services:

Diagram 1: Visualising the library of the future



The most recent Libraries All Party Parliamentary Group (APPG) report (2021) concluded that: **“Common ground (in the Group) was most clear when it came to the likely form of a future library”**. The panel converged towards the concept of a library, not as a place, but as a platform. The most vivid of these came from Richard Heseltine who said: *“compare a library to a*

smartphone. A smartphone is a platform on which a personalised collection of apps is assembled. The task of the librarian is to create a platform on which different apps are assembled to meet the needs of specific groups or communities, but some will be common to all libraries”.

POLICY ALIGNMENT

This proposal provides the opportunity to revitalise the Shirehall into an innovative, sustainable community cultural hub in the city centre, and align with national, regional and local plans.

National and Regional

Levelling Up the United Kingdom

The project will directly deliver the following Levelling Up White Paper missions:

- By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing – *Enhancing Hereford as a city to live, work, study, and visit. Offering access to learning, wellbeing and public services at the heart of the city.*
- By 2030, wellbeing will have improved in every area of the UK, with the gap between top performing and other areas closing – *Providing a new public facility for local people, improving education, and enabling access to culture.*
- By 2030, pride in place, such as people’s satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing – *Regenerating the city centre creating a new modern library and learning resource centre.*

The proposed project will deliver the government’s ‘Build Back Better Strategy: our plan for growth’, specifically ‘Regenerate struggling towns in all parts of the UK via the UK Shared Prosperity Fund and the UK-wide Levelling Up Fund’. Government have reviewed the Hereford Town Investment Plan and related projects, selecting those to go forward which meet their national priorities.

Arts Council England Strategy 2020-30

The project supports the aims and recommendations in the Arts Council England (ACE) 10 year plan 2020-30, which has three stated outcomes:

- **Creative People** - Everyone can develop and express creativity throughout their life
- **Cultural Communities** - Villages, towns and cities thrive through a collaborative approach to culture
- **A Creative & Cultural Country** - England’s cultural sector is innovative, collaborative and international

This will be achieved through four investment principles:

- **Ambition & Quality** - Cultural organisations are ambitious and committed to improving the quality of their work

- **Dynamism** - Cultural organisations are dynamic and able to respond to the challenges of the next decade
- **Inclusivity & Relevance** - England's diversity is fully reflected in the organisations and individuals that we support and in the culture they produce
- **Environmental Responsibility** - Cultural organisations lead the way in their approach to environmental responsibility

ACE highlight their organisational aspirations for the period of the plan:

- Creating opportunities for children and young people to reach their creative potential and to access the highest quality cultural experiences.
- We will support our cultural organisations to present the best of world culture, to excite and inspire audiences.

Skills and Post-16 Education Act (2022)

The new Skills and Post-16 Education Act (2022) will help transform the skills and training landscape and level up opportunities across the country. The legislation will help economic recovery and growth by making it easier for people to get the skills they need to secure well-paid jobs in industries with skills gaps, such as health and social care, engineering, digital, clean energy and manufacturing. The Act underpins the government's transformation of post-16 education and skills as set out in the [Skills for Jobs White Paper](#) (Link) and will help level up and drive growth across the whole country. The project will support the delivery of the government's ambitions set out in the Skills for Jobs White Paper underpinned by The Skills and Post-16 Education Act (2022). Specifically:

- Making sure people can access training and learning flexibly throughout their lives and are well-informed about what is on offer through great careers support
- ensure everyone has access to education and training that will help them to get a great job
- Continue to support participation in english, maths, and digital training to meet employer's needs and support people to progress in employment or further study

Marches LEP regional strategies and policies

The project will deliver the following Marches Strategic Economic Plan 2019 priorities:

- A growing place, attracting more people to come, stay and build their careers and businesses.
- A destination not a boundary - gateway to markets in the Midlands, Wales, South West, North and Europe. A visitor destination with significant natural and cultural resources that is well known and attracts people looking for a high-quality experience.
- An inclusive place that enables residents from all communities to thrive and develop with quality jobs offering good wages, training and progression.

The project will also deliver the following priority within the draft Marches Local Industrial Strategy: 'Place – develop prosperous and resilient places for people to live, work and visit, and for businesses to succeed by improving infrastructure, delivering the Opportunity Towns Programme, developing a campaign to attract people to the Marches, and developing a coordinated Visitor Economy Strategy'.

The Marches LEP Skills Advisory Panel, of which the Council is a member, provides local leadership by increasing understanding of our labour market and skills issues, driving engagement with employers and liaison with training providers. It has developed a Local Skills Report in 2021 (Link: [Marches LEP](#)). This set out local strengths and skills needs, in line with

the Marches Strategic Economic Plan and included an action plan detailing how the Marches SAP proposed to address its key priorities. The Marches Local Skills Report has been updated in January 2022 to reflect progress made by partners, to ensure alignment with the Marches Economic Recovery Plan and to take account of the changing policy landscape. The Learning Centre will contribute to the delivery of the priorities in the Skills Report: Delivering responsive demand led-provision: Tackling barriers to participation: harnessing our ageing workforce; Inspiring young people.

The Public Libraries and Museums Act 1964

The project delivers The Public Libraries and Museums Act 1964. In providing this service, councils must, among other things: encourage both adults and children to make full use of the library service and lend books and other printed material free of charge for those who live, work or study in the area.

Local

Hereford Town Investment Plan

The Town Investment Plan identifies the creation of a new modern Library and Learning Centre within the ‘cultural assets package’, which was considered by government and included in their £22.4m award to the city announced on 8 June 2021. It is an opportunity to regenerate city centre buildings, and address issues in terms of skills gaps and access to public services. The Town Investment Plan states ‘The cluster of assets at the heart of the city currently controlled by the City Council, Herefordshire Council and the Diocese represents significant collaborative potential to repurpose the city centre.’

Although this was originally considered in terms of the regeneration of retail spaces, there is still a need to address empty historic building stock in the city centre and reinvent their use for a modern audience. Looking at city regeneration from a sustainable perspective, and making use of existing buildings rather than constructing new ones, allows us to address our statutory library needs whilst meeting our environmental obligations. This project goes further in terms of meeting the following Stronger Town Interventions:

Intervention	Output	Outcome
Urban Regeneration, Planning and Land Use	<ul style="list-style-type: none"> • Remediation and/or development of abandoned or dilapidated sites • Delivery of new public spaces • Delivery of quality residential or commercial space in key locations (town centres, gateway areas, employment sites) 	<ul style="list-style-type: none"> • Enhanced townscape that is more attractive and more accessible to residents, businesses and visitors
Arts, Culture and Heritage	<ul style="list-style-type: none"> • New, upgraded or protected community centres, sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens 	<ul style="list-style-type: none"> • Improved arts, cultural and heritage offer that is more visible and easier for residents/visitors to access

	<ul style="list-style-type: none"> • New, upgraded or protected community hubs, spaces or assets, where this links to local inclusive growth 	
Skills Infrastructure	<ul style="list-style-type: none"> • Increase in capacity and accessibility to new or improved skills facilities • Availability of new specialist equipment • Increase in the breadth of the local skills offer that responds to local skills needs • Increased benefit for the public education over the long term 	<ul style="list-style-type: none"> • Increased share of young people and adults who have relevant skills for employment and entrepreneurship
Enterprise Infrastructure	<ul style="list-style-type: none"> • Increase in the amount of shared workspace or innovation facilities 	<ul style="list-style-type: none"> • Increased number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces

Table 12

Strategically, the project also meets the outcomes and objectives of the Herefordshire County Plan 2020-24, Hereford City Masterplan 2050 and Big Economic Plan 2050, which place communities and culture at the very heart of future ambitions to ensure 'Herefordshire is further strengthened as an arts and heritage destination'.

Hereford County Plan 2020-24

The project supports the Herefordshire County Plan's vision to 'protect and promote our heritage, culture and natural beauty to enhance quality of life and support tourism' and to 'support education and skills development'. A priority of the County Plan 2020-24 is to 'Use council land to create economic opportunities and bring higher paid jobs to the county', and to 'Invest in education and the skills needed by employers'. The County Plan also states 'We will work with partners to maximise the Stronger Towns Fund grant (up to £25m) awarded to Hereford and to support investment programmes across all our market towns'.

The project supports the ambitions as detailed within Herefordshire Council's Delivery Plan priorities, specifically:

- **CO0** - Plan capital works for the Shirehall to bring back into council and community use.
- **EC2** - Work with partners to develop and implement a £25m Town Investment Plan for Hereford, to be funded through the Stronger Towns Fund
- **EC3** - Work with partners to expand our adult and community learning programme, with a particular focus on those at risk of long term unemployment, and young people at risk of not being in education, training or employment. Supporting objective EC3 Work with partners to increase the Skills and Workforce in the county (delivery plan 2022/23)

Herefordshire Local Plan

Herefordshire Council's Local Plan sets out the strategy and direction for how the county will develop. The existing Local Plan (being updated at the time of writing) will guide development up until 2031 and sets out a number of objectives for Hereford. These focus in particular on mitigating and adapting to climate change, protecting the natural environment and built heritage,

improving air and water quality, revitalising the city centre, achieving high-quality design and minimising the use of new resources, an ethos that supports the development of this proposal.

Herefordshire City Masterplan 2050

This project helps meet the objectives of the City Masterplan (currently under consultation) which talks about: ***'celebrating and growing our best places, reinvigorating our less-loved ones, rediscovering our historic places, adapting places for the future and planning new places that excite us'***. The Shirehall proposal specifically addresses themes:

2) ***Communities and Culture*** - Create a healthier and more equal city, by reducing deprivation and enabling prosperity for all across the city. This will provide greater opportunities for people to be active and healthy and to engage with their community.

3) ***The Economy and Opportunities*** - Reinvigorate the city, maximising opportunities for living, learning and creating. This includes providing new affordable, high-quality homes for a range of people and revitalised commercial and leisure opportunities and community uses. Also, supporting education and training opportunities and providing spaces to develop and grow businesses.

5) ***Places and Spaces*** - Deliver outstanding design, which respects and enhances Hereford's built and natural heritage and deepens the 'sense of place' within the city. Good design should make Hereford more attractive for those who live, work in and visit the city. It would also help adapt to the effects of climate change and better meet the needs of an ageing population.

- Big Idea 4 – Revealing the historic core
- Big Idea 5 – A vibrant historic core

Herefordshire Big Economic Plan 2050

Herefordshire's vision for 2050 is ***'a vibrant, healthy, zero carbon, and inclusive place to live, work, study and visit at all stages of life. Our rural communities, market towns and university city are thriving with high-quality employment, housing and services. A high-technology, higher value and creative economy has enabled living standards to rise. We have protected our rich natural environment.'***

The Shirehall project fits with several identified themes:

- **People** - A great place to grow up and to grow old, with a growing, highly skilled population, attracting young people and families who move here and stay. Herefordshire in 2050 will give children the best start in life. They will be safe and healthy, growing up with the confidence and skills to reach their full potential. Our residents will be equipped with the skills that local businesses need and will enable them to access opportunities, progress their careers and earn more, if they choose to. The county will be an attractive place for young people, professionals and families to move to with access to education and training, quality housing, competitively paid job opportunities, high-quality services, and an arts, heritage, food and drink and leisure scene.
- **Community and Partnerships** - Strong and inclusive communities in our towns, villages and rural areas, with flourishing high streets and services. Herefordshire in 2050 will have empowered and resilient communities that are inclusive, well connected and engaged in

decision-making, creating balanced and thriving places. Partners across the public, private and third sectors will have formed established ways of working to deliver our shared vision and outcomes through transformational and meaningful action, drawing on our collective resources and levers.

- **Enterprise** - Innovative and productive businesses in cyber and technology, culture and creative industries, tourism, construction, agriculture and food production, manufacturing and engineering, and healthcare. Herefordshire in 2050 will be known as a good place to start and grow a business, both for people within and outside of the county, with access to sites, infrastructure, support services and networks. We will have a thriving arts and heritage sector which, combined with the natural beauty of the county, will be at the heart of our thriving places and high streets, attracting and retaining young people, professionals and families.

Herefordshire Cultural Partnership 2019-29

The project also fulfils the priorities of the Herefordshire Cultural Strategy in creating a 'connected and sustainable cultural infrastructure' that offers quality cultural experiences, and learning and career development opportunities to all its residents. The conversations and research that formed the development of the strategy highlighted a wide variety of issues that individuals and groups in the county wanted to see addressed:

- The need to support and nurture talent, including local artists working across all genres and art forms;
- The need to build a stronger and more visible creative economy;
- The need to increase participation and promote inclusion in cultural and creative activity;
- The need to engage more effectively with children and young people;
- The need to raise the profile of Hereford and Herefordshire as a great place to live, work and visit.

The overall vision for Herefordshire is '***For Herefordshire to be a culturally vibrant, prosperous and sought after county in which to live, work and to visit. Hallmarks of the County will be its glorious landscape, its heritage and history, its diverse creative and cultural offer and its sense of ambition.***'

This is delivered through six key priorities:

- **Great Place - A resilient cultural infrastructure that makes Herefordshire a great place to live, work and to visit.** Herefordshire will have a connected and sustainable cultural infrastructure underpinned by a creative workforce offering high quality arts and heritage activity and experiences available to all residents and visitors.
- **Cultural Democracy - The arts and heritage are for everyone.** Herefordshire's communities will have the opportunity to be fully engaged and proactive in shaping, participating and growing the county's cultural offer.
- **Children and Young People - Listening to children and young people, and connecting them to culture and connectivity.** All children and young people in Herefordshire will have access to high quality contemporary cultural education and career development opportunities.
- **Creative Economy - Building and supporting vibrant creative enterprises.** Culture and the creative industries will play a distinctive role in contributing to the economic success of the county and region.
- **Cultural Tourism - Raising Herefordshire's national and international profile.** Herefordshire's cultural profile and offer will attract national and international audiences, visitors, and new businesses.

Adult and community learning programmes contribute to the ambitions of the Herefordshire Children and Young People's Partnership plan 2019-2024 by:

- Targeting resources and supporting vulnerable people aged 19 and over into learning including care leavers
- Improving the emotional and mental health and wellbeing of adults including parents and carers
- Achieving success in life, learning and future employment e.g. family learning, english, maths and employability programmes

STRATEGIC VISION AND OBJECTIVES

Aim:

To develop a new, innovative and modern Library and Learning Centre, creating a mixed development to support the regeneration of the city centre, and to improve the opportunities and wellbeing outcomes of the population through enhanced cultural facilities.

'Libraries Deliver: Ambition for Public Libraries in England 2016 to 2021' and the Universal Library Offer sets out shared outcomes for library services and 'urges commissioners across the public sector to consider a 'library first' approach when planning services for their communities', which is outlined above.

Arts Council England (ACE) holds the national remit for supporting arts, libraries and museums through funding, advocacy, advice and support. ACE has five goals that link to the Herefordshire County Plan. These are:

- to see excellence thriving and celebrated in arts, museums and libraries.
- to reach more people, broaden the groups being reached and improve the quality of their experience.
- to support resilience and sustainability- financial, environmental and digital.
- to be sure the work draws on and reflects the full range of backgrounds and perspectives in society.
- to ensure children and young people access excellence in libraries, arts and museums experiences.

Objectives:

- Regeneration of a key city centre site creating a new focal point to drive footfall and increase economic spend in the city.
- Embedding a new innovative and sustainable library and learning centre in Hereford City that attracts residents of all ages.
- To provide an enriching environment that creates learning opportunities, increases the skills of our communities and offers access to information, resources and services to promote personal growth, enrichment and lifelong learning for all members of the community.
- Creating a community hub and infrastructure that provides multi-faceted working environments and increased collaboration, partnerships and innovation between sectors.
- Supporting residents to remain well, healthy and independent by offering an improved cultural services in the city.
- Creating an environment to enable people to feel safe and be safe

- Improved digital infrastructure that is agile and automated to support the digital needs of the future.
- Increasing the number of residents visiting and continuing to visit the library and learning centre.

Key Performance Indicators

The following KPIs will be used to monitor services once operational:

- Number of new library members
- Number of books/activities issued
- Active library members
- Number of schools engaged and utilising the library/number of visits from schools
- Unique users to the website and accessing the resources
- Increased number of community events and programmes for all ages and increased accessibility for the library
- Number of volunteers supporting the library/hours provided
- Number of public computer sessions
- Number of adult training sessions
- Number of sensory room users
- Number of makerspace users
- Case studies of improved wellbeing
- Improved customer experience

THE PROPOSED INVESTMENT

Short-list of options:

Option	Short-list Y/N	Reasons
Do nothing	Y	Base case
Develop Library and Learning Centre in the Shirehall building	Y	Option could offer more benefit and maximise Stronger Towns funding on user experience rather than capital works to the building.

Option 1 – Do nothing	
Cost	£3m
Benefits	None
Deliverability	N/A
Pros	<ul style="list-style-type: none"> • No disruption to library services (but still limited offer)
Cons	<ul style="list-style-type: none"> • Loss of grant funding (£3m) • Library impacting on main function and use of the Museum Resource and Learning Centre (MRLC) for the Herefordshire Museum Service. The move to the MRLC was only intended as a temporary measure until the new library location is secured. Remaining on site could impact on the number of museum events, programmes, school visits and other activities the Museum Service can deliver.

	<ul style="list-style-type: none"> Library impacting on original conditions related to National Lottery Heritage Fund grant re: use of MRLC for museum service activities. Shirehall building could fall further into disrepair or be sold. Lack of mixed use purpose in the city centre may result in a further decline to footfall, impacting future economic viability.
Recommendation	Rejected
Option 2 – Delivery of the Library and Learning Centre at Shirehall	
Cost	£3m
Benefits	Creates new redeveloped city centre offer, modernising an historic civic building and uplifting footfall and community services in the wider city centre.
Deliverability	Deliverable subject to refurbishment of the wider building (as part of separately funded project), further development of the design and costs to RIBA 4, and revenue income generation meeting operational costs.
Pros	<ul style="list-style-type: none"> Provides a new Library and Learning Centre to offer residents access to important cultural, wellbeing and skills services. Regeneration of a key city centre building that may otherwise fall into disrepair /or be sold. Creates a new public space to drive footfall and increase economic spend in the city. Provides more space for learning opportunities and events programming for local people, with the additional inclusion of a local studies room, digital lounge, sensory room, makerspace and adult training rooms. Enables the linked Museum and Art Gallery project to proceed due to relocation of the library.
Cons	<ul style="list-style-type: none"> Possible disruption to neighbouring properties and users of Gaol Street car park. Possible disruption to library users during the relocation. Current library operational costs will increase. Removal of a concert hall venue from Hereford city (although use is infrequent).
Observations	The development of this full business case further to RIBA 4 will help to explore this option, better understanding costs and outcomes.
Recommendation	Preferred

Table 13

Subject to the successful development of the project (including full design, tendered costs and planning permission), **the preferred option is option 2.**

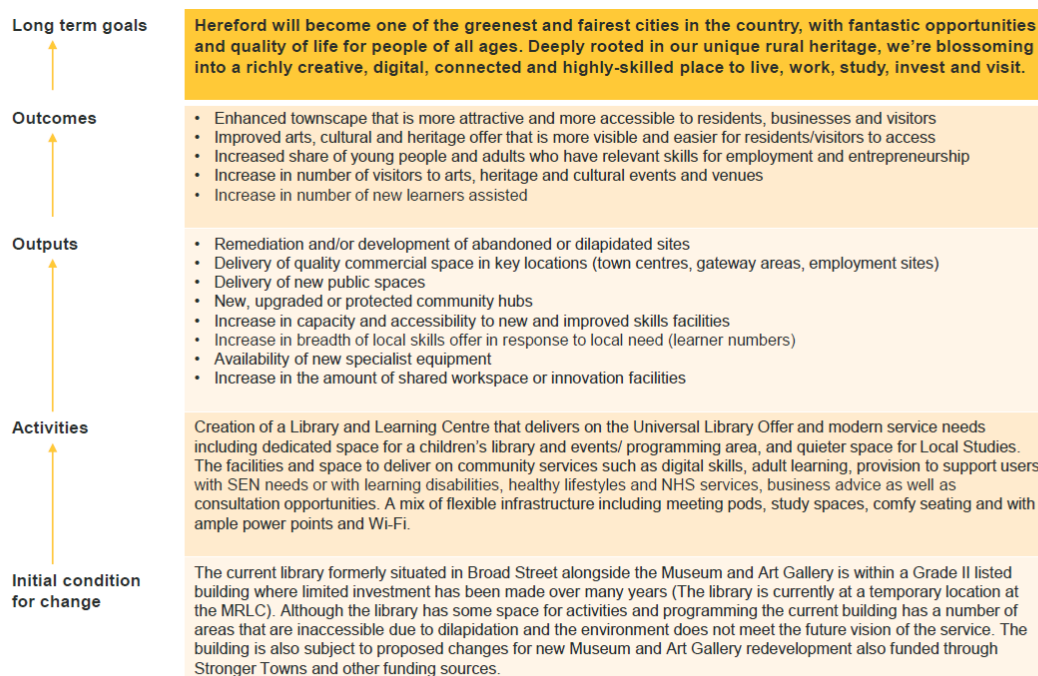
Critical success factors

- Gaining Cabinet approval.
- Securing the Town Investment Plan grant.
- Gaining Full Council approval.

- Securing planning permission.
- Design and fully procured services within the available budget.
- Shirehall refurbishment works delivered to time and budget (as part of separate, but inextricably linked, project)
- Timing of library relocation aligned to the Shirehall refurbishment works and exit of MRLC.
- Revenue income can sustain increased operational costs.
- Key partners support the operation and management of the LLC.

THEORY OF CHANGE

A Theory of Change arising from the development is set out below:



STAKEHOLDERS

Key stakeholders for the project have continued to be engaged, following on from the original review of Shirehall as a potential location. As well as the Stronger Towns Board, this has included the Herefordshire Cultural Partnership (which includes a wide range of organisations representing the cultural sector in the county), internal delivery partners including library staff as well as Talk Community, Public Health and Post 16 Adult Learning Services, Hereford Business Improvement District, NMITE, Hereford City Council and the Joint Action on Herefordshire Libraries (JAHL) group, representing service users.

The Shirehall building has also been opened up for a number of site visits to council members and stakeholders over the course of the full business case development to allow people to walk the space and ask questions about the overall potential of the building.

Discussions with consultees centred on general plans for the use of both the Assembly Hall and Undercroft spaces with thoughts on how they might be used by the library service. Consultees were asked their thoughts on the ideas, in principle, and whether they thought this was an appropriate use of the space. Those engaged with were asked if they felt this was a project which they would support and be able to work in partnership with the council library service at this location.

Responses were positive and a number of partners offered suggestions for opportunities where they could work with the service and potentially utilise bookable space in other areas of the building as well. Specific comments received included statements such as *'Sounds exciting'* and *'exciting opportunity'*, while one comment stated *'this project might breathe a fresh lease of life into both the building and the library service'*.

There were no comments or views recorded that expressed a preference for Maylord Orchards as a venue ahead of Shirehall. Some comments were made about the high cost of parking in the vicinity of Shirehall and there were a number of comments about the imposing nature of the building. It was felt that this may be a barrier to some people crossing the threshold, but it was also felt that this could be addressed with a 'softening' of the physical approach to the building such as external landscaping, good signage and good use of colour and layout in the building's forecourt. All those involved in the discussions asked to be kept involved as conversations developed to look at opportunities for working together to deliver the best possible outcomes.

List of Consultees

- Herefordshire Council Library Management Team
- Hereford Library Staff
- NMiTE
- Hereford City Council
- Hereford Bid
- Joint Action For Herefordshire Libraries (JAHL)
- Herefordshire Cultural Partnership (HCP) (specific conversations/engagement also with member organisations of HCP – Open Sky Theatre, 2Faced Dance Company, Rural Media Company, Three Choirs Festival, Ledbury Poetry Festival)
- Herefordshire Council Talk Community
- Herefordshire Council Public Health
- Herefordshire Council Post 16 Advisor
- Department for Digital, Culture, Media and Sport

ECONOMIC CASE

ECONOMIC CASE

INTRODUCTION

Herefordshire faces some significant, long-term economic challenges, further impacted by Covid-19. In particular the visitor economy, non-essential retail and cultural sectors were the worst impacted by Covid-19, having been required to close for many months during lockdowns.

Herefordshire has the lowest county tier Gross Value Added (GVA) of any county in England and is the second lowest in the UK (second to our neighbour, Powys). Average weekly wages are 20% below the national average, 39% of residents have a NVQ level 4 or above qualification compared to a national average of 43%, 24% of the population are aged over 65, and the county is a Higher Education and social mobility 'cold spot'. As younger generations reach higher education age, they have tended to move away to access university education, and the county does not have the higher level jobs to attract them back.

Where retail has been the primary footfall driver for many years, town centres (local residents as well as visitors from other places) are now looking for a range of experiences, for example, leisure, events, café culture, socialising, meeting friends and/ or seeking independent retail. The Towns Funding guidance recognises the challenges cities such as Hereford face. The national guidance states that: ***'Town centres may be hit hard by the impacts on retail, adding to longer-running trends and pressures. In particular, towns may want to consider how they can reconfigure town centres for mixed uses'***.

The Towns Fund aims to drive the sustainable economic regeneration of towns to deliver long term economic and productivity growth. The Shirehall project meets the 'Urban Regeneration' objective head on by strengthening a local economic and cultural asset, and remediating and developing a key city site to increase footfall density.

The proposed project looks to repurpose a former judicial centre into a mixed use community facility, offering access to modern library services, as well as hireable courtroom spaces, meeting rooms, film and TV hire potential, heritage interpretation and tours, café facilities, and cultural events and programming. The Learning Centre will provide local residents with access to Adult Learning Services, addressing skills gaps and enabling them to seek better higher value roles, leading to improved living standards, and provide additional sensory and creative learning opportunities. It will also provide a central city centre location for access to wellbeing support, health advice and other public services.

Creating new reasons to visit and spend time in the city centre will increase footfall, and spend across the city centre as a whole.

APPROACH TO ECONOMIC CASE

Project options are fully considered in the strategic case.

ECONOMIC BENEFITS

The project will deliver the following outputs:

Output	2026/27	2027/28	2028/29
Remediation and/or development of abandoned or dilapidated sites	1		
Delivery of quality residential or commercial space in key locations (town centres, gateway areas, employment sites)	3		
Delivery of new public spaces	1		
New upgraded or protected libraries	1		
New, upgraded or protected community hubs, spaces or assets, where this links to local inclusive growth	1		
Increase in capacity and accessibility to new and improved skills facilities	3		
Availability of new specialist equipment	6		
Number of learners gaining relevant experience/being 'job ready' (makerspace, business advice)	40	50	50
Number of non-accredited community learners (ALS, sensory room, digital skills)	100	150	150
Number of accredited learners (ALS)	12	16	16
Increase in the amount of shared workspace or innovation facilities	1		

Table 14

The project will deliver the following outcomes:

- Enhanced townscape that is more attractive and more accessible to residents, businesses and visitors
- Improved arts, cultural and heritage offer that is more visible and easier for residents/visitors to access
- Increased share of young people and adults who have relevant skills for employment and entrepreneurship
- Numbers of visitors to arts, heritage and cultural events and venues
- Numbers of new learners assisted

For the **Library** project, the economic modelling included a number of monetised benefits, consistent with Governmental guidance. These included regeneration benefits, social benefit skills, enterprise and tourism (cultural benefits). These benefits are outlined in more detail below (in relation to the broad Town Fund intervention framework):

Towns Fund investment theme	Key benefits	Wider social and economic benefits (note adding all benefits may lead to double counting)	Key guidance to model and monetise benefits
Local transport	<ul style="list-style-type: none"> User benefits (time savings, cost savings) Reduction in accidents Environmental benefits Amenity benefits 	<ul style="list-style-type: none"> Health benefits (from increased physical activity and improved air quality) Productivity benefits (e.g. agglomeration) Employment impacts Attraction of investment Social inclusion 	DfT's Transport Appraisal Guidance (TAG)
Digital connectivity	<ul style="list-style-type: none"> User benefits 	<ul style="list-style-type: none"> Productivity benefits for businesses which experience higher efficiencies Attraction of investment Social benefits from improved access to communication 	
Urban regeneration, planning and land use	<ul style="list-style-type: none"> Land value uplift User benefits 	<ul style="list-style-type: none"> Increases in local employment and GVA Community cohesion Health benefits from increased active travel or use of new public / green spaces Social benefits 	MHCLG guidance
Arts, culture, and heritage	<ul style="list-style-type: none"> Increased revenue from increased footfall Amenity benefits 	<ul style="list-style-type: none"> Social benefits from improved access to culture Increases in local employment and GVA Community cohesion 	
Skills infrastructure	<ul style="list-style-type: none"> Land value uplift User benefits 	<ul style="list-style-type: none"> Increased employment and income Attraction of businesses interested in the skills offered by the new infrastructure 	MHCLG guidance
Enterprise infrastructure	<ul style="list-style-type: none"> Land value uplift 	<ul style="list-style-type: none"> Increased employment and income Attraction of more businesses in the long term 	MHCLG guidance

Table 15

APPROACH

The assessment of economic benefits for this **Towns Fund** scheme has been undertaken in full compliance with the latest **HM Treasury Green Book** (2020) and relevant Departmental guidance, such as Department of Levelling Up, Housing and Communities (DLUHC).

There are a number of overarching assumptions which apply to the value for money assessment (unless otherwise stated):

- all short-listed options have been appraised over a **20-year period**, consistent with the estimated life of the project.
- where Present Value figures are presented, cost and values have been **discounted at 3.5%**
- all monetised costs and benefits have been converted to **2023/24 prices**, with general inflation excluded.

- the costs and benefits of the intervention options are presented in net terms and relative to the Base Case. Adjustments have also been made for **Additionality** e.g. leakage, displacement and multiplier effects where appropriate (as detailed below).
- **Optimism Bias** of 12% has been calculated using HM Treasury methodology and included in the value for money analysis. We have set this at a mid range taking account of the capacity of the council to oversee large capital projects. Based on Green Book Supplementary Guidance Range for Standard Buildings (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/191507/Optimism_bias.pdf)

The framework for assessing the economic benefits of the **Library** project has been developed having regard to the HM Treasury Green Book, MHCLG (DLUHC), BEIS and DCMS guidance. As set out within the MHCLG (DLUHC) Appraisal Guide, projects should be appraised based on a **Benefit Cost Ratio (BCR)**.

The calculation of costs and benefits has accounted for latest recommendations from MHCLG (DLUHC) in relation to the Towns Fund, as well as other recent publications for regeneration and cultural projects. Reflecting the diverse nature of the interventions and their expected impacts, as well as the existing conditions within Hereford, a wide range of external benefits have been assessed in accordance with guidance as set out in the Economic Benefits section below.

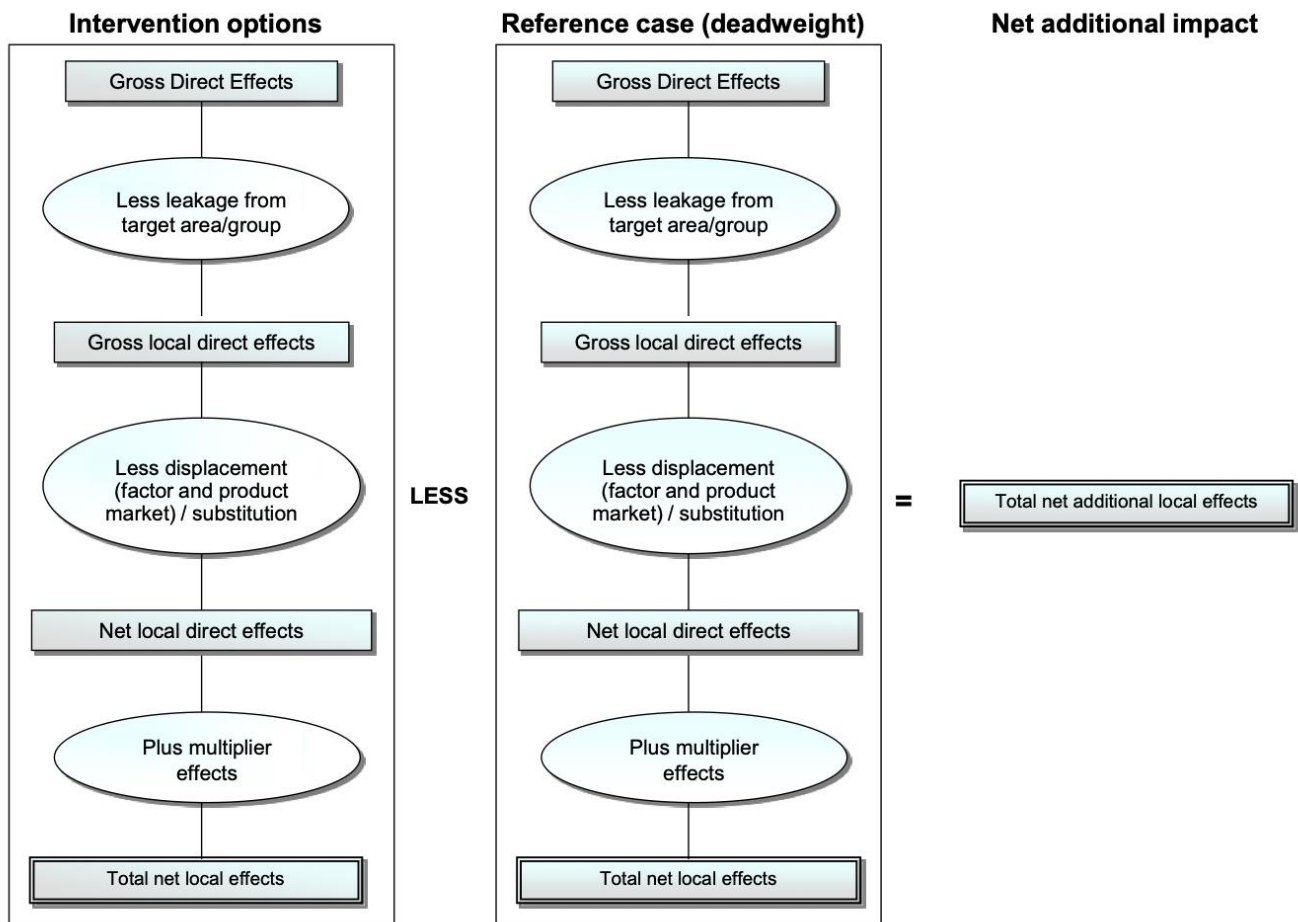
ADDITIONALITY

Of key importance in assessing the impact of the proposals on the local economy is the extent to which new activity is truly additional, in other words it does not simply displace existing activity. Furthermore, it is important to understand who is likely to benefit from the impacts generated and the degree to which further demand and investment is stimulated.

To assess the net additional impact of the proposals and overall anticipated additionality of the proposed project options, the following factors have therefore been considered:

- **Leakage** – the proportion of outputs that benefit those outside of the project’s target area or group
- **Displacement** – the proportion of project outputs accounted for by reduced outputs elsewhere in the target area. Displacement may occur in both the factor and product markets
- **Multiplier effects** – further economic activity associated with additional local income and local supplier purchases
- **Deadweight** – outputs which would have occurred without the project (Base Case)

The approach to assessing the net additional impact of a project, taking into account the above adjustments, is shown diagrammatically below.



For the economic modelling, we have assumed a composite **Additionality Factor of 66%** based on HCA norms for people using refurbished cultural facilities

(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/378177/additionality_guide_2014_full.pdf)

BENEFIT ASSESSMENT

For the Library and Learning Centre project, the economic modelling included a number of monetised benefits, consistent with Governmental guidance. These included regeneration benefits, social benefit skills, enterprise and tourism (cultural benefits)

These benefits are outlined in more detail below (in relation to the broad Town Fund investment themes in the TF prospectus).

Towns Fund investment theme	Key benefits	Wider social and economic benefits (note adding all benefits may lead to double counting)	Key guidance to model and monetise benefits
Urban regeneration, planning and land use	<ul style="list-style-type: none"> Land value uplift 	<ul style="list-style-type: none"> Increases in local employment and GVA Community cohesion Health benefits from increased active travel or use of new public / green spaces 	MHCLG guidance

		<ul style="list-style-type: none"> Social benefits (e.g. improved personal security) 	
Arts, culture, and heritage	<ul style="list-style-type: none"> Increased retail revenue from increased footfall Amenity benefits 	<ul style="list-style-type: none"> Social benefits from improved access to culture Increases in local employment and GVA Community cohesion 	
Skills infrastructure	<ul style="list-style-type: none"> Land value uplift 	<ul style="list-style-type: none"> Increased employment and income Attraction of businesses interested in the skills offered by the new infrastructure 	MHCLG guidance

Table 16

ECONOMIC COSTS

The financial costs of the proposed intervention have been developed by the **Library Project Team**.

The nominal financial costs in the Financial Case have been converted to economic costs in line with the Green Book approach by using the HM Treasury's GDP deflator index to convert estimates of future costs to constant (2021/22) prices. The constant price costs have been adjusted to present value costs by applying the Treasury's Social Time Preference discount rate of 3.5% per annum. Public capital expenditure within the programme is expected to run until 2024/5, in line with the Towns Fund guidance.

Type	Source	Total Amount
Public sector cost (20 yrs)	Green Book STPR	£3 million
Optimism Bias (12%)	CCB Precedent	£0.36 million
Public sector cost (with OB)	-	£3.36 million

Table 17

VALUE FOR MONEY ASSESSMENT

A bespoke economic model was created to calculate the Benefit Cost Ratio (BCR) of the proposed project. The results are summarised below:

Value for money assessment (£M, discounted, 2021 prices)		Core scenario	Sensitivity test 1	Sensitivity test 2
			No Development Land Benefits	Optimism Bias 24%
Economic benefits				
Value of Capital Learning Investment		£751,342.00	£751,342.00	£661,180.96
Value of Development Land		£1,150,000.00		£1,012,000.00
Increase in capacity and accessibility to new and improved skills facilities		£289,927.90	£289,927.90	£255,136.55

Increased skills offer in response to local need		£4,185,953.03	£4,185,953.03	£3,683,638.67
New upgraded or protected libraries. Delivery of new public spaces		£5,319,944.40	£5,319,944.40	£4,681,551.07
Non-accredited Community Learning Number of learners inc job ready learners		£1,796,103.12	£1,796,103.12	£1,580,570.75
Accredited learning number of learners		£172,634.59	£172,634.59	£151,918.44
Remediation of Dilapidated sites - increase in GVA by site use		£124,061.34	£124,061.34	£109,173.98
Additionality Factor 0.65				
Total economic benefits	(A)	£9,101,377.80	£8,342,377.80	£8,009,212.47
Economic costs				
Towns Fund	(B)	£3,005,371	£3,005,371	£3,005,371
Optimism Bias	(C)	£360,645	£360,645	£721,289
Total public sector	(D)=(B)+(C)	£3,366,016	£3,366,016	£3,726,660
Benefit Cost Ratio	(A) / (D)	2.7	2.5	2.1

Table 18

The source for each monetised benefit is set out in the table below:

Increase in capacity and accessibility to new and improved skills facilities			
Source: https://www.powertochange.org.uk/wp-content/uploads/2017/10/PTC_RoomHire_A5_AW-1.pdf			
Measure: Hourly rate for room hire			
Number: Facility open 48 weeks a year, 6 days 8 hours per day			
Value	£27	£289,928	
Increase skills offer in response to local need			
Source: https://www.gov.uk/government/publications/valuing-adult-learning-comparing-wellbeing-valuation-and-contingent-valuation			
Measure: adult learning benefits			
Number: 3579 over 20 years based on council projections			
Value	£2,234	£4,185,953	
New upgraded or protected libraries and Delivery of new public spaces			
Source: https://www.social-value-engine.co.uk/calculator/Quantifying and valuing the wellbeing impacts of sport and culture .pdf			

Measure: library users		
Number: 4184		
34% of population uses library - 61,000 population 20% increase = 4148 people		
Value	£149	£5,319,944
Non-accredited Community Learning Number of learners inc job ready learners		
Source: http://social-value-engine.co.uk/calculator/Two%20Day%20Personal%20Development%20Training%20Course.pdf		
Measure: Council projected learners		
Number 2882 over 20 years		
Value	£1,081	£1,796,103
Accredited Community Learning Number of learners		
Source: http://social-value-engine.co.uk/calculator/RR821.pdf		
Measure: Council projected learners		
Number: 231 over 20 years		
Value	£1,291	£172,635
Remediation of Delapidated Sites – increase in GVA by site use		
Source: https://historicengland.org.uk/content/heritage-counts/pub/2019/heritage-and-the-economy-2019/		
Measure: Council projected learners		
Number: 1 site over 20 years		
Value	£14,413	£124,061
Value of Capital Learning Investment		
Source: https://socialvalueportal.com/solutions/national-toms/		
Measure: Site impact		
Number: 1 site		
Value	£751,342	£751,342
Value of Development Land		
Source: https://www.landsite.co.uk/blog/latest-news-on-land-prices-in-the-uk-2021		
Measure: 0.5 ha		
Number: 1 site		
Value	£1,150,000	£1,150,000

Table 19

SUMMARY

The analysis undertaken in this Economic Case was consistent with HM Treasury's Green Book and other departmental guidance. For the Library and Learning Centre proposal, we identified amenity benefits, social benefits, housing/development benefits, skills and tourism (cultural benefits).

The costings have been calibrated for Optimism Bias and discounted using HMT's 3.5%. The BCR = 2.7 provides a very high level of value for money (MHCLG Appraisal Guide classes a BCR greater than two as 'high' value for money and between one and two as 'acceptable').

FINANCIAL CASE

FINANCIAL CASE

INTRODUCTION

As part of the RIBA stage 2 report, a summary cost plan has been provided by Mace and The Design Concept for the Library and Learning Centre fit-out works:

Item	Cost
Architectural enabling and Library and Learning Centre fit-out works	£1,916,792
Principal Designer Fee	£10,000
Project Management	£100,000
Clerk of Works	£10,000
Sensory Room	£25,483.10
Makerspace equipment	£30,000
Access provision	£20,000
Business IP Centre set-up allowance	£20,000
Audiovisual hardware, electricals, software, installation	£120,000
Surveys	£30,000
Exhibition Infrastructure and Display	£85,000
Orientation and signage	£35,000
Project Contingency 20%	£603,095.94
Total	£3,005,371.04

Table 20

The cost of the full Shirehall Phase 1 refurbishment works (from a separately funded Herefordshire Council budget) is £4.2m. This includes the necessary refurbishment and repair of the Shirehall building to open it up to the public (Health & Safety compliance, mechanical and electrical works, replacement boiler and heating systems, roof and skylight repairs).

FUNDING AND REVENUES

The Cabinet is due to consider a decision paper on 26 October 2023 recommending that Hereford Library and Learning Centre move to Shirehall and any agreed funds for the project be transferred to deliver the library in this new location. The full business case and Cabinet recommendation will go to the Stronger Towns Board in November 2023 for a final decision on the transfer of Stronger Towns fund for this project. The table below summarises the funding streams and the total budget available for the project:

Type	Source	Total Amount
Public Sector	Stronger Towns Fund	£2,610,715.96
Public Sector	Herefordshire Council	£394,655.08
	Total	£3,005,371.04

Table 21

The table below summarises the financial drawdown for the project:

Funding Profile	23/24	24/25	25/26	Total
<i>Value</i>	£m	£m	£m	£m
Towns Fund		0.67	1.936	2.606
Herefordshire Council	0.18		0.214	0.394

Table 22

The table below summarises the income and expenditure forecast for the Library and Learning Centre at Shirehall:

	Current Budget	Shirehall Operation
Income		
Grants	£1,570	-
Facilities	£2,500	£1,500
Printing / Photocopying	£4,000	£4,000
NMITE management system (off-off payment)	£7,000	-
Hire of staff (Colwall Library)	£7,000	£11,600
Admin charge/ Travel Expenses	£375	£1,100
Inter Library Loans Charge	-	£200
Lettings	£3,000	£2,500
Schools Service	£33,000	£33,000
Commission	£500	-
Catering	-	-
Adult Training Room	-	-
Events Hire	-	£6,000
Events and Programming (Day)	-	£4,860
Events and Programming (Evening)	-	£16,478
Retail	-	£1,400
Sensory Room Hire	-	£26,580
Makerspace Hire	-	£26,500
Total Income	£58,975	£135,718
Expenditure		
Payroll	£1,095,830	£1,474,929
Overheads (Sensory Room and Makerspace)	-	£15,000
Overheads (Events Hire)	-	£2,280
Overheads (Events Evening)	-	£4,560

Book Fund	£206,000	£210,000
Inter Library Loans	£3,555	£3,750
Subscriptions	£1,791	£1,791
Rent/Rates	£1,100	£1,434
Service Charge	£19,844	£19,844
Computer Expenditure	£79,266	£80,000
Buildings Maintenance	£585	£1,000
Promotion / Events	£5,530	£20,000
Advertising (Recurrent)	£2,500	£2,500
Advertising (Non-recurrent)	-	£1,500
Utilities	-	-
Insurance	-	-
Training and Recruitment	-	£6,724
Cleaning / Refuse	£660	£660
Telephone	-	-
Equipment	£2,330	£3,000
Stationery / Postage	£20,900	£21,000
Materials	£6,002	£5,000
Furniture/ Fittings	£950	£5,000
Vehicle Costs	£6,680	£7,500
Mileage	£3,954	£2,500
Agency Staff	-	£29,155
Security	-	£5,000
Other	£2,800	£3,000
Total Expenditure	£1,460,277	£1,927,127
Net Revenue Expenditure	-£1,401,332	-£1,791,409
Variance		-£390,077

Table 23

In summary, the project variance is mainly due to the uplift in staffing required to operate the additional Library and Learning Centre spaces, extended opening hours and commercial activities (£379,099). Volunteer recruitment could be explored to further offset this revenue cost to supplement paid roles.

New commercial income streams help to offset some, but not all, additional costs. The revenue uplift required to fund the future model for the library service has been part of briefings with members and senior council officers. The funding to ensure appropriate levels of staffing and to cover necessary overheads will be supported as part of the council's annual budget forecast process. The council is committed to ensuring the services have the appropriate level and skills of staff to deliver the proposed new model of delivery. Detailed business planning will continue to be developed to ensure the transition to the future model and delivery of the service.

AFFORDABILITY ASSESSMENT

Please see above.

As outlined in the cabinet decision paper, the council will look to meet the ongoing increased operational costs.

WIDER FINANCIAL IMPLICATIONS

Proposed/Agreed charging mechanisms

- Income from the proposed paid for library events programme, printing services, Sensory Room hire and Makerspace hire will support the operational cost of the Library and Learning Centre.
- Room Hire service charges will apply for the use of the Assembly Hall for events and programming. This is charged to Property Services at £53 per hour for evening events. The Sensory Room and Makerspace will be offset by basic utilities overheads included in financial projections.

Proposed/Agreed contract lengths

- Professional adviser contract lengths for period of design and implementation.
- Contractor contract length for construction period.

Personnel implications (including TUPE)

It is anticipated that TUPE will not apply to this project as salaried staff are already part of the Herefordshire Council staffing establishment.

Some staff may be required to work from a different location as a result of this project, due to the proposal of this project to move the Library to the Shirehall building.

It has been identified through further operational and financial analysis completed by Herefordshire Council, that additional staffing will be required as detailed above to support the Library and Learning Centre, including the management of additional facilities in the Learning Centre offer.

COMMERCIAL CASE

COMMERCIAL CASE

INTRODUCTION

This section of the full business case sets out our arrangements to procure and implement the capital refurbishment of the Shirehall to deliver a Library and Learning Centre. It also sets out our rationale for ensuring that the revenue generated by our activities underpins the ongoing operation of the facility.

COMMERCIAL DELIVERABILITY

The commercial case and potential for income generated by a the Library and Learning Centre is outlined in the report 'Hereford Library and Learning Centre & Shirehall Commercial considerations' from September 2023 (Appendix 1). The report was written by Take The Current Ltd who were commissioned to review the commercial potential of the Library and Learning Centre at Shirehall. Various factors were considered as part of this including retail income, income from events and programmes, hire from letting event space, as well as costs incurred relating to staffing, advertising and promotion, insurance and service charges. Commercial opportunities include:

- Paid-For Events and Programming in the Library** - The new library is not intended to be a quiet space so events can take place in the library at different times of the day. It has the benefit of a ramped fixed seating stage area (accommodating up to 65 people) with integrated audiovisual facilities which could accommodate a range of activities and also be programmed with classes, events and meet-ups both in the day and in the evening. The event space can also be hired to third party organisations after hours for events and programmes.

Commercial Activity	Numbers	Ticket Price/	Notes	Income
Daytime				
3 events per week	10-12 people	£3 per person	45 weeks of the year	£4,860
Evening				
30 events per year	65 people	£15 per person (60%) £10 per person (40%)	65% attendance	£16,478
Events Hire				
20 events per year		£300		£6,000

Table 24

- Sensory Room hire** - The Sensory Room in the Learning Centre will be kitted out with equipment of a high standard and designed by a company who has fitted out a number of other sensory rooms across the UK. It will target early years to around 12 years with special educational needs (SEN), and teenagers and adults with learning disabilities. It is anticipated that the room will also be used by family and community groups whose members have additional needs and can suffer sensory overload. The room will be charged on a low per session basis to offset overheads.

User	Price	No. of Attendees	Number of bookings per week	Number of weeks per year	Income
Child	£5	1	4	50	£1,000
Child Group	£5	3	20	50	£15,000
Adult	£6.50	1	5	50	£1,625
Adult with Carer	£6.50	2	12	50	£7,800
Adult Group	£6.50	3	8	50	£7,800
Total					£33,225

Table 25

Income forecasts are based on **80% usage** giving **£26,580** potential income.



Fig 12 – Artist impression of the Sensory Room at the Learning Centre (© Experia)

- Makerspace hire** – It is anticipated that the Makerspace in the Learning Centre will be developed in partnership with NMITE, and complementary to their Stronger Towns-funded Skills Hub project. Shirehall has the advantage of being a highly accessible location attracting different types of user groups, for example those looking to upskill at entry level to improve their opportunities, wellbeing and skills. The Makerspace will be a digital fabrication lab only, with basic printing, sewing machines, tool hire, and a small group session programme led in partnership with NMITE to upskill local residents starting on their journey into business, making and new skills. It is proposed that the Makerspace is operated on a tiered membership model with bookable system for specific machine hire at a low cost.

User	Price	Ratio	Members	Income
Individual	£60	3	30	£1,800
Student	£45	2	20	£900
Start-Up	£150	2	20	£3,000
Profit Business	£250	1	10	£2,500
Low Income	£20	3	30	£600
Total		11	110	£8,800

Table 26

Machine	Quantity	Daily Charge	Days	Total Income	Usage (%)	Income
3D/ Maker	3	£30	300	£27,000	60%	£16,200
Sewing	2	£5	300	£3,000	50%	£1,500
Total						£17,700

Table 27

Total income from the Makerspace is **£26,500**.

Other income will be gained from regular library services such as schools service, printing, inter library loans and minor publication retail offer. Income from the hire of the Adult Training Room in the Learning Centre will go to Property Services, who will manage and operate the booking of all meeting spaces centrally in Shirehall.

Income from commercial opportunities are offset in the financial projections by any overheads, staffing, service charges and other expenses. The income potential for each new opportunity is outlined below, and the full financial projections for the Library and Learning Centre shown in context in Table 23:

Item	Cost
Events Hire	£6,000
Events and Programming (Day)	£4,860
Events and Programming (Evening)	£16,478
Retail	£1,400
Sensory Room Hire	£26,580
Makerspace Hire	£26,500
Total	£81,818

Table 28

PROCUREMENT STRATEGY

Procurement of any additional services will follow Herefordshire Council's procurement procedures and procurement colleagues are members of the project board.

Procurement will follow the programme identified in the Management Case section on page 64.

Mace and the design team are commissioned on a RIBA stage basis. Procurement options have been fully assessed.

- RIBA Stage 2b onwards – Professional team to be procured to support the detailed design stage of the project up to planning approval.
- Implementation – Contractor to be procured to implement the development of the Library and Learning Centre and wider refurbishment works.

Any procurement will adhere to the Herefordshire Council's Contract Procedure Rules. The purpose of the Contract Procedure Rules (CPRs), together with the guidance document and the contracting toolkit is to help officers involved in commissioning, procurement and contract management to carry out their roles effectively, ensuring that:

- a) contract selection and award procedures are conducted in accordance with the relevant legal requirements under an equitable, transparent and regulated process;
- b) ensure the council obtains value for money and minimises the cost of procuring goods, works and services, utilising strategic delivery partners wherever possible;
- c) strategic policies are taken into account, for example in promoting the economic development of Herefordshire and in relation to protecting the environment;
- d) procurement procedures are kept under review in order to ensure continuous improvements to services and provide best value to the community of Herefordshire;
- e) contracts are managed to ensure they are delivered as specified, achieve the desired outcomes and are received on time and within budget.

Link: [Herefordshire Council CPR](#)

WIDER CONSIDERATIONS

The Library and Learning Centre will be part of a wider Shirehall offer. In addition to the library services, the Shirehall building will be refurbished and opened up to provide hireable courtroom spaces, meeting rooms, film and TV hire potential, heritage interpretation and tours, community skills facilities, and spaces for the Coroner's office and Registrars to operate from. As such, the commercial potential and feasibility of the Library and Learning Centre element (focused at the rear of the building) should be seen in the context of the overall site. The building could both offer additional opportunities and also impact commercial potential (e.g. as there are other spaces available to hire and other offers etc.).

The wider Shirehall commercial potential has also been explored as part of this early phase of work and the full findings can be found in the 'Hereford Library and Learning Centre & Shirehall Commercial considerations' report in Appendix 1.

These include opportunities for:

- An on-site café or kitchen facilities (for community training)
- Weddings
- Room hire for corporate events, away days, functions and meetings
- Courtroom hire
- Film and TV Courtroom hire
- Paranormal events
- Guided Tours
- Sleepovers

MANAGEMENT CASE

MANAGEMENT CASE

INTRODUCTION

This Management Case details the delivery programme and process for the Library and Learning Centre project.

PROJECT ORGANISATION AND GOVERNANCE

The project is managed by Herefordshire Council's Programme Management Office (PMO). The project is overseen by the Library and Learning Centre Project Board, which meets at least monthly. The Board comprises:

Role	Name	Job Title
Senior Responsible Officer - Service	Hilary Hall	Corporate Director – Community Wellbeing
Senior Responsible Officer - Refurbishment	Sarah Jowett	Strategic Assets Delivery Director, Corporate Services
Senior User	Lesli Good	Service Director Communities
Programme Manager	Susan White	PMO Programme Manager
Senior Project Manager	Johnathan Pritchard	PMO Senior Project Manager
Project Support	Isabelle Sheehy	PMO Project Coordinator
Service Area	Sarah Lee	Culture and Leisure Lead
	Jonathan Chedgzoy	Libraries and Archives Manager
Finance – Capital	Karen Morris	Strategic Capital Finance Manager, Corporate Services
Legal	Emma-Jane Brewerton	Head of Law, Corporate Services
Legal	Adam Powell	Lawyer 1 contracts and major projects
Finance - Revenue	Kim Wratten	Finance Manager, Corporate Services
Communications Lead	Luenne Featherstone	Communications Manager, Corporate Services
	Joanne Lilley	Press and Publicity Officer
Property Services	GianCarlo Paganuzzi	Buildings and Compliance Manager

As and when by invite exception	Lee Robertson	Commercial Manager, Corporate Services
Other attendees as required such as Professional Leads (Finance, Procurement, Property, Legal, Communications, Planning, External Grants, Performance Management, Adult and Community Learning Services etc) Technical Leads (sustainability, communities, etc)		

Table 29

Major External Fund Delivery Board provides a regular oversight, decision and recommendation making forum for projects that are being delivered through this Board. The Board is accountable for the delivery of Council Projects (under the Board's remit), ensuring the projects meet their strategic purpose, delivering high quality value for money outcomes for the council that follows the Council's applied Governance model for project management.

Hereford Town Board has established a Programme Management Office with responsibility for Monitoring and Evaluation of the delivery of all Hereford Town Deal projects, including the delivery of the Hereford Museum and Art Gallery refurbishment.

Herefordshire Council Section 151 Officer will report to HM Government every six months on the library and learning centre project service delivery as stipulated in the Town Fund guidance.

External consultants

Herefordshire Council has appointed Mace Limited to undertake the roles of lead consultant, project manager, programme manager, cost management and also contract administrator, reporting into Herefordshire Council's PMO and Project Board.

As lead consultant Mace will procure the sub-consultant design team for the refurbishment and core works on behalf of Herefordshire Council. As project managers Mace will then manage the team, ensuring the design aligns to the Clients' vision, driven by a programme managed approach. Throughout the design stage, Mace's cost management team will work alongside the design team to provide robust support so that designs can be progressed aligned to any budget constraints, as well as ensure suitable robust costings are provided to support the Business Case.

Mace will lead the procurement strategy workshop with the Council and the design team, and work with the Council's procurement and legal advisors during the procurement and tender of the main contractor for refurbishment and core works.

Glazzard will undertake the roles of Architect, Lead Designer, Sustainability Consultant as well as Historic Building Designer. Undertaking these roles will enable Glazzard to craft a fully collaborative design solution that responds to the aspirations of Herefordshire Council to create a leading Library and learning Centre for the city. Glazzards have been involved in the Shirehall refurbishment project from initial stages in 2021 and are well placed to build on the knowledge and understanding of the project to realise the aspirations of both the council and the community.

Barnsley Marshall, Mace's selected Structural and Civil Engineers are passionate about design and believe that great Architecture and design, supported by sound engineering, creates

better buildings and environments that improve the quality of people’s lives, bringing tangible social and economic benefits to communities.

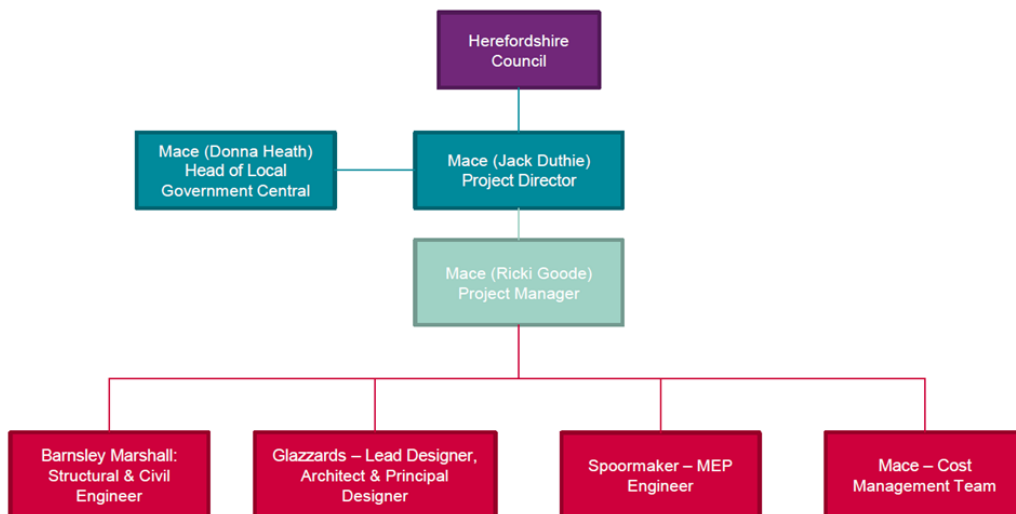
Spoormaker and Partners (S&P) are an award-winning international firm of mechanical and electrical consulting engineers, originally founded in 1964. It has a total headcount of approximately 100 staff, delivering all aspects of mechanical, electrical and public health building services design across a wide range of sectors.

Take the Current have been commissioned by Herefordshire Council to undertake an income generation options report. The requirement was to review and revise as appropriate the outline business appraisal options in the report on ‘Library Feasibility Report’ (Appendix 1). The aim is to maximise income generation in a refurbished library and resource centre at Shirehall.

The Design Concept have been commissioned to provide specialist expert design and costing specifically for the design of furniture fittings and equipment (FF&E) for the Library and Learning Centre. They are part of Lamnhults Design Group and can provide the installation of high quality furniture with a Scandinavian design.

Experia are industry experts in UK sensory equipment and have many years of experience as well as knowledge and understanding of why sensory equipment is so vital for the development of individuals. Experia have been commissioned to provide a free outline plan and costings for installation of a sensory room in the Learning Centre.

Mace’s project team structure:



ASSURANCE

All projects at Herefordshire Council are monitored by the Executive Programme Board. The Executive Programme Board has many roles, including exception reporting, final approvals and annual review of the Capital Programme and reviewing the PMO process.

Stronger Towns Board will have oversight of monitoring and evaluation throughout

SCOPE MANAGEMENT

The Shirehall Library and Learning Centre is a £3 million project.

The project will create a modern Library and Learning Centre in the Assembly Hall and Undercroft areas of the Shirehall, Hereford. The space will be fully accessible and will suit a range of functions. There will be the traditional elements of a library, coupled with space for meetings, working and relaxing. It will have space to hold small events such as book talks, poetry readings and small film viewings. The Learning Centre will have space for digital learning and working, a sensory room and a training room to provide for a range of adult learning functions. There will also be a makerspace.

Library	Learning Centre
<ul style="list-style-type: none"> • Library welcome point • Small retail offer • Flexible display infrastructure • Self service kiosks and printer services • Lending stacks - Adult Fiction and Non Fiction • Teens & Young Adults • Children’s Library • Local History & Reference Library • Events and programming space • Multipurpose seating, workspace, group spaces, meeting pod 	<ul style="list-style-type: none"> • Welcome space and reception • Buggy park • Digital lounge with fixed terminals/ WiFi • Adult Training Room • Makerspace • Sensory Room • Storage • Staff Office, Delivery Room and Facilities

Table 30



Fig 13: Artist impression of the Shirehall Library in the Assembly Hall (© thedesignconcept)

To enable the installation of all of the above elements, the project will ensure that all public areas are fully accessible with appropriate facilities. There will be back office space for a book store, delivery room and offices for staff to work efficiently, including a new goods lift to enable books to be delivered safely up to the library area. The staff kitchen and toilets will be updated as necessary. The lighting will be modernised to LED and the window blinds will also be updated to ensure that the spaces are controlled appropriately.

The stage area will be altered to ensure renovations are sympathetic to the heritage features, but that it can be utilised for a more modern purpose – the tiered seating will act as the audience amphitheatre-style seating for events and also for informal working, reading and relaxing. There will be integrated power points for phones/computers. Any structural strengthening to the Assembly Hall floor that is required will also be provided by this project.

Project vision and purpose is agreed at a senior level of the Council through the Cabinet and Corporate Leadership Team. The project will be driven by the Project Manager and Service Lead. The Senior Responsible Officers will provide all operational decision-making in consultation with the Cabinet Member. The Project Board will ensure that there is oversight and advice to the Senior Responsible Officer. Any matters requiring escalation will pass to Delivery Board and ultimately Executive Programme Board. The overarching project board will be the Shirehall Project Board, who will be responsible for looking at all aspects of the Shirehall refurbishment including shell and core design works, cost/budget build up and procurement/delivery. The Library and Learning Centre sub-group will be responsible for the design and fit-out of the Library and Learning Centre spaces, developing the full business case (including commercial aspects) and will manage interactions with stakeholders including the Stronger Towns Board.

Mace will act as project managers to the design team for all ‘shell and core’ works necessary as part of the wider refurbishment of Shirehall. This will ensure that there is a consistent and coordinated approach to the full works required on the Shirehall including base build repairs. Regular full design team meetings (DTM) including shell and core design team, service leads, library design team and conservation officer will ensure that the Shirehall as a whole is developed efficiently coordinating all work layers. As detailed within this document, overall project management will be led by Herefordshire Council’s PMO and the Project Board who will work together, with input as required from externally appointed partners to ensure that the project is developed and implemented effectively. The project team will continually monitor the scope of the project and will implement the PMO’s change management process to ensure that any change to scope is correctly managed.

In Scope	Out of Scope (covered by a separate project)
<ul style="list-style-type: none"> • Relocation of the library from Friars Street temporary location to the Assembly Hall in Shirehall, and create a Learning Centre within the Undercroft. • Building enabling works to support relocation of LLC to Shirehall. • Ensure all public areas of Library and Learning Centre are accessible and have access to appropriate facilities. • Provision of a goods lift • Access porch to the Undercroft and entrance works 	<ul style="list-style-type: none"> • Wider refurbishment to Shirehall including Health & Safety compliance, electrical works, replacement boiler and heating systems, roof and skylight repairs, court reinstatement, building repairs • Redecoration of any areas not Assembly Hall/Undercroft • Platform lifts/accessibility to other areas of Shirehall • Fire escape from Assembly Hall

Table 31

PROGRAMME/SCHEDULE MANAGEMENT

Procurement	Indicative Dates
RIBA Stage 2	
Procurement of Design team and consultants for Full Business Case	July 2023
Full Business Case Present to Cabinet	October 2023
Full Business Case present at the Stronger Towns Board	November 2023
Project Adjustment Report Submission to Department of Levelling Up Housing Communities	November 2023
RIBA Stage 3	
Multi-discipline Team Procured to take the project through to RIBA 6	January 2024
Any Identified Required Surveys	March 2024
Procurement of Sensory Room designer	January 2025
Listing Building Consent Application Submitted	April 2024
Planning Application Submitted	April 2024
RIBA Stage 4	
Listed Building Consent Received	August 2024
Planning Consent Received	August 2024
Construction Partner Tender Package Published	September 2024
Construction Partner Tender Response Received	October 2024
Construction Partner Tender Responses compliance checked and evaluated	November 2024
Construction Partner Appointed	January 2025
RIBA Stage 5	
Contractor Mobilisation	January 2025
Pre-commencement of Planning conditions	January 2025
Construction Works Start	February 2025
Practical Completion	April 2026
RIBA Stage 6	
Handover of Site to Client	May 2026
Client Familiarisation and Testing	May 2026
RIBA Stage 7	
Opening Event	June 2026

Table 32

RISK AND OPPORTUNITIES MANAGEMENT

Identifying and managing risks is a normal part of project management. Whilst many risks will be mitigated or accepted as part of the project management process, there may be at times, significant project risks (those whose score is over 16) that require the SRO to escalate details to the Delivery Board. If this occurs, the Project Manager will notify the Business Intelligence Team, record this action under the Project Board and monitor updates or actions around the risk. The Capital Portfolio Manager will ensure that an agenda item at the Delivery Board reviews escalated and de-escalated risks, providing a flow of information and robust audit trail.

Risk Transfer

Shirehall Library and Learning Resource Centre Risk Register				
Risk Number	Risk Description	Risk Score	Consequence	Mitigation
1	Specialist contractor requirement/ volatile construction market	12	Delays to project timetable and additional costs	Contractors capable of working on a historic building like the Shirehall are a specialist resource, which reduces the procurement field of suitable suppliers. The construction market is running at high capacity while material supplies continue to be difficult. Risk of delay in securing a timely start date with suitable contractors, and subsequent delay during construction from materials shortages. Also increases in cost due to the supply and demand effect of both contractors and materials.
2	Financial - Project runs over budget due to incorrect assumptions at feasibility	8	The project would face value engineering to bring the cost within in budget and some objectives may not be delivered. This could also delay the project.	The project team will continue to work with the design team/ consultants to ensure the various elements come within the budget envelope through monthly project boards, weekly DTMs and ad hoc cost plan meetings.

3	Procurement timeframes are longer than expected	8	Delays to project delivery and additional cost	The project team is working closely with Herefordshire Council procurement team as is Mace Ltd procurement team, who understand the current market to mitigate this risk.
4	DLUHC and Stronger Towns do not support Shirehall project	8	The projects will not move forward if we do not receive positive feedback from the Stronger Towns Board and Central Government once the FBC has been submitted within the timeframes that match the project programme.	We are working closely with both parties involved to ensure they are updated throughout the Cabinet decision process. Fully inform both parties of the benefits of the chosen location.
5	Resources - Unable to fund and recruit suitable experienced Library staff	8	Delivery of the service would suffer reputation damage	The project team is working closely with the project Service Lead and the current service to assess the needs required to run the new services (LLC). Negotiations for management partnerships have been initiated with NMITE.
6	Reputational/Financial - Project fails to secure listed building consent	6	If consent is not obtained the project will face delays to delivery and cost implications	The Conservation Officer is part of the project team and has input/ is fully informed of all designs. Pre-application advice had been requested from Historic England.
7	Reputational - The Library and Learning Centre is not used by local residents, business, partners, etc.	6	If the LLC doesn't generate the required income to cover the service charges this would create a cost pressure on the service.	The Project team have identified existing council services who will utilise some of the bookable spaces daily once available. In addition the rentable spaces are being designed to remain flexible to maximise their use. The project team has also procured expert consultants Take The Current who has produced a revenue report to strengthen the need for commercial opportunities.

8	Political - Change in political priorities	6	Loss of political support, leading to loss of resources.	We will consult with, brief and provide up-to-date information to all Council members.
9	Financial - Rise in inflation may result in an increase in costs	4	Unstable markets may increase inflation across the life of the project above expected levels. This could have consequences on the delivery of work packages and require value engineering to reduce the costs to within budget.	Value Engineering required. Scope may need to be reduced. Additional funding may be required.
10	Financial - Unforeseen works found during fit-out	4	Shirehall is a Grade II* listed building and there is a high possibility that during the construction phase we will discover issues which could possibly push back programme and add cost.	There is a generous contingency for this project within the budget. Extensive surveys and site investigations have been carried out to understand the building and its requirements.
11	Accessibility within the building	4	Despite best efforts, the building is deemed not adequately accessible for the purposes of a Library and Learning Centre	The design team are ensuring that all public areas of the building are fully accessible. During RIBA Stage 3, there will be a full accessibility audit to ensure there are no gaps. Stakeholder consultation will include a wide spectrum of user groups.
12	Reputational - The library doesn't meet statutory requirements	3	Reputational damage, cost pressures on the service	The design team will continue to work closely with the Library services to ensure the new design provides the spaces and area required to fulfil its statutory obligations.

Table 33

As the owners of the Shirehall and operator of the proposed Library and Learning Centre the council would ultimately be responsible for the risks relating to the project. However, risks will be mitigated through:

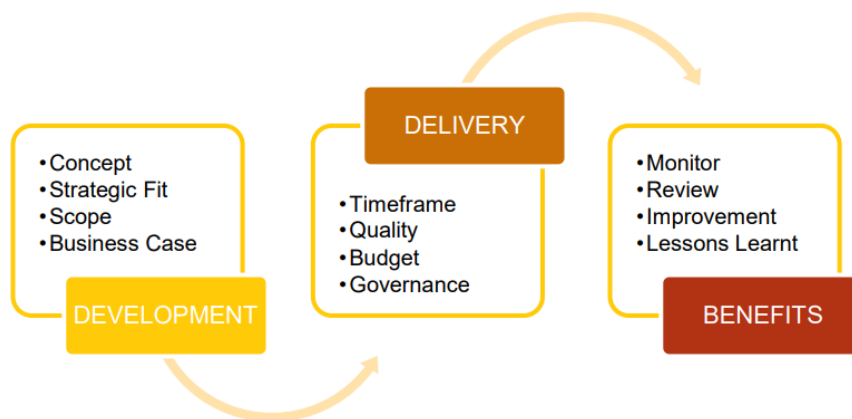
- Procuring appropriately qualified (with relevant indemnity insurance) professional services to design the development, undertake full building condition surveys etc.
- Procuring a qualified contractor to deliver the capital works to time and budget.
- Seeking appropriately qualified (with relevant indemnity insurance) professional advisers regarding the development and operation of the LLC, including review of revenue income opportunities.
- Experienced and qualified council staff operating the library.

Project Dependencies

- This project is independent of other Town Investment Plan projects so has no reliance on other timescales within the programme.
- The wider refurbishment of the Shirehall is NOT dependent on the installation of the Library and learning centre. Whilst they are mutually beneficial, the council has provided a commitment to the refurbishment of the building and to secure the building for civic use.
- The project is wholly dependent on the refurbishment of the Shirehall building including heating, rewiring, roof works to ensure it is safe and accessible for the public. The refurbishment is dependent on gaining further budget approved by full council.
- The project is dependent on securing external funding (Stronger Towns) within the anticipated timescales.
- The project is also dependent on achieving listed building consent.

PROJECT MANAGEMENT

As outlined above, the project is overseen by Herefordshire Council’s PMO. The Programme Management Office team of Portfolio Managers, Programme Managers, Project Managers and Project Support drive delivery of capital and transformational projects across the Directorates.



The Project Manager will take control of the day to day actions and manage the project as closely as possible, this will include but are not limited to:

- Monitoring and managing project actions and progress and reporting to the SRO where the budget, timescales or quality is under threat or any other significant issue.
- Recording and managing project risks and issues and escalating where necessary.
- Managing project scope and initiating change control where necessary.

- Approving spend against the project budget, under their control, and monitoring the project budget in conjunction with the Finance lead whilst providing regular updates to the SRO.
- Monitoring the Communications Plan in conjunction with the SRO and Communications Lead.
- Monitoring the progress of legal requirements in conjunction with SRO and Legal Lead.
- Monitoring the progress of planning requirements in conjunction with SRO and Planning Lead.
- Co-ordinating & monitoring the development and approval of all governance reports.
- Co-ordinating & monitoring all project reporting and updates as required.
- Supporting the library service transition and operational development at Shirehall.
- All templates for managing the project will be via Verto (the council's project management system).

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is detailed on page 40 of the Strategic Case section.

BENEFITS, MONITORING AND EVALUATION

Cashable benefits

- Potential income from the Library events and programming supporting the operational cost of the LLC.
- Potential income from Sensory Room hire supporting the operational cost of the LLC.
- Potential income from Makerspace hire supporting the operational cost of the LLC.

Non-cashable benefits

- Refurbished and modernised mixed use centre attracting people to visit and spend.
- Creating new job or volunteering opportunities.
- Improving quality of life for local people through the new LLC.
- Providing a prominent city centre location for public services to engage local people.
- Supporting the improvement of skills of local residents.
- Providing new community facilities for digital learning, adult learning, sensory learning, creative design and business skills.
- Improved public sector service delivery through enhanced community engagement.
- Opportunity to review the delivery model of the library service to ensure it meets required need and can support council objectives and priorities

Dis-benefits

- Disruption to library users during the relocation of the service. The Council will seek to ensure disruption is minimised as far as possible.
- Possible disruption to neighbouring properties and users of Gaol Street car park.

ENVIRONMENTAL CASE

Whole life carbon of construction

The project will modernise and reuse a Grade II* listed building, seeking wherever possible to improve the environmental impact of the building. A decision was made to re-use and restore the Shirehall providing the opportunity to secure the future of this dormant heritage asset in an accessible location in the city centre and to offer the most sustainable solution in terms of embodied carbon by repairing an existing structure.

Energy Efficiency

The current boilers are end-of-life, so this is part of the essential scope in Phase 1 of the Shirehall wider refurbishment works. Air source heat pumps were considered, but due the high installation cost versus modest carbon reduction when compared to the latest technology gas-fired boilers (shown in the table below) the project team has made the informed decision to progress with a 'green gas' boiler approach.

Summary of Options vs CO2e and Construction (Value Index)

Option	Option Description	Const Cost	CO2e saving	Value Index
1	Air Source Heat Pumps	£1,200,000	-24124	0.020
2	Upgraded Efficient Boilers	£125,000	-26456	0.212
3	Upgraded Efficient Boilers and Green Gas	£125,000	-57654	0.461

Note: Notional - Value Index = CO2e kg saving/ £ Estimated Construction Cost.

Gas CO2e savings are based upon similar de-carbonisation to that of Electrical Power since Hydrogen and/or Green Gas grid data has not been provided by BEIS.

The gas boilers can be converted to 'green' gas in the future (emerging technology), potentially at that point far surpassing the carbon reductions of air source heat pumps futureproofing the build works to an even greater extent. The poorer than expected carbon performance of heat pumps is largely down to the inefficient fabric of the building combined with large room volumes (air source heat pumps are most effective when putting low levels of heat into well insulated buildings). There are also practical issues with air source heat pumps in finding sufficient space externally for the external units needed (and the conservation view on these being visible) as well as the disruption to the historic fabric internally.

Options for renewable energy sources such as solar photovoltaics (PVs) are limited due to heritage conservation, who do not want to see panels on more prominent roof surfaces. The project team is currently exploring whether an array could sit on the flat roof of the CCTV room, subject to it being strong enough (or strengthened accordingly). Solar PVs are not included in the essential Phase 1 works scope, but have been included as part of the Phase 2 works.

LED lighting and intelligent lighting controls are also included as part of the Phase 2 build works. The library has been designed to make best use of natural daylight to minimise the use of artificial lights during the day. Blinds are being installed within the Assembly Hall to control sunlight.

It is proposed that the electric system is maintained rather than gas for water heating, thereby taking advantage of the ongoing decarbonisation of the power supply grid, and taking advantage of the solar PVs generation when fitted.

There is limited opportunity for building insulation due to the heritage nature of Shirehall. Open roof spaces and flat roofs being recovered can be insulated, but listed building constraints prevent insulation lining to walls. Repairs will be made to the windows but, as they are part of listed status, they are likely to remain single-glazed when refurbished.

Ventilation

Ventilation is being incorporated where necessary to maintain statutory compliance in unventilated or poorly ventilated spaces, but will include the latest heat recovery technology where fitted.

Audiovisual hardware

All audiovisual display and electrical equipment within the Library and Learning Centre will be LED and designed with energy-reduction aims in mind. The exhibition equipment will be on an individual control system so that they can all be switched off when visitors are not in the building. AV hardware and software can be programmed so that they can go into low power mode with a screensaver when not being used during opening hours.

As part of Herefordshire Council's ITT procurement for the main contractor and exhibition fit-out contractors, documentation will include, as standard, 'considerate contractor' principles – clear objectives that the Council expects all organisations that do business with us to comply with. Considerate Practice embodies the high standards the build industry can and should achieve, to encourage them to make positive changes in the way they work and to operate more responsibly and respectfully.

This includes minimising their impact and enhance the natural environment, by:

- Prioritising environmental issues to protect the natural environment and minimising negative impacts
- Optimising the use of resources, including minimising carbon throughout the value chain
- Using sustainable or responsibly-sourced materials
- Re-using materials where possible to reduce waste
- Engaging with the community to improve the local environment in a meaningful way.

HERITAGE CASE

The Shirehall, located on St Peters Square in Hereford, is Grade II* listed. The subject site is also located within the Hereford Central Area Conservation Area. Historic England citation notes:

Shire Hall. c1815-17, with mid C19 extensions. By Sir Robert Smirke. Ashlar sandstone; brick; slate roof; various brick stacks. In neo-Classical style. Giant Doric hexastyle portico; moulded pediment with triglyphs; 3 double doors within. Symmetrical wings, with single 6/6 sashes in moulded stone architraves; moulded bands and pediments. Wings: simplified bands and cornice continue the portico entablature. INTERIOR: an imposing interior, with many ornamental features. Staircase: straight flight. Lobby: ornamental plasterwork; domed amphitheatre with marble Corinthian columns. Great Hall: ornamental plasterwork. Court rooms and retiring rooms: wood panelling. Library: plasterwork ceiling. Grand Jury Room: plasterwork ceiling; panelling; 6-panel doors with entablatures; painted fireplace. Committee Room 1: late C19 wood fireplace. Committee Room 2: late C19 wood fireplace.

The significance of these heritage assets principally derives from their relatively early date and the intactness of their built fabric which generates their historic and architectural special interest. Dating from the mid- late 19th century, the high-quality craftsmanship and materiality of the building's construction are clearly evident. The buildings derive communal (illustrative) value from their historic and present-day functions related to the judicial system and local governance which together contribute towards the group value of other related buildings within the historic core of the city. Owing to their location on the east of St. Peter's Square at the junction of three roads the substantial and imposing west elevation, particularly of the Shirehall affords it some landmark status in terms of impact on its immediate and wider environs. Shirehall in particular also generates further historic interest with its connections to the nationally important architect Sir Robert Smirke (4.18 Heritage Stagement by Orion Consulting, December 2021).

This significant building is currently closed to the public and in a state of disrepair. Through the project the Shirehall will be refurbished and left in better condition through the conservation of historic features of the building, critical repairs to the structure, repair, access improvements and new facilities:

- The Heritage Officer has been a core part of the design team from the outset.
- The Shirehall will become a civic space for the 21st century once again repurposed as a community cultural hub.
- The design of the LLC has been developed to maximise heritage features, celebrate the history and usage of the building and be sympathetic to the original design intent.
- The heritage stage of the Assembly Hall will be reinstated back to its original scale and re-purposed as a feature seating area for the library.
- The library FF&E design will retain the balance and symmetry of the Assembly Hall, with the library stacks and structures sitting underneath the wall cornice. Wall and barrier installations will be in glass to maintain views across the space.
- The history of the building and paintings will be told in a new interpretative space (created as part of the wider refurbishment works in the Atrium).

ACCESSIBILITY CASE

Although the heritage building offers some constraints in terms of major architectural changes, the Library and Learning Centre can be made fully accessible to modern standards as part of the refurbishment works and new LLC design:

- The Shirehall is accessible using public transport (easily walkable from train and bus stations, and with a bus stop right outside). New bicycle racks will be installed outside. The new library website will clearly display green travel options for visitors on its 'Visit Us' page.
- A buggy park has been introduced in the Learning Centre for users to store their belongings in a safe and secure way.
- A new platform lift will be installed at the front columned entrance to the Shirehall that meets all access requirements as part of the refurbishment works. Other integrated platform lifts will be introduced where needed near the toilet block and in the Assembly Hall to move people from library floor up to the stage seating area.
- The central circulation core includes stair and lift options. All floors can be accessed from this point. Clear signage and orientation in different formats will aid people around the building.

- A new fire escape annexe adjacent to the Library will provide improved escape routes and include a wheelchair refuge.
- The design of the Library and Learning Centre will be fully compliant with the Equality Act and offer different approaches for different learning styles – sensory, creative, digital, tactile, reading, verbal, visual.
- The Library and Learning Centre will become a social and cultural hub for the local community, providing a place of sanctuary and allowing them to feel supported and valued.
- Local people’s wellbeing will be boosted through participating in targeted activities and programming that specifically address mental health, social isolation or disadvantage.
- New job creation, skills attainment and volunteering opportunities will provide local people with more opportunities to improve their lives and wellbeing.
- Staff and volunteers will be trained in diversity, inclusion, mental health, dementia awareness and neurodiversity, and in the delivery of activities for different needs.
- A designated Sensory Room for early years, SEN families, adults with learning disabilities and those wanting quiet space will be identified and clearly advertised on library literature and the website.
- New accessible toilets will be installed in key locations in the entrance atrium and Learning Centre welcome.

Consultation with user groups that need special access considerations will be an integral part of the RIBA 3 in shaping the design of the building, internal spaces and the approach to the library, learning centre and visitor experience as a whole.

Equality Impact Implications

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.

The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine ‘protected characteristics’ (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have ‘due regard’ to the public sector equality duty when taking any decisions on service changes.

The Library and Learning Centre will be open to all, aiding the development of skills to enable people to access higher value employment opportunities and improve their health and wellbeing. Adult Learning Services will deliver courses to improve people’s skills and there will be space in the resource centre and library to work with partners to deliver events and activities to promote positive health and wellbeing agendas.

The full Equality Impact Assessment is attached as Appendix 4.

HEALTH AND SAFETY

The Project Board has oversight of all health and safety risks for the project.

All appointed providers must also adhere to health and safety requirements as detailed within the Council's contract agreements, specifically:

- The Provider shall promptly notify the Council of any health and safety hazards, which may arise in connection with the performance of the Agreement. The Council shall promptly notify the Provider of any health and safety hazards that may exist or arise at the Council's Premises and that may affect the Provider in the performance of the Agreement.
- While on the Council's Premises the Provider shall comply with any health and safety measures implemented by the Council in respect of staff and other persons working on the Council's Premises.
- The Provider shall notify the Council immediately in the event of any incident occurring in the performance of the Agreement on the Council's Premises where that incident causes any personal injury or damage to property that could give rise to personal injury.
- The Provider shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to staff and other persons working on the Council's Premises in the performance of the Agreement.
- The Provider shall ensure that its health and safety policy statement (as required by the Health and Safety at Work etc Act 1974) is made available to the Council on request.

SOCIAL VALUE

Herefordshire Council has a responsibility to comply with the Public Services (Social Value) Act 2012 which means it needs to consider how it might improve the economic, social and environmental wellbeing of the relevant area in which our contracts will operate as part of its commissioning and commercial activity.

Herefordshire Council defines social value as:

“The positive impact on local people and communities, the local economy, and the environment, that we can create by the way we spend public money to buy goods and services.”

- **Social and Community** - strengthen communities to ensure that everyone lives well and safely together.
- **Health and Wellbeing** - sustain resilient people and communities, increasing both physical and mental wellbeing.
- **Crime and Justice** - support our local people, communities, and businesses to feel safe in their homes, communities, and places of work.
- **Economy** - develop a strong local economy which builds on our rural county's strengths and resources.
- **Education and Skills** - develop and increase high quality education and training that enables local people to fulfil their potential.
- **Jobs** - support local businesses to grow jobs and keep unemployment rates low to help our rural county prosper.
- **Environment** - protect and enhance our environment and keep Herefordshire a great place to live and work.

- **Leadership** - Herefordshire Council to lead and encourage others to adopt forward-thinking strategies that develop, deliver, and measure social and local value.

The council procurement process includes as standard a 12% social value outcome. This ensures that any organisation the Council works with complies with our ambition to support our local economic, social and environmental wellbeing. Herefordshire Council is committed to, and expects suppliers to be committed to, the following objectives:

- Supporting the local economy including small-to-medium enterprises (SMEs) and the voluntary, community and social enterprise (VCSE) sector.
- Delivering at neighbourhood level wherever appropriate and including the local supply chain.
- Including measurable clauses in contracts to demonstrate both social value and value for money.
- Supporting the business and voluntary, community and social enterprise (VCSE) sectors through transparent and proportionate procurement processes and contracts.
- Ensuring robust contract management is in place to monitor and measure social value outcomes in partnership with providers and suppliers.
- Paying our providers and suppliers promptly.
- Payment of the Real Living Wage
- The creation of local training, educational and employment opportunities.
- Financial investments in local communities by contractor partners.

Through understanding the priorities for the county, the council can promote the delivery of Social Value where it will have the most significant impacts for the residents of Herefordshire. Aligned to each of the pledges are key value indicators and their associated supplier commitments. These are provided in the framework spreadsheet available to all suppliers during the tender process. This approach ensures transparency for all types, legal structures, and sizes, of organisations when responding to social value questions in tender opportunities.

Business Case

Shirehall Redevelopment Library and Learning Centre Appendices



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Appendix 1



Hereford Library and Learning Centre & Shirehall Commercial considerations

September 2023

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The Brief

Provided by Herefordshire Council

To work with Herefordshire Council to review the commercial opportunities for the new Library and Learning Centre, and potential ancillary offers, in Shirehall and identify any resultant overheads and operational implications to inform a full business case to Cabinet in October 2023.

The works include:

- Review of the commercial opportunities and potential income rates related to the Library and Learning Centre design and operation:
 - Small retail offer in the Library
 - Paid for events and programming in the Library
 - Corporate hire in the Library
 - Adult Classroom hire in the Learning Centre
 - Makerspace rental in the Learning Centre
- Review of commercial opportunities and potential income rates related to the wider Shirehall building:
 - Café (community operation, in-house operation, street food model)
 - Meeting room hire
 - Film and TV hire in historic courtroom
 - Weddings (courtroom/ Chairman's office)
 - Historic guided tour
- Review of practical implications of different commercial options: infrastructure/ management/ base rental
- Preparation of information to inform financial projections (income/expenditure) for the Shirehall.

Executive Summary

The Shirehall presents a range of opportunities to raise income from hire of space, special rental e.g. Wedding, Makerspace, Sensory Room, Filming etc and events and programming. It will have an intimate space within the Library for evening events and much-needed social space that can be used without charge e.g. hanging out in the Library or attending a free event and a place that enables access to equipment, intelligence and information to facilitate the advancement of skills and contribute to health and wellbeing.

This report outlines the possible income streams and compares the experience of similar facilities elsewhere in the UK. There are costs associated with many of these options which need to be taken into consideration, alongside other desired priority outcomes, in making choices about which options to progress and to what degree.

Some considerations such as the need for marketing and additional skills have also been outlined.

Introduction

The commercial potential of the building requires the whole offer to be assessed. The building, its presentation and fit out, the types of organisations and individuals using the building and the communications and marketing messages around the change of use and future plans.¹

The Shirehall building is located close to the main circulation in the city, a stone's throw from the Black and White House Museum. It has good parking facilities at the rear and is on the city bus route and close to the bus station.

The building has presence dating from 1817. Its exterior has a classical style and is well known to the public. When reopened the car parking to the front of the building will be removed giving a much more attractive and safe access for pedestrians and has the potential to be used as an alternative civic space for community and charity events, and collaborations with city celebrations. The building will continue to host the Coroner's Court and the former Assembly Hall will be converted into the city library. The Learning Centre will be formed from the Undercroft, the rooms beneath the Assembly Hall, and be accessible through the south side of the building as well as the main entrance. The attractive Doric columns and pediment and statue of the former Chancellor of the Exchequer may feel rather forbidding to some or have the look and feel of a place that is not *'their place'*. The

¹ There are a number of phases of development of the building over the next 5yrs.

communications and marketing and the décor of the foyer will have an important role in welcoming everyone to the building and reflecting openness, opportunity and energy.

It will be important that the communications messages around participation and welcome to all and specifically those with less confidence, requiring the social and skills services. The communications messages will need to be planned and repeated in order to create and embed the change of use and new future for the targeted audiences.

Library and Learning Centre

At the heart of every library service is the access to up to date and relevant reading materials for everyone which means access in a range of formats, a digital service and home delivery in rural areas. The service has become much more proactive given the importance of literacy in people's life chances, with specific reading activities being provided from pre-toddler to adult. And in addition libraries purpose has broadened as research has shown how they contribute positively to Health and Wellbeing, Culture, social circumstances. employment opportunities and information services. Libraries are accessible, safe and welcoming spaces in the heart of communities and the best have become places to not only read, learn and study, but also places to grow personally, gain confidence, to socialise and share experiences, to access equipment and machines that grow skill, develop skills that make life easier for those on limited incomes and partake in a range of cultural and creative activities.

Rethinking the Library gives great potential to organise activities and events to both raise income, to reduce loneliness and isolation and at the very basic level to be a warm place with free WIFI and access to public PCs.

Library purpose and the facilities include:

- The Library (405.36m²)
- Local Studies Room (30.6m²)
- Digital Skills Lounge – Computer space (23.7m²)
- Sensory Room (17.9m²) (6 people max)
- Welcome Area (53.6m²)
- Makerspace (18.9m²)
- Adult training Room (28.2m²) (Up to 15 people)

Target Audience

The Library's already diverse audience will be broadened further by the facilities planned for the Learning Centre. Giving the operation a very wide target audience which spans all ages, abilities and socio-economic levels.

Library

CIPFA provide an annual report on comparative statistics, it is recommended that the Library request a copy of the 2021-22 report which was published in February 2023. The most recent report² available for this study was from 2018-19, pre-pandemic. Since then there have been a number of changes not least the necessary removal of the Library to temporary premises and the decrease in visitors during the pandemic closures³ although library statistics provided for 2022-23 indicate that the Library has started to recover in terms of new members increasing. However the number of active borrowers had fallen very significantly in 2022-23. Table 1 shows some comparisons which suggest that the most active borrowers have returned.

The CIPFA² report demonstrates that in 2018-19 Hereford Library was under the median in terms of number of active borrowers per 1000 population, which appears to be an error as the figures provided for Hereford Library indicate that this statistic would have been above the median⁴ at the time. Hereford Library attracts 123 per 1000 population⁵.

Year	Visits	Active Borrowers ⁶	Issues	New Members	Public computer sessions
2022-23	84,510	6,295	119,058	2,572	15,597
2021-22	65,390	10,226	100,819	1,898	3,146
2019-20	144,410		142,138	2,570	13,590
2018-19		16,556			
2017-19		14,037			

Table 1: Comparison of Library visits⁷

Although Adult Fiction was well above the median in terms of stock turn, Children's fiction was well below the median as was Children's non-fiction and talking book issues. There is an opportunity to improve this if it has not already been addressed, given the importance and potential in the new building to attract young readers. Although budgets have been cut there could be greater balance between adult and children book acquisitions (this is true in 2018-19).

Graph 2 shows that there has been a significant increase in the percentage of pre-school age borrowers in 2021 and 2022 and decreases in the 19-39yrs and 50-59 and 70s age groups.

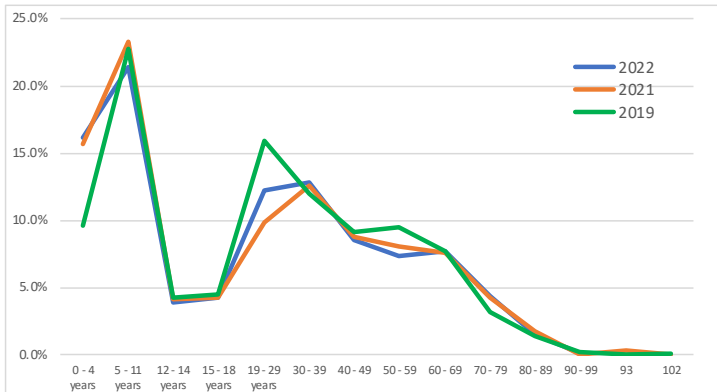
² CIPFA Library Statistics comparison report 2018-19

⁴ The median at the time was c. 115 per 1000 population for the UK

⁵ Hereford only library

⁶ Active borrowers are measured over 2 years

⁷ Figures provided for the Maylord feasibility in Spring 2022



Graph 2: comparison on new borrowers by year

The opening of a new library with a more modern look and feel gives the opportunity to publicise the changes and benefits, the environmental benefits of libraries and push for increased membership enabling the Library to regain and surpass the pre-2020 figures. Looking at the median CIPFA figures per 1000 population across the UK in 2018-19, Hereford Library could aim to attract in excess of 17,000 active borrowers.

Children and young readers are an extremely important audience for the UK, to increase literacy and develop lifelong reading habits. However the Library can also be a vital connector for many older people, researchers and students and those who are seeking a welcoming, warm and comfortable free civic space.

Room/Facility Hire

Sensory Room

From the research⁸ undertaken looking at sensory rooms across the UK it is clear that sensory rooms are not a commercial activity in that they do not cover the cost of running through fees. However they are fundable as they are providing support for a wide range of people living in nursing homes, supported living, with medical needs such as autism, dementia, SEN etc. and there are a wider range of trusts and foundations that support this work (For example, Worcester Snoezelen charges for entry but raises all the rest of its income from funding bodies e.g. Children in Need).

The recent closure of the Hereford sensory room (located in Rotherwas) after 8 months could be due to quality in part but mainly the high pricing; £15 / hr. (significantly higher than prices charged across the UK).

The room in the Learning Centre will be fitted with equipment of a high standard and designed by a company who has fitted out a number of other sensory rooms across the UK. It will target early years to around 12 years with special educational needs (SEN). The secondary target will be teenagers and adults with learning disabilities. It is anticipated that the room will also be used by community and member groups whose members have additional needs and can suffer sensory overload.

⁸ See pp23-24 of this report

Good sensory rooms appear to have no difficulties in attracting customers and many have built relationships with schools including SEN but not exclusively, care homes and other member and charity organisations. It is estimated that with some groundwork to build relationships the centre will be sold out 80% of the time. There is also the potential to raise additional funding from Trusts and Foundations although there may be some barriers due to the legal structure.

Makerspace

There has been a proliferation of makerspaces over the past 10 years across digital technologies, woodwork/general hand tools, computing, fabric work, display and metalworking. In the past many have had a membership business model, with variable or static fees. These have been useful in terms of hobbyists, learning and skill development, start-up and small business need as well as, socio-economic need. What came out strongly in research done by NESTA⁹, is that there is an interest among participants in working with their hands or active engagement with technology. Undoubtedly small and start-up businesses benefit by earning a living and makerspaces also create career pathways. But development is also at the heart of the 'makerspace' often providing an alternative to school education, addressing unemployment and reducing household costs and developing rural economies.

However money is frequently an issue. Income from membership and other services isn't always guaranteed to cover costs. As such, many makerspaces are often reliant on external support, such as grant funding or university subsidies.

There are decisions to be made about the Learning Centre makerspace in terms of who it is for and what it is. For example is it digital or materials based; for business, learning or tinkering/hobbies and how it will embed itself in Hereford without being exclusive to one 'group of users'. These are important decisions in terms of the maintenance of the space, how the space fits with other activities and importantly the pricing.

Discussions are being held with NMITE on a possible partnership, whereby Herefordshire Council would maintain and operate the facility and NMITE support with management and expertise. The Makerspace at Hereford Library and Learning Centre could complement the larger Stronger Towns-funded Skills Hub on NMITE's campus, acting as an outpost to target entry level upskillers; those who are developing skills, looking for alternative career paths, upskilling and hobbyists.

Operating options

1. NMITE operate and manage the centre

If this option is chosen NMITE operate the centre, be responsible for the induction sessions and for overseeing use and day to day management and booking overview. They would be responsible for marketing the Makerspace and ensuring that it reached the target audience and reporting outcomes to Herefordshire Council. Decisions on liability for the maintenance, repair and renewal of the equipment would be needed as well as considering running costs in the building, and how the centre is used as a public space in conjunction with the other spaces in the Learning Centre. NMITE would retain the earned income to offset their costs of running the centre.

2. Council run and collaboration with NMITE

This is a hybrid arrangement where NMITE operate as above and are paid a fee. Herefordshire Council manage the booking system and collect the fees and pay NMITE a fee

⁹ https://media.nesta.org.uk/documents/open_dataset_of_uk_makerspaces_users_guide.pdf

to operate the centre. Liability would still need to be considered as Herefordshire Council own the equipment.

Printing costs would be extra in both option 1 and 2

3. Council run membership model

The membership model can work for both options 1 and 2. The advantage of the membership model over an open booking system is that all members go through an induction and it allows the system to be balanced across users: unwaged, students and business use (both self-employed and SMEs). It also creates more ownership across the users and care for the equipment and gives Herefordshire Council traceability and data about usage. Provision could be made in the pricing for use of simpler machines so that it is not prohibitive for those it is aimed to support e.g. sewing machines, if they are included. For example membership could be lower to use simple machines or longer processes. For example, making a garment could take 2-7 days which would mean sewing machine rental needs to be per day or half day to be economically viable for those who need it.

In most maker facilities with a membership scheme the fees are graded to the user (see the example on p.25-26).

4. Non-membership model

For this option participants could book spaces without becoming a member. There could still be times assigned for particular groups for example businesses during weekday mornings, general public at weekends. Or quotas could be set for types of users to maintain balance across participants.

The financial projections have assumed that there is a membership model with an upcharge for use of the machinery. Rates for half day rental of the machines is assumed and membership is graded according to the participants' ability to pay.

Other considerations

Noise is a consideration given that the room will be in the same area as the Sensory Room and the Digital Skills Lounge. Herefordshire Council assume there will be no noise bleed from the doors into the corridors around the Makerspace and the equipment may not create a level of noise that will create issues.

As well as having a facility for people to use machines and equipment on site, Herefordshire Library and Learning Centre could also operate a loan system for smaller equipment. The Library of Things network <https://www.libraryofthings.co.uk/catalogue/browse> offers cleaning, DIY, gardening, basic sound, camping and household equipment on loan at affordable prices. This service could be offered across the Herefordshire Library network. This would involve some initial financial outlay and would need to be tested.

Adult Training Room

The training room will be available for use across Herefordshire Council departments as well as the public. It is expected that it will operate Monday – Sunday. The room will be more akin to a classroom than some of the other spaces in the Shirehall, and it will accommodate up to c. 15 people (without desks) although it lends itself to smaller groupings (8 people in class set-up with desks) and 1:1s.

It could be used for job skills training, interview preparation, business and other skills training, parenting support, social care and 1:1 consultation. In addition public courses and classes can be run

from the room on a hire basis and it could be used in conjunction with the Digital Skills Lounge, makerspace or the sensory room to teach the skills required to use the equipment e.g. sewing and crafting or programming and 3D printing classes.

It is suggested that a day rental is £120 and half day or evening £60 which aligns with the market in Hereford (Table 3 on p12). The room will form part of a suite of meeting rooms available at Shirehall and will be managed and operated via a central booking system by Property Services.

Programming and Events

The new library is not intended to be a quiet space all the time, so events can take place in the Library at scheduled times. It has the benefit of a ramped fixed seating stage area which could accommodate a range of activities as well as being a seating space for families, readers and students at different times of day. It can also be programmed with classes, evening events and meet ups. The Local Studies Room provides a quiet space for research and study and there is plenty of seating across the main library floor to browse, study, read or hang out.

The Assembly Hall was a space for performance prior to the decision to move the Library into the hall. It would be impossible to operate a library and a concert hall from the same hall due to the very different requirements, particularly for music and to do so would mean that both would not deliver for the public, producing a compromised offer and significant staff issues. However events with audiences up to 65 people could be organised in the stage area e.g. author events, debates, poetry and interviews. This arrangement would not impact on the design of the Library and not require significant work to configure the space for evening events. Such events would be charged at the market rate with concessions for those on limited income. It is anticipated that most adult events for the general public will take place outside library operating hours e.g. poetry readings, debates, author readings/interviews, adult book clubs etc. Some children's events could also be for profit events e.g. Puppet Shows, small performance and theatre etc.

The Library currently organises events for a range of users, some of which are outlined below. Part of the programme of events will need to be free or affordable due to the nature of the target audience and part of the programme and in the past funding has been sought and can be sought to enable these events e.g. ACE, Social prescribing and charity funding.

There are a number of national bodies producing events that are shared by libraries across the country e.g. The Reading Agency's *Ready Steady Read*, British Library initiatives.

Daytime Events (sorted by age of participant)

Adults:

Job skills (other Council department)

IT skills (other Council department)

Craft/Sewing/Knitting meet ups

Adults with learning disabilities

Dementia Groups

Death clubs/cafes

Business development/Entrepreneur clubs/classes/networking (other Council department)

Children groups

Autism activities

Pre-school

Explorer events (singing and sharing stories) [on the stage]

Primary School age

Storytelling [on the stage]

Reading for pleasure [on the stage]

Book related game events [on the stage]

Holiday challenges

Lego Clubs [on the stage]

Secondary School age

School membership borrowing schemes e.g. 30 title for 6 weeks

Retail Offer

Retail depends on a supply of interested customers who either have a need satisfied by the retail offer or who can be enticed to desire what is on offer. Offers attached to visitor attractions by and large are informed by the subject matter of the attraction and benefit from visitors that are predominantly not repeat visitors and see the retail offer as part of the visit. Libraries are quite different in that most of their footfall is generated by repeat visitors. Shopping is also not seen as part of a library visit and so visitors are not in a 'shopping' frame of mind. In addition to this, research shows that free to entry places have much lower spend in their shops. The conversion rate¹⁰ is likely to be very low for these reasons.

In order to operate a small retail offer a range of stock needs to be purchased and stored and needs a space to be sold from so it is likely that that would be the reception area of the Library for ease of management and to reduce shrinkage. It is likely therefore that there would be a discrete and rational range aligned to library activity, reading, learning etc and highlighting specifics of the building etc e.g. bookmarks, magnifiers, book lights, the kind of pick-up items found at bookshop tills. The price point would therefore be relatively low.

These conditions are not conducive to creating a retail offer and do not warrant the work involved in maintaining and managing it. This is probably why very few have retail offers.

The current libraries have sold books in the past, total sales in the most recent year being £1,400¹¹ for all Herefordshire libraries. The libraries could continue to have book sales as needed, without maintaining a retail offer.

It is recommended that staff time would be better occupied (in terms of creating income streams) in managing the other facilities, creating an events and activities programme and raising funds for these from grant making bodies.

¹⁰ Percentage of visitors who make a purchase

¹¹ This figure is apportioned between Herefordshire libraries

Funding

The Arts Council of England provides funding to a number of library services through its National Portfolio scheme, which added a further 10 library services to its list in 2022 bringing the total to 16 libraries. This could be an aspiration in the future as NPO status gives core funding for 4 years. Hereford Library has availed of ACE funding in the past for children's and summer activities, it is recommended that when the business plan for the libraries is completed that at the very least annual ACE project funding is sought. ACE also fund national projects such as *Ask A Book* or *World of Stories*¹² and programmes to stimulate reading for pleasure e.g. *Reading Sparks* run by the Reading Agency (a partnership between libraries and the British Science Assoc.¹³ The latter costs £500p.a.

Support Networks and other opportunities

The British Library has a network of business support hubs across the country most recently opening in Southampton and Carlisle. Working in partnership with local libraries, these **BIPC** (Business and IP Network) **locals** offer a range of support and information for entrepreneurs and small business founders across the country.

If Hereford Library wished to apply for this and was successful it could be run from the Learning Centre where there is access to computers and events could be run on the Library Stage.

The **Living Knowledge Network** is a UK-wide partnership of national and public libraries. Together they share ideas and spark connections between libraries, their collections and their people. Created by the British Library to explore new ways for libraries across the country to work as one, the [network](#) currently includes over 30 public libraries, including the nationals. Partners are added at a maximum of 3 per year and it is linked to applications for BIPCs. Applications usually close in July.

¹² <https://literacytrust.org.uk/programmes/love-our-libraries/world-of-stories/?saved#cookies-form>

¹³ <https://readingagency.org.uk/resources/5646/>

Shirehall Building

The Shirehall can continue to operate as a Coroner's Court in Court Room 1. The historic interior of Court Room 1 will be refurbished in the first phase of development. An interpretation/exhibition space to the left of the main entrance and some of the very large-scale portrait paintings in the circulation space may be cleaned and conserved; all of which are of figures who held important positions in the past and reflect the style and feel of that bygone time.

The facilities include:

Ceremony Room (59.7m ²)	(adjacent) Events Room (RO.18) (57m ²)
Court room 2 (30.6m ²)	Witness Room (RO.19) (45.6m ²)
Judge Room for Court Room 2 (13.8m ²) with private toilet	Committee Room (RO.22) (76.6m ²)
Registrar's Room (11.3m ²)	Family Room (RO.03) (22.9m ²) with adjacent toilet
Jury Room (18.3m ²) with private toilet	Court Room 1 lobby (28.1m ²) with toilet
Court Room 1 (59.6m ²)	Main Entrance
Judge Room for Court Room 1 (13.9m ²)	Tarmacked exterior space to the front of the building
Jury Room for Court Room 1 (RO.17) (18.3m ²)	

The building has a good range of rooms in terms of size, presenting many options to meet the needs of potential hirers, from small intimate consultation spaces to large rooms accommodating up to 135 people. The room stock lends itself to corporate away days and small conferences as there are a number of rooms that could be used for small breakouts.

Rental – rooms

Hereford has a number of rooms for rent, a sample of the rates are given in Table 3. The Shirehall will not want to undercut commercial businesses in the city but also take into consideration the added value of the facilities it is creating when rented together e.g. working with the Library's Digital Skills Lounge and makerspace to hire as a package or the ability to offer after-conference receptions in the Library or at the entrance. This would need to be market tested to see if there was an appetite/need; it would be additional to what is presented in the forecast.

Location	Area (m2)	Seating arrangement			Price		
		Board	Cabaret	Theatre	1h	Half Day	Full Day
Kindle Centre	122			120	£31		£233
	45			30	£25		£190
	38.4	18		25	£20		£145
	22.7	12			£17		£120
	10.7			4-6	£12		£90
Courtyard Theatre	28	16		30	£44	£118	£236
	100			80	£88	£236	£472
Shell Store				25			£160
				100			£275

Table 3: Room rental comparisons in Hereford

Weddings

There are many beautiful wedding venues in Herefordshire from attractive restored barns to grand hotels. The Shirehall could target mid to lower scale weddings that want a sense of occasion on a tighter budget. The Ceremony Room (RO.14) is the best option for weddings although RO.18 or RO.19 could be used. It would be advisable to have 80-100 'event' chairs for this purpose and it is thought that some of the chair stock is of an appropriate quality for this purpose. Wedding bookings are great opportunities to upsell a larger package e.g. a champagne reception, the wedding breakfast/meal, bar service and extending to the evening party, all of which can be accommodated in the Shirehall. Exclusive hire i.e. no other bookings in the Shirehall during, could also be considered on a Sunday depending on Library opening hours. It would be difficult to offer this on other days due to Library opening and other civic and community uses.

The smaller rooms could be offered for the Bride/Groom/Bridal party particularly when the whole package is booked. A reception could be held in any of the other rooms or at the front of the building. The wedding breakfast could be catered in RO.22. RO. 22 has a parquet floor which makes it suitable as a dancing space for the full wedding package. Herefordshire Council would need to have a select list of caterers and be able to offer a bar service and sound system. A percentage of the food and beverage costs is usual for events and would be an additional income stream from each booking.

Court Room 1 - Filming

Court Room 1 is the original court and will be brought back to its original condition during the refurbishment. Although it will be used for coroner court proceedings, it is unlikely that this will be more than about 30% of the use.

At other times the court room could be rented as a film location. An online search¹⁴ demonstrates that there a small number of court rooms available and all of those found were much more modern than Court Room 1 e.g. Southport's Court Room for Hire¹⁵. There are also a number of working courts available for hire on the government website but they are all more contemporary in design.

¹⁴ Looking at location finders Headbox, Locations Direct, Film Hub

¹⁵ <https://www.courtforhire.co.uk/>

Location may be a barrier; however Hereford is close to Cardiff and Birmingham.

Y Gaer has an historic old court room in Brecknock, which they are not able to rent as an event space due to the acoustics (sound design was re-engineered out during cost cuts in their refurbishment project). Acoustics would need to be checked for Shirehall.

Court Room 2

Court room 2 will not be used as a court when the building is reopened. It will be made safe (e.g. roof repaired) and developed in a later phase of the project. As a court room it has a more contemporary design and therefore has more competition in terms of film location potential. It is a large space that could accommodate c. 200 in a court room set up. Being located close to the main Shirehall entrance, high ceiling and natural light it could be an interesting option for weddings after future phases of development and some reconfiguration, bearing in mind the tiered floor. In future more may be done to convert for a performance space if the capacity was needed and the acoustics were workable.

As it stands it could be a quirky venue for events if more capacity was required than could be accommodated elsewhere; a small number of bookings have been included in the forecast.

Events and programming

Rental - events

Paranormal events are popular in prisons and court houses, particularly given that in Hereford some of the condemned were buried at the back of the Shirehall. There are a number of companies who pay to hire the premises and sell to their interested communities. They are well organised and are light touch in terms of internal management and are repeat customers. Events take place outside office hours so they do not impinge on any daily activities or events. Rentals are £400 -£500 per booking. A sample of companies who organise these events are given below

<https://www.simplyghostnights.co.uk/>

<https://www.hauntedhappenings.co.uk/>

<https://www.mosthauntedexperience.com/events>

Cooking classes

The kitchen could be hired to a community organisation¹⁶ to deliver cookery training or healthy eating and meal preparation classes for young people and people on lower incomes. The kitchen is not large enough to accommodate more than a small group of c. 4-6 people but these classes could be repeated every fortnight. The young carers facility adjacent to the Shirehall is conveniently located to make it easy for young carers to attend these classes. It is presumed that the Shirehall would rent the kitchen to a charity to provide this service. A fee for kitchen hire is included in the financial projections. Timings would need to work with the café provision e.g. in the afternoon to avoid all the morning preparations and lunch time.

¹⁶ [Book a Class | Made In Hackney](#)

Tour and Exhibition

The Shirehall holds a number of stories around the cases that have been tried in the Court Room as well as tales of the individuals involved and potentially bringing in some of the history of Herefordshire not told elsewhere in the city. This could be of interest to locals and tourists alike and part of the tourist path from the Black and White House Museum, close by.

The plan is to introduce these stories in the interpretation/exhibition space to be located to the right of the main entrance and to be free to enter. In addition there will be a tour to take visitors into the cells and lead them up into the original Court Room, treading the path of previous convicts and tell more of the stories of the building and related history.

The main hall (Library) could be included in the tour if records of the concerts and famous bands, orchestras and virtuosi that have performed there could be researched and included in the stories. This would also give more value to the visitors.

Many architecturally interesting Town Halls (the closest civic building equivalent) with court rooms and cells, beautiful interiors and exhibitions operate tours for the public. These are almost always free to the public. Some are available on specific dates only (once per month) and some are bookable in advance particularly those in smaller towns/cities. The interior design features of the Shirehall are more modest than some of these very grand buildings, so the stories will be vitally important.

In order to work as a commercial proposition, the interpretation/exhibition area would need to strongly entice the visitors to pay to take the tour and the tour will need to feel worth the fee when they have already had an experience for free. If charged, Court Room 1 would also need to be only accessible through the tour as it would be a key feature. If income is the main motivation, it may be better to charge a small fee for the whole experience or pose an obligatory donation on the tour i.e. proactively collect donations at the end of the tour and publish discrete dates for the tours so that they are manageable for the staff/volunteer guides.

The key to success in this endeavour will be the stories and how they are told, so the appointment of the guides will be important.

Café

Location

The Shirehall has a well-equipped kitchen and pantry space which could be used by occasional caterers for events and weddings and to service a café. RO.22 is a large space adjacent to the kitchen and has been considered as a potential location for a café (c.100 capacity). However the location is distant from the main public circulation area and route to the Library in terms of users of the building and for the general public it would not be obvious from the outside of the building to attract passing trade.

It would be relatively easy to service an outdoor café to the front of the building, in fair weather. This would require attractive outdoor furniture and temporary signage ideally. The best location for

an indoor café would be in the foyer using areas to the left and right for seating. This is quite a distance from the kitchen but could be managed from a servery (where the current right hand side reception desk¹⁷ is located), with preparation in the main kitchen.

Offer

Hereford is very well served for coffee shops so offering something distinctive is vital. The Shirehall foyer has light, high ceilings and a sense of space which set it apart. The fit out will need careful consideration to create the desired and distinct feel of the café. It will be important to build a reputation to attract repeat business and referrals. A good children's offer will be important to convert library visitors who will walk through the café on every visit and it is possible to have small mobile book displays so that parents could read to children in the café or children could read.

To be economically viable the café requires footfall and a USP that sets it apart from the many coffee places in Hereford. Footfall will be generated by the c.17,000¹⁸ active borrowers, hirers of the spaces, tourists/visitors, participants in classes, Learning Centre users. Group hires that span across lunch are a good target if the café offer is good and attractive. In addition an attractive café, with good food, a great atmosphere and outdoor space can be a draw in itself, attracting city workers, shoppers and visitors. Evening events also offer an additional opportunity depending on the footfall in the evenings.

Model

Herefordshire Council has experience of operating a community café with great success at Plough Lane. This business model could also be used for the Shirehall.¹⁹ Alternatively the café could be run as a commercial enterprise, either by an external operator or by Herefordshire Council. It is presumed that Herefordshire Council do not have experience of commercial cafes and therefore it would be beneficial to have a contracted operator. The forecast outlines what turnover could be possible which could be used to negotiate with an operator. If the offer is deemed worth the investment the operator may contribute to the servery installation also.

¹⁷ The right-hand reception desk will be removed in this phase of the development

¹⁸ This is a target and it is recognised that it will take time to get back to those figures

¹⁹ No operational and performance information was available within the window of this report

Building and other implications

In order to be as successful as possible as a library and as a civic building it is important to decide how the offer will be presented and make sense to the public so that the target audiences are attracted to use the Library, Shirehall and the Learning Centre.

Marketing

All the facilities will need to be marketed to the target audiences. It is recommended that there is a website where enquiries can be made and pricing and facilities can be easily accessed and ideally booked. Well-presented and clear information on the website can help reduce enquiries about bookings. Although bookings, particularly corporate and wedding booking will require staff time.

In terms of filming Herefordshire Council would need to register with the appropriate location filming companies in order to raise awareness of the facility, a good example of this is Southport's facility (<https://www.courtforhire.co.uk/>). As with all opportunities building a relationship with the main location companies will be an advantage and ensuring they have a good experience when using the location is vital for repeat business.

A new profit run café would need to become a destination in its own right to make the most of the commercial opportunity. As the Shirehall will be a completely new proposition for the city it will need active marketing to draw attention to the new offer. Shirehall and Library and Learning Centre promotion and introductions as well as the teams need to promote use of the café e.g. catering for hirers in particular, away days and maker space/computer room users. Having a catering contract will place the onus on the catering company which will need to be monitored.

The programme of events, activities and classes as well as the specific facilities will also need to be marketed so that awareness is raised about the new facilities and what they offer for the target audiences.

Staffing considerations

The current library staff provide a good service supplying 72% of the book requests within 7 days which in 2018-19 was amongst the top service levels in libraries.

There are a number of new services being created which will require some extra staff capacity prior to opening to build awareness in the market for those services. This will involve extending and, in some cases, building new relationships with, in the case of the Sensory Room, schools including SEN but not exclusively, care homes and other member and charity organisations. Similarly, with the makerspace it would be useful to build relationships with clubs, business networks, job clubs, colleges etc to raise awareness and use of the space.

The makerspace and the sensory room users will need to be introduced to the room and the facility and use of machines in the former.

Although a conservative estimate of usage has been projected for the Shirehall there are quite a few rooms to be set up for multiple use so there will need to be someone responsible for set up, checking facilities, arranging chairs and equipment (projectors, computer equipment etc). The co-

ordination of the booking will need oversight and there will need to be a information point for those arriving.

Weddings will need to be sold proactively and provision made for show rounds and upselling of the offer. It would make sense for this to be a sales-oriented role which takes responsibility for filming, tours, events and sleepovers all of which will need to be proactively sold. This role would also be responsible for the relationship with the company selling paranormal events and oversight of rental in general.

Guides will be needed for the tour and their skill in creating an ambience, interest and inspiration will be important to the success of the tours and their reputation.

Cleaning, maintenance and security are assumed.

The Library and Learning Centre and Shirehall operations will have cross over points so it will be important to have good liaison between the teams and to seek out areas for collaboration e.g. Sleepovers, cross promotion of the café facility etc

Those relationships will need to be maintained and usage monitored to assess who the 'customers' are so that use is maximised and adapted as intelligence is gleaned from operation

Volunteers

The CIPFA report suggested that there was an opportunity to make further use of volunteers to deliver the service (Herefordshire volunteering accounted for 5.2% of worked hours compared to an average of 7.2%).

Volunteers could be used to help deliver the Sensory Room service, Makerspace, Local Studies Room, Digital Skills Lounge, Tours and Front of House/Welcome/ Wayfinding at the entrance, each requiring a slightly different skill set. Volunteering can also be part of the Library's aim to reduce loneliness, upskill and provide social benefits for those involved.

Financial Projections and assumptions

To build a forecast some assumptions have been made and are listed below. These can be used to monitor performance and adapted as operation gives concrete intelligence about usage.

Assumptions

Library and Learning Centre

Makerspace - 6 days 10am-8pm

It is assumed that the Makerspace will have a membership model. The rates are given below:

Individual	£60
Student	£45
Start up /1-2 person company	£150
Profit business	£250
Low income rental	£20

Table 4: membership rates

The start-up membership is assumed to be 110 members, distributed at the following ratio.

Individual - 3; Low income - 3; Student - 2; Start-up /very small businesses - 2; for-profit business - 1.

In addition machines (3 machines) would be charged out at £15/2h session except Sewing Machines (2 machines) which would be £5/day. (Monday – Saturday, 50 weeks per year)

Sensory Room

Open 50 weeks per year, 50 sessions per week over 7 days (10am- 5pm), 45 mins sessions

Fees: Children or Child group £5/session

Adult or Adult with carer, Adult groups £6.50/session

Usage: Per week number of sessions: assumed slightly more children sessions and a ratio of 1:5 in terms of group to individual children and for adults 2:5:3 single adults: adults with carer: small group adults (3). Maximum use using these assumptions is indicated in Table 5

	Price	No of attendees	No. of Bookings per week	No. of weeks
child	£5	1	4	50
group	£5	3	20	50
adult	£6.50	1	5	50
adult with	£6.50	2	12	50
group	£6.50	3	8	50

Table 5 maximum use using assumptions

Training Room Full Day £120 – Half Day/Evening £60

Monday – Friday operation (44 weeks) and 3 evenings (30wks p.a.)

Forecast assumes 60% use

Events 3 low-cost day time events/week for c.12 people @£3 over an average of 45 weeks²⁰

30 evening events with a maximum audience of 65. Assumes 18 events @£15 and 12 @£10. Figures assume a 65% average audience take up.

Retail figures assume all libraries continue to have occasional book sales.

Shirehall

Room Hire assumptions

The following rates and usage have been used to ascertain the maximum capacity for rental of Shirehall space. A percentage has then been applied. Note that the Ceremony Room and RO. 22 are available for fewer weeks due to use for weddings. Usage for the Coroner's Court has been considered as well as summer break and Christmas holidays.

The Exterior space could be of use for markets (food, Christmas etc), city events or charity events. A small use for Court Room 2 has been added as the market for this unusual room is not known at this time. It may be that a wedding could be accommodated here but this needs to be tested.

Room	Av. Capacity	Full day rate	No. of days	No. of wks
Ceremony Room	60	£200	5	25
Judge Room for Court Room 1	4	£60	5	28
Judge Room for Court Room 2	4	£60	5	41
Registrar's room	2	£60	5	41
Jury Room RO.17	10	£85	5	28
Family Room RO.03	12	£85	5	41
RO.18	50	£200	5	41
RO.19	40	£170	5	41
RO. 22(Community Café)	70	£230	5	20
Court room 2		£400	5	
Exterior space		£500	24	

Table 6: Rates and Rental -Shirehall

²⁰ To accommodate holidays

Weddings 35 weddings p.a. of which 20 are hire of Ceremony Room, 20 include hire of a hall for a meal, dancing and bar and 5 of those are private hire of the building (Sunday).

Ceremony Room £500

Hire of Ceremony Hall, Community café and ante rooms £1200

Private Hire £2500 (plus commission on drinks and meal)

100 guests; £40 per head per meal; £15 spend per head on bar; 5% commissions on bar and meal.

Café

The assumptions for the café operation are given in Table 4

	Destination	Library	Events /Hirers	LLC	Evening
Footfall (daily)		3000	402	50	
Conversion		1%	30%	7%	30%
Daily customers	100	30	121	3.5	1950
SPH	£9.00	£5.00	£7.00	£3.00	£5.00
Conversion					
Annual revenue	£40,875	£7,500	£42,219	£525	£2,925
Turnover	£94,044				

Table 7: Café operation assumptions

Kitchen Hire Once per fortnight; £220 includes all fuel

Paranormal 4 per year @ £450 hire charge

Sleepovers 4 p.a. for 40 people paying £75 / person. Assumes sold out every time.

Filming 7 days @ £1000/day

Tour Once per fortnight; average 10 people; average donation £5

Financial Projections

Based on these assumptions the financial projections are given below. These have been calculated to be achievable with room for additional growth as the organisation learns more about the market and becomes proficient at operating the services and the public 's awareness is raised about the new facilities.

<u>Library and Learning Centre</u>		
Sensory Room		£26,580
Maker Space		£26,500
Training Room rental		£34,920
Events Daytime		£4,860
Events (evening)		£16,478
Retail		£1,400
Printing income		TBA
INCOME ONLY		<u>£110,738</u>

Table 8: Library and Learning Centre projections

N.B. Makerspace users will be required to cover the cost of printing materials

Shirehall

All rooms (hire)	£120,105
Weddings	£46,000
Paranormal	£1,800
Tours	£1,200
Kitchen rental	£5,280
Filming	£7,000
Café	£6,583
Sleepovers	£12,000

Table 9: Shirehall financial projections

The café income is based on a concession fee of 7% from a contracted catering company generating a turnover of £94,044.

Research

Court Rooms for Hire

Southport <https://www.courtforhire.co.uk/>

Southport Magistrates Court Room is a wood panelled room dating from the 1930s and is now closed. Filming is charged at £1200+VAT per 12h day, although it notes that charges are negotiable depending on the event. <https://www.gov.uk/guidance/hire-a-court-venue>

Portsmouth University has a replica Crown Court room one of the few in the UK <https://www.port.ac.uk/about-us/our-facilities/teaching-and-learning-spaces/replica-courtroom> where students can practice their skills, mock trials are held as well as mooted competitions. External organisations regularly hire the courtroom facilities for staff training in advocacy and expert testimony. Their replica Crown Court includes:

- 4 ceiling mounted cameras
- A projector
- Video linked interview rooms
- 2 TV screens
- Witness stand
- Space for jurors
- A dock for defendants
- Jury retiring room
- IT support technician and administrative support

Sensory Rooms for Hire

Sensory Rooms at 12 Ravenscourt, Rotherwas Industrial Estate, Hereford - This facility is for sale and appears to be closed. It seems to have been a commercial venture that opened in December 2022 and was renting the room by the hour for £15/hr.

Worcester Snoezelen www.worcestersnoezelen.org.uk

They have three rooms, all with water beds and they have hydro pools, each room has a slightly different feel due to the lighting and equipment. They are open Monday – Saturday for private hire and Tuesday am for <5yrs and Sunday for under 18s. They are mostly fully booked (9.30am-5pm) but emphasized that the income from fees does not cover costs. Grants are raised to cover all costs. They welcome all ages including pre-school to independent visitors in their 80s and 90s. They have a number of regular bookers and are used by SEN schools and other schools who bring children before school and at lunchtimes. Some places are paid for from care services (Council), although this has diminished in recent years.

Play groups and kids £5 per 45 mins

Adults £6.50 per person including a fee for one carer (even if there is more than 1 carer)

Worcester Snoezelen offered information on companies who offer good quality service e.g. TFH who do soft play and fibre optics; Sensory Direct and Romper who do the smaller scale toys etc. They emphasized that cheaper equipment does not last and cannot withstand the rough and tumble of running these kinds of facilities (e.g. quality of motors etc) and over their 30 years have learned that paying less is a false economy. OMMI are the best projectors.

<https://www.warrington.gov.uk/memberships> Warrington has a purpose-built Sensory Room and it's the ideal place to meet a few friends to relax and enjoy your young children together. Babies, toddlers and parents enjoy the calming atmosphere and room can be booked free of charge for up to an hour.

<https://www.thewingatecentre.co.uk/> Wrenbury Hall Drive, Wrenbury, Nantwich, Cheshire, CW5 8ES

£20/h (max of 6)

[Warrington Play and Sensory Centre](#) – Hall Rd, Woolston, Warrington WA1 4PB

Warrington space is charged. They run a membership scheme

<https://www.warrington.gov.uk/memberships> which costs £5 per child and an entry fee on top with low rates for pre-toddlers and prices from £4 to £6 depending on age of the child. Non-members can also book a space at £5 per child a certain sessions. Sessions are targeted at different age groups and needs. This is a large sensory space where they can run movie nights too.

[The Sensory Spot CIC](#) – Unit 4 Bovis House, 7-9 Victoria Road, Hartlepool, Cleveland TS24 7SE

Sessions cost £3. Very little detail on their website

[Bendrigg Trust](#) – Old Hutton, Kendal, Cumbria, LA8 0NR –no longer available

[Beeford Children's Centre](#) – Beeford CE VC Primary School, Main Street, Beeford, YO25 8AY
Available FOC

[Beverley Children's Centre](#) – Coltman Avenue, Beverley HU17 9LP Available FOC

[Hornsea Children's Centre](#) – Broadway, Hornsea HU18 1PZ - Sensory equipment in a play room

[Withernsea Children's Centre](#) – Withernsea High School, Hull Road, Withernsea, HU19 2EQ
Available FOC

Oldham Library and Learning Centre -

https://www.oldham.gov.uk/info/200280/libraries/2064/sensory_room

The Sensory Room is open for bookings on weekdays from 10am–4pm, Wednesday afternoon, Thursday morning. Charge £3 for 30mins for up to 6 people including carers and non-participants. Consecutive sessions can be booked if more time is desired.

Schools and groups can book at a cost of £10 per hour. There is a special annual subscription price of £200 which allows you to book two Sensory Room sessions per month, two of which can incorporate a free [Bag books](#) multi-sensory story time, delivered by trained storytellers. Bag Books multi-sensory story times are available to book upon request charged at £30 per session.

A 15-minute introduction to the facility is given at the first visit, after which bookers have full access for the duration of the Sensory Room experience. Library staff are available to assist with additional queries or requirements.

Maker Spaces for Hire

<https://www.hertfordshire.gov.uk/services/libraries-and-archives/other-library-services/creatorspace/creatorspace.aspx>

Taster sessions of 90 mins are available on the 3D printer, iMacs, digital cutter, sewing machine and embroidery machine. A taster session is an informal one-to-one. You get an introduction on how to use the piece of equipment and a free course booklet to help you practise. £10 per session.

The sewing machine & embroidery machine sessions cost £15. Craft groups for adults e.g. Knit and Natter, Sewing or Craft: £2.50 per session.

Equipment available includes:

- iMacs, PCs, Chromebooks and tablets
- 3D printer and rendering software
- digital cutter for your craft projects
- digital sewing and embroidery machines
- Adobe Creative Cloud suite, Final Cut Pro and Logic Pro
- colour printer, photocopier, laminator and digital screen.
- Virtual Reality (Oculus Rift)
- Green Screen.

<https://www.ashfield.gov.uk/your-council/news/have-your-say-on-the-maker-space/>

<https://www.culturepk.org.uk/creative-communities/maker-space/>

Space includes the following equipment:

PCs and Macs with the following software:

- Adobe Creative Cloud (Photoshop, Illustrator, Lightroom, InDesign, PremierePro)
- Cura (for use with the 3D printers)
- TinkerCAD
- Meshmixer
- Unity
- Scratch
- Code Academy

You will also find:

- An Ultimaker3 3D printer – there is a small charge for print materials.
- iPad based 3D scanning equipment.
- robotics and coding equipment.

The A3 large format scanner is available at any location upon request (1wk advanced notice required).

Additional equipment available at AK Bell Library, Perth Maker_Space

- HP Sprout – has the ability to scan in high-resolution 2D and 3D objects

- Wide-format plotter/printer – glossy and plain paper can be provided at cost or provide your own alternative media. A fee is charged to cover materials.
- Photography and animation studio – including coloured screens, lighting, photography equipment and a Zoob construction kit
- Podcast studio

3D printing £2/hr

Larger printing excludes paper costs POA £1.10 A4; £2.20 A3; £4.40 A2; £8.80 A1;
£17.60 A0

Commercial/partnership use £16.50 / hr; Half day £50; Full day £90

Fab Lab Devon, Exeter Library <http://fablabdevon.org/membership-2/>

A small-scale workshop offering digital fabrication. It includes an array of flexible computer controlled [machines](#). Activities include printing t-shirts, designing & producing 3D prints, embroidered designs, laser cut dreamcatchers from wood / Perspex. There is also a CNC machine an electric guitar.

The facilities are often used by makers, designers, local businesses, inventors, artists and entrepreneurs. They welcome school and group visits and offer a workshop programme throughout the year for both children and adults. Annual membership rates are:

- Individuals 12mth membership – £72
- Student Membership (25% off) £54
- Business non-profit – £100 for two people (£50 per additional person)
- Business profit making – £150 for two people (£50 per additional person)
- Low-income Membership £20 for one person

Membership includes:

- FabLab Induction and orientation
- Training on all equipment
- Use of the machines independently
- Digital Making Tutor and Volunteers on hand to support and share knowledge
- Membership is paid upfront and includes separate inductions on the machines and subsequent supervised sessions to enable members to become independent and competent.
- After inductions have been completed, machines are booked by the hour e.g. laser cutter is £10/hr

Opening Hours

Alternate Mondays 1000-1300.

Every Tuesday, Wednesday and Friday 1000-1300 & 1400-1700.

Alternate Saturdays 1000-1300 and 1400-1700.

Alternate Sundays 1200-1445.

Town Hall tours

<https://www.lovehackney.uk/hackney-town-hall-public-tours> FOC

<https://www.visitrochdale.com/things-to-do/rochdale-town-hall-tours-p12831> FOC

<https://museumofoxford.org/event/inside-oxford-town-hall> Includes the Court Room £5 (a one off tour and operated by the Museum of Oxford for summer tourists).

<https://shop.stalbansmuseums.org.uk/products/town-hall-tours> FOC

<https://teesvalley-ca.gov.uk/visit/whats-on/events/middlesbrough-town-hall-tours/> Court rooms, prison cells FOC

Council run Cooking

[Book a Class | Made In Hackney](#) Range of free and paid for cookery classes including Vegan, Diabetes, Bread making, Foraging, Growing herbs and salad, Cooking on a budget

Sources & Bibliography

The Living Knowledge Network is a partnership between public and national libraries in the UK, created by the British Library. Together we celebrate libraries and create memorable experiences. On this website you can watch our specially-curated live events, so you can get a front-row seat for free no matter where you live. You can also explore content created by Living Knowledge Network libraries.

<https://staff.living-knowledge-network.co.uk/webinars>

Performance compared 21/22 to 20/21

<https://www.librariesconnected.org.uk/>

<https://www.publiclibrariesnews.com/>

<https://www.librariesunlimited.org.uk/>

<https://www.thebookseller.com/search?q=libraries>

<https://readingagency.org.uk/resources/>

Performance compared 21/22 to 20/21

<https://www.cipfa.org/about-cipfa/press-office/latest-press-releases/press-release-library-expenditure-in-great-britain-falls-17-percent>

CIPFA comparison report 2018-19

Social impact potential of libraries

<https://www.suffolklibraries.co.uk/assets/pdf/impact/moore-kingston-smith-impact-report-jan-23.pdf>

Measuring social value in Suffolk libraries

<https://www.suffolklibraries.co.uk/assets/pdf/impact/moore-kingston-smith-impact-report-jan-23.pdf>

Sensory Rooms

Herefordshire Council Sensory Room Proposal; Experia 2023

<https://www.craftscouncil.org.uk/learning/participation/what-we-learned-from-co-creating-in-makerspaces>

<https://www.craftscouncil.org.uk/learning/participation/what-we-learned-from-co-creating-in-makerspaces/setting-up-a-makerspace>

<https://www.bl.uk/business-and-ip-centre>

<https://dcmslibraries.blog.gov.uk/category/library-news/>

Appendix 2



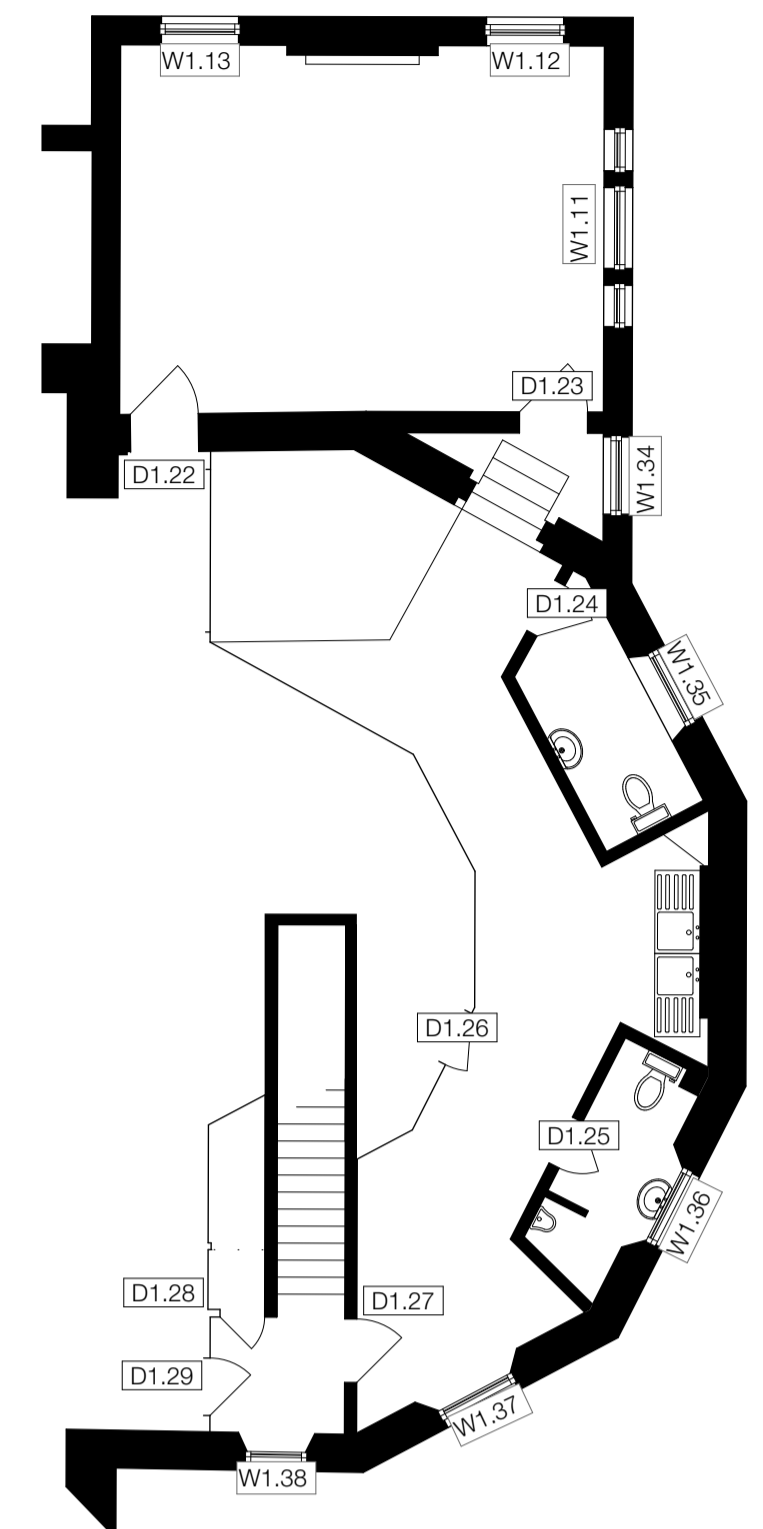
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- Court
 - Court use with prior agreement
 - Council tenant
 - Events
 - Welfare
 - Circulation
 - Services / Plant
 - Mothballed

158

Revision	Date	Description
A	02/02/2022	Drawing rev to A1
B	27/04/2022	RIBA Stage 3 Issue
C	30/06/2022	Window Refs W1.39-W1.44 added; retained basement escape route roof re-finished
D	18/08/2023	Drawing issued for Stage 02 Costing

SCALE 1:100

0 1.00 2.00 4.00



- Use Key:**
- Court
 - Court use with prior agreement
 - Council tenant
 - Events
 - Welfare
 - Circulation
 - Services / Plant
 - Mothballed

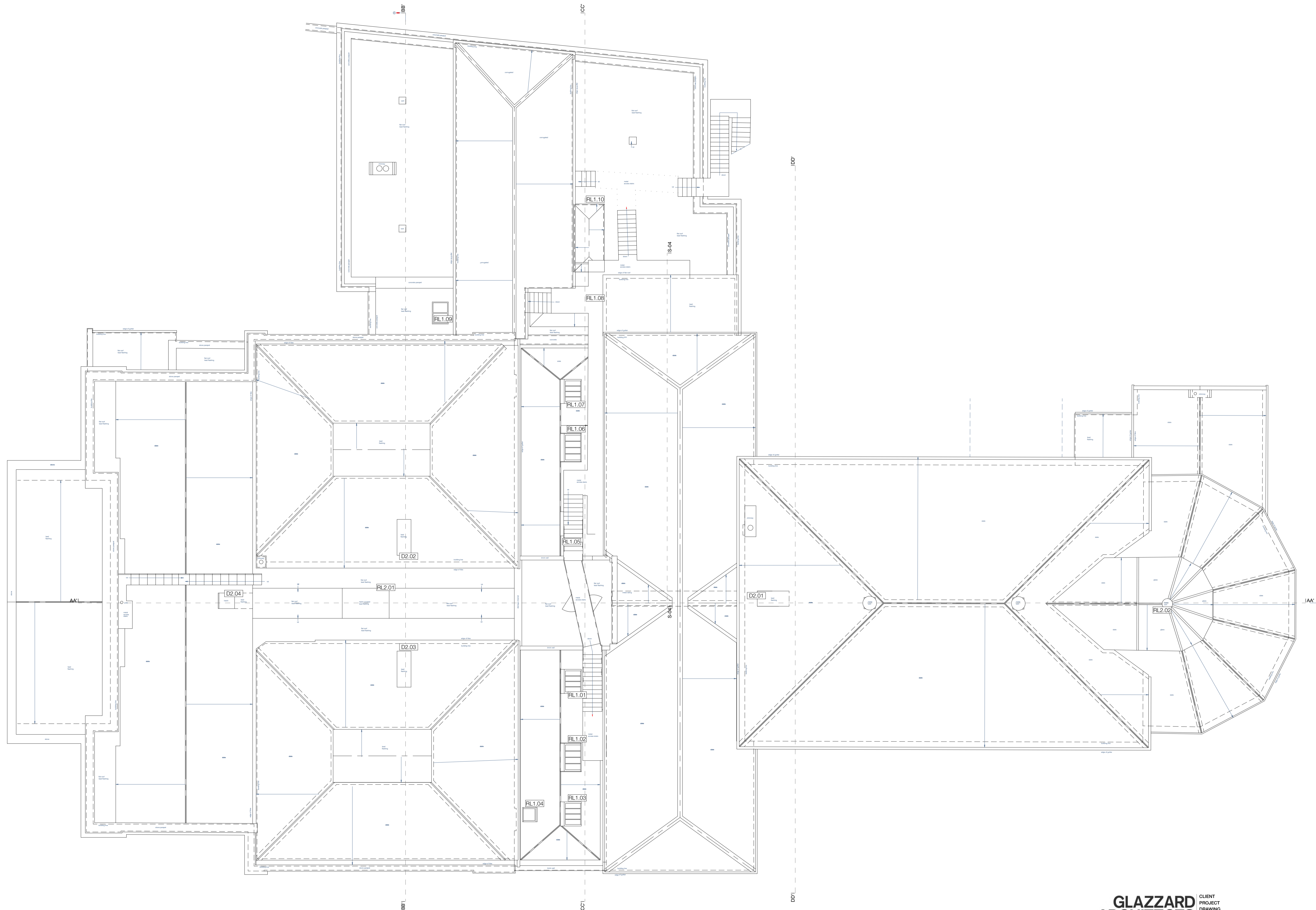
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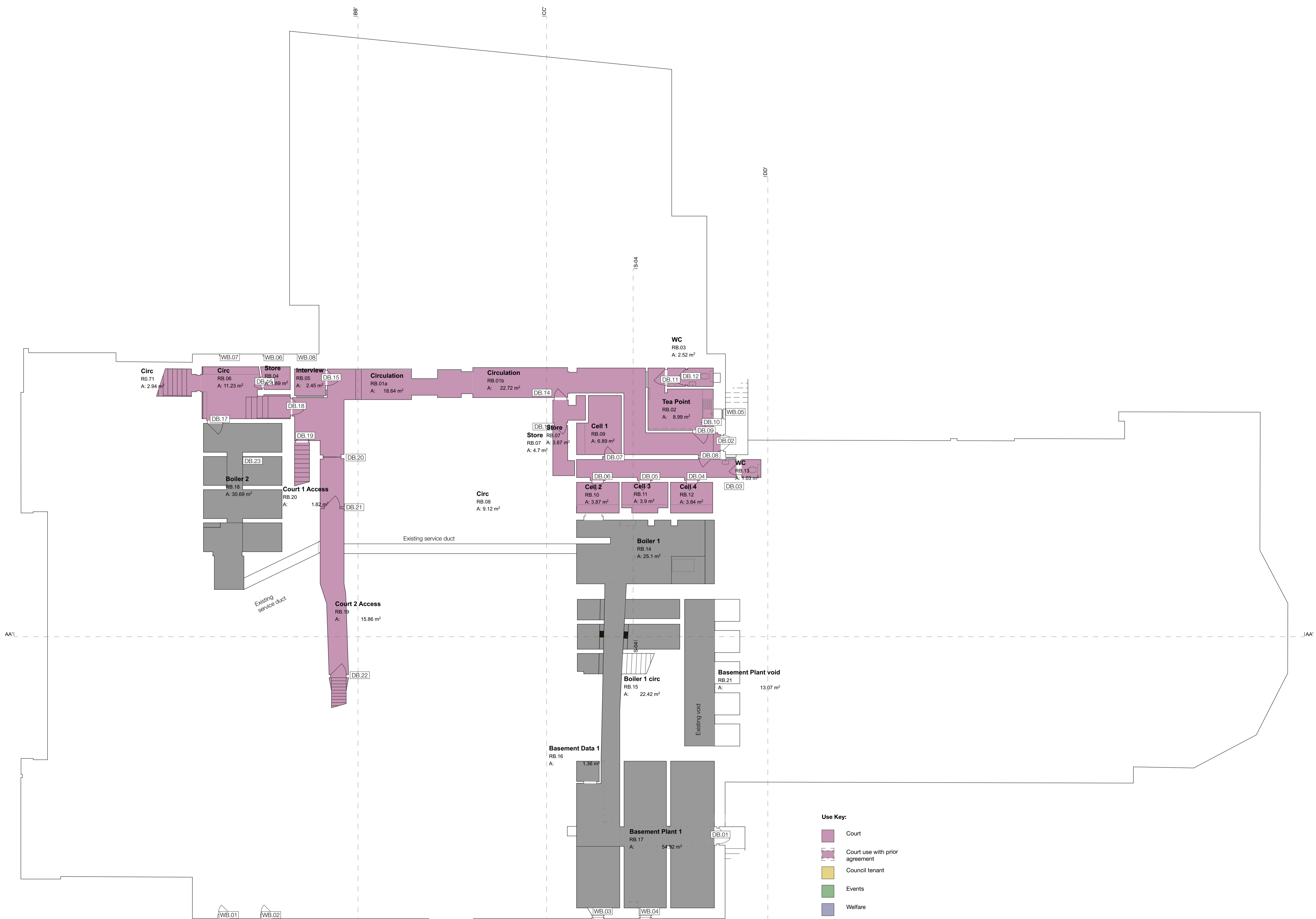
GLAZZARD ARCHITECTS
 Graingers Porcelain Works
 Unit 9, St. Martin's Quarter
 Silver Street, Worcester, WR1 2DA
 01905 757511 glazzards.com

CLIENT
 PROJECT
 DRAWING
 SCALE
 DATE
 FILE
 REVISION

Mace
 Shine Hall, Hereford
 Existing First Floor Plan
 1:100 at A1
 2142-Feasibility-Stage02a.pln
 2142 2001
 D

160





161

- Use Key:**
- Court
 - Court use with prior agreement
 - Council tenant
 - Events
 - Welfare
 - Circulation
 - Services / Plant
 - Mothballed



1:100 Existing North Elevation

162

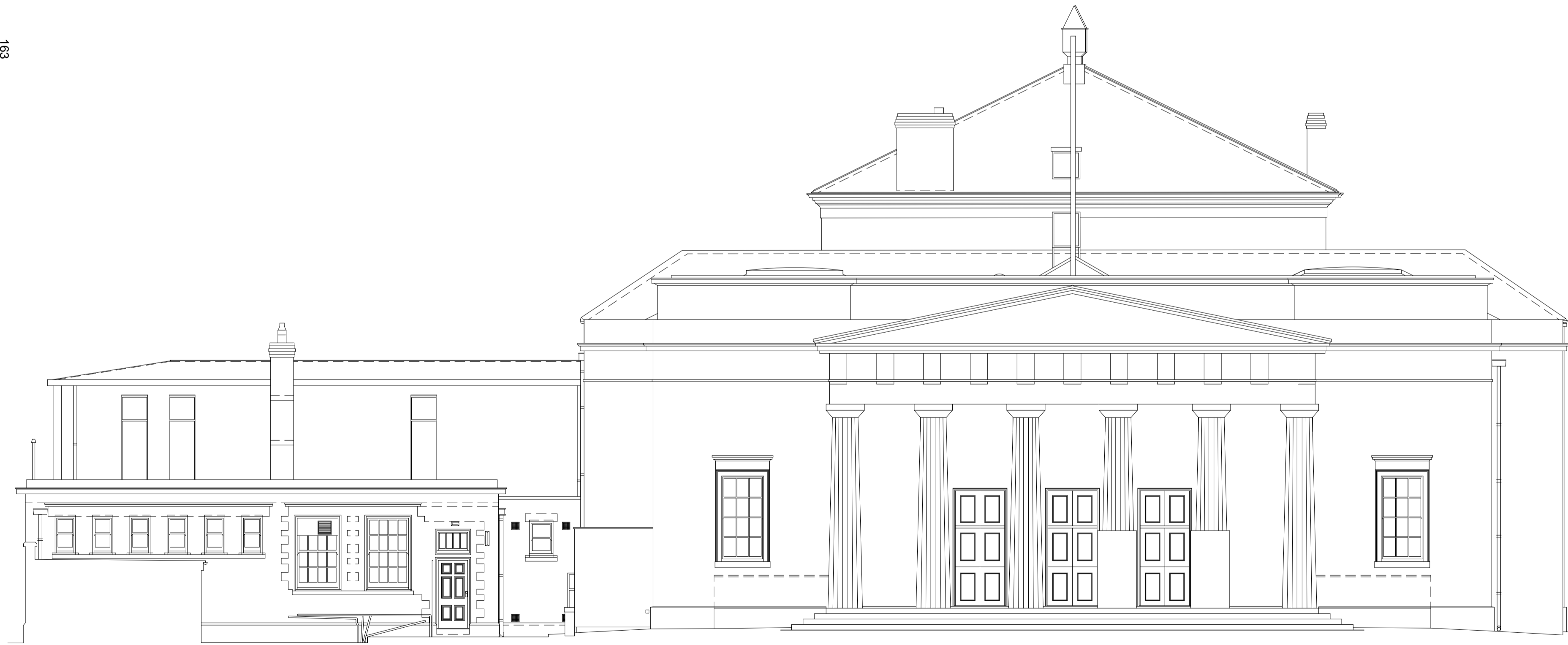


1:100 Existing East Elevation

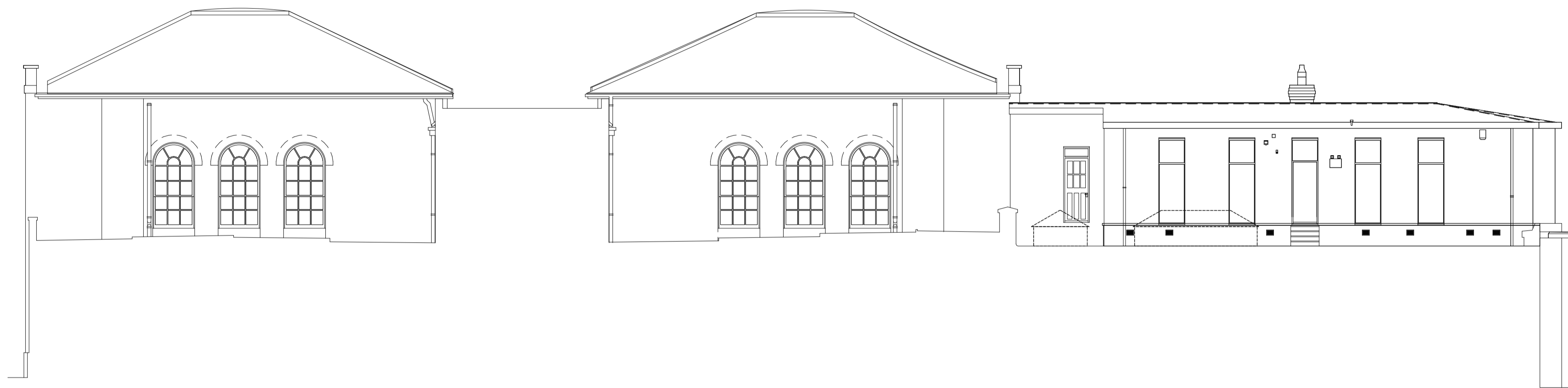


1:100 Existing South Elevation

163



1:100 Existing West Elevation



1:100 Existing Section Elevation

Revision	Date	Description
A	09/05/2022	Stair enclosure size rev to MAE comment, partition added to undercroft, Family room rev to Conservation Officer comments
B	30/06/2022	RBA Stage 3 Issue
C	01/09/2023	Stage 2 revised drawing
D	01/09/2023	Drawing issued for Stage 02 Costing, demo of walls to form alcove
E	06/09/2023	G0021 roof ref.duplication rev.

- Y0.01 Existing entrance door refurbished and converted to DDA compliant automatic/assisted doors
- Y0.02 New accessible WC
- Y0.03 New sanitaryware
- Y0.04 remove carpet and restore existing parquet floor
- Y0.05 New accessible WC
- Y0.06 New extension to house escape stair, platform lift and plant
- Y0.07 Low wall removed and steps made good
- Y0.08 New step / platform lift. Finish to match steps as tile over stair / lift mechanism, eg Platform lift co / stepless suitable for external use.
- Y0.09 Ceiling over new room / partitions to align with arch spring point

5916001 West Elevation E-04

East Elevation E-02 6000



Use Key:

- Court
- Council tenant
- Library
- Welfare
- Circulation
- Services / Plant
- Mothballed

6000 North Elevation E-01

SCALE 1:100

Revision	Date	Description
A	26/05/2022	extent of roof membrane renewal shown, PV areas indicated, committee room perspective shown
B	14/06/2022	Stair enclosure size rev to M&E comment
C	30/06/2022	RBA Stage 3 Issue
D	01/09/2023	Window Refs W1.30-W1.44 added, Stage 2 revised drawing
E	01/09/2023	Drawing Issued for Stage 02 Costing



- Y1.01 New stud wall partitions to form new rooms and circulation space
- Y1.02 Acoustic part height glazed lobby with soffit.
- Y1.03 New curved stage extension - to match existing in material/finish
- Y1.04 Flex step convertible DDA platform lift to stage
- Y1.05 New roof waterproof membrane; liquid applied system, cold applied, PMMA or similar. Preparation to manufacturer recommendations to suit existing substrate. 150mm upstands to perimeter; parapets and penetrations. All to manufacturer recommendations.
- Y1.06 new laminated double glazed units installed and flashings made good / repaired. Localised extract outlet to rooms below set in insulated panel to existing rooflights
- Y1.07 New extension; single height plant room to end, 2 storey to main core. To form plant space for re-used plant to undercroft with staff stair / emergency escape stair and passenger / goods platform lift with 500kg load capacity.
- Y1.08 Windows and doors replaced
- Y1.09 Existing roof stripped, new insulation with single ply membrane, plasterboard ceiling to inside face with skim and paint finish
- Y1.10 Roof lantern remake in durable timber, paint finish with new laminated double glazed units. Existing ironmongery to be re-used

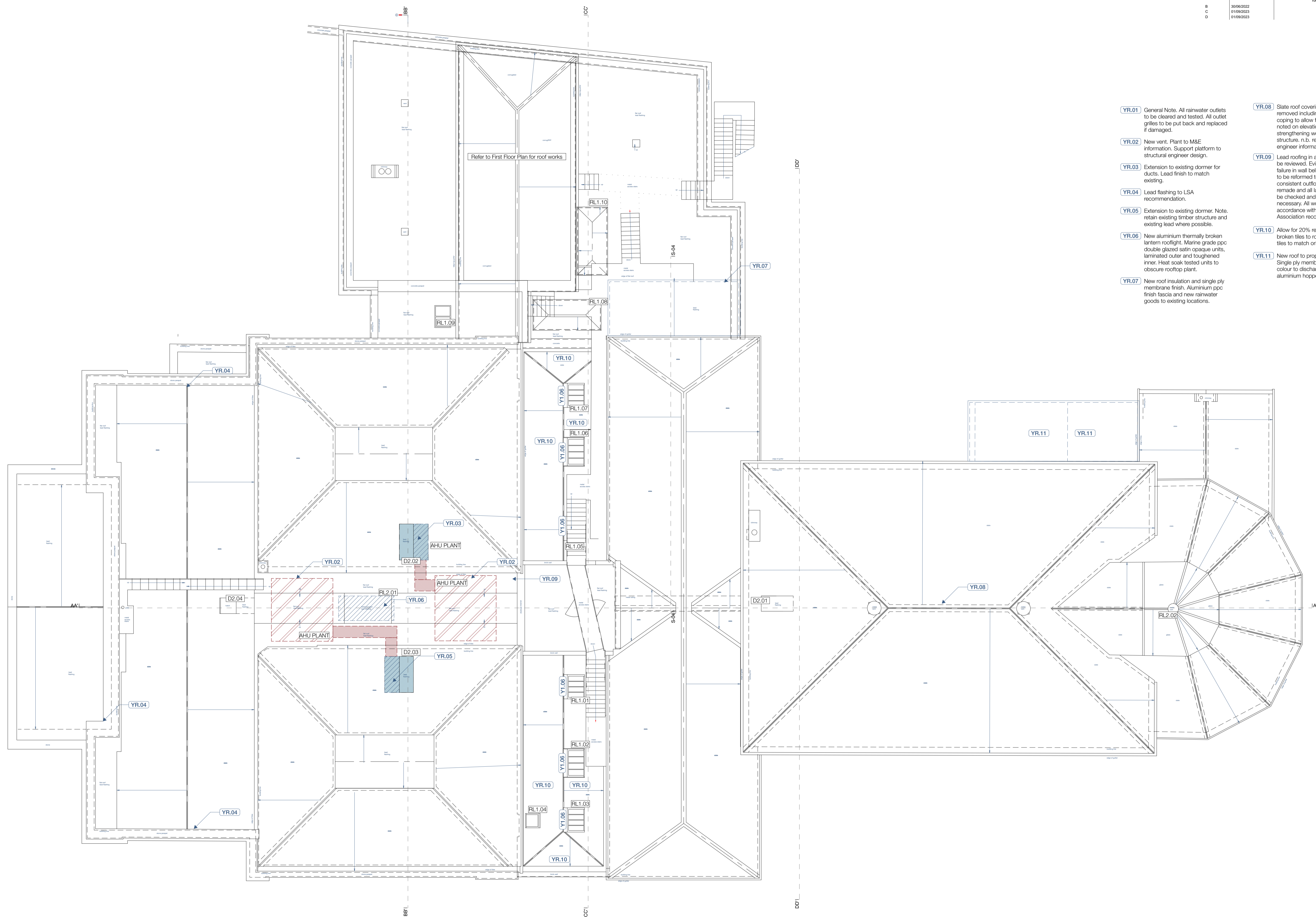
- Use Key:
- Court
 - Council tenant
 - Library
 - Welfare
 - Circulation
 - Services / Plant
 - Mothballed

6001 West Elevation E-04

6000 East Elevation E-02

6000 South Elevation E-03

Revision	Date	Description
A	26/05/2022	PV areas indicated, Court dormer extended to provide duct route to court ceiling. Roof AHU indicated.
B	30/06/2022	RIBA Stage 3 Issue
C	01/09/2023	Stage 2 revised drawing
D	01/09/2023	Drawing issued for Stage 02 Costing



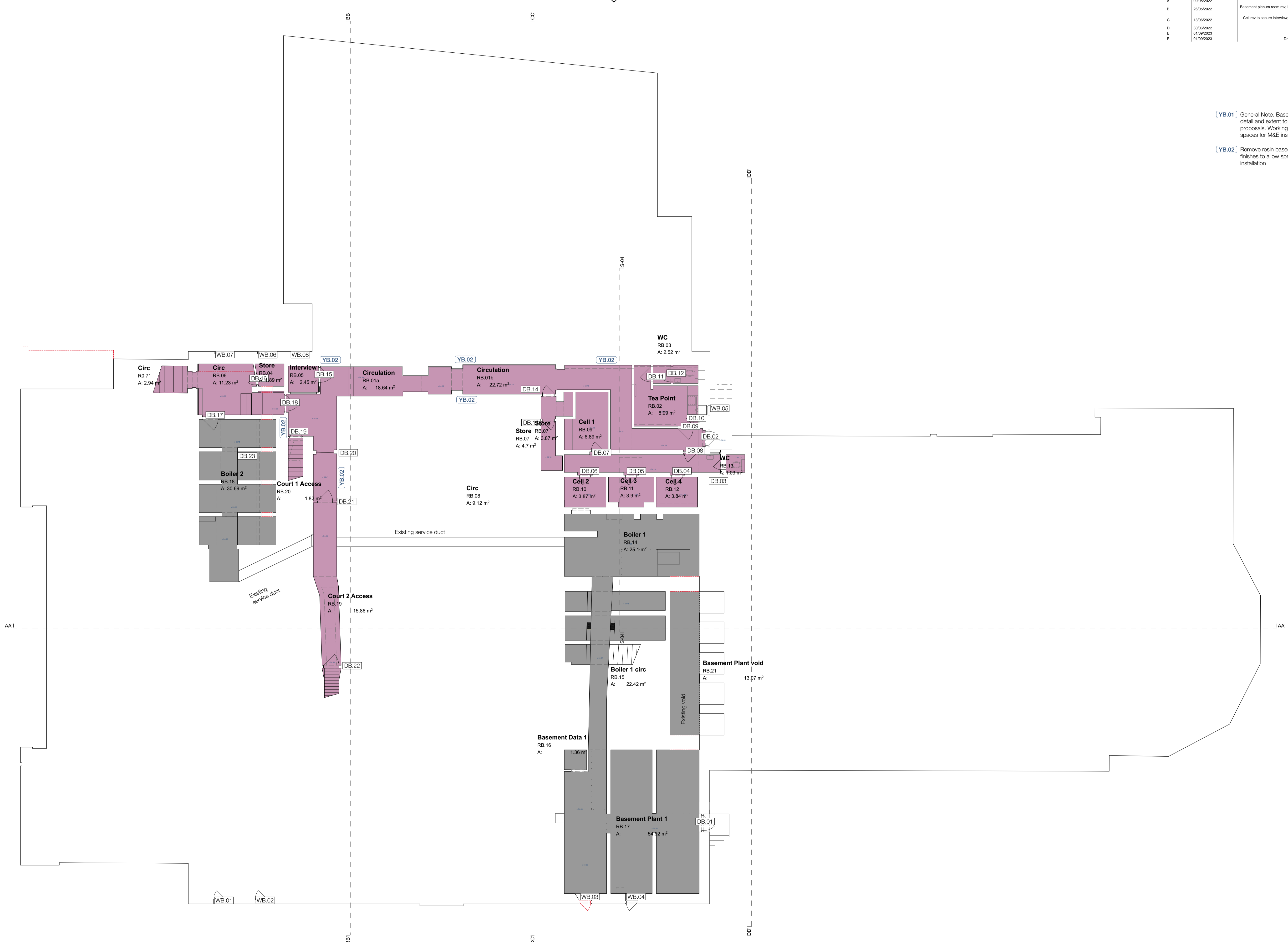
- YR.01** General Note. All rainwater outlets to be cleared and tested. All outlet grilles to be put back and replaced if damaged.
- YR.02** New vent. Plant to M&E information. Support platform to structural engineer design.
- YR.03** Extension to existing dormer for ducts. Lead finish to match existing.
- YR.04** Lead flashing to LSA recommendation.
- YR.05** Extension to existing dormer. Note. retain existing timber structure and existing lead where possible.
- YR.06** New aluminium thermally broken lantern rooflight. Marine grade ppc double glazed satin opaque units, laminated outer and toughened inner. Heat soak tested units to obscure rooftop plant.
- YR.07** New roof insulation and single ply membrane finish. Aluminium ppc finish fascia and new rainwater goods to existing locations.
- YR.08** Slate roof covering to be carefully removed including flashings and coping to allow for investigation as noted on elevation. Allow strengthening works to roof structure. n.b. refer to structural engineer information.
- YR.09** Lead roofing in area highlighted to be reviewed. Evidence of roof failure in wall below. Gutter outlets to be reformed to provide consistent outflow, upstands to be remade and all laps and seals to be checked and repaired where necessary. All work to be in accordance with Lead sheet Association recommendations.
- YR.10** Allow for 20% replace slipped or broken tiles to roof. Natural slate tiles to match original existing
- YR.11** New roof to proposed extension. Single ply membrane, dark grey colour to discharge to new PPC aluminium hopper and downpipe.

167

6000
North Elevation E-01

Revision	Date	Description
A	05/05/2022	Basement Room Rats expanded
B	26/05/2022	Basement plumum room rev, Interview room formed, duct space formed.
C	13/06/2022	Cell rev to secure interview, Interview 3 omitted, Secure lobby added
D	30/06/2022	RBA Stage 3 Issue
E	01/09/2023	Stage 2 revised drawing
F	01/09/2023	Drawing issued for Stage 02 Costing

- YB.01** General Note. Basement tanking detail and extent to specialist proposals. Working in confined spaces for M&E installations.
- YB.02** Remove resin based court paint finishes to allow specialist tanking installation



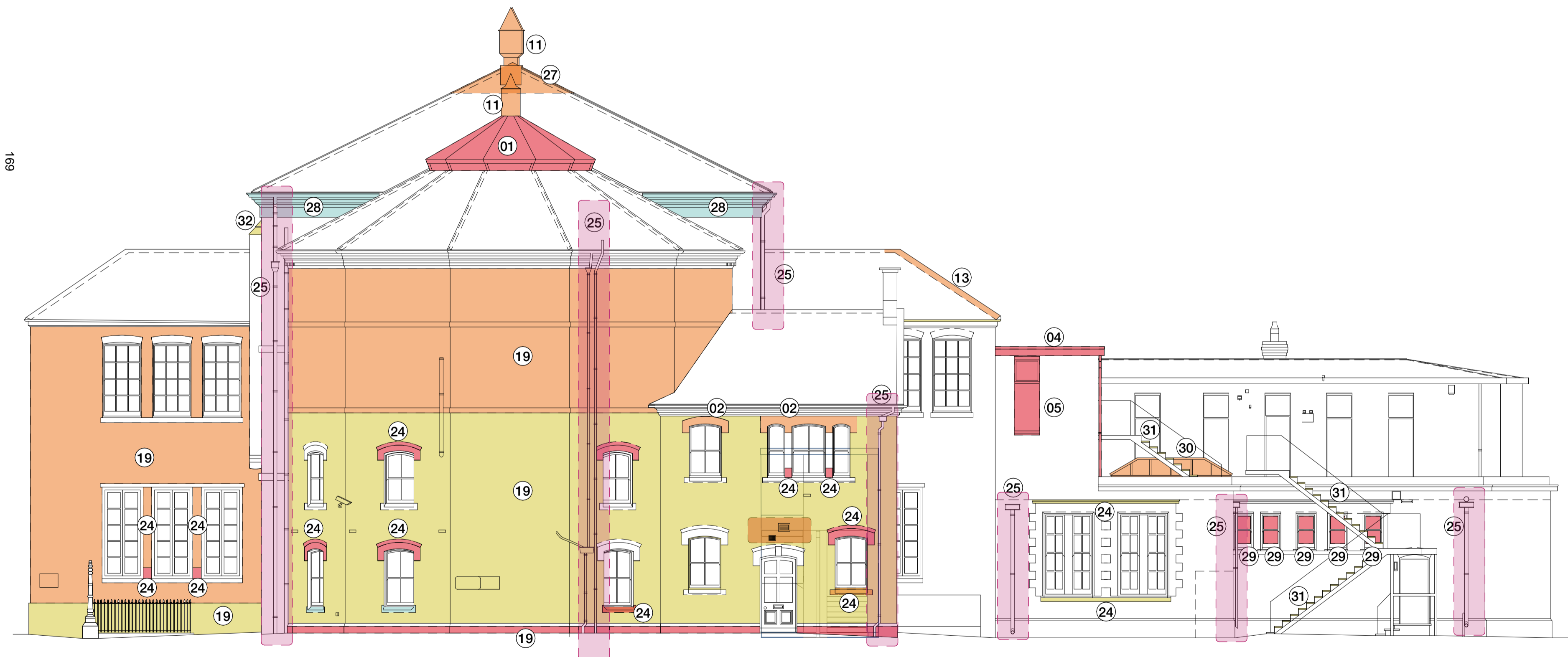
891 6001
West Elevation E-04

East Elevation E-02
6000

South Elevation E-03
6001



1:100 Proposed North Elevation



1:100 Proposed East Elevation

RED/AMBER ELEMENTS TO BE ADDRESSED ASAP

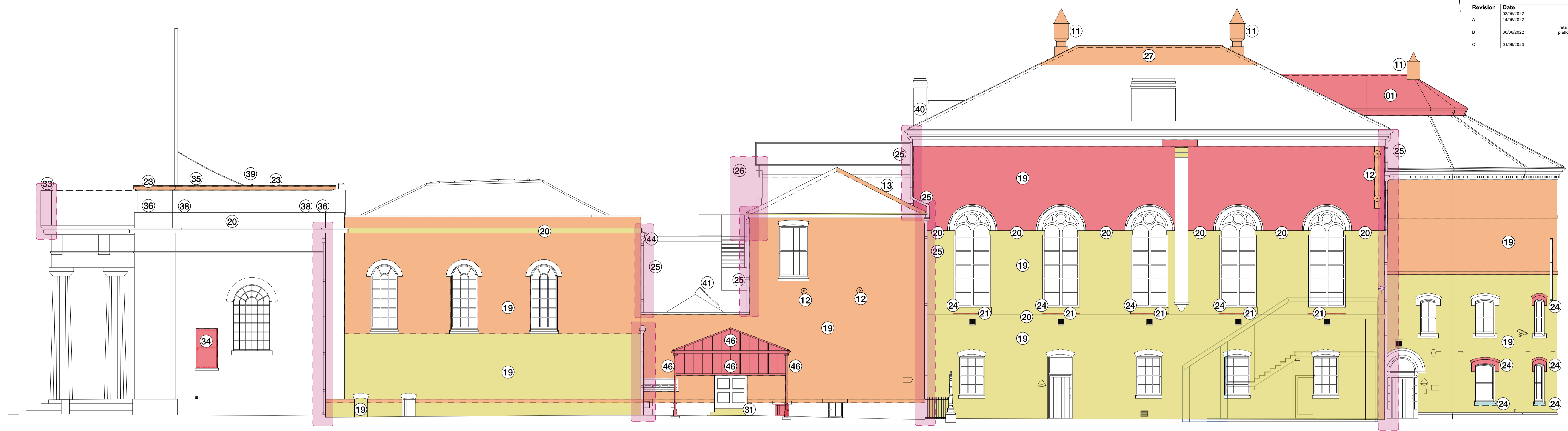
- Significant repair or replacement of elements required
- Significant repair required 20-80% approximately
- Repairs required; possible further works subject to detailed inspection
- Proposed Demolition

YELLOW/GREEN ELEMENTS TO BE CONSIDERED IN LATER PHASE

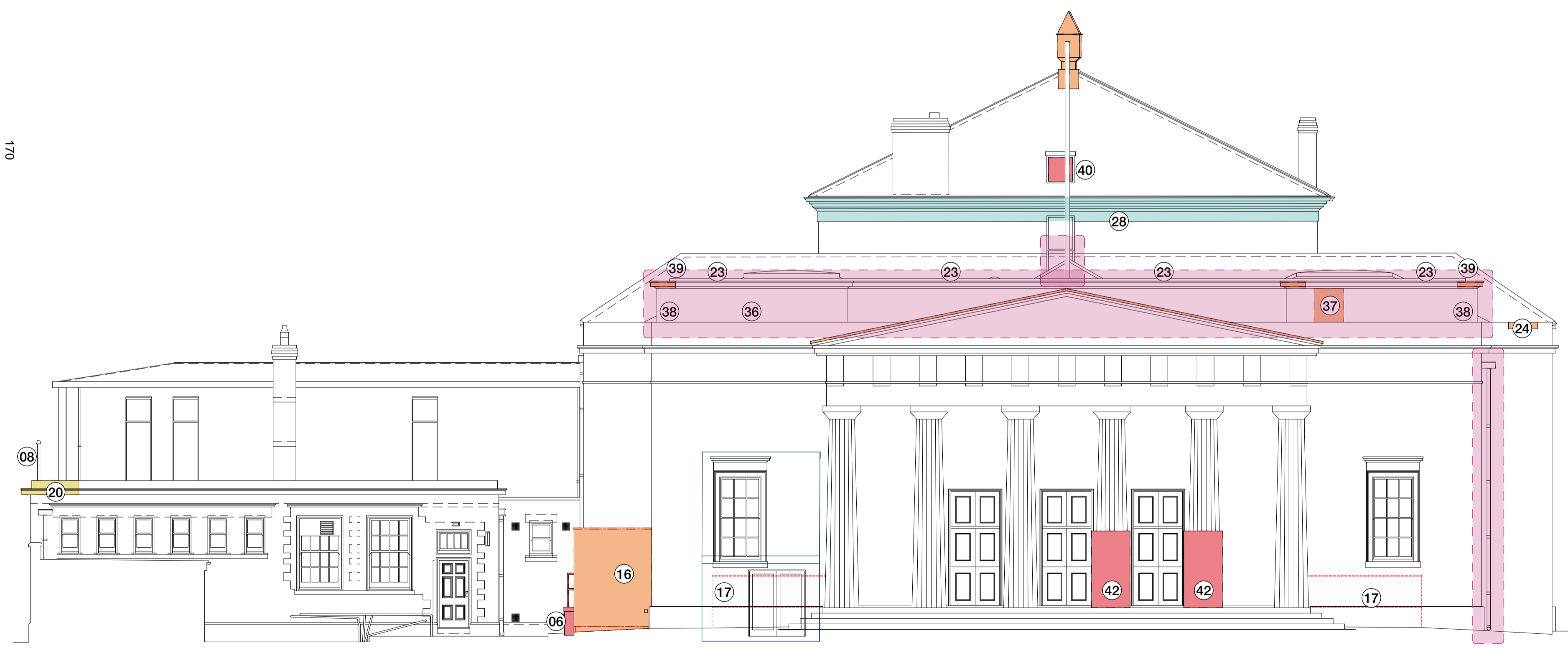
- Repair to sections of element, 10-20% approximately.
- Element of works to be separately costed

- 01 Careful removal of glazing and frames, repair where possible or replacement to timber sub-frame once exposed. New glazing frame and toughened and laminated glazed panels flashed into adjacent heavy slate tiled roof.
- 02 Localised repair of stone moulding to match existing. Stone to match existing, all stone to be cleaned.
- 03 Removal of metal bracket and replacement of stone feature band stone to match existing profile
- 04 Removal of felt roof and substrate to roof joists. Replacement plywood deck, VCL and rigid insulation with single ply membrane over to improve thermal performance. New aluminium PPC flashing and fascia.
- 05 Existing windows removed. Replacement Aluminium PPC thermally broken windows with improved thermal performance
- 06 Existing brickwork cleaned and re-pointed. Any spalled / water damaged bricks to be replaced - notional allowance of 25%. Carefully remove existing handrail and allow for installation of new metal handrail and balustrade, powder coat finish. Steps to be inspected and any damaged nosings to be made good. Nosings to ensure suitable visible contrast
- 07
- 08 Removal of vent if found to be redundant, tbc.
- 09 Demolition of Hall lobby; ground floor plant room and steel framed ramp. MAE equipment in plant room to be carefully removed and stored for re-installation in re-configured new plant space
- 10 Replacement of Ground level bricks to buttress to match existing. Existing adjacent re-pointed as necessary
- 11 Existing metal roof vent cowls to be carefully removed, cleaned, corrosion treatment applied if required and re-finished then re-fitted and weather. Restraint straps inspected for signs of damage or excessive wear and replaced if necessary.
- 12 Metal restraint channels and fixings to be wire brush down and existing coating removed to prepare for metal corrosion treatment and re-painted in situ with Micaeous Iron Oxide or similar.
- 13 Ridge capping tile to be repaired and ridge junction to be made good to provide properly weathered junction. Hipped ridge tiles reset and any damaged tiles replaced to match existing - nominally 20% allowance
- 14
- 15 Re-point brickwork and replace excessively damaged bricks. Ashlar detailed render to be made good, cleaned down and re-decorated.
- 16 Existing WC extension removed and stripped back to original external wall. Provision inflat to match adjacent finishes
- 17 Existing disabled access removed. Glazed guarding removed. Step finishes made good. 1no. New platform steplift with top finish in stone to match adjacent steps to left hand side only - to replace existing accessible entrance route
- 18 PVC rainwater goods removed and replaced with Cast iron to match existing.
- 19 Brickwork re-pointed with traditional lime mortar / putty. Replacement brick to match existing to failed bricks or open cavity due to previous removal of fixtures / fitting.
- 20 Clean and re-point existing feature stone.
- 21 Clean stonework, mortar re-pointing between stone sill and feature stone band to fill cavity.
- 22 Fully remove remains of previously removed wall fittings. Make good brickwork and report.
- 23 Review Existing Coping stones and metal straps. Allow for 25% metal strap restraints to be fitted where missing. Stone to be reviewed and any excessively laminated stone to be replaced.
- 24 Allow for cutting out of excessively worn areas of all stonework and replace with matching to suit. Where wear is excessive and extensive, allow for replacement of stone feature.
- 25 Allow for removal of rainwater goods, strip failing paintwork and corrosion treat cast iron. Replace sections if necessary due to excessive corrosion. Re-paint metalwork to be consistent colour all round.
- 26 Allow for fitting of safety ladder for maintenance access between existing platforms. Fall restraint cage where required - if height above platform is 2m or greater.
- 27 Allow for careful removal of existing tiles that currently do not sit flat; review of battens / support. Replace any failed battens etc. and re-lay tiles.
- 28 Separate allowance for replacement of excessively work stone. Profile to match existing.
- 29 Existing windows refurbished and glazing replaced with 30min EI glass units for integrity and insulation. Windows to be non opening.
- 30 Existing Lantern rooflight to be replaced or repaired and re-decorated to enable double glazed toughened and heat soak tested glazing
- 31 Contrasting nosings to be applied to existing steps
- 32 Lead flashing to top of stone capping of projecting brick feature
- 33 Detailed inspection of copper roof to coping stone junction; allow 25% repair of length - mortar re-pointing or flexible inserts to junction
- 34 Remove existing timber window and replace with block inner lead and plaster to match adjacent finishes, dressed stone to match existing to outer face. Recessed circa 20mm from outer face
- 35 Renew handrails with galvanized handrail to existing stepped access to flagpole
- 36 Review render to inner parapet - allow for repair to cracks / damaged surface, nominal 10%
- 37 Crack to inner parapet to be cut out and repaired
- 38 Tuck flashing to junction with render flashing and roof flashing to inner parapet
- 39 Lead flashing revised to existing lead batten roll to ridge and parapet junction
- 40 New timber replacement access hatch / door, insulated with locks.
- 41 Allow for repair and refurbishment of existing rooflights and lead flashings to existing slate roof.
- 42 Assumed repair required to base of column, inaccessible due to timber protective hoarding.
- 43 Termination to assumed vent pipe
- 44 Existing hopper removed, including piecemeal flashings. New hopper sized to suit roof outlets installed, style to match that as existing in building, lead flashing into brickwork
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- 46 Existing metal canopy frame carefully taken down and stripped back. Localised repairs where necessary to metal work and corrosion treatment applied. Redecorated with Micaeous Iron Oxide tbc. All work tbc specialist. New internal rainwater downpipes in columns to replaced assumed failed existing - to connect to below ground storm system.
- 47 Existing rooflight lantern assessed for timber condition. Make allowance for timber replacement lantern upstands with new double glazed laminated glass opening lights. Carefully remove and re-use internal screw opening mechanism on new opening lights. New thermally broken aluminium hipped roof over, powder coated - colour tbc. with new double glazed units.
- 48 Assumed felt roof waterproofing to be at end of life. Remove and replace with liquid applied waterproof membrane over external Grade Plywood; falls to existing outlets with flashing to existing walls. Replace existing concrete coping stones with Stone Capping to match adjacent stonework
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FOR DISCUSSION PRIOR TO REVIEW WITH CONSERVATION OFFICER



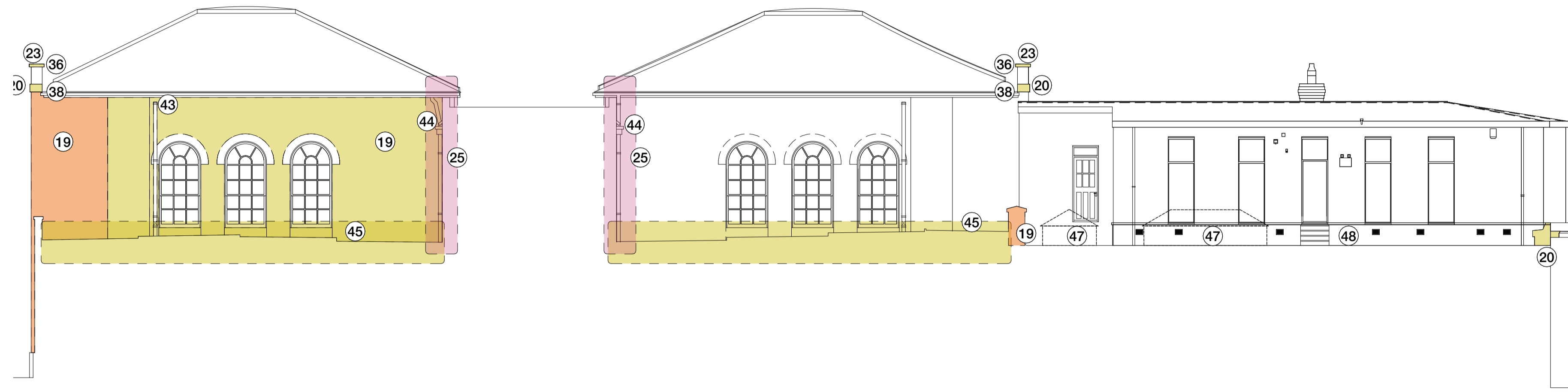
1:100 Proposed South Elevation



1:100 Proposed West Elevation

- RED/AMBER ELEMENTS TO BE ADDRESSED ASAP**
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 - Proposed Demolition
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- 10** Replacement of Ground level bricks to buttress to match existing. Existing adjacent re-pointed as necessary
- 11** Existing metal roof vent cowls to be carefully removed, cleaned, corrosion treatment applied if required and re-finished then re-fitted and weather. Restraint straps inspected for signs of damage or excessive wear and replaced if necessary.
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- 20** Clean and re-point existing feature stone.
- 21** Clean stonework, mortar repointing between stone sill and feature stone band to fill cavity.
- 22** Fully remove remains of previously removed wall fittings. Make good brickwork and repoint.
- 23** Review Existing Coping stones and metal straps. Allow for 25% metal strap restraints to be fitted where missing. Stone to be reviewed and any excessively laminated stone to be replaced.
- 24** Allow for cutting out of excessively worn areas of sill stonework and replace with matching to suit. Where wear is excessive and extensive, allow for replacement of stone feature.
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- 34** Remove existing timber window and replace with block inner leaf and plaster to match adjacent finishes, dressed stone to match existing to outer face. Recessed circa 20mm from outer face
- 35** Renew handrails with galvanized handrail to existing stepped access to flagpole
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1:100 Proposed Section Elevation

171

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FOR DISCUSSION PRIOR TO REVIEW WITH CONSERVATION OFFICER

Appendix 3

Library and Learning Centre -23-0912 Risk Register Full Business Case

Risk Number	Risk Description	Status	Risk Score	Consequence	Mitigation
Library Specific Risk					
1	Reputational/Financial - Project fails to secure listed building consent	Open	6	If consent is not obtained the project will face delays to delivery and cost implications	The Conservation Officer is part of the project team and has input/ is fully informed of all designs. Pre-application advice had been requested from Historic England.
2	Reputational - The Library and Learning Centre is not used by local residents, business, partners, etc.	Open	6	If the LLC doesn't generate the required income to cover the service charges this would create a cost pressure on the service.	The Project team have identified existing council services who will utilise some of the bookable spaces daily once available. In addition the rentable spaces are being designed to remain flexible to maximise their use. The project team has also procured expert consultants Take The Current who has produced a revenue report to strengthen the need for commercial opportunities.
3	Financial - Project runs over budget due to incorrect assumptions at feasibility	Open	8	The project would face value engineering to bring the cost within in budget and some objectives may not be delivered. This could also delay the project.	The project team will continue to work with the design team/ consultants to ensure the various elements come within the budget envelope through monthly project boards, weekly DTMs and ad hoc cost plan meetings.
4	Financial - Rise in inflation may result in an increase in costs	Open	4	Unstable markets may increase inflation across the life of the project above expected levels. This could have consequences on the delivery of work packages and require value engineering to reduce the costs to within budget.	Value Engineering required. Scope may need to be reduced. Additional funding may be required.
5	Reputational - The library doesn't meet statutory requirements	Open	3	Reputational damage, cost pressures on the service	The design team will continue to work closely with the Library services to ensure the new design provides the spaces and area required to fulfil its statutory obligations.
6	Financial - Unforeseen works found during fit-out	Open	4	Shire hall is a Grade II* listed building and there is a high possibility that during the construction phase we will discover issues which could possibly push back programme and add cost.	There is a generous contingency for this project within the budget. Extensive surveys and site investigations have been carried out to understand the building and its requirements.
7	Resources - Unable to recruit suitable experienced Library staff	Open	4	Delivery of the service would suffer reputation damage	The project team is working closely with the project Service Lead and the current service to assess the needs required to run the new services (LLC). Negotiations for management partnerships have been initiated with NMITE.

8	Political - Change in political priorities	Open	6	Loss of political support, leading to loss of resources.	We will consult with, brief and provide up-to-date information to all Council members.
9	Specialist contractor requirement/ volatile construction market	Open	9	Delays to project timetable and additional costs	Contractors capable of working on a historic building like the Shire hall are a specialist resource, which reduces the procurement field of suitable suppliers. The construction market is running at high capacity while material supplies continue to be difficult. Risk of delay in securing a timely start date with suitable contractors, and subsequent delay during construction from materials shortages. Also increases in cost due to the supply and demand effect of both contractors and materials.
10	Procurement timeframes are longer than expected	Open	8	Delays to project delivery and additional cost	The project team is working closely with Herefordshire Council procurement team as is Mace Ltd procurement team, who understand the current market to mitigate this risk.
11	Department of Levelling Up Housing Communities (DLUHC) and Stronger Towns do not support Shire hall project	Open	8	The projects will not move forward if we do not receive positive feedback from the Stronger Towns Board and Central Government once the FBC has been submitted within the timeframes that match the project programme.	We are working closely with both parties involved to ensure they are updated throughout the Cabinet decision process. Fully inform both parties of the benefits of the chosen location.
12	Accessibility within the building	Open	4	Despite best efforts, the building is deemed not adequately accessible for the purposes of a Library and Learning Centre	The design team are ensuring that all public areas of the building are fully accessible. During RIBA Stage 3, there will be a full accessibility audit to ensure there are no gaps. Stakeholder consultation will include a wide spectrum of user groups.
13	Department for Digital, Culture, Media & Sport doesn't support the library and learning centre moving into Shire Hall	Open	6	Herefordshire Council has statutory obligations to provide a library provision and if DCMS do not support this project moving forward the current temporary provision would need to be re-evaluated causing delays and disruption to the service	The project team and the Library Services will continue to engage with DSMS on the library's location and the wider project. The Design team will continue to work closely with the Library services to ensure the new design provides the spaces and area required to full fill its statutory obligations
14	Historic England not supportive of the project	Open	3	The Building is Grade II* listed and if Historic England are not supportive of the proposed works at Shire Hall this could halt the project effecting the timeline and costs	The project team have engaged with Historic England early and will continue to work engage with Historic England seeking pre-application advise.
15	Planning Permission not granted	Open	3	Planning permission is required for the wider works at Shire Hall	The project team will continue to work with the conservation officer, Historic England and Planning Officer as we work through the Planning processes.

16	Listed Building Consent not obtained	Open	5	The Building is Grade II* listed and Listed Building Consent will be required before any works can start on site	The project team will continue to work with the conservation officer, Historic England throughout the design process.
17	Shire Hall wider work effect Library and learning centre scheme	Open	6	The wider works required at Shire Hall take longer the expected, pushing back the library and learning centre works	The wider works design team the and library and learning centre design team will continue to meet in weekly design team meetings ensuring any requirements are set out and understood as the project progresses
18	The Revenue Business Plan doesn't stack up	Open	6	The Library Service failed to generate the required revenue to cover the ongoing services costs	A Commercial consultant has been appointed to look at the commercial opportunity's available for the building, which will allow the Library Service work with other services across the council(Property Services, Adult Learning) to forecast future resource requirements
19	Partnerships not obtained or not fulfilled	Open	4	There would effect the offsetting for the Library Services revenue budget	The Library Service team have already reached out to potential partners who could aid the management of key areas which would offset future revenue costs
20	The New Library and Learning Centre doesn't meet the Stogner Towns outcomes and outputs	Open	2	Possible funding claw back and reputation damage	The required outputs, outcomes and key performance indicators specified by the Stronger Towns Funding agreement have been referenced throughout the development of the Full Business Case. The project team will also continue to work with the wider design team and the library service to ensure the above is realised.
21	Reputation damage due to the temporary Library Service provision at the MRLC being extended	Open	4	Reputation damage due to the extended time the temporary library provision is located at the MLRC	The project team and the library service will continue to work together to ensure and stakeholders and service users remain updated and consulted throughout the project

Appendix 4

Equality Impact Assessment (EIA) Form

Please read EIA guidelines when completing this form

1. Name of Service Area/Directorate

Name of Head of Service for area being assessed: Hilary Hall
Directorate: Community Wellbeing
Individual(s) completing this assessment: Sarah Lee
Date assessment completed: 12 September 2023

2. What is being assessed

Activity being assessed (eg. policy, procedure, document, service redesign, strategy etc.)

Proposed redevelopment of Shirehall to provide a new venue for Hereford Library and Learning Centre.

What is the aim, purpose and/or intended outcomes of this activity?

Aim: To refurbish and modernise an existing Grade II* listed civic building to create space for a public library and community learning centre.

Outcome: Protected and refurbished historic building with improved community facilities and accessibility in the heart of Hereford.

Name of lead for activity

Hilary Hall

Who will be affected by the development and implementation of this activity?

- Service users
- Patients
- Carers
- Visitors
- Staff
- Communities
- Other:

Is this:

- Review of an existing activity/policy
- New activity/policy
- Planning to withdraw or reduce a service, activity or presence?

What information and evidence have you reviewed to help inform this assessment? (name your sources, eg. demographic information for services/staff groups affected, complaints etc.)

Hereford Library has shared a purpose-built site with the Museum and Art Gallery on Broad Street since 1874, but the building is no longer fit-for-purpose with significant structural issues and outmoded spaces. £18m grant funding will now see it completely renovated into the new Hereford Museum and Art Gallery and the library will move out of the building to a new site.

Cabinet decided on Thursday 22 June that a review would take place to identify the best possible location for a permanent site for a new Hereford library. Plans to develop a permanent library facility in Maylord Orchards have been paused while this review takes place (up to 26 October 2023).

This EIA has been conducted as part of the preparation of the Shirehall full business case to ensure that the service offered will be fully accessible to all potential customers. This includes exploring the strategic, economic, financial and commercial cases for the library in this location with internal officers and external expert consultants, exploring potential services and target user groups, as well as a full architectural, accessibility and service review of the potential design layout at RIBA Stage 2 level.

Summary of engagement or consultation undertaken (eg. who and how have you engaged with, or why do you believe this is not required)

Key stakeholders for the project have been consulted as part of the project development process to RIBA Stage 2 design. As well as the Stronger Towns Board, this has included the Herefordshire Cultural Partnership (which includes a wide range of organisations representing the cultural sector in the county), internal delivery partners including library staff as well as Talk Community, Health and Wellbeing, Public Health and Post 16 Adult Learning Services, Hereford Business Improvement District, NMiTE, Hereford City Council and the Joint Action on Herefordshire Libraries (JAHL) group, representing service users. The Shirehall building has also been opened up for a number of site visits to council members and stakeholders over the course of FBC development to allow people to walk the space and ask questions about the overall potential of the building.

Summary of relevant findings

Discussions with consultees centred on general plans for the use of both the Assembly Hall and Undercroft spaces with thoughts on how they might be used by the library service. Consultees were asked their thoughts on the ideas, in principle, and whether they thought this was an appropriate use of the space. Those engaged with were asked if they felt this was a project which they would support and be able to work in partnership with the council library service at this location. Responses were positive and a number of partners offered suggestions for opportunities where they could work with the service and potentially utilise bookable space in other areas of the building as well. Specific comments received included statements such as 'Sounds exciting' and 'exciting opportunity', while one comment stated 'this project might breathe a fresh lease of life into both the building and the library service'.

There were no comments or views recorded that expressed a preference for Maylord Orchards as a venue ahead of Shirehall. Some comments were made about the high cost of parking in the vicinity of Shirehall and there were a number of comments about the imposing nature of the building. It was felt that this may be a barrier to some people crossing the threshold, but it was also felt that this could be addressed with a 'softening' of the physical approach to the building such as external landscaping, good signage and good use of colour and layout in the building's forecourt. There was also a concern around the heritage nature of the building and ensuring full accessibility, particularly on the proposed number of platform lifts required. All those involved in the discussions asked to be kept involved as conversations developed to look at opportunities for working together to deliver the best possible outcomes.

3. The impact of this activity

Please consider the potential impact of this activity (during development and implementation) on each of the equality groups outlined below. **Please tick one or more impact box below for each Equality Group and explain your rationale.** Please note it is possible for the potential impact to be both positive and negative within the same equality group and this should be recorded. Remember to consider the impact on staff, public, patients, carers, partner organisations, etc. in these equality groups.

Equality Group	Potential positive impact	Potential neutral impact	Potential negative impact	Please explain your reasons for any potential positive, neutral or negative impact identified
Age		✓		Access to all services will be possible as now
Disability	✓			A new platform lift will be installed at the front columned entrance to the Shirehall that meets all access requirements. Other fully integrated lifts will be introduced where needed near the toilet block and in the Assembly Hall to move people from library floor up to the stage seating area. The central circulation core includes stair and lift options. All floors can be accessed from this point. Clear signage and orientation in different formats will aid people around the building. The entrance to the Learning Centre is level access direct from disability parking. The design of the Library and Learning Centre is fully DDA compliant and offers different offers for varying needs and learning styles – sensory, creative, digital, tactile, reading, verbal, and visual. A new Sensory Room for early years, SEN families, adults with learning disabilities and those wanting quiet space will be identified and clearly advertised on library literature and the website. Staff and volunteers will be trained in diversity, inclusion, mental health, dementia awareness and neurodiversity, and in the delivery of activities for different needs.
Gender Reassignment		✓		Access to all services will be possible as now
Marriage & Civil Partnerships		✓		Access to all services will be possible as now
Pregnancy & Maternity	✓			There is level access along the driveway and into the building and all public library areas of the building will be accessible either on the ground floor or first floor via lift access. This is an improvement on the current position at the Broad Street building where there were restrictions on use of the lift. The Learning Centre will also include a dedicated buggy park to store prams safely and early years learning in the Sensory Room and library proper.

Equality Group	Potential <u>positive</u> impact	Potential <u>neutral</u> impact	Potential <u>negative</u> impact	Please explain your reasons for any potential positive, neutral or negative impact identified
Race (including Travelling Communities and people of other nationalities)		✓		Access to all services will be possible as now
Religion & Belief		✓		Access to all services will be possible as now
Sex (including issues of safety and sexual violence)		✓		Access to all services will be possible as now
Sexual Orientation		✓		Access to all services will be possible as now
Other Vulnerable and Disadvantaged Groups (eg. carers, care leavers, homeless, social/ economic deprivation, etc)	✓			The Library and Learning Centre will be open to all, aiding the development of skills to enable people to access higher value employment opportunities and improve their health and wellbeing. Adult Learning Services will deliver courses to improve people's skills and there will be space in the Learning Centre and library to work with partners to deliver events and activities to promote positive health and wellbeing agendas. The new Learning Centre will include a dedicated digital lounge, entry level Makerspace, Sensory Room and Adult Training Room provision, which is not currently available to users.
Health Inequalities (any preventable, unfair & unjust differences in health status between groups, populations or individuals that arise from the unequal distribution of social, environmental & economic conditions within societies)		✓		Access to all services will be possible as now

What actions will you take to mitigate any potential negative impacts?

Potential negative impact	Actions required to reduce/ eliminate negative impact	Who will lead on action?	Timeframe
Design of the heritage building restricts or does not meet accessibility needs	Professional technical teams on board to lead the design and implementation of the necessary changes (e.g. addition of platform lifts and other measures). Additional consultation with user groups will be undertaken as part of RIBA 3-4 design developments specifically on access.	PMO	Ongoing up to 2026 as part of design development process

Where an impact on any of the Equality Groups is realised after the implementation of the project/service/policy, the commissioners and/or providers of the project/service/policy will seek to minimise the impact and carry out a full review of this EIA.

4. Monitoring and review

How will you monitor these actions?

The project is managed by Herefordshire Council's Programme Management Office (PMO), who will identify any risks during the design development process. The project is overseen by the Project Board, which meets at least monthly. A Towns Fund Project Board will also oversee the development of the projects. Any future redevelopment would be subject to a Cabinet decision, including a review of equality impacts.

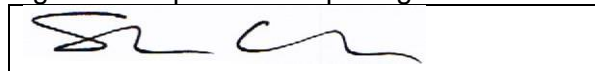
When will you review this EIA? (eg in a service redesign, this EIA should be revisited regularly throughout the design & implementation)

This EIA has been reviewed ahead of submission of the full business case for consideration. It will be reviewed on a monthly basis after the business case has been submitted. It will also be reviewed in between monthly revisions should circumstances arise that require it.

5. Equality Statement

- All public bodies have a statutory duty under the Equality Act 2010 to set out arrangements to assess and consult on how their policies and functions impact on the 9 protected characteristics.
- Herefordshire Council will challenge discrimination, promote equality, respect human rights, and design and implement services, policies and measures that meet the diverse needs of our service, and population, ensuring that none are placed at a disadvantage over others.
- All staff are expected to deliver services and provide services and care in a manner which respects the individuality of service users, patients, carers etc, and as such treat them and members of the workforce respectfully, paying due regard to the 9 protected characteristics.

Signature of person completing EIA



Date signed

12 September 2023

Appendix 5

Shirehall Library

3D Visual Presentation

thedesigconcept

Please note all 3D images within this document are conceptual ideas only. All colours and graphics are suggestions only and will be up for discussion at a later stage.

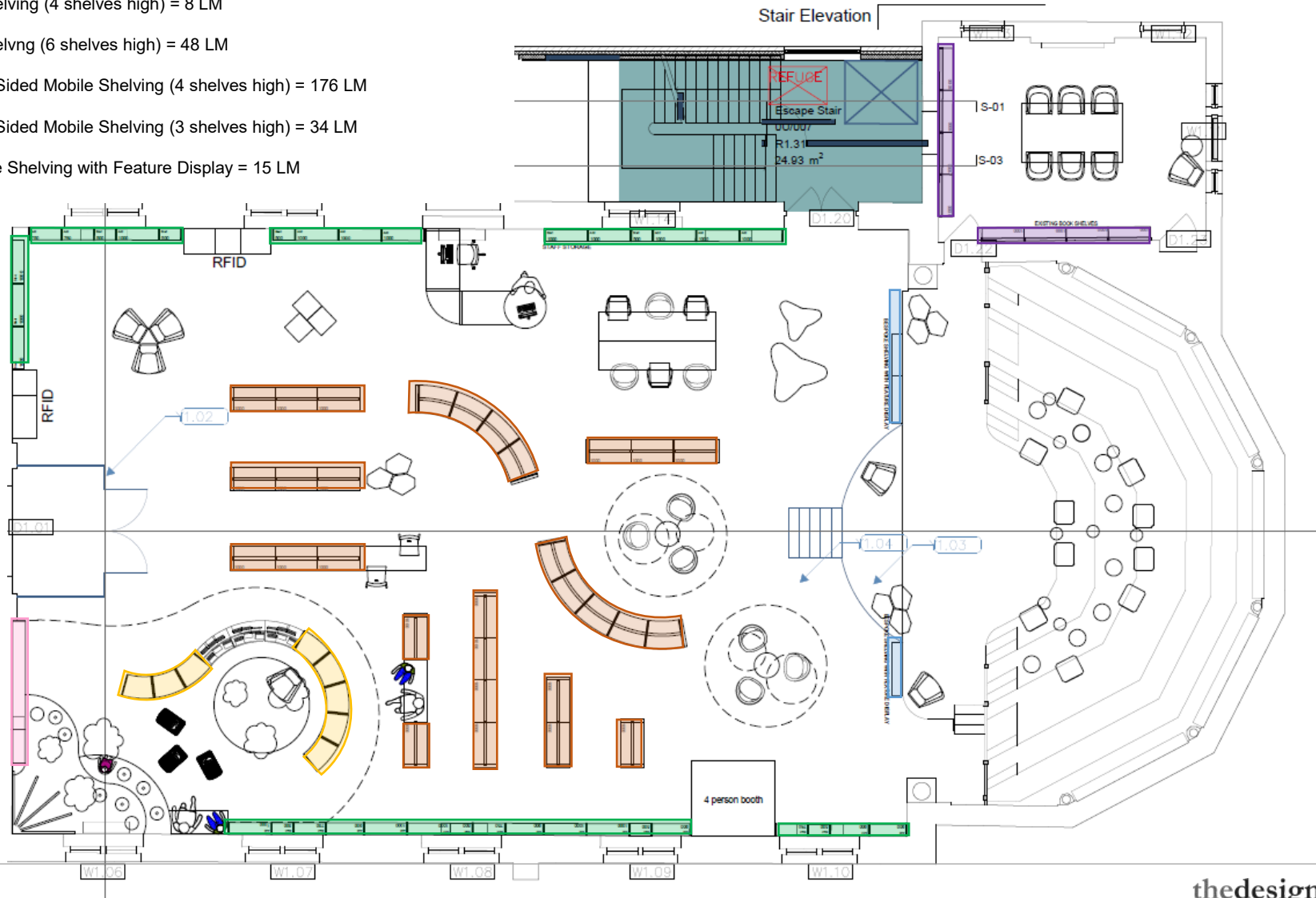


184



- Wall Shelving (5 shelves high) = 145 LM **TOTAL 426 LM**
- Wall Shelving (4 shelves high) = 8 LM
- Wall Shelving (6 shelves high) = 48 LM
- Double Sided Mobile Shelving (4 shelves high) = 176 LM
- Double Sided Mobile Shelving (3 shelves high) = 34 LM
- Bespoke Shelving with Feature Display = 15 LM

185



Option 1 – Dark Green Shelving







190





















200

Option 2 – White Shelving

201



202





Versatile stackable chair with upholstered seat, options with and without arms

204



Upholstered seat in a classic style
on a traditional 4 legged base

205



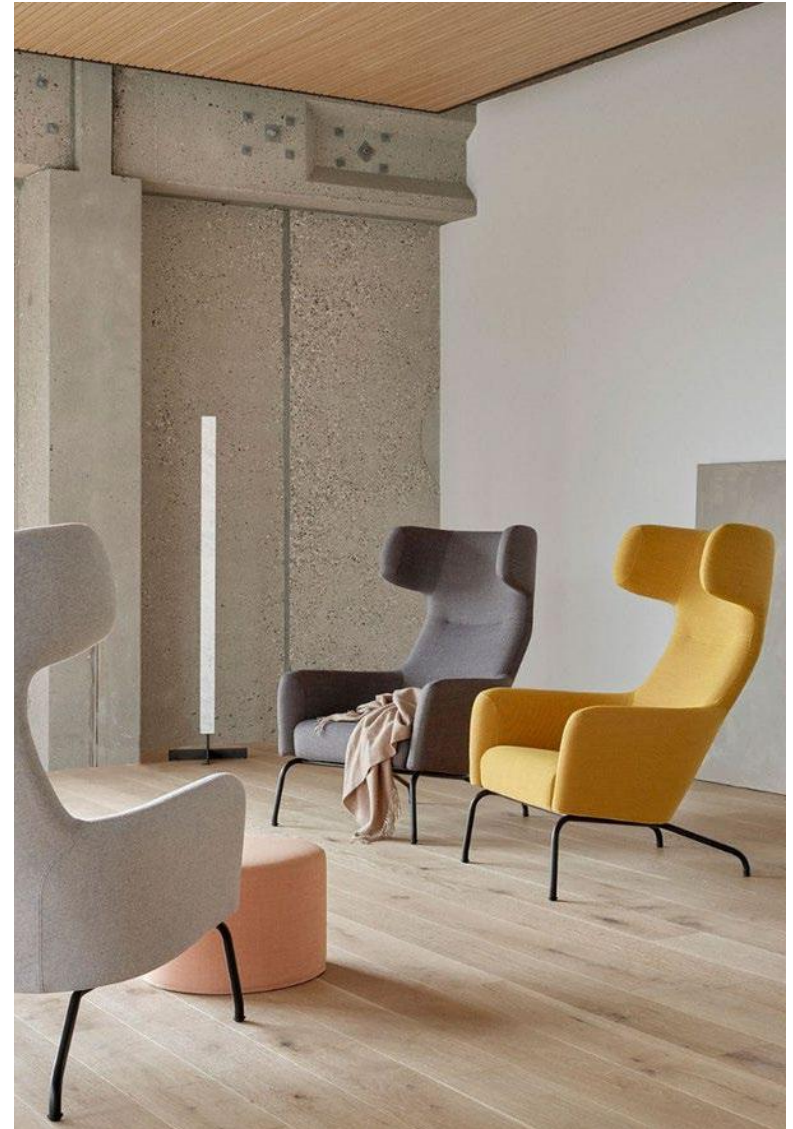
Soft upholstered seat with arms and stable base

206



High back lounge chair for
break-out areas

207



Irregular shaped pouf seating
for break-out areas

208



Irregular shaped pouf seating
for break-out areas

209



Acoustic meeting pod that offers comfort and privacy



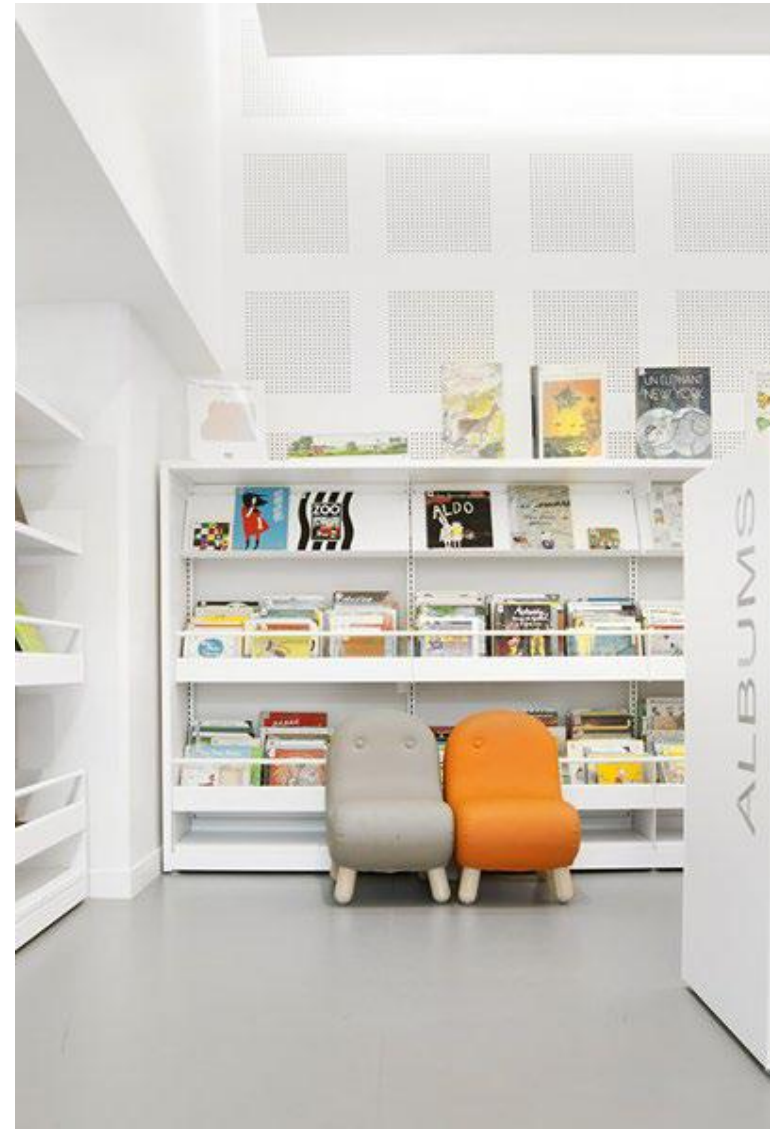
Feature acoustic lighting to dampen noise and make use of the vast ceiling height

211



Small compact lounge chair for the children's area

212



Firm cushions ideal for use on the floor, benches, staircases etc.

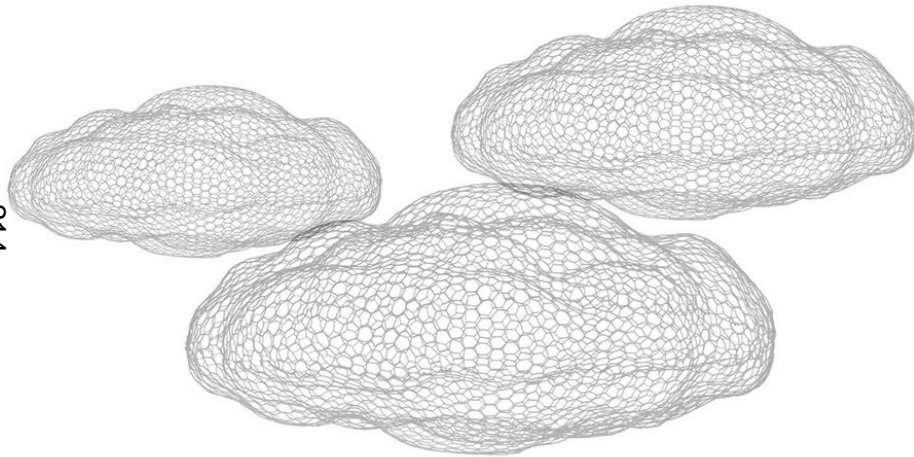


213

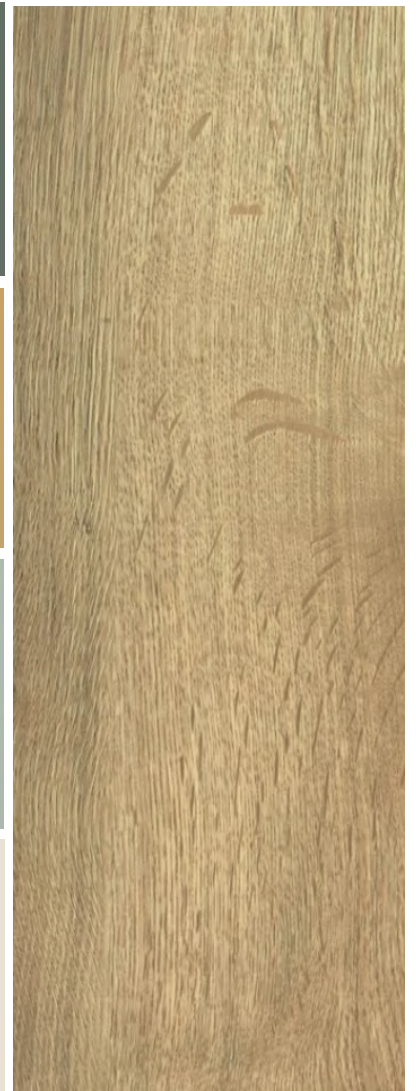
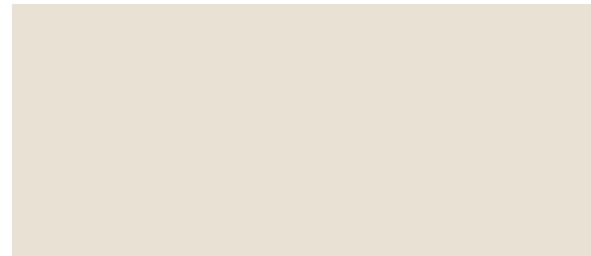
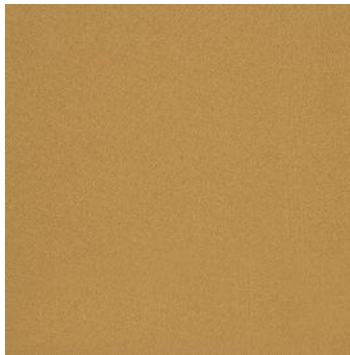


Feature metal mesh clouds hanging over children's area

214



215





Skiptvet Public Library, showcases how dark shelving can create such a cosy atmosphere within the Library. Further details and images can be found on our website, thedesignconcept.co.uk

216





Photos from a recently completed project

217

3D visuals from an ongoing project



218



Lycée Paul Langevin is a school library which showcases similar architectural features. Further details and images can be found on our website, thedesignconcept.co.uk

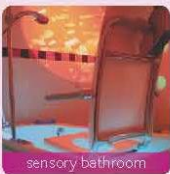
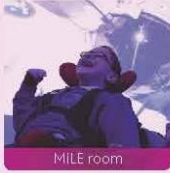
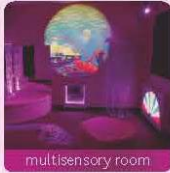


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Appendix 6



John Harden
01 September 2023
5782

PREPARED
DATE
QUOTE NO.

Project Proposal

PREPARED FOR
Herefordshire Council

experia
multisensory for everyone

Experia
Acorn Phase 3, High Street
Barnsley, South Yorkshire
S72 7BD, United Kingdom

T 0800 612 6077
E info@experia-innovations.co.uk
W www.experia-innovations.co.uk

Upon visiting Herefordshire Council on 29th January 2023, we discussed the need and reasons for a new Multisensory environment in the new Library building.

Shirehall was formally the court building in Hereford and is now being refurbished and will be used as a library and cultural centre. Included in the refurbishment is a plan to have a sensory room which will cater for users who have additional needs.

The priorities for the room will be young people aged early years to around 12 years and their families with special educational needs. The second priority will be teenagers and adults with learning disabilities. The room will also be used by community groups who have members that have additional needs and can suffer sensory overload.

As well as providing a space where users can calm, relax and re-regulate when their senses become overloaded the aim is to also provide an area that can be used to aid sensory development by interaction with the different products. The use of different switches that enable those with different needs to engage with the products is required making the room as inclusive as possible.

A room has been identified to be used. Formally used as office space, there is currently electrical trunking running around the bottom of the walls. You will remove all of this trunking and install electrical sockets in line with an electrical plan Experia will provide once an order has been received. There is a radiator in the room and this will stay. The design has been created on this basis.

Wants and Desires

We discussed many products at the meeting and it became clear that an inclusive room was required that allows users the opportunity to calm and relax as well as interact with products.

There were some items that were definitely wanted and some that were not:

- **Wanted:**
Bubble tube, soft platform around the bubble tube, the ability to change the feel of the room with light, fibre optic sideglow, projector, music, switches, wireless equipment.
- **Not wanted:**
Products that will over stimulate users and the inability to control different piece of equipment.

An open ended system was required as you do not want to have to change equipment every 5 years. You require the equipment to be 'ahead of the game' so if you merely add a new switch every year to ensure all users have access to the equipment then you have the result they require.

Budget

We discussed a budget for this area at the meeting. No specific budget was mentioned. There is a budget for the full refurbishment and you are looking to see how much your ideal room will cost.

The current infrastructure within the proposed multisensory area is as follows:

- **Electrical**
We would recommend a switched fused spur for each product – don't worry if you don't understand this, we will provide an electrical plan upon order confirmation.
- **Lighting**
Currently the room has strip lighting. We would recommend the use of dimmable lighting to allow you to have full control of the ambient light level in the room.
- **Wall Colour**
We would recommend the walls be painted off white to create a neutral colour and allow any projection to be clearly seen.
- **Floor Covering**
We would recommend either a dark green/blue carpet or vinyl.
- **Heating**
Currently there is a radiator in the room. This is acceptable; however, air conditioning is always recommended if funds allowed.
- **Ventilation**
Currently there is a window in the room. This is an acceptable form of ventilation.
- **Air Conditioning**
Currently there is no air conditioning in the room. This is acceptable; however, air conditioning is always recommended if funds allow. It allows you to have complete control over the temperature within the room and can be used to enhance a sensory story.
- **Window Covering**
Currently there is no window covering. We would recommend using either a professional blackout blind or a thick blackout curtain. If using a curtain please bear in mind that there may be some light leakage from either side of the curtain.
- **Hoist**
Currently there is no hoist in the room and there are no plans to install one.

Our recommendation....

In order to address the needs identified, Experia recommends the equipment detailed in the itemised quotation.

This equipment has been selected for the following reasons:

- IRiS wireless sensory equipment is completely wireless so switches can be used in any location to suit the user.
- IRiS wireless sensory equipment can be activated by a number of switches in any configuration meaning the room can be changed to suit any individual.
- IRiS wireless sensory equipment provides a long-term solution to the school irrespective of what needs and abilities new intake has.
- IRiS wireless sensory equipment can be customised to suit your specific requirements and that of the pupils.
- IRiS wireless sensory equipment provides additional functionality which meets the school's overall objective, develop life skills, provide an interesting and fun place to learn, develop social skills and help pupils achieve their potential.
- IRiS wireless sensory equipment is completely open ended – equipment we make in the future will work with your equipment; you should never need to replace your sensory equipment again. *
- IRiS wireless sensory equipment can work with a computer or iPad®, iPhone® or iTouch®.

*Other than damaged, worn out products or if you wish to upgrade.

IRiS Wireless Sensory Equipment – What’s the story?

Design Spec 2005 – To create a range of multisensory equipment that allows anyone regardless of age or ability to control each and every piece of equipment through a range of specially designed switches and each and EVERY person gets a response/reward for their activation.

It should be wireless, easy to use and completely open ended. Products we build in 2005/6 should still be controllable from products we make in 2019!

“No one should be barred from using the system, there must be a switch for them! Likewise no person should be barred from getting feedback from the system, there must be a product that stimulates or calms them regardless of their ability!”

Gareth Jones, MD, Experia – 2005.

Eight years ago we launched our unique innovative wireless IRiS range of multisensory equipment and changed the way multisensory equipment is used.

IRiS is a range of wireless multisensory products split into two key areas, Talkers (Switches) and Listeners (bubble tubes, fibre optics, etc, etc). There are a range of Talkers (switches) to suit almost all needs enabling anyone regardless of ability to control any number of products. Also, the range of listeners is large, each designed to stimulate through a range of senses such as light, sound, aroma, vibration, wind and more.

Years on, we continue to add exciting innovative products to the range to help make learning and development fun, challenging and worthwhile.

In 2008 we introduced our astonishing, easy to use computer software allowing users to use their existing IRiS products to create amazing scenarios based on interaction, calming, theming, story telling, infact anything they could imagine – and with a simple mouse click they can share their scenarios around the world!

Based on very simple drag and drop technology we even saw many pupils create their own scenarios.

2013 saw the introduction of our IRiS+ app, stuffed full with unusual ways of switching including rotation, movement and much more.

The beauty of IRiS+ is that whilst the app is brand new it can control the IRiS equipment we made all those years ago!

2015 sees the introduction of Qi wireless charging for all our battery powered products so now you never need to change a battery.

IRiS is the only system that is TRULY open ended, TRULY life changing and lovingly designed and manufactured in the UK.

If you want the best that never grows old, never becomes obsolete, never has to be replaced, then IRiS is for you!

Why Choose Experia?

- Trusted company, incorporated 10 years ago.
- Over 26 years experience in multisensory environments means we understand your needs.
- Experienced long term partner – were NOT here for a ‘quick buck!’
- Over 1,000 rooms installed across the world in diverse countries as USA, Canada, Hong Kong, Kuwait, Holland, France, Spain, Denmark, Dubai, Lebanon, Mexico, Mauritius, Cyprus and many more.
- At the forefront of cutting edge multisensory technology.
- Products designed and manufactured in the UK by Experia.
- All products endure a rigorous 21 point test before despatch.
- Low running costs.
- Quick to respond to any issues should they arise.
- Friendly people who easy to work with providing a stress free experience.
- No sub-contractors, just well-trained conscientious staff.
- Two year warranty on all products manufactured by Experia.
- Comprehensive training (what’s the use of great equipment, if you don’t know how to use it).
- Currently working toward ISO9001 accreditation.
- Ongoing Support.
- Ongoing Training.

Don't take our word for it, here's what some of our clients say.....

"A fantastic resource it has made a massive impact on the way we can teach the curriculum."

Andy Sloan, Headteacher, Rosehill School

"The schools Multisensory Interactive Learning Environment (MiLE) is very successful in promoting learning through a new sensory curriculum."

Ofsted inspection at Rosehill School

"The reaction from the children has been fantastic! The software is very easy, quite intuitive and not difficult to understand at all. You're only limited by your imagination and that's the key thing to the MiLE room!"

Brad Bradstock, The Redway School

"Ridgeway has always been progressive in terms of using technology to drive forward the opportunities for our pupils - our motto is 'a voice for all' and the MILE system offers us a fantastic, breathtaking environment that makes learning meaningful, relevant and fun."

Darryl Morgan, Headteacher, Ridgeway School

"I just wanted to say a massive thank you to all the staff at Experia for your help and support in the installation of our Sensory Room and Soft Play Area at the Chase Leisure Centre. We recently had our Official opening and the feedback we received from families, partners and members has been fantastic."

Paul Smith, Sports Development Manager

"Nothing is too much trouble and we wouldn't hesitate to recommend them to anyone else who is looking for a good equipment supplier. Our dream families are also very pleased with the help and support they've received from Experia."

Wendy Gray, Dreams Co-ordinator, Dreams Come True

"We've seen instant benefits. There has been a noticeable increase in the motivation of the children, some are now able to control the lighting effects for themselves, and there has also been an increase in their visual response."

Tracey Penman, Assistant Head Teacher at Manor Mead School.

"Experia have been official sensory equipment suppliers for the Lord's Taverners since 2010. Since the partnership began they have supplied sensory and soft play equipment to over 70 special needs schools and have always provided a consistent and professional service."

The team at Experia take great care to ensure every school is purchasing equipment that best meet the needs and requirements of the pupils and they ensure that the teachers/carers are trained to use the equipment to its full potential. All equipment is made in the UK and any adaptations a school may require are easily implemented by skilled and trained technicians.

The Lord's Taverners are very happy to endorse Experia's work, they go above and beyond to ensure the end product is the best it can be."

Nicky Pemberton, Director of Charitable Programmes, Lord's Taverners

Proposal Authorisation

To show your acceptance of this proposal, please complete the following:

CONFIRMATION OF ORDER TO EXPERIA

I, (name).....

(Position).....

Confirm that I am authorized to order the following goods:
.....

As per proposal herein (Please state and delete any items necessary)

On behalf of (Name
of organization or individual)

By reason of
(Nature of authority e.g. power of attorney, legal guardian)

Official Purchase Order Number

Preferred Date of Installation
(Date cannot be guaranteed but we will try to accommodate your request)

Preferred Colours of Soft Furnishings

And that payment will be made by

Name.....

Address.....

.....

.....

Email.....

Tel..... Fax.....

Signed Date.....

The Next Step

Through many years of experience and installations, we have built up a proven and reliable process for ensuring the successful implementation of your multisensory environment.

Key to the success of any multisensory environment whether it's a room, pool, bathroom or garden is the need for a named person who is ultimately responsible for the new area.

The following diagram provides an overview of the process, some of which are optional, for the implementation and continuing success of your environment.

Our proven process for product selection and implementation

1

Initial Conversation

- Understand your establishment and requirements
- Introduce Experia, our background, products, services and solutions

2

Initial Meeting

- Meet to discuss your requirements and the needs of the users
- Survey your existing room to enable us to manufacture any bespoke item

3

Product Demonstration

- Comprehensive demonstration of our latest products
- Discuss which products would suit your project

4

Create Quotation and Design

- Create an itemised quotation based on our discussions
- Create a 3D design to show how the room could look when complete

5

Present Proposal

- Present to proposal to you and discuss benefits and reasoning behind the proposal
- Agree financing option (if applicable)
- Sign off Proposal Authorisation

6

Appoint Project Team

- Appoint Experia Project Manager
- Agree key project contacts in your establishment
- Agree mutually convenient installation date

7

Installation

- Install the equipment and test
- Sign Off installation

8

Training

- Arrange training at a mutually convenient date
- Carry out training and record all those attending
- Send training certificates to establishment

9

Ongoing Support

- Agree purchase of maintenance contract
- Agree purchase of training contract
- Advise contact details of customer support staff

10

Periodic Revisit

- Agree a mutually convenient date to revisit to check progress of area, normally after 6 months
- Agree to revisit periodically to check on area and keep you abreast of new developments
- Keep in regular contact with you through phone and email

Experia Service and Support

Experia staff understand the need to resolve an issue that may arise both professionally and quickly. This is done by telephone, email and visits to site if necessary.

Through many years of experience and installations, we know what may go wrong and why.

We understand that staff move on and replacement staff are left, in some cases with little or no training on how to use the equipment in your sensory area. Over time this wonderful resource is used less and staff begin to think that 'it's never worked' or 'the area is rubbish'.

What a shame when most issues in a multisensory area are not due to a mechanical or electrical failure, they are due to lack of knowledge.

With this in mind we are the only company to offer a Training Contract and a Maintenance Contract.

Training Contract

Comprises two days training at your establishment per annum.

Comprehensive training will be carried out by one of our experienced Sensory Advisors to keep your members of staff practical knowledge up to date.

Following completion of training, staff will be issued with a certificate to add to their record.

Mutually convenient dates to be agreed upon order placement.

Maintenance Contract

Comprises two maintenance visits at your establishment per annum.

Our maintenance contract boasts an impressive detailed 12 point check on every piece of equipment in your multisensory environment.

Following completion, a completed checklist is provided for your records.

Unlike many contracts, ours features an 'AA' type service where visits can be arranged as and when required.

Extended Warranty

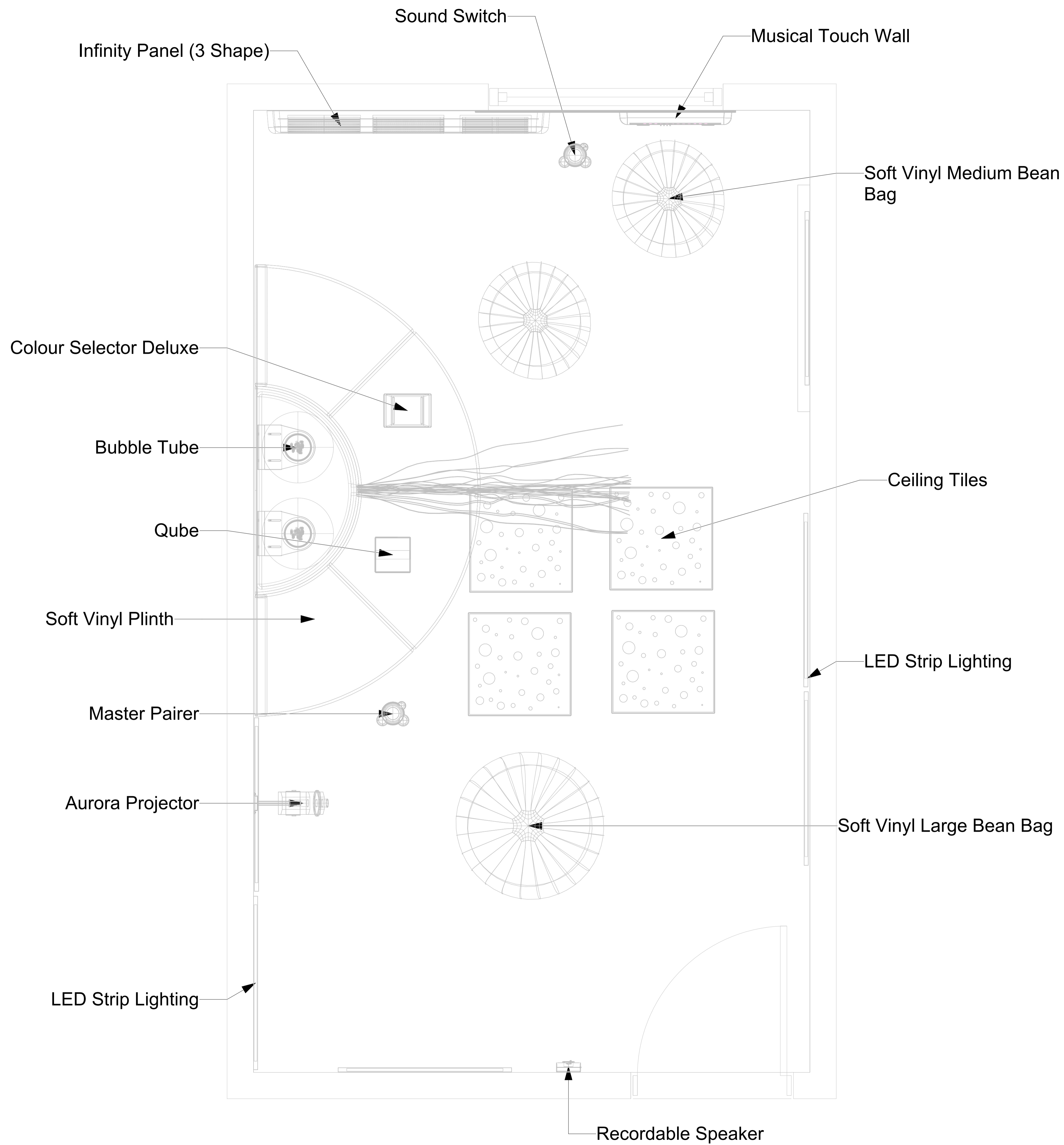
To ensure peace of mind and because we are so sure of the quality of our products we offer an industry first, extended warranty.

All products manufactured by ourselves have a two year warranty which can be extended to 5 years if required at additional cost.

Confidentiality

The information provided by Experia in this proposal is unique to Herefordshire Council and confidential; therefore, anyone reading this document agrees not to disclose any of the information in this proposal without the express written permission of Experia and Herefordshire Council.

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Project Title
Sensory Room

REV.	DATE	DESCRIPTION

NO.	DATE	ISSUE NOTE

Project Manager John Harden	Drawn By KM
Date August 2023	Reviewed By MC
Project ID 5782-30082023-001	

Sheet Title
Labelled Overview

Sheet No.
A2.1



234

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Project Title
Sensory Room

REV.	DATE	DESCRIPTION

NO.	DATE	ISSUE NOTE

Project Manager
John Harden Drawn By
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Date: **August 2023** Reviewed By
MC
Project ID: **5782-30082023-001**

Sheet Title
3D View 5

Sheet No.
A1.5



235

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REV.	DATE	DESCRIPTION

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NO.	DATE	ISSUE NOTE

Project Manager John Harden	Drawn By KM
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Date August 2023	Reviewed By MC
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Project ID 5782-30082023-001

Sheet Title
3D View 4

Sheet No.
A1.4



236

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Project Title
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REV.	DATE	DESCRIPTION
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NO.	DATE	ISSUE NOTE
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Project Manager
John Harden

Drawn By
KM

Date
August 2023

Reviewed By
MC

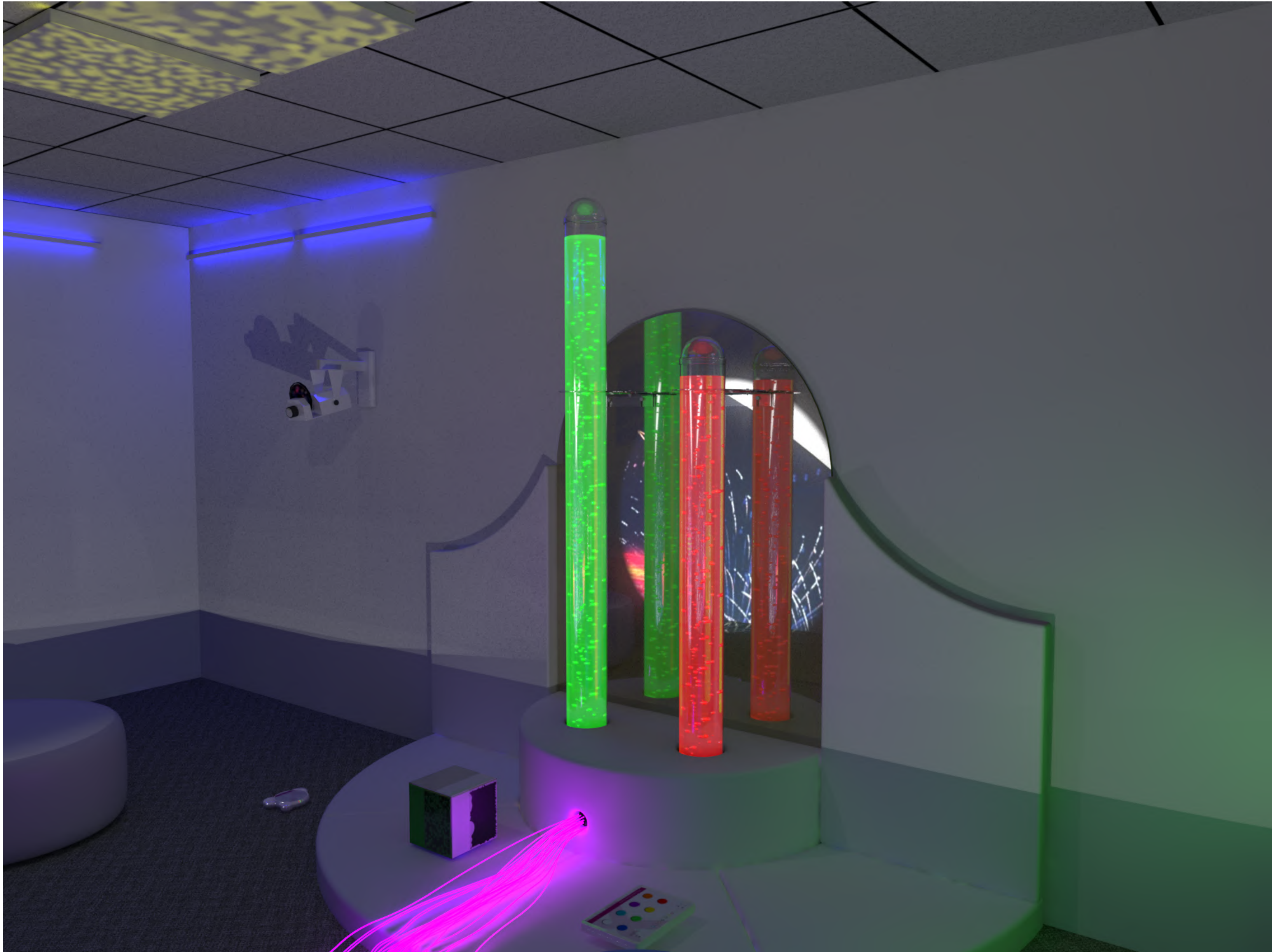
Project ID
5782-30082023-001

Sheet Title

3D View 1

Sheet No.

A1.1



237

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Project Title
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REV.	DATE	DESCRIPTION

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NO.	DATE	ISSUE NOTE

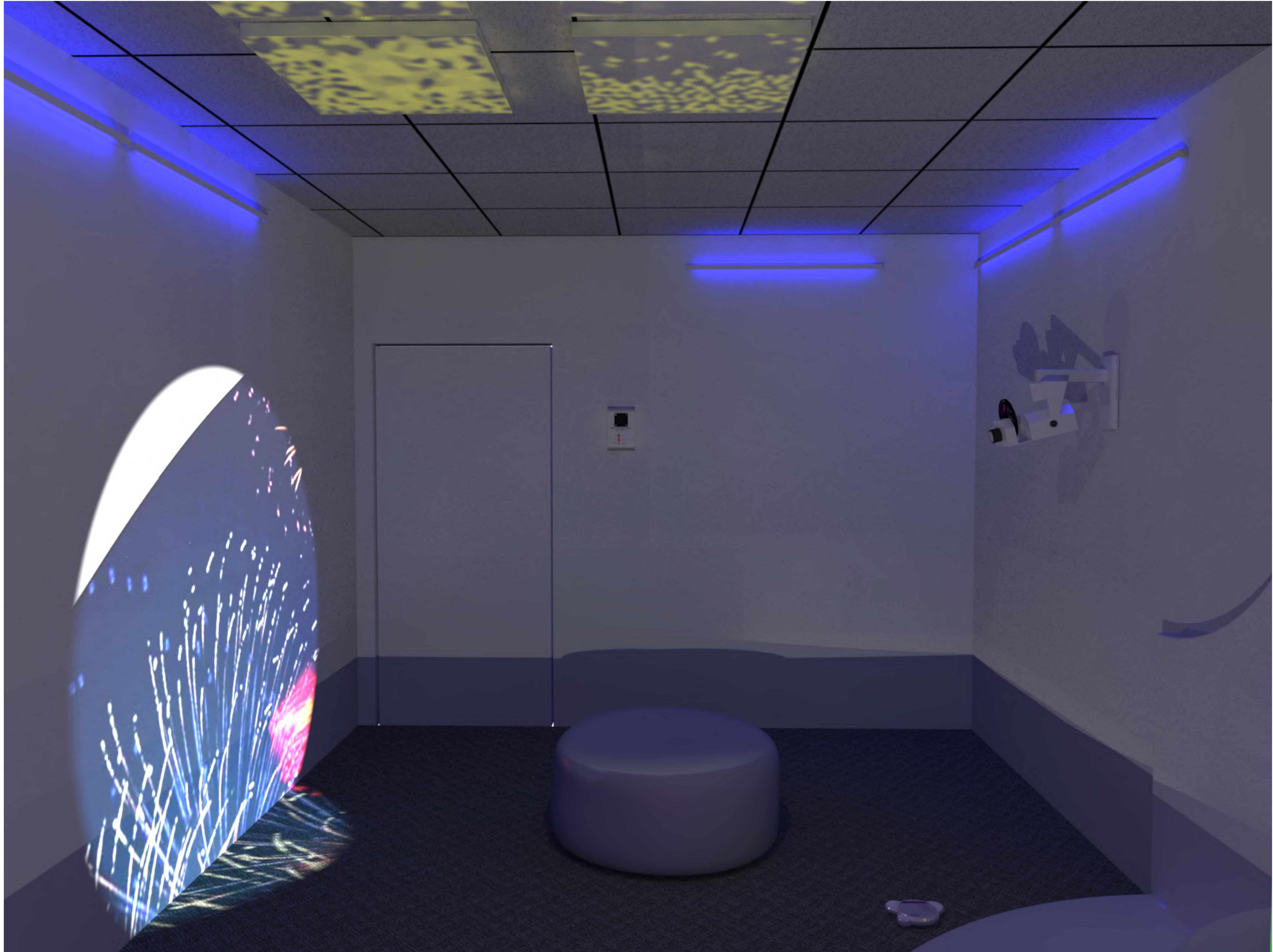
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John Harden Drawn By
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Sheet Title
3D View 2

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238

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REV.	DATE	DESCRIPTION

NO.	DATE	ISSUE NOTE

Project Manager
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KM
Date: **August 2023** Reviewed By
MC
Project ID: **5782-30082023-001**

Sheet Title
3D View 3

Sheet No.
A1.3

Appendix 7

Shirehall
Proposal Presentation
thedesigconcept

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Stage 2 – Business Case Template

Business Case template (optional) to be used by Towns as guidance for structuring their business cases

Version 4: 19 August 2021

VERSION CONTROL

Document version	Publication date	Description of changes	Modified by
1	8 th March 2021	First release of the <i>Stage 2 – Business Case Template</i>	TFDP
2	25 th March 2021	Updates to the Strategic Case, Financial and Commercial Cases to provide additional context and guidance for these cases	TFDP
3	24 th June 2021	Updates to the Economic Case with the new example summary table, as well as confirmation of the price year of economic costs and benefits (2021 prices).	TFDP
4	19 th August 2021	Updated with the revised Annex C – Summary Document template	TFDP

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Appendix 5- Risk log (HC)	
Appendix 6- Contract procedure rules (HC Governance)	
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BUSINESS CASE

Maylord Orchards Redevelopment Library and Learning Resource Centre



EXECUTIVE SUMMARY

STRATEGIC CASE

This full business case supports the proposed relocation of the Hereford City Library from the museum on Broad Street, to within Maylord Orchards. The project will also include the development of a Learning and Resource Centre and café.

The purpose of the project is establish a new innovative and modern Library and Learning Resource Centre (LRC), creating a mixed development to support the regeneration of the city centre, and to improve the opportunities and wellbeing outcomes of the population through enhanced cultural facilities, whilst fulfilling the Council's statutory obligation to provide library facilities.

As reflected in the Hereford Town Investment Plan, town and city centres are changing as retail declines. In diversifying Hereford city centre, the proposed project will create a new cultural, educational, and wellbeing focused community hub in the heart of the city centre.

'Libraries change lives for the better. They not only provide access to books and other literature but also help people to help themselves and improve their opportunities, bring people together, and provide practical support and guidance. As a locally accountable service, they are well-placed to respond to local needs and issues.' *Libraries Deliver: Ambition for Public Libraries in England, 2016-2021*

ECONOMIC CASE

Herefordshire faces some significant long term economic challenges, further impacted through Covid 19. In particular the visitor economy, none essential retail and cultural sectors were the worst impacted by Covid 19, having been required to close for many months during lockdowns.

Herefordshire has the lowest¹ county tier Gross Value Added (GVA) of any county in England and is the second lowest in the UK (second to our neighbor, Powys). Average weekly wages are 20% below the national average, 39% of residents have a NVQ level 4 or above qualification compared to a national average of 43%. 24% of the population are aged over 65², and the county is a Higher Education and social mobility 'cold spot'. As younger generations reach higher education age, they have tended to move away to access university education, and we don't have the higher level jobs to attract them back.

Across the country physical retail has been in decline for some time, given an ever increasing shift to online buying of goods and services, which has been further exacerbated by Covid 19; prior to the pandemic, £1 of every £5 of retail spend had moved to online purchases. Although in terms of total retail sales, volumes decreased by 4.8% up to August 2020 as all sectors except for food and non-store retailing saw a fall in sales (ONS Great Britain Retail Sales August 2020).

The proposed project will support in addressing the above issues. The redeveloped Maylord Orchards site at the heart of the city will re-purpose a dated shopping centre into a mixed use facility, offering access to a modern library and related services. The Learning Resource Centre

¹ [Mapping inequality in the UK \(ons.gov.uk\)](https://ons.gov.uk)

² [Economy & place - Understanding Herefordshire](#)

will provide local residents with access to Adult Learning Services, addressing skills gaps and enabling them to seek better higher value roles, leading to improved living standards. It will also provide a central city centre location for access to wellbeing support, health advice and other public services.

The project will deliver the following outputs:

Output	2023/24	2024/25	2025/26
Increase in capacity and accessibility to new and improved skills facilities	1		
Increase skills offer in response to local need	124	230	230
New upgraded or protected libraries	674.3 sqm		
Delivery of new public spaces	1		
Non-accredited Community Learning Number of learners	100	150	150
Accredited learning number of learners	24	30	30

The project will deliver the following outcomes:

- Perceptions of the place by residents/ visitors/ businesses
- Numbers of visitors to arts, heritage and cultural events and venues
- Numbers of new learners assisted

A bespoke economic model was created to calculate the Benefit Cost Ratio, BCR of the proposed intervention. The results are summarised below:

Value for money assessment (£M, discounted, 2021 prices)	Core scenario	Sensitivity test 1	Sensitivity test 2
		No Learner Benefits	Optimism Bias 24%

Economic benefits

Increase in capacity and accessibility to new and improved skills facilities	£0.29	£0.29	£0.29
--	-------	-------	-------

Increase skills offer in response to local need		£4.19	£4.19	£4.19
New upgraded or protected libraries				
Delivery of new public spaces		£5.32	£5.32	£5.32
Non-accredited Community Learning Number of learners		£1.34		£1.34
Accredited learning number of learners		£0.33		£0.33
Additionality Factor 0.65				
Total economic benefits	(A)	£7.57	£6.47	£7.57
Economic costs				
Towns Fund	(B)	£3.00	£3.00	£3.00
Optimism Bias	(C)	£0.36	£0.36	£0.72
Total public sector	(D)=(B)+(C)	£3.36	£3.36	£3.72
Benefit Cost Ratio	(A) / (D)	2.3	1.9	2.0

At 2.3 the Benefit Cost Ratio (BCR) represents very good value for money following HM Treasury norms.

FINANCIAL CASE

The table below summarises the financial dynamics of the FBC:

To please note that the council's cabinet are due to consider a decision paper on the 29th June recommending that the identified £500,000 required to complete the project (totaling £3.5m) will be funded by the council. The decision also recognises the need for additional revenue funding to meet the identified additional costs, which the council meet through a budget request in the Medium Term Financial Strategy. The decision can be found here [Issue details - Stronger Towns Projects Full Business Case Submission - Herefordshire Council](#)

Capital Cost of Project		
Elements	Element Totals	Total
Elements included in Mace Ltd Cost Plan		
Facilitating Works	£ 60,000.00	
Construction Substructure	£ 171,750.00	
Construction Superstructure	£ 706,730.00	
Internal Finishes	£ 120,450.00	
Fittings, Furnishings and Equipment	£ 300,000.00	
Services	£ 413,532.00	
External Works	£ 40,000.00	
Construction Cost Sub Total		£ 1,812,462.00
Main Contractors Preliminaries	£ 308,119.00	
Main Contractors OH&P	£ 14,841.00	
Inflation to Mid Point Construction	£ 204,212.00	
Prelims, Contractors OHP and Inflation Sub Total of		£ 660,771.00
Project / Design Team Fees	£ 533,269.00	
Project Contingency	£ 300,650.00	
Mace Ltd Sub Total		£ 833,919.00
Mace RIBA Stage Costings Total		£ 3,307,153.00
Elements not included in Mace Ltd Cost Plan		
Procurement costs 0.3%	£ 5,437.38	
PMO Cost	£ 140,000.00	
Planning Cost	£ 1,500.00	
Income Generation Report	£ 4,777.50	
Additional Cost not included in Mace Cost Sub Total		£ 151,714.88
Total		£ 3,458,867.88

The table below summarises the funding streams for the project.

Below sets out the funding which has been agreed to date. Herefordshire Council is currently progressing a governance decision to approve additional funding required for the project. This process will ensure that any costs are underwritten, but will not conclude until July 2022.

Funding streams (Indicate revenue or capital funding requirement) Or Grant funding that may be sought?	2021/22	2022/23	2023/24	Future Years	Total
Town Investment Fund (capital)	£150,000	£550,000	£2,300,000	£0	£3,000,000
Herefordshire Council			£500,000	£0	£500,000
TOTAL	£150,000	£550,000	£2,800,000	£0	£3,500,000

Financial year forecast

Financial Year Forecast Costings	2022/23	2023/24	2024/25	Future Years	Total
	£1,018,000	£2,481,109			£3,500,000

The below table summarises the revenue income and expenditure for the Library and Learning Resource Centre:

Revenue budget implications	2021/22	2022/23	2023/24	Future Years
<i>Service Charge, Insurance, rates (expenditure) (excluding café)*</i>			£29,382	£58,765
<i>Library Operation (staff costs)</i>			£145,181	£248,882
Total Expenditure			£174,563	£307,647
<i>Indicative Café (10% turnover)</i>			£5500	£11,000
<i>Indicative Meeting / Training Room (income)</i>			£27,150	£54,300
Total Income			£32,650	£89,860

COMMERCIAL CASE

An income generation study has been completed by an external professional consultant (Take the Current) on the Library and Learning Resource Centre redesign.

The redesigned library will provide an enhanced and innovative facility for all ages across the county and through the reach of the building. Through outreach services and online opportunities, the service will offer a significant reach into the communities. Although the services are non-chargeable, the increased footfall into the City will have an economic impact.

The new Learning Resource Centre offers the opportunity to rent space for a range of activities including workshops, learning experiences, office space in the centre of the City, wellbeing initiatives and health clinics. The multi-functional space will be chargeable with financial projections showing the cost of the business rates, service charge and insurance will be covered by the income received. Part of the delivery model will be for the Council's Adult Learning Services to utilise the space within its core offer of service, re-locating the educational programmes being delivered to this space.

The café will offer a social space attached to the library and will be available to all users and visitors to this area, however the current footfall is low. A high street café operator is likely to give commission c. 5% however it is noted that other companies are willing to pay 10% of turnover as a rent. This would give an income stream of £11k with 3% conversion on footfall³.

MANAGEMENT CASE

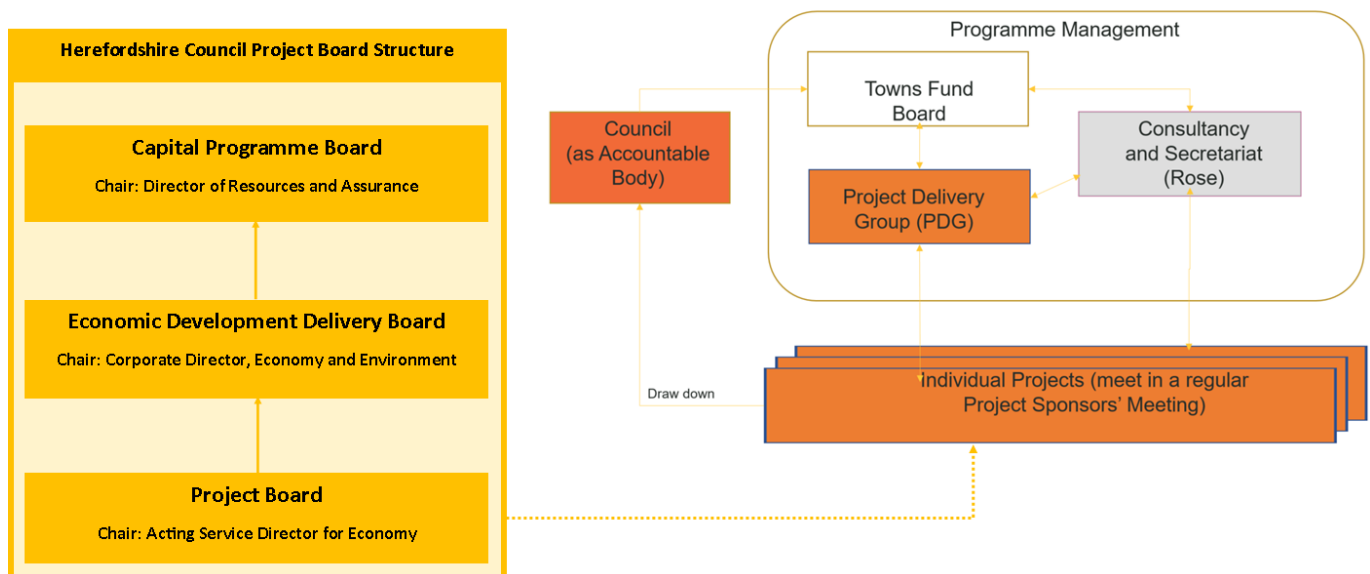
The following governance arrangements are in place for the Library and Learning Resource Centre project:

1. HMAG & Maylords Project Board

³ Take the Current Income Generation Report

2. Economic Development Delivery Board
3. Hereford Towns Board
4. Herefordshire Council 151 Officer/ Accountable Body

1. **Project Board** to direct, develop, oversee and make recommendations for the project. Accountable for the delivery of the project, ensuring the project meets its strategic purpose, delivering high quality value for money outcomes for the Council and follows the Council's applied Governance model for project management.
2. **Delivery Board** the purpose of the Delivery Board is to provide a regular oversight, decision and recommendation making forum for projects that are being delivered through this Board. The Board is accountable for the delivery of Council projects (under the Board's remit), ensuring the projects meet their strategic purpose, delivering high quality value for money outcomes for the council that follows the Council's applied Governance model for project management.
3. **Hereford Town Board** is establishing a Programme Management Office with responsibility for Monitoring and Evaluation of the delivery of all Hereford Town Deal projects, including the delivery of the Library and Learning Resource Centre refurbishment.
4. **Herefordshire Council 151 Officer** will report to HM Government every six months on the Hereford Museum and Art Gallery project service delivery as stipulated in the Town Fund guidance.



The project is managed by Herefordshire Council's project management office (PMO). The project manager is expected to maintain all documentation and report regularly using highlight reports to the Senior Responsible Officer, Project Board and Delivery Board as required. Individual Project Boards report into Delivery Boards who are in turn monitored by the Assurance Board. The Capital Programme Board represents the highest level of officer involvement and accountability; allocating feasibility funding and having oversight of all projects.

INTRODUCTION

Herefordshire Council will deliver a new innovative and modern Library and Learning Resource Centre (LRC), creating a mixed development to support the regeneration of the city centre, and to improve the opportunities and wellbeing outcomes of the population through enhanced cultural and learning facilities. The aim is to improve the quality of life for local people, to create the infrastructure required to support the development of critical skills in the county, addressing the gap identified in the Town Investment Plan, and create an 'attractor' to bring people into the city centre, which will support in delivery of the Council's County Plan.

The Council aims to develop an efficient service that makes the best use of the assets available in order to meet its core objectives and visions, whilst recognising the constraints on resources. By integrating services and opportunities, Maylord Orchards will provide a multi-agency destination for learning, encouraging literacy, access to advice, information, and IT, supporting more people in the community to fulfill their potential in an inclusive and accessible environment.

The existing library is located in Broad Street within a building also housing the Hereford Museum and Art Gallery. As the owners of Maylord Orchards, it is the intention of Herefordshire Council to relocate the library, to redesign the available space to provide a LRC and café within the Maylord Centre allowing the existing Broad Street building to provide a dedicated and enhanced facility for Herefordshire Museum Service.

The Library Service

Since its inception, the Hereford library has endeavoured to support reading, learning and research, with the provision of information across the county. Herefordshire has 11 libraries across the county with a mixture of staff and volunteer led operations and also has a library van that visits communities and schools.

Hereford library has historically been the busiest library in the county and its book stock is key to supporting the other library sites in the county, and to giving the widest possible access to stock; service users can request items from other libraries free of charge. The service and building has not undergone major renovations for a significant amount of time and in its current state is not offering the wealth of opportunities that could be provided from a remodelled, redesigned and repurposed building.

The library service delivers a range of services from the current site at Broad Street in Hereford. These include but are not limited to:

A wide selection of books including new books. This is a statutory obligation under the Public Libraries and Museums Act (1964) which states: '...a library authority shall in particular have regard to the desirability...of securing, by the keeping of adequate stocks, by arrangement with other library authorities, and by any other appropriate means, that facilities are available for the borrowing of, or reference to, books and other printed matter... sufficient in number, range and quality to meet the general requirements and any special requirements both of adults and children'

Libraries are trusted by the public and have extremely high levels of satisfaction and confidence. In recent years they have been threatened by reductions in expenditure which has required their role and significance to be questioned by some and emphasised as crucial by

others. Unlike other public facing 'services' libraries have not traditionally marketed themselves in the same ways as local authority museums, leisure centres and art galleries have done. It is clear that those libraries with a budget for marketing have been able to transform their reputations and their use by the public e.g. Gloucester and Worcester. For those libraries without a communications facility they can become unseen, misunderstood and unrecognised for the skill and service they deliver.

Although books have become increasingly more available to many there are still large sections of the population who cannot easily buy books or have no digital access or the means to buy eBooks or audio books. For those with additional needs, less socially confident, or having low incomes, a "free at the point of use" library service is crucial. The world of information may be increasingly digital, but we remain very much physical beings. The development of eBooks, once thought to be the death knell for physical books has in fact increased reading and engagement with physical books amongst all ages. And the physical book remains the first entry point for toddlers and pre-schoolers when the early development of a reading habit is so important. In fact with the abundance of information we need better filtering systems. In a world of information overload, people need assistance to distinguish between what is worthwhile for them and what is not so that they can get directly to the well-founded information resources they need. This is something which librarians are ideally placed to do.

The 2015 BOP Consulting report on reading for pleasure and empowerment describes how recreational reading events (e.g. book groups, school and library events) are linked to enhanced social skills, decreased loneliness, and engagement in an aesthetic process. It also notes that reading improves not only vocabulary and spelling in young people but also has a beneficial impact on mathematics. It has a more beneficial impact than having a parent with a degree in terms of the attainment of young people. There are countless studies and papers proving the benefits of reading for society; better communication, self-expression, self-esteem, motivation to learn and relatedness, to name a few.

For adults with additional needs, reading has proven to help reduce depressive symptoms, reduced/delayed onset of the symptoms of dementia and increased health literacy. Libraries are often at the heart of initiatives designed to encourage readers with specific groups or in particular communities e.g. migrant communities. However, the number of people using public libraries has decreased over the last decade which has caused a number of papers investigating and imagining the future for libraries. With the short-sighted closures have also come the huge investment in putting libraries at the centre of towns in beautifully designed buildings, radically changing the 'user experience' and offering a number of different culture and arts activities, events and workshops and not losing sight of the core purpose of a library and who it best serves. Using the book, and the ability to read and write, as a jumping point for discovery, enjoyment, connectedness, learning and self-improvement.

The Learning Resource Centre (LRC)

This facility will provide rentable space for a range of services including for the councils Adult Learning Service (ALS), meeting rooms, business facilities, and health and wellbeing clinics. It is in the vicinity of the library in Maylord Orchards, but not physically connected to the library. It will have two flexible rentable spaces; one of which can be split in to two smaller rooms, creating a third flexible rentable space.

The rentable space will be for multiple usage and will include the Council's ALS team which has a strategic aim to engage with local people who are least likely to participate in learning and enable them to access a range of high quality learning opportunities. This will enable

participants to lead more independent lives, support their families, gain a qualification, get a job, volunteer and become less socially isolated.

Identified strategic objectives are to:

- Focus Adult and Community Learning funding on people who are disadvantaged and least likely to participate in learning; including people on low incomes, those with low skills and those furthest away from the labour market.
- Contribute to a wide range of outcomes for individuals and the wider community including personal and social, educational attainment, economic regeneration, and improved health and wellbeing. Supporting adults back into learning, training and employment, through community outreach provision delivered at local venues. In order to achieve the above, the service will widen adult participation in learning through a targeted approach, promoting equality and diversity and improving access to learning for particular under-represented groups and those who have not been engaged in learning for a significant period of time.

In particular the service will continue to work with those people who are:

- unemployed;
- residents with learning difficulties and/or disabilities;
- mental health service users and adults with mild to moderate mental health problems;
- homeless, or in danger of becoming homeless, or living in sheltered accommodation;
- carers of people with learning difficulties and/or disabilities, including mental health issues;
- care leavers;
- yet to achieve a prior level of attainment at full level 2 qualification;
- yet to achieve level 2 in English and Maths;
- families, where parent/carers, have basic English and Maths needs or who have not reached level 2, where there is a single parent or families with complex needs;
- wishing to improve their parenting skills;
- from areas identified as local areas of deprivation;
- earn less than £16,009.50 annual gross salary;
- digitally excluded (unable to access ICT based services or opportunities due to having little or no knowledge of ICT);
- Refugee or Asylum Seeker status;
- ex-Armed Forces personnel.

Currently as the council has no learning centre of its own, delivery is through community facilities and by subcontractors. However, the new facility will allow a move towards either direct delivery or a hybrid model.

As well as supporting the ALS, the facility will provide space for health and wellbeing clinics which provides an opportunity to reach our most vulnerable groups that will be accessing the library and ALS, as well as providing a central location in the City Centre. Providing health on the high street and within this facility supports the national direction for the NHS service.

The NHS is seeking to reset its services and priorities in light of Covid 19, with an increasing recognition of the role it could have in wider community issues, such as influencing the social determinants of health and building sustainable communities.

The nature of the Covid 19 pandemic can act as a timely opportunity to radically re-think which NHS services could be more effectively and appropriately delivered in communities. This can be done in ways that make our high streets more economically and socially sustainable and the services themselves more accessible.

There are immediate opportunities for the NHS to become directly involved in the high street policy agenda, including:

- running health services from vacant property, including vaccination programmes
- broadening the range of services provided within communities
- supporting and participating in the design of healthy communities and places

Café

A space designated for a café (46m²) will be adjacent and connected to the library, with frontage and an entrance from Trinity Square, where there is a further approximately 25m² for external seating. Toilets are available within the shopping centre at the back of the library. There are a number of ways of operating the café and the current café has recently opened which is a charity along with being a local authority initiative driven Talk Community hub. The proposal is for visitors to the centre to utilise the café whilst spending time in the library and being the hub of the centre.

Existing Floor Plans:



Proposed Floor Plans:



Maylord Orchards

The centre currently houses a number of retailers which will remain and whose spaces must remain unaffected. The available space for the library was identified during the RIBA Stage 1 with proposals developed in the Feasibility Report that allowed the library to function within these spaces. Whilst the space was identified, the division of space internally needed to be further developed in Stage 2, with the extent that the atrium could be incorporated into the space and therefore the extent of the library footprint being a part of this review.

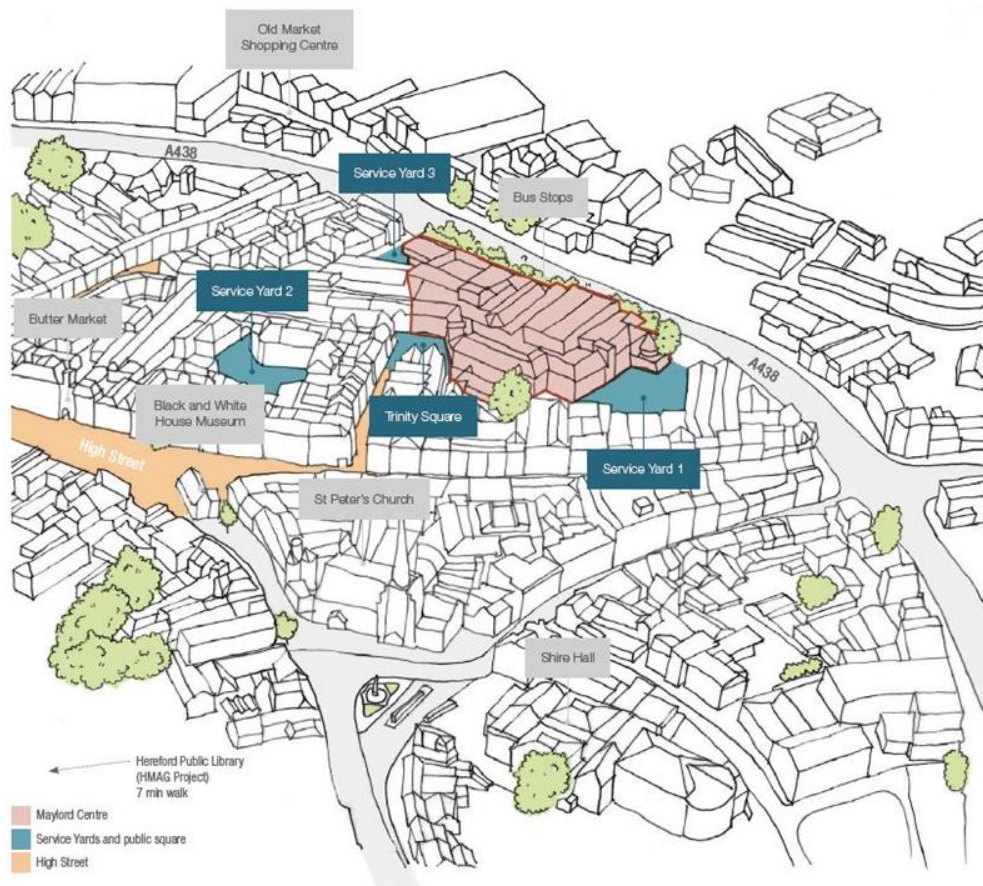
Maylord Orchards is a strategically significant site (145,000 sq. ft.) located at the heart of Hereford city centre. The council secured control of the site in June 2020 to enable its redevelopment to support the regeneration and the diversification of the city centre as a whole. Across the country all city centres are evolving, reflecting the changing nature of retail with increasing online sales and a decline in the physical presence of large box retailers.



The previous leasehold owners had stopped investing in the site, there were an increasing number of empty retail units, and through seeking to sell their interest there was a risk any new owner would potentially look to asset strip (taking the value out of remaining leases without reinvesting / proactively seeking new tenants) a key location at the heart of the city centre. Through gaining control of the site the council's intention it is to create a new mixed use purpose, ensuring city centre's long term viability - creating a vibrant dynamic focal point to the city, maximising the social value benefits for local communities whilst creating a new purpose for people to visit the city centre.

The impacts of the Covid 19 pandemic has further accelerated the decline of larger national brand retailer in city centres, with many national and local retailers closing stores. This has further enhanced the need for urgent action to re-purpose and regenerate Hereford city centre as the local economy seeks to recover from the economic crisis as soon as possible.

As demonstrated in the picture below the Maylord Orchards site is a very significant footprint at the heart of Hereford. The re-purposing of the site will be to the benefit of the city centre as a whole.



The proposed development of a new library and LRC in Mayford Orchards will create a new mixed use of health, wellbeing, cultural and learning purpose at the heart of the city centre, diversifying the shopping centres offer and moving away from a dependence solely on retail. The creation of the new library and LRC (alongside other Towns Fund projects) will attract people to return to / visit the city centre as a whole as leisure, health / wellbeing, access to public services and education become an increasingly important part of the city's future.

As well as enabling the physical regeneration of the city centre, the LRC will also support local residents to recover from the impacts of Covid 19. The LRC will provide access to opportunities to access local training and support as people look to re-skill and potentially seek new employment opportunities post the pandemic

STRATEGIC CASE

STRATEGIC CASE

INTRODUCTION

This element of the FBC positions the development of the Library and Learning Resource Centre within the strategic context of the development of the cultural, community, leisure and tourism infrastructure in Hereford.

‘Libraries change lives for the better. They not only provide access to books and other literature but also help people to help themselves and improve their opportunities, bring people together, and provide practical support and guidance. As a locally accountable service, they are well-placed to respond to local needs and issues.’ Libraries Deliver: Ambition for Public Libraries in England, 2016-2021

The purpose of the library service is to promote wellbeing and enrich lives for people through different stages of their life. Libraries are ideally placed to be safe places that the community feel comfortable using, which have no barriers to age, background or income level. The range of services provided are particularly relevant to children at the foundation of their learning and for people of different ages that want to feel connected to others and their community. Libraries are also resource centres with access to technology and advice, often shared with other support services, and used by voluntary groups for community activity.

There are four key principles influencing the delivery of the library service:

- Provide and enable a free core library service across Herefordshire, supporting social interaction and reducing isolation.
- For centres to provide shared spaces as part of the community life of an area, fostering local regeneration and local identity.
- Promote reading for all ages and access to books, in supporting learning and discovery.
- Work with the community to provide the level of library service they want through support of community-run libraries and volunteering.

The Hereford Town Investment Plan identifies a number of issues that the proposed project will seek to address through the provision of educational facilities at the heart of the city centre *‘there are 15% fewer workers qualified to NVQ level 4 and above than the national average. At a county level, wages earned in Hereford make up 44% of all incomes, with the county average salary almost exactly £100 per week lower than the national average [23]. Hereford scores lower than the England median in relation to income, education and living environment domains within the English Indices of Deprivation 2019[24]. Herefordshire is a cold spot for social mobility; it is one of the worst 20% of local authorities in England in terms of school achievement for disadvantaged children who go on to get a good job and secure housing’*

The Investment Plan states The cluster of assets at the heart of the city (Maylord, Cathedral Close etc) currently controlled by the City Council, Herefordshire Council and the Diocese represents significant collaborative potential to repurpose the city centre’

Therefore the proposed project directly addresses some of the key issues identified in the Town Investment Plan, enabling the wider regeneration of the city centre.

CASE FOR CHANGE

Old ways of working are being challenged and new models of service delivery are being developed, that is the strategic position from Government on future library and learning services.

There has never been so much change and innovation across national library services. Alongside this, many library services are seeing the enormous benefits that technological and digital innovation can bring – giving them opportunities to offer new services, bring in new customers and extend their reach into communities.

Public libraries are funded to provide a unique ‘cradle-to-grave’ service. Through their buildings, outreach activities and online digital services, they are being seen increasingly as community hubs – bringing people together and giving them access to a greater breadth and depth of services and support and operating as a gateway to physical and digital information; from public health to adult learning, school readiness to employment, and a broad range of business, community and cultural services. But libraries face significant challenges as almost every aspect of modern life continues to change rapidly. People’s experience and expectations around living, learning, shopping, leisure and entertainment are radically different to those which existed a decade before. And like all public services, libraries have to adapt accordingly – continually developing their offer and responding to changing needs and circumstances.

Libraries reach and support the whole community regardless of age, gender, socio economic status or educational attainment, and they – and the people who work in them – can also support other public services to achieve the outcomes needed for individuals and communities to flourish.

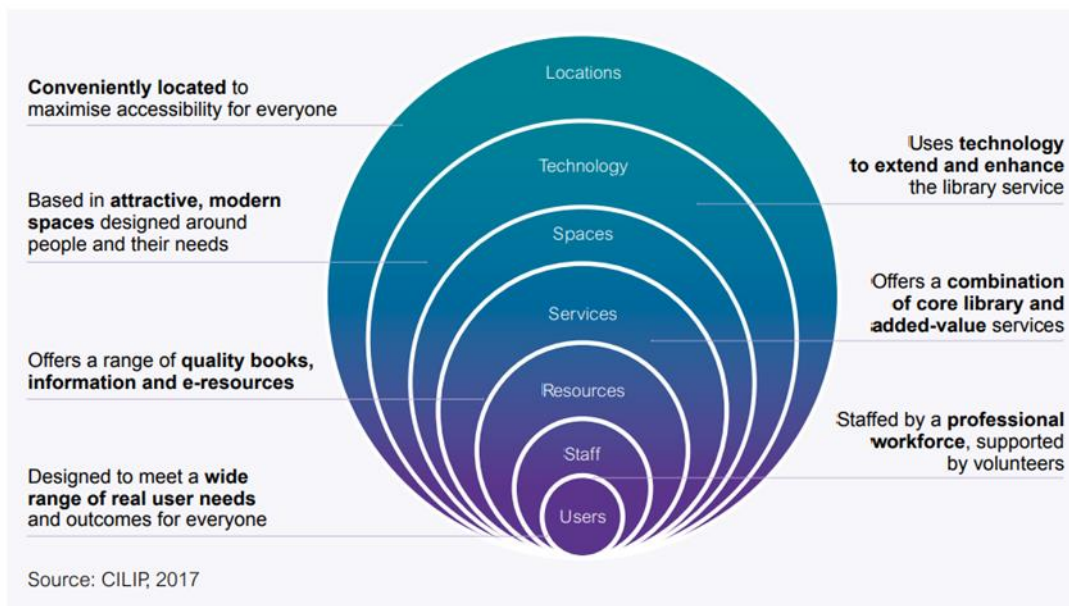
The National Libraries Taskforce has specifically identified seven outcomes that libraries contribute to in their ‘Libraries Deliver: Ambition for Public Libraries in England:’

- cultural and creative enrichment
- increased reading and literacy
- improved digital access and literacy
- helping everyone achieve their full potential
- healthier and happier lives
- greater prosperity
- stronger, more resilient communities

The Public Libraries and Museum Act 1964 places a statutory duty on councils to provide a ‘comprehensive and efficient’ library service for all people working, living or studying in the area who want to make use of it. This has never been formally defined, in order to allow local areas to design services that best meet their unique local circumstances and needs.

CILIP – The Library and Information Association have developed the diagram below which builds on the seven outcomes highlighted above with identifying that public libraries are perfectly placed to deliver through staffing, building, location, accessibility and resources available making them ideal as ‘community hubs’ delivering core and added-value services:

Diagram 1: Visualising the library of the future



The best libraries offer far more than their original role of making books and other published material available. A multitude of on-site resources including books, e-books and magazines, job-seeking assistance, computer stations, free Wi-Fi tech-hubs, refreshments, meeting rooms, community spaces and safe spaces for groups of all ages are provided.

As social places, libraries offer much-needed public spaces helping with the social outcomes of companionship for older adults, club-space for a variety of groups, de facto childcare for busy parents, language assistance for those in need and welcoming public spaces for the poor, the lonely and the young. They have proved their resilience as social institutions funded by local authorities in the UK for over 150 years and can serve – along with museums – as important places to foster positive mental health and social well-being. Research in the US has demonstrated that libraries remain highly trusted places in a world grappling with fake news and deliberate fabrication. As such, a design which offers open, easy access, a variety of spaces and free-to-use services over long opening hours, all within a safe and welcoming environment, is key. In this way, the modern library can supplement other activities in a town centre location, such as that proposed in Hereford.

The current library situated with the Museum and Art Gallery in the city centre is within a Grade 2 listed building where limited investment has been made over many years. Although the library has space for activities the current building has a number of areas that are inaccessible due to dilapidation, and the environment does not meet the future vision of the service. The building is also subject to proposed changes for an innovative and progressive Museum and Art Gallery project also through Stronger Towns and other funding sources.

Hereford library as with other public facing activities was greatly impacted by the pandemic. The table below shows that the number of visits fell by 55% comparing the 2019/20 with the past year. The number of active borrowers fell by 27%, new members fell by 26% and computers sessions were less than a quarter what they were in 2019/20.

Year	Visits	Issues	New Members	Public Computer Sessions
21/22	65,390	100,819	1898	3146
19/20	144,410	142,138	2570	13590

Hereford library consistently falls short of recommendations in terms of book stock compared to similar sized settlements. For the catchment area it services, Hereford library should have around 20% more book stock than it currently has. There is a need for a flexible space which can be used for a variety of events and activities and this would need to be able to facilitate performances, rhyme times etc which sufficient room for audiences plus pushchairs etc.

- Space for a children’s library including sufficient space to accommodate pushchairs etc
- Sufficient space to facilitate school class and early years setting visits
- The facility and space to deliver services and advice sessions with community partners such as Healthy Lifestyles and other health and NHS providers as well as for small exhibitions and displays and the facility for consultation opportunities
- Study space (appropriate tables and chairs) as well as comfy seating
- Fast and robust wi-fi
- Public access



There is no doubt that these are challenging times for councils and the library services we run are no exception. The way people use libraries, together with their expectations of public services are changing. The structures on public finances are being compounded by demographic changes and increasingly speedy technological advances by the private sector. Hence, standing still is not an option.

The social commentator Richard Watson suggested that: “their future is one of being gathering places where people exchange knowledge, wisdom, insight and, most importantly of all, human dignity”. He went on to say that: “a good public library is a showroom for culture and learning. It’s a place that celebrates creativity, encourages exploration and discovery, helps people to work productively, and provides community engagement and empowerment”. The library of the 21st century is thus one where people meet, maybe browse through a book or a newspaper. As a locally-accountable service, libraries are well-placed to respond to local needs and issues. Libraries can therefore have a critical role in helping people to realise their potential, especially those from disadvantaged backgrounds.

The most recent Libraries All Party Parliamentary Group (APPG) report (2021) concluded that: “Common ground (in the Group) was most clear when it came to the likely form of a future library. The panel converged towards the concept of a library, not as a place, but as a platform. The most vivid of these came from Richard Heseltine who said: “compare a library to a smartphone. A smartphone is a platform on which a personalised collection of apps is assembled. The task of the librarian is to create a platform on which different apps are assembled to meet the needs of specific groups or communities, but some will be common to all libraries.

The café and the LRC also provide an alternative option and mixture to the use of the building which compliments the future of the library facility and building redesign. Local authorities have a particularly important role to play in developing and embedding health on the high street principles. The NHS is well placed to work to assist in developing an approach that better understands the social and economic potential of health, as well as strengthening the role of communities in decision making, and ownership and use of high street spaces.

This proposal provides the opportunity to revitalise the Maylord Orchards Centre into an innovative, sustainable community cultural hub in the city centre, meeting the objectives and description above.

POLICY ALIGNMENT

Town Investment Plan

As above, the Town Investment Plan identifies the redevelopment of Maylord Orchards creating a new modern library and learning centre as an opportunity to regenerate the city centre, and address issues in terms of skills gaps/ access to public services. The Town Investment Plan states *'The cluster of assets at the heart of the city (Maylord, Cathedral Close etc) currently controlled by the City Council, Herefordshire Council and the Diocese represents significant collaborative potential to repurpose the city centre'*

Levelling Up the United Kingdom

The project will directly deliver the following Levelling Up White Paper missions:

- By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing. – *Enhancing Hereford as a city to live, work, study, and visit. Offering access to learning, well-being and public services at the heart of the city.*
- By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing. – *Providing a new public facility for local people, improving education, and enabling access to culture.*
- By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing. – *Regenerating the city centre creating a new modern library and learning resource centre.*

National and Regional

The proposed project will deliver the governments 'Build Back Better Strategy: our plan for growth', specifically 'Regenerate struggling towns in all parts of the UK via the UK Shared Prosperity Fund and the UK-wide Levelling Up Fund'. Government have reviewed the Hereford Town Investment Plan and relate projects, selecting those to go forward which meet their national priorities.

The new Skills and Post-16 Education Act (2022) will help transform the skills and training landscape and level up opportunities across the country. The legislation will help economic recovery and growth by making it easier for people to get the skills they need to secure well-paid jobs in industries with skills gaps, such as health and social care, engineering, digital, clean energy and manufacturing. The Act underpins the government's transformation of post-16

education and skills as set out in the [Skills for Jobs White Paper](#) (Link) and will help level up and drive growth across the whole country.

The LRC will support the delivery of the government's ambitions set out in the Skills for Jobs White Paper underpinned by The Skills and Post-16 Education Act (2022). Specifically:

- Making sure people can access training and learning flexibly throughout their lives and are well-informed about what is on offer through great careers support
- ensure everyone has access to education and training that will help them to get a great job
- Continue to support participation in english, maths, and digital training to meet employer's needs and support people to progress in employment or further study

The project will deliver the following Marches Strategic Economic Plan 2019 priorities:

- A growing place, attracting more people to come, stay and build their careers and businesses.
- A destination not a boundary - gateway to markets in the Midlands, Wales, South West, North and Europe. A visitor destination with significant natural and cultural resources that is well known and attracts people looking for a high-quality experience.
- An inclusive place that enables residents from all communities to thrive and develop with quality jobs offering good wages, training and progression.

The project will also deliver the following priority with the draft Marches Local Industrial Strategy: 'Place – develop prosperous and resilient places for people to live, work and visit, and for businesses to succeed by improving infrastructure, delivering the Opportunity Towns Programme, developing a campaign to attract people to the Marches, and developing a coordinated Visitor Economy Strategy'.

The project delivers The Public Libraries and Museums Act 1964. In providing this service, councils must, among other things: encourage both adults and children to make full use of the library service and lend books and other printed material free of charge for those who live, work or study in the area.

The project supports Healthy High Streets: Good Place-Making in an Urban Setting. When designed and resourced well, high streets can help activate communities to build better social, environmental and economic capital: the building blocks to better health outcomes. Local decision makers, particularly built environment professionals, town managers and public health professionals, can support this. High streets provide professionals with an existing community asset with which to impact positively on the health of local residents, improving health outcomes and contributing to reducing health inequalities.

Link: [Marches LEP](#)

The Marches LEP Skills Advisory Panel, of which we are a member, provides local leadership by increasing understanding of our labour market and skills issues, driving engagement with employers and liaison with training providers. It has developed a Local Skills Report in 2021. This set out local strengths and skills needs, in line with the Marches Strategic Economic Plan and included an action plan detailing how the Marches SAP proposed to address its key priorities.

The Marches Local Skills Report has been updated in January 2022 to reflect progress made by partners, to ensure alignment with the Marches Economic Recovery Plan and to take account of the changing policy landscape. The LRC will contribute to the delivery of the priorities in the

Skills Report: Delivering responsive demand led-provision: Tackling barriers to participation: harnessing our ageing workforce; Inspiring young people

Local

County Plan 2020 to 2024 – A priority of the County Plan 2020 to 2024 is to ‘Use council land to create economic opportunities and bring higher paid jobs to the county’, and to ‘Invest in education and the skills needed by employers’. The County Plan also states ‘We will work with partners to maximise the Stronger Towns Fund grant (up to £25m) awarded to Hereford and to support investment programmes across all our market towns’.

The project supports the ambitions as detailed within Herefordshire Council’s Delivery Plan priorities, specifically:

EC2.1 - Work with partners to develop and implement a £25m Town Investment Plan for Hereford, to be funded through the Stronger Towns Fund

EC2.5 - Develop Maylord Orchards as a key strategic site; acting as a catalyst for the regeneration of Hereford City Centre

EC3. - Work with partners to expand our adult and community learning programme, with a particular focus on those at risk of long term unemployment, and young people at risk of not being in education, training or employment. Supporting objective EC3 Work with partners to increase the Skills and Workforce in the county (delivery plan 2022/23)

Hereford Town Investment Plan – the proposed project has been identified as a priority in the Town Investment Plan within the ‘cultural assets package’, which was considered by government and included in their £22.4m award to the city announced on the 8th June 2021. The Town Investment Plan states the project ‘*will deliver the following Towns Fund Intervention Framework outcomes: 1. New, upgraded or protected community centres, sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens 2. Delivery of quality residential or commercial space in key locations (town centres, gateway areas, employment sites) 3. Delivery of new public spaces*’.

Link: [Adult and community learning plan 2019-22 \(herefordshire.gov.uk\)](https://www.herefordshire.gov.uk/adult-and-community-learning-plan-2019-22)

This plan identifies the key priorities for Herefordshire Council’s Adult and Community Learning Service (ACLS) to achieve its strategic and organisational aims for the academic years 2019-22. The plan covers the funding received from the Education and Skills Funding Agency (ESFA) annually to deliver Community Learning and Adult Skills Learning opportunities to Herefordshire residents aged 19 and over.

Adult and community learning programmes contribute to the ambitions of the Herefordshire Children and Young People’s Partnership plan 2019-2024 by:

- Targeting resources and supporting vulnerable people aged 19 and over into learning including care leavers
- Improving the emotional and mental health and wellbeing of adults including parents and carers
- Achieving success in life, learning and future employment e.g. family learning, english, maths and employability programmes

'The Mendoza Review: an independent review of museums in England' - GOV.UK (www.gov.uk) 2017, was undertaken in response to the Department for Digital, Culture Media & Sport (DCMS) Culture White Paper in 2016, which called for "a wide-ranging review of national, local and regional museums, working closely with Arts Council England (ACE) and the Heritage Lottery Fund (HLF)". It looks at what the national infrastructure for museums is and what it could and should be; the museums sponsored directly by government; and the challenges and opportunities for all of England's museums. It makes recommendations across the following areas:

- Adapting to today's funding environment
- Growing and diversifying audiences
- Dynamic collection curation and management
- Contributing to place making and local priorities
- Delivering cultural education
- Working in museums: Developing leaders with appropriate skills & Diversifying the workforce
- Digital capacity and innovation
- Working international

These recommendations are embedded within the Arts Council England Strategy 2020-30 which has three stated outcomes:

- **CREATIVE PEOPLE** Everyone can develop and express creativity throughout their life
- **CULTURAL COMMUNITIES** Villages, towns and cities thrive through a collaborative approach to culture
- **A CREATIVE & CULTURAL COUNTRY** England's cultural sector is innovative, collaborative and international

To be achieved through four investment principles:

- **AMBITION & QUALITY** Cultural organisations are ambitious and committed to improving the quality of their work
- **DYNAMISM** Cultural organisations are dynamic and able to respond to the challenges of the next decade
- **INCLUSIVITY & RELEVANCE** England's diversity is fully reflected in the organisations and individuals that we support and in the culture they produce
- **ENVIRONMENTAL RESPONSIBILITY** Cultural organisations lead the way in their approach to environmental responsibility

ACE highlight their organisational aspirations for the period of the plan:

- Creating opportunities for children and young people to reach their creative potential and to access the highest quality cultural experiences
- We will support our cultural organisations to present the best of world culture, to excite and inspire audiences

The project supports the aims and recommendations of the DCMS Mendoza Review and the ACE 10 year plan.

Herefordshire Cultural Partnership

Herefordshire Cultural Partnership is a dynamic consortium of arts, culture and heritage groups, local government and businesses with a shared vision.

Our Vision:

For Herefordshire to be internationally recognised as a beacon for inspirational arts and culture that enhances wellbeing

Mission:

To enrich the lives of all who live, work and visit Herefordshire by building on existing arts and culture programming and generating new opportunities and more engagement

To develop young people's pride in place, confidence, creativity, skills and opportunities through inspirational arts and culture

Values:

We believe that arts, culture and creative engagement of many different kinds and across all art forms play an essential role in the wellbeing of everybody and enhance our lives in many positive ways, including adding to the economic vitality of the county. We are committed to:

Partnership– working together we can achieve great things

Excellence – we are ambitious for quality and value for money

Diversity – we respect and seek to do the best for everybody who lives, works or visits Herefordshire

Resourcefulness – we make the most of what we have, take pride in resilience and welcome innovation

Openness – we are open and transparent in the way we work, open to opportunities, open-minded and outward looking; we are rooted in place and connected to the world

VISION AND OBJECTIVES

Aim:

To develop a new innovative and modern Library and Learning Resource Centre (LRC), creating a mixed development to support the regeneration of the city centre, and to improve the opportunities and wellbeing outcomes of the population through enhanced cultural facilities.

'Libraries Deliver: Ambition for Public Libraries in England 2016 to 2021' sets out shared outcomes for library services and 'urges commissioners across the public sector to consider a 'library first' approach when planning services for their communities', which is described above.

The Arts Council of England (ACE) holds the national remit for supporting arts, libraries and museums through funding, advocacy, advice and support. ACE has five goals that link to Herefordshire County Plan.

These are:

- to see excellence thriving and celebrated in arts, museums and libraries
- to reach more people, broaden the groups being reached and improve the quality of their experience
- to support resilience and sustainability- financial, environmental and digital

- to be sure the work draws on and reflects the full range of backgrounds and perspectives in society
- to ensure children and young people access excellence in libraries, arts and museums experiences

Objectives:

- To provide an enriching environment that creates learning opportunities and increases the skills of our communities
- Embedding a new innovative and sustainable library and learning resource centre in the Hereford City that attracts residents across all ages
- Creating a community hub and infrastructure that provides multi-faceted working environments and increased collaboration between sectors
- Supporting the residents to remain well, healthy and independent by offering an improved cultural infrastructure in the City
- Creating an environment to enable people to feel safe and be safe
- Improved digital infrastructure that is agile and automated to support the digital needs of the future.
- Increasing the number of residents visiting and continuing to visit the library and resource centre
- Regeneration of a key city centre site through the refurbishment and re-use of the current underutilised atrium space creating a new focal point to drive footfall and increase economic spend in the City.

Key Performance Indicators

The following KPIs will be used to monitor services once the Library and Learning Resource Centre are operational:

- Number of new Library members
- Number of books/activities issued
- Active library members
- Number of schools engaged and utilising the library/number of visits from schools
- Unique users to the website and accessing the resources
- Increased number of community events for all ages and increasing accessibility for the library
- Increased number of self service for books
- Number of volunteers supporting the library/hours provided
- Number of bookstart packs provided to the community
- Case studies of improved wellbeing
- Improved customer experience

THE PROPOSED INVESTMENT

Short-list of options:

Option	Short-list Y/N	Reasons
Do nothing	Y	Base case

Develop Learning Resource Centre in the current Maylord Orchards atrium building.	Y	Project as currently proposed.
Refurbish Maylord Orchards site without relocating the library.	Y	Option could reduce capital costs.
Undertake major redevelopment of site, demolishing current buildings to create a more significant mixed use development.	N	Costs would be very high given need to secure vacant possession of the current units and to re-build.
Extend the current premises into the service yard to create more operational space.	N	Costs would be prohibitive, access rights from surrounding land owners (including fire safety) would prohibit.

Option 1 – Do nothing. Do not pursue the grant funding, do not create the LRC or refurbish the wider site.

Cost	£3m
Benefits	No disruption to library services, existing tenants and visitors to Maylord Orchards.
Deliverability	N/A
Pros	<ul style="list-style-type: none"> No disruption to library services, existing tenants and visitors to Maylord Orchards. Addresses existing market failure. The demand for retail space in the city centre is declining, which means there is a requirement to create alternative uses for spaces such as Maylord Orchards in order to diversify and regenerate the high street.
Cons	<ul style="list-style-type: none"> Loss of grant funding (£3m) Library remaining in the museum building will impact upon the separate Towns Funding project; additional floor space is required within the Broad Street building where the library is currently housed. Not moving the library will have a detrimental impact on the ambition for the Broad Street building. No alternative funding is identified to relocate the library with the Stronger Towns funding. Maylord Orchards building could fall further into disrepair. Lack of mixed use purpose in the city centre may result in a further decline to footfall, impacting future economic viability.
Recommendation	Rejected

Option 2 – Delivery of the project as proposed, developing a Learning Resource Centre (relocating the library) in the refurbished the current shopping centre.

Cost	£3m
Benefits	Creates new repurposed city centre offer, modernising the current shopping centre and uplifting trade in the wider city centre.
Deliverability	Deliverable subject to further development of the design and costs, and revenue income generation meeting operational costs.

Pros	<ul style="list-style-type: none"> • Provides a new Learning Resource Centre to re-purpose the city centre and provide residents with access to services. • Supports physical and social recovery from Covid 19. • Redevelops a dated site that may otherwise fail to retain / attract tenants. • Creates learning opportunities for local people. • Enables the linked Museum and Art Gallery project to proceed due to relocation of the library.
Cons	<ul style="list-style-type: none"> • Possible disruption to other businesses during capital works. • Possible disruption to library users during the relocation. • Current library operational costs will increase, such as business rates and service charge.
Observations	The development of the full business case will further explore this option, better understanding costs and outcomes.
Recommendation	Proceed.

Option 3 – Refurbish Maylord Orchards site without relocating the library.

Cost	C £3m
Benefits	Would enable more significant redevelopment of the Maylord Orchards site
Deliverability	Subject to design and costing
Pros	<ul style="list-style-type: none"> • More extensive redevelopment of the current shopping centre, a strategically significant site at the heart of the city centre.
Cons	<ul style="list-style-type: none"> • Likely to negatively impact the museum redevelopment project as the library will not be relocated. • More significant disruption to current tenants and visitors. • Town Investment Plan outputs relate to learning opportunities from the Learning Resource Centre. • Failure to create a mixed use purpose.
Observations	Significantly limits outcomes and purpose of the project, and impairs another linked project.
Recommendation	Rejected

Subject to the successful development of the full business case (including full design, tendered costs and planning permission), the preferred option is option 2.

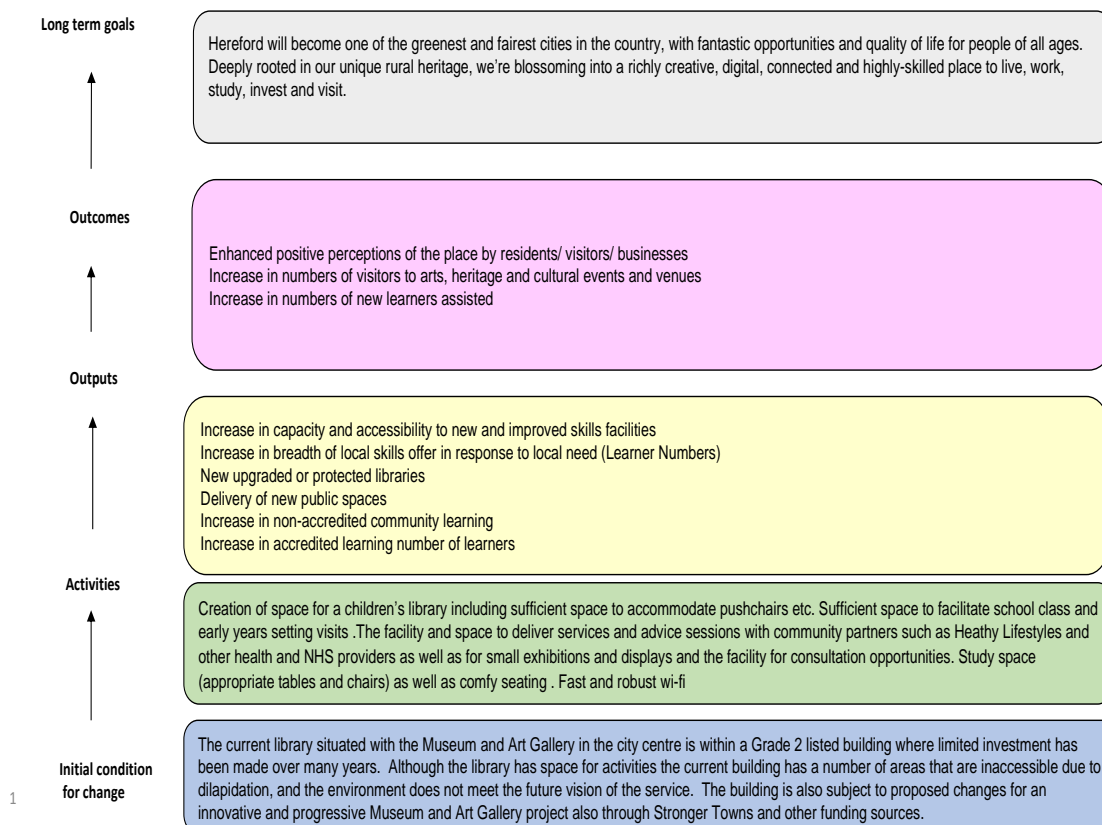
Critical success factors

- Securing the Town Investment Plan grant.
- Securing planning permission.
- Design and fully procured services within the available budget.
- Construction works delivered to time and budget.
- Timing of library relocation aligned to the museum redevelopment project.
- Revenue income can sustain increased operational costs

THEORY OF CHANGE

A Theory of Change arising from the development is set out below:

Library and Learning Resource Centre Theory of Change



Stakeholders

The council owns the Maylord Orchards shopping centre, and is responsible for the delivery of a number of the identified services in the Learning Resource Centre such as the library, and the adult and community learning service. Tenants of the site and adjoining premises would be impacted through the construction phase and changes to use. Consultation has already begun with support from the Centre Manager, and they will continue to be consulted throughout the development of the project.

The below illustrates the responses to four key questions which were discussed with library staff as part of the consultation held on 14th September 2021:

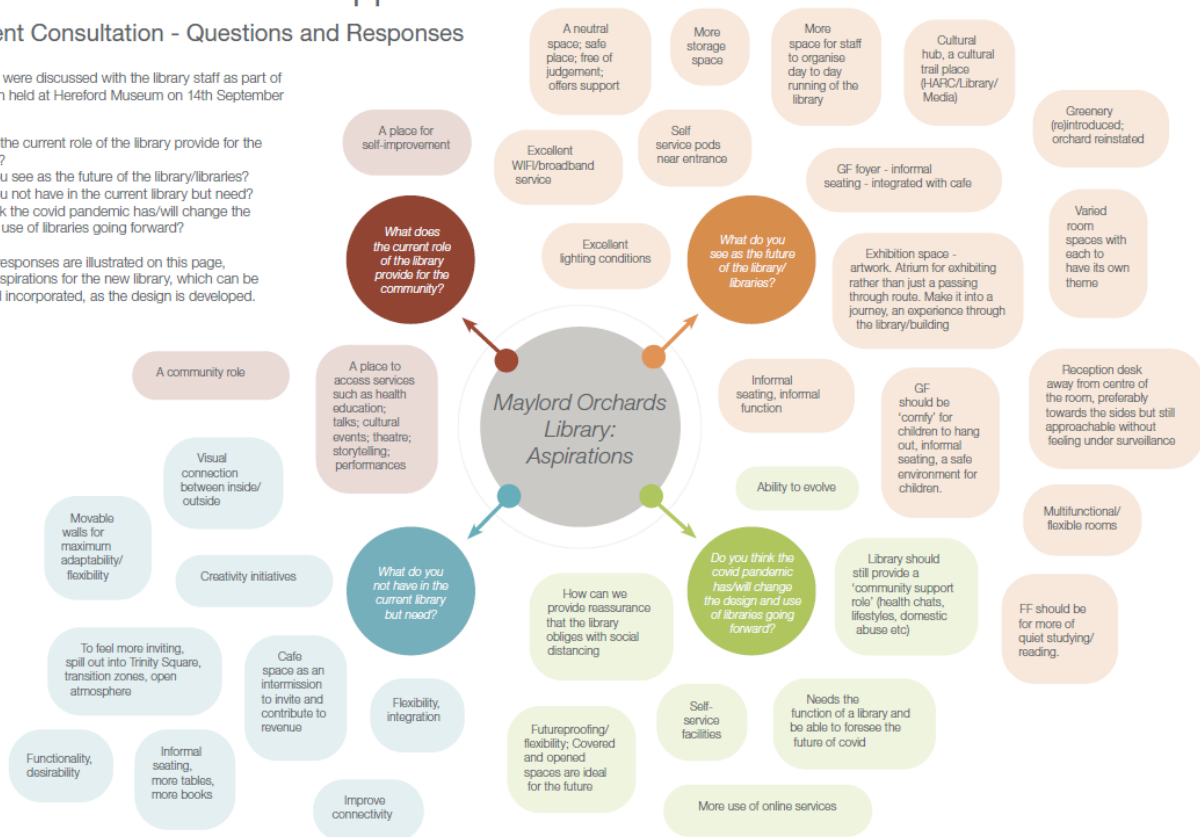
Stakeholder Consultation: Appendix

1.7 / Client Consultation - Questions and Responses

Four questions were discussed with the library staff as part of the consultation held at Hereford Museum on 14th September 2021:

- What does the current role of the library provide for the community?
- What do you see as the future of the library/libraries?
- What do you not have in the current library but need?
- Do you think the covid pandemic has/will change the design and use of libraries going forward?

Colour coded responses are illustrated on this page, documenting aspirations for the new library, which can be referred to, and incorporated, as the design is developed.



Stakeholder Strategy

A stakeholder strategy, developed by Architype and Herefordshire Council's project team and the Council's Communications Team, who have also supported in the development of a Communications Plan.

The plan details the stakeholders for the project.

A full version of the Consultation Strategy can be found in the appendix 4

Stakeholders

1.2 / Organogram

This organogram diagram arranges the stakeholders from the list provided by Jon Chedgoy, Museums, Libraries and Archives Manager, Herefordshire Council (received via email on 08.03.2022 at 12:55), into manageable groups who can be consulted together.

Groupings have been created with stakeholders of equal priority who will be consulted via the same consultation method.

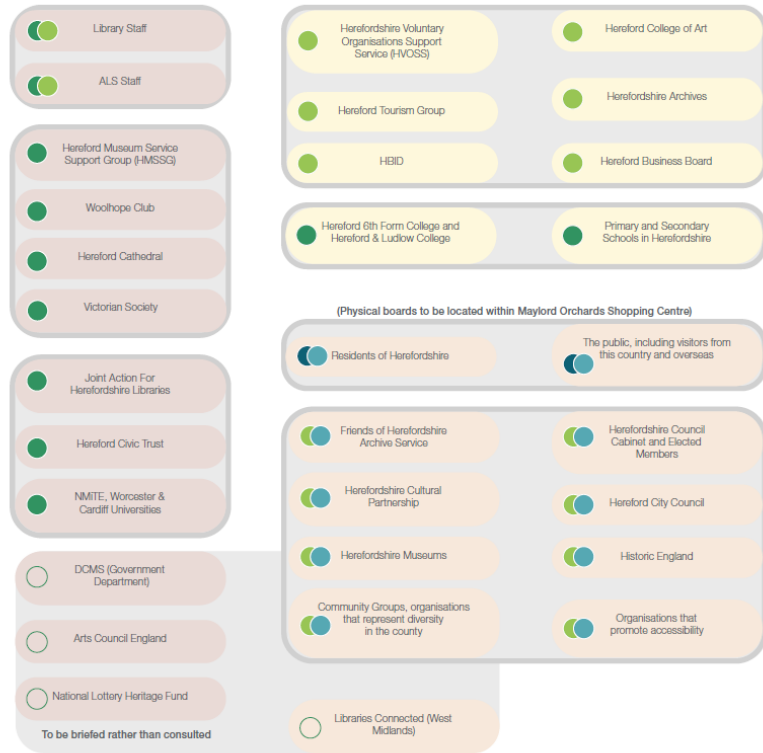
Priority and consultation method have can be identified using the colour coding keys below:

Stakeholder Priority Key



Consultation Method Key

- In-person
- Email / phone (set of questions)
- Physical boards
- Online consultation
- to be briefed, not consulted

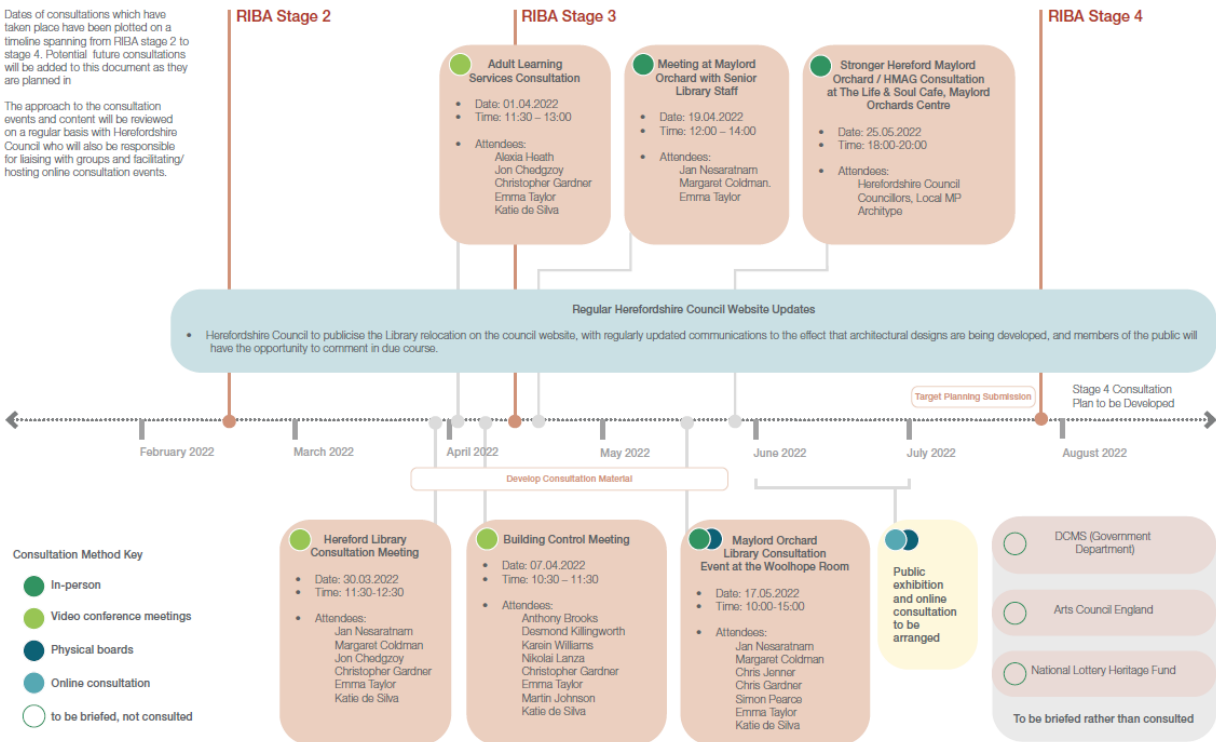


Stakeholder Consultation: Strategy

1.3 / Timeline

Dates of consultations which have taken place have been plotted on a timeline spanning from RIBA stage 2 to stage 4. Potential future consultations will be added to this document as they are planned in.

The approach to the consultation events and content will be reviewed on a regular basis with Herefordshire Council who will also be responsible for liaising with groups and facilitating/ hosting online consultation events.



A consultation event took place on 17th May 2022 across three sessions, facilitated by Architype. At this event, stakeholders were presented with concept designs and proposed floor plans. Feedback is included within Appendix 4, on page 10.

On the 25th May 2022, an evening event was held, facilitated by Herefordshire Council and the Cabinet Member for Commissioning, Procurement and Assets, supported by Architype and Mace. The event was held at Maylord Orchards and was attended by partners from the Stronger Towns Board, Woolhope Club, HMSSG, Hereford City Council, Cabinet Members, Hoople Ltd and representatives from the local press. At this event, concept designs were shared, and members present were invited to feedback and ask questions about the project. This will be the first of several such events.

The MP for Hereford and South Herefordshire was unable to attend, but was briefed prior to the event and conversations with them are ongoing.

Herefordshire Council invites you to view concept designs for Hereford Museum & Art Gallery and Maylord Orchards Library and Learning Resource Centre as part of #StrongerHereford

Wednesday 25th May
6:00pm – 8:00pm
Life & Soul Café in the Maylord Orchards Centre
RSVP via the Eventbrite link provided by Friday 20th May

   @hfdscouncil

[Herefordshire.gov.uk](https://www.herefordshire.gov.uk)

The council will work in partnership with all local learning and skills providers such as NMITE, Hereford College of Arts, Herefordshire and Ludlow College, Hereford Sixth Form College, RNC, Beacon College, National Star College, Herefordshire and Worcestershire Group Training, Association, HOOPLE Ltd, Equalities groups, Youth Council, Riverside Training, Horizon Training, Landau promoting the opportunity to utilise the Learning Resource Centre to engage local residents and deliver their services.

The council will work in partnership with other local public sector public service providers who may also benefit from utilising the centrally located Learning Resource Centre space, such as DWP and Wye Valley NHS Trust.

Voluntary and Community organisations will also work in partnership with Herefordshire Council through organisations such as HVOSS.

ECONOMIC CASE

ECONOMIC CASE

INTRODUCTION

Herefordshire faces some significant long term economic challenges, further impacted through Covid 19. In particular the visitor economy, non-essential retail and cultural sectors were the worst impacted by Covid 19, required to close for many months during lockdowns.

Herefordshire has the lowest⁴ county tier Gross Value Added (GVA) or any county in England and is the second lowest in the UK (second to our neighbor Powys). Average weekly wages are 20% below the national average, 39% of residents have a NVQ level 4 or above qualification compared to a national average of 43%, 24% of the population are aged over 65⁵, and the county is a Higher Education and social mobility 'cold spot'. As younger generations reach higher education age they have tended to move away to access university education, and we don't have the higher level jobs to attract them back.

Across the country physical retail has been in decline for some time, given an ever increasing shift to on line buying of goods and services which has been further exacerbated by Covid 19. Prior to the pandemic £1 of every £5 of retail spend had moved to online purchases. The following graph highlights the rise in online sales over recent years, including the significant increase caused by Covid 19. Although in terms of total retail sales, volumes decreased by 4.8% up to August 2020 as all sectors except for food and non-store retailing saw a fall in sales (ONS Great Britain Retail Sales August 2020).

For a number of years retailers located in town centres have encountered falling footfall, reduced trade, whilst still encountering costs not incurred to the same degree by online retailers such as business rates and building related costs (lease, utilities etc). In recent weeks large retail chains such as Debenhams and the Arcadia Group have announced they are going into administration with the loss of significant numbers of jobs across the country.

The KPMG 'The Future of Towns and Cities report' (January 2021) states that '*We expect that 40-50% of all non-essential retailing will be transacted online going forward, up from around 30% pre-COVID*'. The report states that '*Those that succeed will be likely to have a range of cultural assets as well as easy access to green space, which will serve to boost the quality of living in the area*'

Where retail has been the primary footfall driver for many years, town centre (local residents as well visitors from other places) are now looking for a range of experiences. For example, leisure, events, café culture, socialising, meeting friends and/ or seeking retail experiences not readily available of line, for example through distinctive independent shops. 64% of all retail and leisure units nationally are now independent (BIRA/Local Data Company).

The Towns Funding guidance recognises the challenges cities such as Hereford face. The national guidance states that: '*Town centres may be hit hard by the impacts on retail, adding to*

⁴ [Mapping inequality in the UK \(ons.gov.uk\)](https://ons.gov.uk)

⁵ [Economy & place - Understanding Herefordshire](#)

longer-running trends and pressures. In particular, towns may want to consider how they can reconfigure town centres for mixed uses’.

The proposed project will address the above issues. The redeveloped Maylord Aorchard site at the heart of the city will re-purpose a dated shopping centre in to a mixed use facility offering access to a modern library and related services. The Learning Resource Centre providing local residents with access to Adult Learning Services, addressing skills gaps and enabling them to seek better higher value roles leading to improved living standards. It will also provide a central city centre location for access to well-being support, health advice and other public services.

Creating new reasons to visit and spend time in the city centre will increase footfall, and spend across the city centre as a whole.

APPROACH TO ECONOMIC CASE

Project options are fully considered in the strategic case.

ECONOMIC BENEFITS

The project will deliver the following outputs:

Output	2023/24	2024/25	2025/26
Increase in capacity and accessibility to new and improved skills facilities	1		
Increase skills offer in response to local need	124	230	230
New upgraded or protected libraries	674.3 sqm		
Delivery of new public spaces	1		
Non-accredited Community Learning Number of learners	100	150	150
Accredited learning number of learners	24	30	30

The project will deliver the following outcomes;

- Perceptions of the place by residents/ visitors/ businesses
- Numbers of visitors to arts, heritage and cultural events and venues
- Numbers of new learners assisted

APPROACH

The assessment of economic benefits for this **Towns Fund** scheme has been undertaken in full compliance with the latest **HM Treasury Green Book** (2020) and relevant Departmental guidance, such as Department of Levelling Up, Housing and Communities (DLUHC).

There are a number of overarching assumptions which apply to the value for money assessment (unless otherwise stated):

- all short-listed options have been appraised over a **20-year period**, consistent with the estimated life of the project.
- where Present Value figures are presented, cost and values have been **discounted at 3.5%**
- all monetised costs and benefits have been converted to **2021/22 prices**, with general inflation excluded.
- the costs and benefits of the intervention options are presented in net terms and relative to the Base Case. Adjustments have also been made for **Additionality** e.g. leakage, displacement and multiplier effects where appropriate (as detailed below).
- **Optimism Bias** of 12% has been calculated using HM Treasury methodology and included in the value for money analysis. We have set this at a mid range taking account of the capacity of the council to oversee large capital projects. Based on Green Book Supplementary Guidance Range for Standard Buildings
(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/191507/Optimism_bias.pdf)

The framework for assessing the economic benefits of the **Library** project has been developed having regard to the HM Treasury Green Book, MHCLG (DLUHC), BEIS and DCMS guidance. As set out within the MHCLG (DLUHC) Appraisal Guide, projects should be appraised based on a **Benefit Cost Ratio (BCR)**.

The calculation of costs and benefits has accounted for latest recommendations from MHCLG (DLUHC) in relation to the Towns Fund, as well as other recent publications for regeneration and cultural projects. Reflecting the diverse nature of the interventions and their expected impacts, as well as the existing conditions within Hereford, a wide range of external benefits have been assessed in accordance with guidance as set out in the Economic Benefits section below.

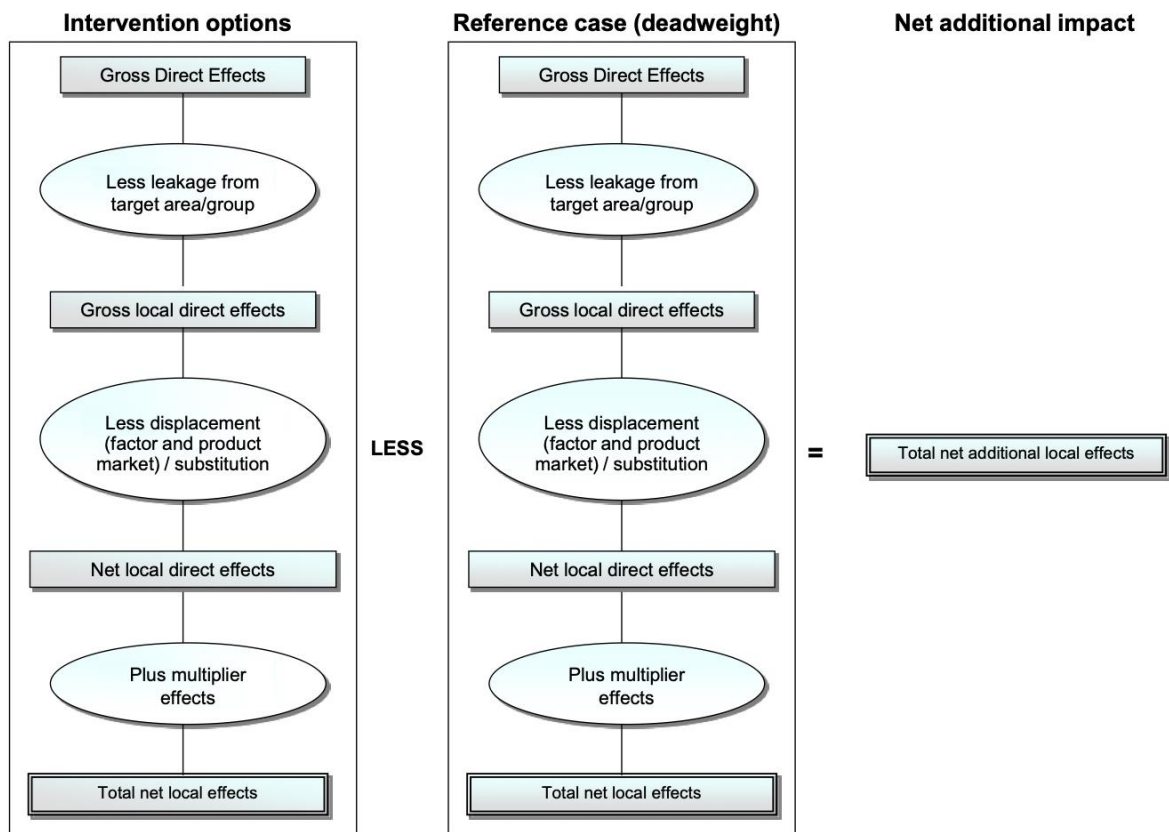
ADDITIONALITY

Of key importance in assessing the impact of the proposals on the local economy is the extent to which new activity is truly additional, in other words it does not simply displace existing activity. Furthermore, it is important to understand who is likely to benefit from the impacts generated and the degree to which further demand and investment is stimulated.

To assess the net additional impact of the proposals and overall anticipated additionality of the proposed project options, the following factors have therefore been considered:

- **Leakage** – the proportion of outputs that benefit those outside of the project’s target area or group
- **Displacement** – the proportion of project outputs accounted for by reduced outputs elsewhere in the target area. Displacement may occur in both the factor and product markets
- **Multiplier effects** – further economic activity associated with additional local income and local supplier purchases
- **Deadweight** – outputs which would have occurred without the project (Base Case)

The approach to assessing the net additional impact of a project, taking into account the above adjustments, is shown diagrammatically below.



For the economic modelling, we have assumed a composite **Additionality Factor of 66%** based on HCA norms for people using refurbished cultural facilities (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/378177/additionality_guide_2014_full.pdf)

VALUE FOR MONEY ASSESSMENT

For the **Library** project, the economic modelling included a number of monetised benefits, consistent with Governmental guidance. These included regeneration benefits, social benefit skills, enterprise and tourism (cultural benefits)

These benefits are outlined in more detail below (in relation to the broad Town Fund investment themes in the TF prospectus)

Towns Fund investment theme	Key benefits	Wider social and economic benefits (note adding all benefits may lead to double counting)	Key guidance to model and monetise benefits
Urban regeneration, planning and land use	<ul style="list-style-type: none"> Land value uplift 	<ul style="list-style-type: none"> Increases in local employment and GVA Community cohesion Health benefits from increased active travel or use of new public / green spaces Social benefits (e.g. improved personal security) 	MHCLG guidance

Arts, culture, and heritage	<ul style="list-style-type: none"> Increased retail revenue from increased footfall Amenity benefits 	<ul style="list-style-type: none"> Social benefits from improved access to culture Increases in local employment and GVA Community cohesion 	
Skills infrastructure	<ul style="list-style-type: none"> Land value uplift 	<ul style="list-style-type: none"> Increased employment and income Attraction of businesses interested in the skills offered by the new infrastructure 	MHCLG guidance

Economic Costs

The financial costs of the proposed intervention have been developed by the **Library** Project Team.

The nominal financial costs in the Financial Case have been converted to economic costs in line with the Green Book approach by using the HM Treasury's GDP deflator index to convert estimates of future costs to constant (2021/22) prices. The constant price costs have been adjusted to present value costs by applying the Treasury's Social Time Preference discount rate of 3.5% per annum. Public capital expenditure within the programme is expected to run until 2024/5, in line with the Towns Fund guidance.

Type	Source	Total Amount
Public sector cost (20 yrs)	Green Book STPR	£3 million
Optimism Bias (12%)	CCB Precedent	£0.36 million
Public sector cost (with OB)	-	£3.36 million

Value For Money Assessment

A bespoke economic model was created to calculate the Benefit Cost Ratio, BCR of the proposed intervention. The results are summarised below:

Value for money assessment (£M, discounted, 2021 prices)	Core scenario	Sensitivity test 1	Sensitivity test 2
		No Learner Benefits	Optimism Bias 24%
Increase in capacity and accessibility to new and improved skills facilities	£0.29	£0.29	£0.29
Increase skills offer in response to local need	£4.19	£4.19	£4.19

Economic benefits

Increase in capacity and accessibility to new and improved skills facilities

Increase skills offer in response to local need

£0.29 £0.29 £0.29

£4.19 £4.19 £4.19

New upgraded or protected libraries				
Delivery of new public spaces		£5.32	£5.32	£5.32
Non-accredited Community Learning Number of learners		£1.34		£1.34
Accredited learning number of learners		£0.33		£0.33
Additionality Factor 0.65				
Total economic benefits	(A)	£7.57	£6.47	£7.57
Economic costs				
Towns Fund	(B)	£3.00	£3.00	£3.00
Optimism Bias	(C)	£0.36	£0.36	£0.72
Total public sector	(D)=(B)+(C)	£3.36	£3.36	£3.72
Benefit Cost Ratio	(A) / (D)	2.3	1.9	2.0

The rationale/sources for the benefits calculated is set out below:

Increase in capacity and accessibility to new and improved skills facilities		
Source https://www.powertochange.org.uk/wp-content/uploads/2017/10/PTC_RoomHire_A5_AW-1.pdf		
Measure: Hourly rate for room hire		
Number Facility open 48 weeks a year, 6 days 8 hours per day		
Value	£27	£289,928
Increase skills offer in response to local need		
Source: https://www.gov.uk/government/publications/valuing-adult-learning-comparing-wellbeing-valuation-and-contingent-valuation		
Measure: adult learning benefits		
Number 3579 over 20 years based on council projections		
Value	£2,234	£4,185,953
New upgraded or protected libraries and Delivery of new public spaces		
Source https://www.social-value-engine.co.uk/calculator/Quantifying_and_valuing_the_wellbeing_impacts_of_sport_and_culture.pdf		
Measure: library users		
Number: 4184 34% of population uses library - 61,000 population 20% increase = 4148 people		
Value	£149	5,319,944
Non-accredited Community Learning Number of learners		
Source:		

http://social-value-engine.co.uk/calculator/Two%20Day%20Personal%20Development%20Training%20Course.pdf		
Measure: Council projected learners		
Number 1241 over 20 years		
Value	£1,081	£1,341,672
Accredited Community Learning Number of learners		
Source:		
http://social-value-engine.co.uk/calculator/RR821.pdf		
Measure: Council projected learners		
Number 482 over 20 years		
Value	£1,291	£325,626

SUMMARY

The analysis undertaken in this Economic Case was consistent with HM Treasury's Green Book and other departmental guidance. For the **Library** proposal, we identified amenity benefits, social benefit and tourism (cultural benefits)

The costings have been calibrated for Optimism Bias and discounted using HMT's 3.5%. The **BCR = 2.3** provides a very high level of value for money. (MHCLG Appraisal Guide classes a BCR greater than two as 'high' value for money and between one and two as 'acceptable').

FINANCIAL CASE

FINANCIAL CASE

As part of the RIBA stage 2 report, a summary cost plan has been provided by Mace. The below image is a summary plan:

ELEMENT GROUPS Hereford Library

© Mace Consult Limited 2022

Element	Element / Classification	Totals	%	Cost/m ²	Cost/ft ²
0	FACILITATING WORKS	60,000	2	89	8
1	SUBSTRUCTURE	171,750	5	255	24
2	SUPERSTRUCTURE	706,730	21	1,049	97
3	INTERNAL FINISHES	120,450	4	179	17
4	FITTINGS, FURNISHINGS AND EQUIPMENT	300,000	9	445	41
5	SERVICES	413,532	13	614	57
8	EXTERNAL WORKS	40,000	1	59	5
	SUB TOTAL CONSTRUCTION COSTS	1,812,462	55	2,690	250
	MAIN CONTRACTORS PRELIMINARIES @ 18%	308,119	9	457	42
	MAIN CONTRACTORS OH&P @ 7%	148,441	5	220	20
	INFLATION TO MID POINT CONSTRUCTION (3Q 2023) 5.90%	204,212	6	303	28
	SUB TOTAL OF PRELIMS, CONTRACTORS OHP AND INFLATION	660,771	20	980	91
11	PROJECT / DESIGN TEAM FEES	533,269	16	791	73
12	PROJECT CONTINGENCY @10%	300,650	9	446	41
	Total	3,307,153	100	4,907	453

Below is a summary of the capital cost plan for the project, produced by Herefordshire Council, in consultation with Mace, based on the RIBA stage 2 cost plan:

Capital Cost of Project		
Elements	Element Totals	Total
Elements included in Mace Ltd Cost Plan		
Facilitating Works	£ 60,000.00	
Construction Substructure	£ 171,750.00	
Construction Superstructure	£ 706,730.00	
Internal Finishes	£ 120,450.00	
Fittings, Furnishings and Equipment	£ 300,000.00	
Services	£ 413,532.00	
External Works	£ 40,000.00	
Construction Cost Sub Total		£ 1,812,462.00
Main Contractors Preliminaries	£ 308,119.00	
Main Contractors OH&P	£ 14,841.00	
Inflation to Mid Point Construction	£ 204,212.00	
Prelims, Contractors OHP and Inflation Sub Total of		£ 660,771.00
Project / Design Team Fees	£ 533,269.00	
Project Contingency	£ 300,650.00	
Mace Ltd Sub Total		£ 833,919.00
Mace RIBA Stage Costings Total		£ 3,307,153.00
Elements not included in Mace Ltd Cost Plan		
Procurement costs 0.3%	£ 5,437.38	
PMO Cost	£ 140,000.00	
Planning Cost	£ 1,500.00	
Income Generation Report	£ 4,777.50	
Additional Cost not included in Mace Cost Sub Total		£ 151,714.88
Total		£ 3,458,867.88

FUNDING AND REVENUES

Subject to a cabinet decision on the 29th June 2022, Herefordshire Council intend to fund the £0.5m capital shortfall to enable the project to be completed in full. In addition, to ensure that the Council can provide an enhanced level of service in meeting the aspiration of the project, over a 7 days a week period during peak periods, the cabinet decision includes the intention to increase the Council's future years revenue contribution to meet the increased operational costs. The cabinet decision can be found at: Issue details - Stronger Towns Projects Full Business Case Submission - Herefordshire Council

Funding streams	2021/22	2022/23	2023/24	Future Years	Total

(Indicate revenue or capital funding requirement) Or Grant funding that may be sought?					
Town Investment Fund (capital)	£150,000	£550,000	£2,300,000	£0	£3,000,000
Herefordshire Council			£500,000	£0	£500,000
TOTAL	£150,000	£550,000	£2,800,000	£0	£3,500,000

Maylord Orchards TIP Analysis

The below tables have been produced by Herefordshire Council's Property Services:

PLEASE NOTE: The facts and figures shown below are indicative of existing unit layouts and size. It should be noted that the current library proposal goes outside of existing units and any subsequent changes to use will need a re-assessment of NNDR, service charges and insurance contributions. The following can be used as the basis for an indicative value for the full business case development over the coming year.

Organisation	Units	Size (NIA Sq.ft)	Offer	Offer Charges p.a.
Library and Learning Resource	Ground Floor: Unit 41 (local) Unit 42 (nails) Unit 43 (former cafe)	920 375 1723	Budget identified to cover rates and service charge to cover running costs and insurance. Zero rental.	<u>Unit 41:</u> Service Charge: £5,518 Insurance: £379 Rates: £6,383 <u>Unit 42</u> Service Charge: £2,249 Insurance: £155 Rates: £3,584 <u>Unit 43</u> Service Charge: £10,334 Insurance: £820 Rates: £11,904
	First Floor: Unit 46 - Enchanted Kingdom	1625		<u>Unit 46:</u> Service Charge: £9,763 Insurance: £671 Rates: £7,120
	Unit 50- vacant shop	411		<u>Unit 50:</u> Service Charge: £2,465 Insurance: £175 Rates: £3,143
	Unit 52 – former Food Court	1585		<u>Unit 52:</u> Service Charge: £9,506

				Insurance: £654 Rates: £7,000 (indicative)
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**Café service charges, insurance and rates are excluded from the above table as these costs would be met by the café operator.*

Revenue budget implications	2021/22	2022/23	2023/24	Future Years
<i>Service Charge, Insurance, rates (expenditure) (excluding café)*</i>			£29,382	£58,765
<i>Library Operation (staff costs)</i>			£145,181	£248,882
Total Expenditure			£174,563	£307,647
<i>Indicative Café (10% turnover)</i>			£5500	£11,000
<i>Indicative Meeting / Training Room (income)</i>			£27,150	£54,300
Total Income			£32,650	£89,860

The additional revenue required to fund the future model for the library provision has also been part of the briefings with members and senior council officers. The funding to ensure appropriate levels of staffing, overheads included in the gap identified will be supported as part of the council's annual budget setting process. The council is committed to ensuring the services have the appropriate level and skills of staff to deliver the proposed new model of delivery. Detailed business planning will continue to be developed for the services to ensure transition to the future model and delivery of the service.

AFFORDABILITY ASSESSMENT

Please see above.

As outlined in the cabinet decision paper, the council will look to meet the ongoing increased operational costs through the MFTS.

WIDER FINANCIAL IMPLICATIONS

Proposed/Agreed charging mechanisms

- Income from the proposed community café and meeting/ training room hire will support the operational cost of the LRC.
- Establishing the library in the current atrium will utilise current unused space, so will now result in any lost revenue income from the existing units, and services charges will be minimal.

Proposed/Agreed contract lengths

- Professional adviser contract lengths for period of design and implementation.
- Contractor contract length for construction period.
- Community café operator contract length to be determined.

Personnel implications (including TUPE)

It is anticipated that TUPE will not apply to this project as salaried staff are already part of the Herefordshire Council staffing establishment.

Some staff may be required to work from a different location as a result of this project, due to the proposal of this project to move the Library to the Maylord Orchards Centre.

It has been identified within the Take the Current report, and by further analysis completed by Herefordshire Council, that additional staffing will be required as detailed above to support the Library and Learning Resource Centre, including management of the facilities e.g. meeting rooms.

COMMERCIAL CASE

COMMERCIAL CASE

INTRODUCTION

The commercial case section of the FBC sets out our arrangements to procure and implement the capital refurbishment of the Maylord Orchards to deliver a Library and Learning Resource Centre. It also sets out our rationale for ensuring that the revenue generated by our activities underpins the ongoing operation of the facility.

COMMERCIAL DELIVERABILITY

The commercial case and potential for income generated by a new library and learning resource centre is outlined in the report 'Hereford Library Potential For Income' from May 2022. A copy is attached to this business case as an appendix. The report was written by Take The Current who were commissioned to review whether the library, café and learning resource centre elements at a redeveloped Maylord would generate sufficient income to cover the additional staffing costs that would be required as well as to cover any service charges and rates. Various factors were considered as part of this including retail and catering income, letting of space, sponsorship and donation as well as costs incurred relating to staffing, advertising and promotion, business rates and service charges.

Increased costs have been identified as c.£86,000 per annum. This is made up of £40,000 for rates for the library, café and resource learning centre and £46,000 for service charges and insurance.

Income opportunities have been identified in the 'Hereford Library Potential For Income' report cover the library, café and resource learning centre.

Café

The new café in Maylords Shopping Centre will be adjacent and accessible to/from the library. The library will be working to increase visits in 2022/23 with a view to re-establishing pre-pandemic levels c. 140,000 per year.

A café recently opened, operated by Life and Soul Kitchen. This is on a short term lease until works commence. Prior to this there was an unmet need within this area of the city, and the success of the café will be further built on by the creation of a new café space within the refurbishment works.

There are factors affecting the income from the café which includes the location as one of the key influencing factors and some would say crucial. Maylords Shopping Centre is in a pedestrianised area. The approaches are from Maylord St and Gomond St and there is an entrance at the back of the centre onto the road parallel to Blue School Street. A small parking area is available under the centre for Anytime Fitness members. It is assumed that most visitor traffic is likely to arrive through the Trinity Square entrance and currently this is not a high footfall area, as the Maylords Shopping Centre is dominated by two large functional stores: Wilco and Poundland and more recently the DWP office it is likely that shoppers are coming to do specific needs shopping or attend an appointment at the DWP offices rather than browse and window shop. Widemarsh Street is more likely to be the walking route to the Old Market Shopping Centre.

Currently averaging 7860 per week compared to 27,694 per week in High Town. Maylords footfall has fallen by 13% comparing the same 16-week period in 2019/20 to March 16th with 2021/22

Since full reopening the footfall at Maylords has not recovered in the way that overall footfall across the city has. Maylords share of the overall footfall is consistently 2-4 percentage points below its performance pre-pandemic (Appendix 1). Powerhouse is located in a unit just outside the centre on Maylord St and organises writing and performance classes, produces theatre and creates digital training and content/films. It is a not-for-profit organisation with an interest in supporting and developing skills in the local community as well as creating live experiences. And will draw small audiences to participate in their work. Trinity Square offers an opportunity when the public realm had some small improvements which are anticipated within the project.

The choice of provider will be a key decision. Hereford like most towns and cities is well served in terms of provision of cafes both outdoor and enclosed and so attracting an operator who can offer something that distinguishes this space from what is already available will be important. In the current space and bearing in mind the current demographic of library visitors and Maylords Shopping Centre visitors the offer needs to be affordable, friendly and attractive/modern so that the maximum number of visitors convert and there is the potential to nurture repeat customers, particularly those working in and around the shopping centre and the pedestrianised area. A simple offer presented very well with a good children's offer will work well.

The current library on Broad Street received 65,390 visits in 2021/22, or 1250 per week. Visits prior to the pandemic were 144,410 annually, or 2785 per week. With a connection between the library and the café there is likely that there will be greater conversion between library users than the shopping centre users.

Café Operation

A commissioned café operator is recommended for the redesigned building. However it is important to ascertain what level of income might be possible to ascertain whether a rental arrangement or commission would be most financially beneficial. No figures exist for the now closed café. A new community café recently opened within Maylord Orchards, which will be in operation until construction work commences. This yield value data on ATV and conversion; early reports show that the café will break even. The forecasts for the café have been based on footfall with the library customers having a greater propensity to convert.

The conversion of library visitors has been set at 10% but incentives and tie-ins to events could push that figure higher, see above. The footfall in the areas is anticipated to increase from the current average of 7,860 to 8,500 per week. Shopping centre café conversions vary widely from the sort of shopping centre where there are clothes shops and gift shops to those that are more functional e.g. supermarket shop or DIY such as Maylords Shopping Centre. A conversion of 3% has been used. A number of events have been anticipated in the evening perhaps working with the other organisations or other cultural organisations as discussed above although this will depend on active engagement from the café contractor. It has been assumed that 25% of the customers have a drink only, 25% have a drink and a cake/snack and 50% are lunchtime customers. Prices are kept competitive due to the demographic in this area. Coffee £3 average, Cake £3.50 and Sandwich £6

Sensitivity applied to conversion rates A high street café operator is likely to give commission c. 5% however it is noted that the Café Cart Company was willing to pay 10% of turnover at Rotherwas as a rent. This would give an income stream of £11k with 3% conversion on footfall.

On the figures given it is deemed reasonable to assume that on a commission level of 10% of turnover, the café could generate in the region of £11,000 per annum towards the increased revenue costs. This is on the assumption that the café is run on a commercial model, should it be a 'community café' approach based on providing a service rather than maximising income, this amount could well be reduced.

Library

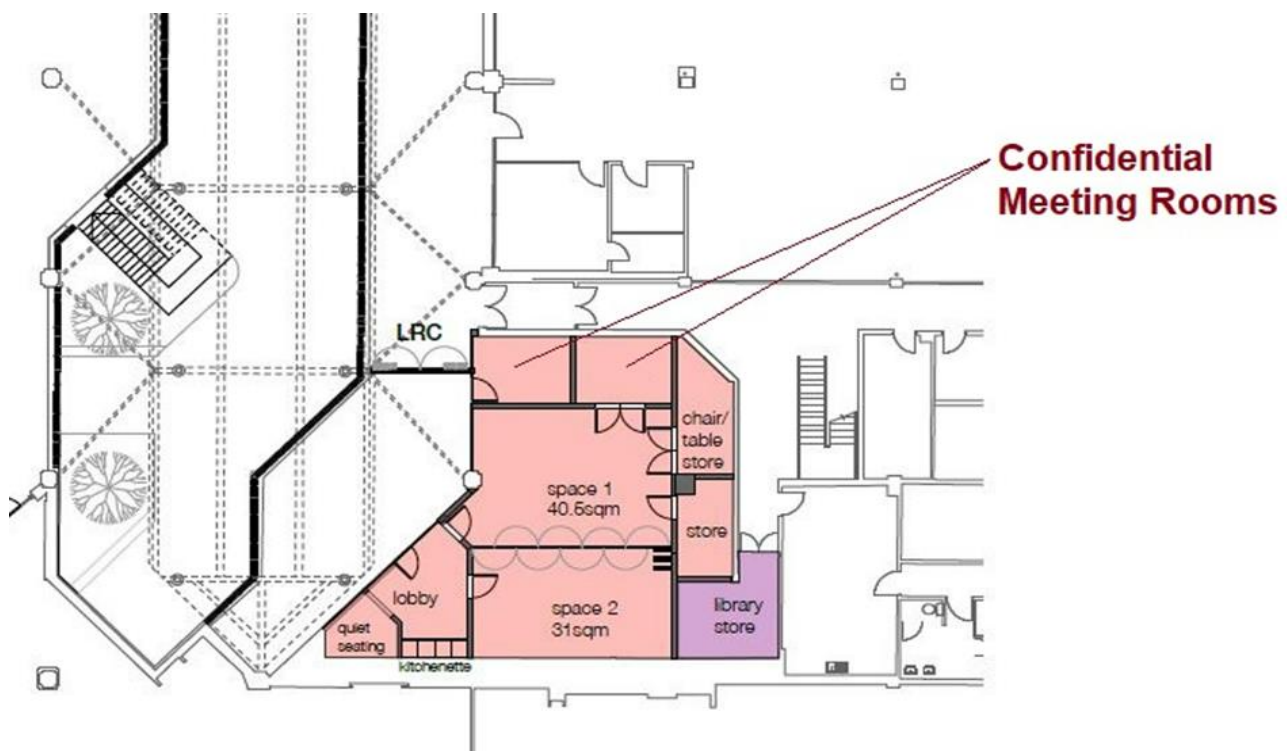
Opportunities for the library itself to generate additional income are limited and while, some items such as local history publications are sold, there is no recommendation for a retail element at the new library site.

Learning Resource Centre

The Take the Current report states that for a room of 30 m2 (half the size of room 11 on the proposed floor plan) a reasonable rental would be £15/hour, £60 per half day, and £110 per day. £45 for evening use (3 hours). Take the Current have determined this rate based on the cost of space hire for other venues within the city and surrounding areas.

The projections within the Take the Current report are based on one room only.

Following a project change request, there are 4 bookable rooms available within the proposed design (one 40sqm, one 30sqm, and two smaller rooms, each 10sqm). The two larger room have the option to be combined, and therefore could be utilised for bigger meetings as required, but this will impact the rentable income.



The Adult Learning Service have indicated that they would use a room daily during the week, meaning that 3 rooms remain available during the day to provide additional rental income (it is assumed that the room utilised by ALS would be available for evening use)

The service has engaged with colleagues from across our partners, including Taurus, Wye Valley Trust, GP Federation, Mental health Trust, Community Trust, Pharmacists, Children's Services, Early Help and Talk Community. The mix of larger rooms and smaller 'break out' rooms provides opportunity for confidential conversations whilst larger clinics/meetings take place within the larger room/s. Feedback has already been received from partners that good quality, flexible, centrally located meeting room space would be in demand.

Potential income is detailed below:

	ALS	Hourly Rate	½ Day Rate	Full Day Rate	Evening Rate
Space 1 (30sqm)	ALS £15 Hourly rate Weekday Term Time (39 weeks per/annum) 4 hours per day £11,700 p/annum	£15 Hourly rate Assumed use 6 hours p/day 5 days p/week, 48 weeks p/annum £21,600 p/annum	½ day rate £60 Assumed use x2 half days, 5 days per week £28,800 p/annum	Full Day rate £110 Assumed use x5 full days £26,400 p/annum	Evening rate £45 Assumed used x2 evenings per week £4,320 p/annum
Space 2 (40sqm)		£20 Hourly rate Assumed use 6 hours per day, 5 days a week, 48 weeks per year £28,800 p/annum	½ day rate £80 Assumed use x2 half days, 5 days per week £38,400 p/annum	Full Day rate £170 Assumed use x5 full days £40,800 p/annum	Evening rate £60 Assumed used x2 evenings per week £5760 p/annum
Able to charge a higher rate if combining 2 rooms into 1, but may decrease income					
Small room 1 (estimated at 10sqm)		£5 Hourly rate Assumed use 6 hours per day, 5 days a week, 48 weeks per year £7200 p/annum	½ day rate £20 Assumed use x2 half days, 5 days per week £9,600 p/annum	Full Day rate £40 Assumed use x5 full days £9,600	Evening rate £30 Assumed used x2 evenings per week £2,880 p/annum

				p/annum	
Small room 2 (estimated at 10sqm)		£5 Hourly rate Assumed use 6 hours per day, 5 days a week, 48 weeks per year	½ day rate £20 Assumed use x2 half days, 5 days per week	Full Day rate £40 Assumed use x5 full days	Evening rate £30 Assumed used x2 evenings per week
		£7200 p/annum	£9,600 p/annum	£9,600 p/annum	£2,880 p/annum

For example, renting one room to ALS (@ £15 p/hour) + 3 bookable meeting rooms (one @ £20 p/hour and two at £5 p/hour), using the assumptions above could generate an income of £54,300 (not accounting for any cost deductions for running the meeting rooms).

The above calculation is based on the room rates suggested by Take the Current. These are estimates based on what the room rental could achieve. The demand may be lower or greater than illustrated.

PROCUREMENT STRATEGY

Procurement of any additional services will follow Herefordshire Council's procurement procedures (Appendix 6), and procurement colleagues are members of the project board.

Mace and the design team are commissioned on a RIBA stage basis. Procurement options have been fully assessed. The cabinet decision currently being progressed seeks delegated authority to commence a design and build procurement at risk.

- RIBA stage 2b onwards – Professional team to be procured to support the detailed design stage of the project up to planning approval.
- Implementation – Contractor to be procured to implement the development of the LRC and wider refurbishment works.
- Re-use café operation – subject to preferred delivery method, possible procurement of a café operator.

Procurement	Indicative Dates
RIBA Stage 1	July 2021 to February 2022
Procurement of professional team (design team and project management consultants) (Mace)	December 2021 – January 2022
RIBA Stage 2	February 2022 – March 2022
Operating forecasting consultant (Take the Current)	March 2022– April 2022
RIBA Stage 3	April 2022 – Sept 2022
Asbestos survey	May 2022 – July 2022

Drainage survey	April 2022 – June 2022
Construction partner	July 2022 – September 2022
Pre-Construction Service Agreement	July 2022 – September 2022
RIBA Stage 4	September 2022 – January 2023
Main contract (Mace)	July 2022 – February 2023
RIBA Stage 5/6	February 2023 – February 2024
Café Operator	September 2023 – January 2024

Any procurement will adhere to the Herefordshire Council’s Contract Procedure Rules. The purpose of the Contract Procedure Rules (CPRs), together with the guidance document and the contracting toolkit is to help officers involved in commissioning, procurement and contract management to carry out their roles effectively, ensuring that: a) contract selection and award procedures are conducted in accordance with the relevant legal requirements under an equitable, transparent and regulated process b) ensure the council obtains value for money and minimises the cost of procuring goods, works and services, utilising strategic delivery partners wherever possible c) strategic policies are taken into account, for example in promoting the economic development of Herefordshire and in relation to protecting the environment d) procurement procedures are kept under review in order to ensure continuous improvements to services and provide best value to the community of Herefordshire e) contracts are managed to ensure they are delivered as specified, achieve the desired outcomes and are received on time and within budget

Link: [Herefordshire Council CPR](#)

WIDER CONSIDERATIONS

Based on the original feasibility study that was provided to inform the initial submission for inclusion in the Stronger Towns Fund Bid, work has progressed the architectural understanding of the building to RIBA Stage 2. At this stage the expectation is that the redeveloped building will provide:

- A modern Library offer, including a children’s library and youth library
- Learning and Resource Centre
- Café
- Meeting rooms
- Space for events and activities
- Catering and hospitality facility
- Educational opportunities through formal class visits and wider public events and informal learning for all visitors
- Opportunities for partners to provide services, such as pop up health clinics (Health on the High Street)

MANAGEMENT CASE

MANAGEMENT CASE

INTRODUCTION

This Management Case describes details of the delivery programme for the full refurbishment of the Maylord Orchards Library and Resource Centre.

PROJECT ORGANISATION AND GOVERNANCE

The project is managed by Herefordshire Council's Project Management Office (PMO).

The project is overseen by the Project Board, which meets at least monthly. The Board comprises:

Role	Name	Job Title
Senior Responsible Officer - Chair	Roger Allonby	Director of Economy
Senior User	Amy Pitt	Service Director Communities
Programme Manager	Amy Swift	PMO Programme Manager
Senior Project Manager	Johnathan Pritchard	PMO Senior Project Manager
Project Support	Sam Shepherd-Williams	PMO Project Support Officer
Service Area	Chris Jenner	Head of Community Cultural Services, Community Wellbeing
Finance – Capital	Karen Morris	Strategic Capital Finance Manager, Corporate Services
Legal	Sharon Bennett-Matthews	Head of Law and Legal Business Partner Economy & Place, Corporate Services
Legal	Adam Powell	Lawyer 1 contracts and major projects
Finance - Revenue	Kim Wratten	Finance Manager, Corporate Services
Communications Lead	Luenne Featherstone	Communications Manager, Corporate Services
Service Area	Jonathan Chedgzoy	Museum Libraries and Archives Manager, Economy and Environment

Property Services	Andrew Husband	Strategic Property Services Manager, Corporate Services
As and when by invite exception	Lee Robertson	Commercial Manager, Corporate Services
As and when by invite exception	Sarah Jowett	Strategic Assets Delivery Director, Corporate Services
As and when by invite exception	Judith Stevenson	Museum Team Leader, Economy and Environment
As and when by invite exception	Joanne Moore	Head of Corporate Finance, Corporate Services
Other attendees as required such as Professional Leads (Finance, Procurement, Property, Legal, Communications, Planning, External Grants, Performance Management, Adult and Community Learning Services etc) Technical Leads (sustainability, communities, etc)		

Economic Development Delivery Board provides a regular oversight, decision and recommendation making forum for projects that are being delivered through this Board. The Board is accountable for the delivery of Council Projects (under the Board's remit), ensuring the projects meet their strategic purpose, delivering high quality value for money outcomes for the council that follows the Council's applied Governance model for project management.

Hereford Town Board is establishing a Programme Management Office with responsibility for Monitoring and Evaluation of the delivery of all Hereford Town Deal projects, including the delivery of the Hereford Museum and Art Gallery refurbishment.

Herefordshire Council 151 Officer will report to HM Government every six months on the Hereford Museum and Art Gallery project service delivery as stipulated in the Town Fund guidance.

External consultants

Herefordshire Council has appointed Mace Limited to undertake the roles of lead consultant, project manager, programme manager, cost management and also contract administrator, reporting into Herefordshire Council's PMO and Project Board.

As lead consultant Mace will procure the sub-consultant design team on behalf of Herefordshire Council. As project managers Mace will then manage the team, ensuring the design aligns to the Clients' vision, driven by a programme managed approach. Throughout the design stage, Mace's cost management team will work alongside the design team to provide robust support so that designs can be progressed aligned to any budget constraints, as well as ensure suitable robust costings are provided to support the Business Case.

Mace will lead the procurement strategy workshop with the Council and the design team, and work with the Council's procurement and legal advisors during the procurement and tender of the main contractor.

Architype will undertake the roles of Architect, Lead Designer, Sustainability Consultant as well as Historic Building Designer working alongside specialist conservation Architects, Ferrey & Mennim. Undertaking these roles will enable Architype to craft a fully collaborative design solution that responds to the aspirations of Herefordshire Council to create a leading Museum & Art Gallery for the city to the highest environmental standards. Architype have been involved in the Museum & Art Gallery project from the initial stages of supporting the Stronger Towns Fund application as well as outline business case and feasibility stages and hence are well placed to build on the knowledge and understanding of the project to realise the aspirations of both the council and the community.

Prince and Pearce develops planning, design and management strategies for museums and other cultural assets, programmes and projects. Experience includes a range of museums, art galleries and libraries, listed buildings, Scheduled Ancient monuments and World Heritage Sites. P&P's work on museums has focused on (a) business planning (income generation, operational requirements, governance, resilience, marketing and visitor planning), (b) contributing to the development of design briefs (spatial affinities, operational planning, behavioural modelling) whilst (c) improving the ways in which museums contribute to the wider cultural infrastructure and communities they serve.

Prince and Pearce were first appointed by Herefordshire Council in 2017 to carry out research and to devise a resilient, sustainable future model for the Museum Service in the face of severe restrictions on government funding. Subsequently, in 2020, P+P was appointed by the Council to report on the revenue earning potential and operational implications of a redeveloped Museum in Broad Street and a relocated Library in the Maylord Centre in Hereford, with its brief extended to advising during RIBA Stage 1 of the redevelopment of the Museum and developing the design brief in the following areas:

- Income generating space requirements
- Special and temporary exhibitions
- Community space
- Visitor management
- Relationship with the wider cultural infrastructure of the city and county

Consequently P&P has developed a detailed understanding of the museum's collections and operational arrangements as well as considerable local knowledge. It is proposed P+P's continued involvement in the project will entail working with the design team on the further development of specific aspects of the brief through stakeholder and community consultation.

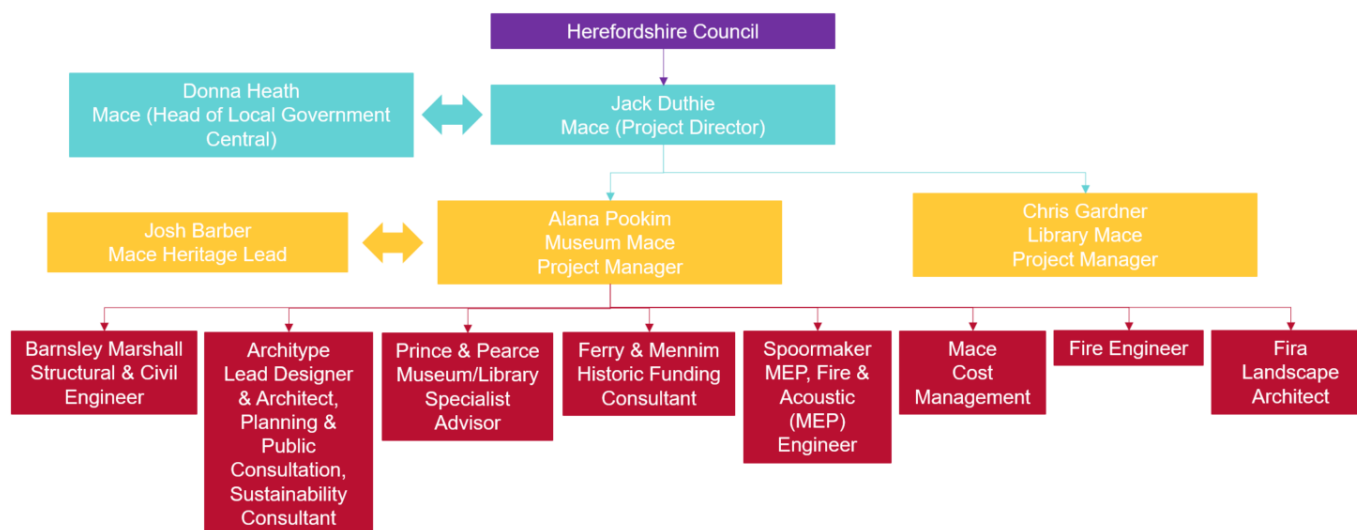
Barnsley Marshall, Mace's selected Structural and Civil Engineers are passionate about design and believe that great Architecture and design, supported by sound engineering, creates better buildings and environments that improve the quality of people's lives, bringing tangible social and economic benefits to communities.

Spoormaker and Partners (S&P) are an award-winning international firm of MEP consulting engineers, originally founded in 1964. It has a total headcount of approximately 100 staff, delivering all aspects of mechanical, electrical and public health building services design across a wide range of sectors.

Ferrey & Mennim are award winning conservation architects who pursue a contemporary, timeless architecture with carefully crafted detail and are passionate about working collaboratively with clients, resolving complex issues, and creating long lasting, beautiful buildings for them.

FIRA, Mace’s selected landscape architects create beautiful places that enhance people’s health and improve wellbeing. Their collaborative approach, involving the client team, the design team and the users of the space, will enable the team to create practical, sustainable and attractive designs that will stand the test of time, reflect the communities that use them and are sustainable.

Mace’s project team structure:



Take the Current

Herefordshire Council has also commissioned Take the Current to undertake an income generation options report. The requirement was to review and revise as appropriate the outline business appraisal options in the report on ‘Library Feasibility Report’ (Appendix 2). The aim is to maximise income generation in a refurbished library and resource centre at Maylord Orchards.

An initial independent business appraisal of the proposals was produced by Prince & Pearce in July 2021. As the project progresses through to completion of RIBA stage 2 a detailed business appraisal was required to develop a fully-funded and agreed way forward, building on the work of the July 2021 report. This should include, but not be limited to, assumptions and rationale regarding:

- Space hire / Corporate hospitality
- Corporate Sponsorship
- Retail and Catering income
- Costs: Staff; Advertising & promotion; Hired-in events and exhibitions; Facilities Management
- Headline outturn and sensitivities

ASSURANCE

The PMO is serviced by an Assurance Board who will review quarterly, progress of the projects being reported through the Delivery Boards. The PMO will prepare a dashboard for each Assurance Board who will satisfy themselves that the projects are being managed in line with the agreed process and that projects remain relevant and aligned to the Delivery Plan.

Stronger Towns Board will have oversight of monitoring and evaluation throughout

SCOPE MANAGEMENT

Maylord Orchards Library and Resource Centre is a £3 million project.

As detailed within this document, overall project management will be led by Herefordshire Council's PMO and the Project Board who will work together, with input as required from externally appointed partners to ensure that the project is developed and implemented effectively. The project will continually monitor the scope of the project and will implement the PMO's change management process to ensure that any change to scope is correctly managed.

Learning Resource Centre Including New Library

A key feature of the project/ refurbishment of the atrium building will be the development of a Learning Resource Centre including a new public library (including study space) and community café. The LRC 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.

For example the LRC will have flexible space such a rooms available (for hire to cover costs) for a wide range of community focussed services to be provided at a central and accessible location such as the DWP Youth Employment Hub, the council's Adults and Community Learning Service, the Skills Foundry, HE/ FE providers, health and wellbeing service provision (such as the NHS Health on the High Street Strategy).

The new library will provide space for students to study, supporting the growth of Higher Education services in the city such as through the development of the New Model Institute in Technology and Engineering (NMITE) and the growth of the Hereford College of Arts (HCA).

The following is a plan of the proposed location with Maylord Orchards Centre as detailed within the RIBA Stage 2 report:

Design Development

6.4 / Floor Plans - Ground Floor



Design Development

6.5 / Floor Plans - First Floor



Refurbishment of the Atrium

The project will also refurbish the atrium (60,000 sqft) area of the shopping centre as far as possible within the available grant. The building was constructed in the 1980s, and is now very dated in appearance externally and internally. The space is underutilised. Through refurbishing the atrium area the project will create a modernised mixed use space, including opening the area for activities, meeting/ socialising area. The project will also ensure that wherever possible the refurbishment of the building will include measures to improve its energy efficient and reduce the buildings environmental impact.

Hub for Learning/ Skills Service Delivery

A number of other skills focussed projects being developed as part of Hereford Town Investment Plan require a prominent city centre location as an element of their delivery such as the Rural Media Digital Culture Hub and Powerhouse. The redevelopment of Maylord Orchards could potentially accommodate some of these linked added value uses, creating a learning hub at the heart of the city centre. This would provide enhanced services to local residents, encourage people from outside the county to live and study in the city, and drive new footfall and related spend in the centre of Hereford.

Café

The proposed RIBA Stage 2 design incorporates a café on the ground floor and how this café will operate is currently being developed. The following options are being considered;

- Re-use Café
- Community Café
- Commercial Café
- A Commercial Café which incorporates all outcomes from the above listed.

In the LRC or one adjoining units in the atrium building the project would establish a community café (social enterprise). The not for profit community enterprise would generate an income to support the Learning Resource Centre and other social value activities. The previous café in the shopping centre has closed leaving a gap in the available services in the area. The provision of a café would provide an additional draw to the shopping centre, but also provide facilities for those that are visiting and studying in the Learning Resource Centre to be able to socialise. This could for example provide opportunities for young people (such as through the Kickstart scheme) and or those with learning difficulties to gain work experience working in the café.

It is also anticipated that the community café will play a role in wider community engagement – providing a place for community groups to meet, an engagement point for communications regarding health and wellbeing, and a social and welcoming space to help those suffering isolation and loneliness.

In Scope

- Relocation of the library from the Museum and Art Gallery to Maylord Orchards, to create a Learning Resource Centre.
- Refurbishment of the Maylord Orchard atrium, creating a more modern and attractive environment for residents and visitors (as far as possible within the available grant, following development of the LRC).

Out of Scope

- Structural changes to the wider Maylord Orchard site.
- Consideration of any other Town Investment Plan projects considering location options in Maylord Orchards.

Required services

- LRC established and successfully operated, including community café provision, and meeting rooms/ training rooms.
- Refurbished Maylord Orchards atrium space, modernising the current offer, improving the tenant and visitor experience. Opening up the atrium space through for example removing the escalators to provide an open space for a modern, accessible and flexible library.

PROGRAMME/SCHEDULE MANAGEMENT

Stage/Milestone	Indicative Date
Stage 0 - Project Mandate approved	July 2021
Stage 1 - Outline business case completed	July 2021
Stage 2 - Full business case completed	June 2022
Full Council approval	July 2022
Approval to spend obtained	July 2022
Stage 3 - Delivery	February 2023
<i>Construction commences</i>	February 2023
Stage 4 – Handover	February 2024
Stage 5 - Project Closure	February 2024

This project is independent of other TIP projects so has no reliance on other timescales within the programme.

The project is dependent on securing external funding (Stronger Towns and National Heritage Lottery Fund) within the anticipated timescales.

The project is also dependent on achieving planning permission.

RISK AND OPPORTUNITIES MANAGEMENT

Identifying and managing risks is a normal part of project management. Whilst many risks will be mitigated or accepted as part of the project management process, there may be at times, significant project risks (those whose score is over 16) that require the SRO to escalate details to the Director via the Delivery Board for entry into the Service Risk Register. If this occurs, the Project Manager will notify the Business Intelligence Team, record this action under the Project Board and monitor updates or actions around the risk. The Capital Portfolio Manager will ensure that an agenda item at the Delivery Boards reviews escalated and de-escalated risks, providing a flow of information and robust audit trail.

Risk Transfer

Maylord Orchard Redevelopment and Learning Resource Centre Risk Register				
Risk Number	Risk Description	Risk Score	Consequence	Mitigation
1	Reputational/Financial - Project fails to secure planning permission	3	If Planning permissions is not obtained the project will face delays to delivery and cost implications	The project is primarily focussed on internal renovations to the current atrium and building. Following the completion of the Pre-Application process the project team will continue to engage with Planning Officers throughout RIBA Stages 2, 3 and 4.
2	Reputational - The Learning Resource Centre is not utilised by local residents, business, partners, etc.	6	If the LRC doesn't generate the required income to cover the service charges this would create a cost pressure on the service.	The Project team have identified existing Council services who will utilise some of the bookable spaces daily once available. In addition the rentable spaces are being designed to remain flexible to maximise their uses. The project team has also procured a consultants expertise 'Take The Current' who has produced a revenue report to strengthen the need for rentable spaces
3	Financial - The Cafe and LRC unable to generate enough income to cover the service charges/business rates	3	This would create cost pressures on the services and the café would struggle to attract operators	The Project team has been working closely with Mace and the design team to maximise the rentable spaces available in the LRC. Take The Current(A consultant procured to produce a revenue report) identified that a commercial Café ran by an external operator will generate enough income to cover its business rates and service charges
4	Financial - Project runs over budget due to incorrect assumptions at feasibility	7	The project would face value engineering to bring the cost within in budget and some objectives may not be delivered. This could also delay the project	The Project team is working closely with Mace and the Design team to look at ways achieve the projects main objectives whilst coming within budget. The Project team will also work closely with the leaders of the council to explore additional funding opportunities

5	Financial - Rise in inflation may result in an increase in costs	5	Work Packages and project requirements become over budget; VE opportunities may not be viable as works remain the same, costs changed	Value Engineering required. Scope may need to be reduced. Additional funding may be required
6	Financial - The preferred relocation of the 1st floor DWP door not accepted by the DWP	6	The project would face increased costs and a extend delivery time	The project team are working closely with property services, Maylords Centre Manager and DWP estates team to ensure the proposed location is accepted by DWP
7	Financial - Café doesn't attract an operator	6	This would create additional cost pressures on the service and Reputational damage to the Herefordshire Council.	The Maylords Centre Manager has already secured a community café operator who is currently using the exiting space café space. The project team will continue to work with the design team to ensure the new space is desirable to future operators
8	Reputational - The library doesn't meet statutory requirements	3	Reputational damage, cost pressures on the service	The Design team will continue to work closely with the Library services to ensure the new design provides the spaces and area required to full fill its statutory obligations
9	Financial - Unforeseen works found during fit out	5	additional cost implications and delays to the project delivery	The Project Team, Design Team are working closely with Property Services, and the Maylords Centre Manager to understand the building fully, in addition an Intrusive Drainage Survey has be procured, Asbestos Management Survey and a Localised R&D Asbestos Survey are currently being procured
10	Resources - Unable to recruit suitable experienced Library staff	5	Delivery of the service would suffer, reputation damage	The project team is working closely with the projects Senior User and the current services to assess the needs required to run the new services(Library, LRC, Café)
11	Political - Change in political leaderships / support for the project	5	Loss of political support, leading to loss of resources.	Funder's terms and conditions and commitments made by the council, as well as cross party support will mitigate this.

12	Hidden compensation costs to tenants	7	Current Tenant of Maylord Orchard's request disruption to business compensation during physical works phase	The project team will work closely with Property services and Maylord Orchard's Centre manager to ensure the residents are kept up to date on the projects timeliness and will work with tenants to reduce the disruption to any current services.
13	Unable to procure contractor to undertake the physical work	8	Delays to project timetable and additional costs	The Project team is working closely with Herefordshire Council procurement team as Mace Ltd Procurement team who understand the current market to mitigate this risk
14	Procurement timeframes are longer than expected	8	Delays to project delivery and additional cost	The Project team is working closely with Herefordshire Council procurement team as Mace Ltd Procurement team who understand the current market to mitigate this risk
15	Stronger Towns Board Full Business Case response isn't received within the project predicted timeframe	8	The projects will not move forward if we do not received positive feedback from the STB and Central Government once the FBC have been submitted within the time frames that match the project programme	The Stronger Towns assurance process will review and recommend changes before submission to Central government

As the owners of the shopping centre and operator of the proposed Learning Resource Centre the council would ultimately be responsible for the risks relating to the projects. However, this will be mitigated through:

- Procuring appropriately qualified (with relevant indemnity insurance) professional services to design the development, undertake full building condition surveys etc.
- Procuring qualified contractor to deliver the capital works to time and budget.
- Seeking appropriately qualified (with relevant indemnity insurance) professional advisers regarding the development and operation of the LRC, including review of revenue income opportunities.
- Currently experienced and qualified council staff will operate the library.
- Options for the operation of the proposed community café will be fully explored, for example franchising to or creation of a social enterprise.

Constraints and Dependencies

Initiatives which depend on this project are:

- The extent of the changes to the building and the space will be constrained by current uses and tenants.
- The project is dependent on the library moving out of the Museum building, which is subject to another towns fund application.
- The LRC will be dependent on generating income from the community café and the hire of meeting rooms etc from the service providers identified above.

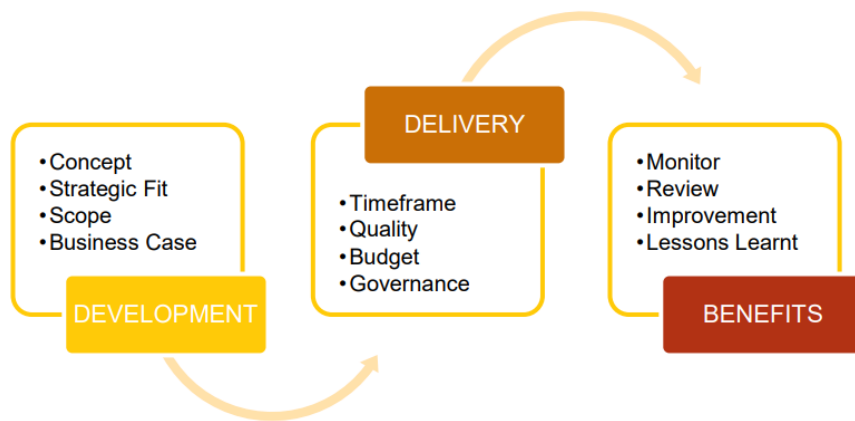
This project depends on:

If the development of the Museum and Art Gallery were not to proceed, the project team would need to consider the implications on this project, if any.

This project also depends on receipt of the Stronger Towns funding.

PROJECT MANAGEMENT

As outlined above, the project is overseen by Herefordshire Council’s PMO. The Programme Management Office team of Portfolio Managers, Programme Managers, Project Managers and Project Support drive delivery of capital and transformational projects across the Directorates.



The Project Manager will take control of the day to day actions and manage the project as closely as possible, this will include but are not limited to:

- Monitoring and managing project actions and progress and reporting to the SRO where the budget, timescales or quality is under threat or any other significant issue.
- Recording and managing project risks and issues and escalating where necessary.
- Managing project scope and initiating change control where necessary.
- Approving spend against the project budget, under their control, and monitoring the project budget in conjunction with the Finance lead whilst providing regular updates to the SRO.
- Monitoring the Communications Plan in conjunction with the SRO and Communications Lead.
- Monitoring the progress of legal requirements in conjunction with SRO and Legal Lead.
- Monitoring the progress of planning requirements in conjunction with SRO and Planning Lead.
- Co-ordinating & monitoring the development & approval of all governance reports
- Co-ordinating & monitoring all project reporting & updates as required
- All templates for managing the project will be via Verto (the council’s project management system)

Governance

Individual Project Boards report into Delivery Boards who are in turn monitored by the Assurance Board. The Capital Programme Board represents the highest level of officer involvement and accountability; allocating feasibility funding and having oversight of all projects.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is detailed on page 11 of the Strategic Case section, and within Appendix 4, Consultation Strategy.

BENEFITS, MONITORING AND EVALUATION

Cashable benefits

- Potential income from the community café supporting the operational cost of the LRC
- Potential income from meeting room hire/ learning facilities supporting the operational cost of the LRC

Non-cashable benefits

- Refurbished and modernised mixed use centre (60,000 sq ft) attracting people to visit and spend.
- Creating new job opportunities in the city through encouraging increased trade.
- Improving quality of life for local people through the new LRC
- Providing a prominent city centre location for public services to engage local people.
- Supporting the improvement of skills of local residents.
- Improved public sector service delivery through enhanced community engagement.
- Opportunity to review the delivery model of the library service to ensure it meets required need and can support council objectives and priorities

Dis-benefits

- Disruption to library users during the relocation of the service. We will seek to ensure disruption is minimised as far as possible.
- Disruption to tenants and visitors to Maylord Orchards during construction works – particularly any significant changes to the atrium entrances, escalators and lift. We will seek to ensure disruption is minimised as far as possible.

The Environmental Case

The project will modernise a dated 1980 shopping centre, seeking wherever possible to improve the environmental impact of the dated building. Refurbishing rather than seeking to demolish and rebuild the current atrium space will re-use the core of an existing building. The creation of a more open streetscape will reduce the heating and air management requirements of the current atrium space. Replacement of internal lighting will utilise LEDs. The council will investigate the potential to remove the current escalators (energy inefficient) and replace the existing lift with a more energy efficient alternative.

The proposed reuse café will provide a focal point for recycling, and will focus on the use of local produce and potentially offering employment opportunities to disadvantaged groups.

Equality Impact Implications

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.

The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes.

Modernisation of the shopping centre will improve accessibility for all ages and mobility needs. For example, public toilet facilities meeting the highest standards of access for people with a disability. Also the library and learning centre will be fully accessible, addressing some of the access issues at the current library caused by problems with lift access.

The learning centre and library space will be open to all, aiding the development of skills to enable people to access higher value employment opportunities and improve their health and wellbeing. Adult Learning Services will deliver courses to improve people's skills and there will be space in the resource centre and library to work with partners to deliver events and activities to promote positive health and wellbeing agendas.

The café connecting to the library will provide a safe space for social engagement and delivery of public services.

The full Equality Impact Assessment is attached, Appendix 7.

Health & Safety Implications

The Project Board has oversight of all health and safety risks for the project. Health and safety are key components of the design planning, and extensive consideration is detailed within the RIBA stage 2 report, Appendix 2.

All appointed providers must also adhere to health and safety requirements as detailed within the Council's contract agreements, specifically:

- The Provider shall promptly notify the Council of any health and safety hazards, which may arise in connection with the performance of the Agreement. The Council shall promptly notify the Provider of any health and safety hazards that may exist or arise at the Council's Premises and that may affect the Provider in the performance of the Agreement.
- While on the Council's Premises the Provider shall comply with any health and safety measures implemented by the Council in respect of staff and other persons working on the Council's Premises.
- The Provider shall notify the Council immediately in the event of any incident occurring in the performance of the Agreement on the Council's Premises where that incident causes any personal injury or damage to property that could give rise to personal injury.
- The Provider shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to staff and other persons working on the Council's Premises in the performance of the Agreement.
- The Provider shall ensure that its health and safety policy statement (as required by the Health and Safety at Work etc Act 1974) is made available to the Council on request.

Social Value Implications

The project development and procurement processes will be guided by Herefordshire Council's Social Value Toolkit and Framework. This Framework ensures that for each procurement

exercise with a value of over £75,000, Herefordshire Council will identify which of the Social Value Pledges and Key Value Indicators are relevant and proportionate to be included in each contract for inclusion.

To enable Herefordshire Council to ensure their commissioning and procurement provides the most effective response to Social Value, it is important to provide clear information on the council's Social Value position. Herefordshire Council's Social Value Pledges are:

- **Social and Community** - strengthen communities to ensure that everyone lives well and safely together.
- **Health and Wellbeing** - sustain resilient people and communities, increasing both physical and mental wellbeing.
- **Crime and Justice** - support our local people, communities, and businesses to feel safe in their homes, communities, and places of work.
- **Economy** - develop a strong local economy which builds on our rural county's strengths and resources.
- **Education and Skills** - develop and increase high quality education and training that enables local people to fulfil their potential.
- **Jobs** - support local businesses to grow jobs and keep unemployment rates low to help our rural county prosper.
- **Environment** - protect and enhance our environment and keep Herefordshire a great place to live and work.
- **Leadership** - Herefordshire Council to lead and encourage others to adopt forward-thinking strategies that develop, deliver, and measure social and local value.

Through understanding the priorities for the county, the council can promote the delivery of Social Value where it will have the most significant impacts for the residents of Herefordshire. Aligned to each of the pledges are key value indicators and their associated supplier commitments. These are provided in the framework spreadsheet available to all suppliers during the tender process. This approach ensures transparency for all types, legal structures, and sizes, of organisations when responding to social value questions in tender opportunities.



Title of report: Legal status of and financial arrangements with BBLP

Meeting: Cabinet

Meeting date: 26 October 2023

Cabinet member: Barry Durkin, Roads and Regulatory Services

Report by: Corporate Director, Economy and Environment

Report author: Service Director Environment and Highways

Classification

Open

Decision type

Non-key

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

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.

Wards affected

(All Wards);

Purpose and summary

To provide information in respect of the council's contractual arrangements with Balfour Beatty Living Places and update Cabinet on progress made following recommendations made by its external auditors in the Auditor's Annual Report for the year ended 31 March 2022.

Recommendation(s)

That Cabinet :

- (a) Notes the contractual arrangements in respect of the council's public realm contract**

with Balfour Beatty Living Places Limited and its agency company status; and

(b) Notes the recommendations made by external auditors in respect of this arrangement and the actions taken by the council in response.

Alternative options

1. To novate the contract with Balfour Beatty Living Places Limited. This is not recommended as the council is satisfied that the arrangements in place represent an appropriate contractual relationship which does not expose the council to risk of contract delivery or remove the option of legal recourse in the event of a breach of contract

Key considerations

2. The Annual Auditor's Report for the year ended 31 March 2021 issued by the council's external auditors, Grant Thornton, identified a key improvement recommendation as part of work to consider the council's arrangements to deliver economy, efficiency and effectiveness in its use of resources.
3. The external auditors recommended that the council establish the validity of contractual and trading arrangements of its public realm contract with Balfour Beatty Living Places Limited (BBLP), noting that the company's annual filings at Companies House are submitted with dormant company status.
4. The public realm contract between the council and BBLP commenced on 1 September 2013 following competitive procurement in line with the council's Contract Procedure Rules. In the Pre-Qualification Questionnaire completed as part of the contract tender documentation, BBLP provided information outlining its legal status as that of an agency company of Balfour Beatty Group Limited.
5. Following the recommendation of external auditors, the council sought external legal advice in March 2022 to clarify the company's legal status and the implications of contracting with and making payments to a dormant company. Whilst this advice received confirmed that the council was "not fundamentally exposed" and that the contract was "not invalidated by the arrangements", it noted that issues could arise in the event of a major dispute between parties.
6. In addition to this legal advice, the council requested clarification from BBLP and its parent undertaking: Balfour Beatty Group Limited. In a written response, the Commercial Director of BBLP confirmed the trading status of the company as **an agency company** of Balfour Beatty Group. This status enables the company to "sign contracts, place orders and otherwise operate like any other conventional trading company, the key difference being that they do so for and on behalf of Balfour Beatty Group Limited" and "be sued, in both civil and criminal litigation".
7. This assertion was supported by written confirmation from Balfour Beatty PLC Group General Counsel and Company Secretary, identifying that BBLP operates as an agent of Balfour Beatty Group Limited with an agency agreement in place which binds the group entity to contract and other external obligations.
8. BBLP (registered company number 02067112) has an 'Active' company status per its Companies House record and files statutory accounts and returns as a dormant company under section 1169 of the Companies Act 2006.
9. The Annual Report and Unaudited Financial Statements of BBLP, filed annually at

Further information on the subject of this report is available from
Mark Averill, Service Director Environment and Highways
Email mark.averill@herefordshire.gov.uk telephone number 01432 260786

Companies House, provide information in the Directors' Report which states:

"The company acts as an agent of Balfour Beatty Group Limited in the provision of infrastructure maintenance. The transactions in respect of the activities performed by Balfour Beatty Living Places Limited in its capacity as agent are dealt with in the financial statements of Balfour Beatty Group Limited. The company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the current financial year. It is anticipated that the company will remain dormant for the foreseeable future."

10. The accounts of Balfour Beatty Group Limited note that the financial transactions and results of its agency companies are aggregated within the statutory accounts of Balfour Beatty Group Limited and discloses BBLP as its 100% owned subsidiary. The financial statements of Balfour Beatty Group Limited are subject to statutory audit; the accounts for the year ended 31 December 2022 include an unqualified audit opinion from external auditors KPMG LLP.
11. The contract between the council and BBLP, signed and dated 5 November 2013, includes a Parent Company Guarantee given by Balfour Beatty Group Limited to secure the performance of BBLP's obligations under the contract. Accordingly, in the event of a dispute between the council and BBLP the council will be entitled to escalate any dispute to Balfour Beatty Group Limited under the terms of the guarantee.
12. In the subsequent Annual Audit Report for the year ended 31 March 2022, reported to Audit & Governance Committee in June 2023, Grant Thornton noted the action taken by the council to clarify the arrangements and included a further recommendation that the council consider any residual risks and formally document this assessment and report to Cabinet.
13. The council sought further external legal advice in June 2023 to review the information and assurances provided by BBLP and to clarify the council's position and mitigation of risk provided by the agency agreement and guarantee given by Balfour Beatty Group Limited.
14. This external advice confirmed that the dormant company status was not unusual in contract relationships in the construction sector and that the legal status of BBLP and Balfour Beatty Group Limited was a matter between the companies, HM Revenue & Customs and Companies House.
15. Furthermore, the advice confirmed the council's interpretation of the mitigation provided by the agency arrangements and noted that in the event of a legal dispute or breach of contract, the council's legal recourse would be via a two-step approach: firstly to take action against BBLP as party to the contract. As a dormant company does not hold any assets to meet liabilities, the council's second step would be to take action against Balfour Beatty Group Limited under the Parent Company Guarantee.
16. The council reviews delivery of BBLP's contractual obligations, including measurement, monitoring and reporting of operational performance indicators and strategic performance indicators through a Quality Plan, reviewed by BBLP annually and reported to the council's contract management team. Risks in respect of the Public Realm contract are recorded on the Economy & Environment Risk Register and are monitored through the directorate risk management process.
17. It should be noted that an independent review of BBLP's contract performance and compliance is currently underway and the results of this review will be reported to Cabinet for consideration on 26 October 2023.

18. In addition, the current contract between BBLP and the council has an expiry date of August 2024. Options to extend this contract will be presented in a report to Cabinet on 26 October 2023.

Community impact

19. There are no community impacts arising from this report.

Equality duty

20. There are no equality issues arising from this report

Resource implications

21. There are no specific resource implications from the report itself.

Legal implications

22. The council has statutory duties to provide a number of the services which are contracted to BBLP under this arrangement. In addition the council has a general duty to secure best value in the exercise of all of its functions. The development and review of the annual plan, as part of the council's long term contractual relationship with BBLP, is a key mechanism for the discharge of these legal duties.
23. The council has a contract with BBLP to deliver services. These services are delivered and the council makes payments to BBLP in line with the Financial Procedure Rules and Scheme of Delegation. In this way, the parties are complying with the terms of the contract.
24. BBLP (registered company number 02067112) has an 'Active' company status per its Companies House record and files statutory accounts and returns as a dormant company under section 1169 of the Companies Act 2006. The status of the company is a matter for Balfour Beatty Group Limited, its auditors, Companies House and HM Revenue & Customs.

Risk management

25. The risks of the contractual arrangement between the council and BBLP and identified mitigations and assurances are noted in paragraphs 5 to 15 above

Risk / opportunity	Mitigation
Risk to delivery of services as per the contract between the council and BBLP.	External legal advice has confirmed that the contract is not invalidated by BBLP's trading status. Risks in respect of the Public Realm contract are managed through the directorate risk management process.
The council is not able to take legal action against BBLP in the event of a contract dispute.	External legal advice confirms the council has legal recourse via a two-step approach in the event of dispute and this is supported by the guarantee from

Consultees

None

Appendices

Appendix 1: Auditor's Annual Report 2021/22

Background papers

None

Auditor's Annual Report on Herefordshire Council

2021/22

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15 June 2023





We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Executive summary



Value for money arrangements and key recommendations

This report focuses on the arrangements in place during the financial year 2021/22.

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors are required to report their commentary on the Council's arrangements under specified criteria and 2021/22 is the second year that we have reported our findings in this way. As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our conclusions and the direction of travel between 2020-21 and 2021-22 are shown in the table below.

Criteria	Risk assessment	2020/21 Auditor Judgment	2021/22 Auditor Judgment	Direction of travel
Financial sustainability	No risk of significant weakness identified	No significant weaknesses in arrangements identified, but seven improvement recommendations made	No significant weaknesses identified; no improvement recommendation have been raised. Further details can be found on pages 8 to 13.	↑
Governance	Risk identified that the Council had not learnt from previous issues or followed-up on previous actions	No significant weaknesses in arrangements identified, two improvement recommendations made	We have also identified two improvement recommendations. Further details can be found on pages 14 to 17.	↔
Improving economy, efficiency and effectiveness	Risks identified: <ul style="list-style-type: none"> Court judgement and non-statutory notice for Children's Social care Services Lack of effective contract management arrangements for public realm and facilities management contracts Continuing to contract with a dormant company, Balfour Beatty Living Places 	Three significant weaknesses identified and five improvement recommendations	Three significant weaknesses identified in 2020/21 remain: <ol style="list-style-type: none"> Failure to meet the statutory needs of children within its Children's Social Care Services Not effectively contract managing its public realm contract Continuing to contract with a dormant company. Two improvement recommendations raised. Further details can be found on pages 20 to 25.	↔

Our work has identified areas for improvement, particularly in the area of improving economy, efficiency and effectiveness where we have issued key recommendations. However, we have not raised any statutory recommendations, which as set out in Appendix C are reserved for the most serious concerns over VFM arrangements.

- No significant weaknesses in arrangements identified or improvement recommendation made.
- No significant weaknesses in arrangements identified, but improvement recommendations made.
- Significant weaknesses in arrangements identified and key recommendations made.

Executive summary



Value for money arrangements and key recommendations

2021/22 has been another challenging year for the Council. Children's Social Care Services continue to be a area of concern with inspectors concluding that the Council has made limited progress in improving the quality of practice for children in need and those subject to child protection, culminating in a inadequate Ofsted rating in July 2022. There have, however, been signs of improvement across other areas of the business, including the Market Town Investment initiative aimed increase investment in local economic and social projects. We also note the timely conclusion of the 2021/22 opinion audit of the Council's financial statements.



Financial sustainability

The Council achieved an underspend of £0.54m against its annual 2021/22 budget of £161m, after receiving COVID-19 funding of £4.79m. The greatest pressure within year was within the Children's, Young People and Family Services which was overspent by £4.4m. Despite this, financial pressures remain and if not carefully managed will adversely impact on financial sustainability into the medium term. Specifically, the draft financial statements for 2022/23 report an overspend in 2022/23 of £5.6m. There is also a budget gap of £15.8 from 2024/25 to 2026/27.

We note that, unlike a number of other councils across England the Council has not accumulated a deficit balance within its Dedicated Schools Grant (DSG), within its high needs block (special educational needs and disability) and continues to actively manage this risk to prevent the entering a deficit.

We have not identified any risks of significant weaknesses in arrangements as part of our work on financial sustainability or improvement recommendations and consider that, subject to continued careful financial management, the Council has sufficient reserves to cover this overspend and mitigate against the uncertainty in the short to medium term.

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Governance

We found no evidence of significant weaknesses in the Council's governance arrangements for ensuring that it made informed decisions and properly managed its risks, although we have identified two areas for improvement. The Council needs:

- to make more progress in implementing the change required to bring about the desired improvements in respect of the key regulator and auditor recommendations
- consider appointing independent members to the Audit and Governance Committee.



Improving economy, efficiency and effectiveness

In our 2020/21 report which was reported to Audit and Governance Committee in May 2022 we raised three areas of significant weakness and three corresponding key recommendations. These significant weaknesses and key recommendations remain valid for 2021/22. The key recommendations from our work in 2020/21 which relate to these significant weaknesses are set out on pages 29 and 30.

1. The Council's failure to meet the statutory needs of children in its care. This is evident from the findings in the court judgment issued in March 2022, the lack of progress made since Ofsted inspected in 2018 and the 'inadequate' Ofsted inspection rating provided in July 2022.
2. The Council's lack of effective contract management arrangements for its public realm and facilities management contracts, to enable it to hold its contractor to account, is a significant weakness in arrangements.
3. The Council's continued contract management arrangements with Balfour Beatty Living Places Limited (BBLP), a dormant company and the Council's failure to seek further third party legal advice, document its decision to continue to contract with BBLP, consideration of the risks this might continue to pose and make Cabinet aware of this decision.

We recognise that these judgements relate to 2021/22 and that since then further progress has been made across a number of areas by the Council. This progress will be assessed when we review arrangements relating to the financial year 2022/23.

Opinion on the financial statements



Audit opinion on the financial statements

We gave an unqualified opinion on the Council's financial statements on 8 February 2023.

Audit Findings Report

More detailed findings can be found in our AFR and subsequent addendum, which was published and reported to the Council's Audit & Governance Committee on 31 October 2022.

Whole of Government Accounts

To support the audit of the Whole of Government Accounts (WGA), we are required to review and report on the WGA return prepared by the Council. This work includes performing specified procedures under group audit instructions issued by the National Audit Office. We are awaiting NAO guidance in this area.

Preparation of the accounts

The Council provided draft accounts in line with the national deadline and provided a good set of working papers to support it.

Issues arising from the accounts:

Our work identified one material error and a resulting prior period adjustment. The error related to the reclassification of the council's Energy from Waste asset, previously reported as land and buildings, as an item of plant and machinery.

We also identified a number of other errors also corrected in the final statements that have resulted in a £143k adjustment to the Council's Comprehensive Income and Expenditure Statement.

Our subsequent addendum report highlighted two further issues in respect of infrastructure and the net pension liability disclosure both misstated but given that these amounts were below materiality, no changes were made and we concurred with managements view that these were not material to the reader.

The Council has strengthened its finance team in the year and we have noted an improvement in the quality of working papers and response to audit queries that have facilitated a more timely completion of the opinion audit in 2021/22.

Grant Thornton provides an independent opinion on whether the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation



Use of auditor's powers

We bring the following matters to your attention:

Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly

We did not issue any statutory recommendations

Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a public interest report

Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We did not apply to the Court.

Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

We did not issue an advisory notice.

Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We did not apply for judicial review.

Securing economy, efficiency and effectiveness in the Council's use of resources

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Council's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



Financial Sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Council makes decisions based on appropriate information.

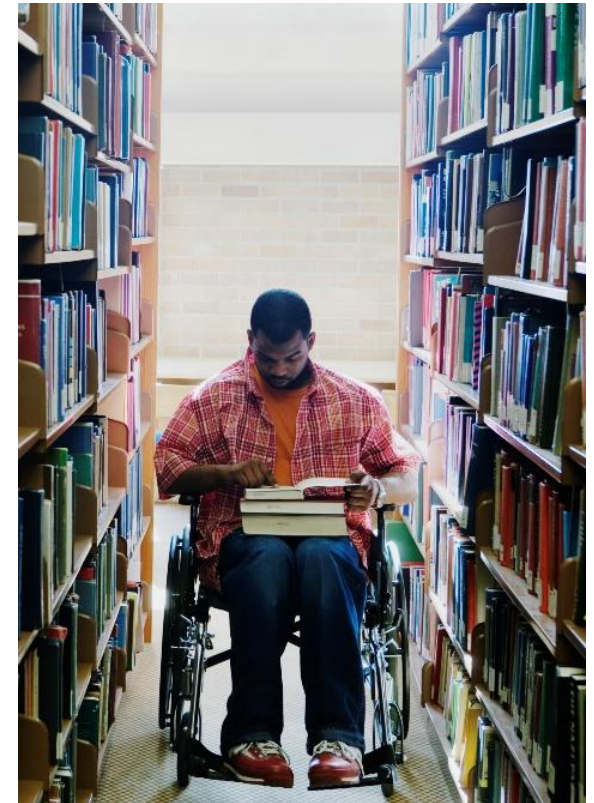


Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on the Council's arrangements in each of these three areas, is set out on pages 8 to 28. Further detail on how we approached our work is included in Appendix B.



Financial sustainability



We considered how the Council:

- identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds them into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

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Budget Outturn

The Council achieved an underspend of £0.54m against its annual 2021/22 budget of £161m. This underspend was delivered after receiving COVID-19 funding of £4.79m. The greatest pressure was within Children's, Young People and Family Services which was overspent by £4.4m, predominately due to the cost of residential placements.

Budget	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Planned	144	151	157.12	161	175
Outturn	143.5	150.5	157.16	160.5	181*
(Over) underspend	0.5	0.5	0.04	0.5	(10)

* Estimated 2022/23

The table above shows the budget compared to actual spend from 2018/19 to 2021/22 along with the latest estimate for 2022/23 and shows a good track record of delivering against its planned budget. Given the financial pressures facing all councils, the Council is finding it increasingly difficult to balance the books into the medium term and 2022/23 is no different. Officers continued to work to bring the 2022/23 budget back on track in the final part of the year, with a draft outturn position of a £5.6m overspend reported.

Identifying and addressing financial pressures

The 2022/23 budget was agreed and reported to Cabinet in January 2022, along with the Medium-Term Financial Strategy (MTFS). The budget included Council tax increase of 2.99% (inclusive of 1% adult social care precept) and 2% for future years.

For 2022/23 Council identified the following budget pressures:

- Inflation and other contractual increases.
- Losses of income due to effects of COVID-19.
- Homecare staff shortages including social care workers
- High costs in Children and Young People Placements
- Pay inflation

The 2023/24 MTFS forecast an overspend of £6m (£5.6m actual overspend) in 2022/23 to be funded from the Council's earmarked reserves. It also shows a budget gap of £15.8m over the next three years of the MTFS, as illustrated below. This is a current area of challenge for the Council.

Budget	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Net	176	193	208	233	244	
Gap	-	-	9.11	0.18	6.51	15.8

Identifying and addressing financial pressures (continued)

The MTFS, annual budget and the associated savings proposals and pressures are considered each year by the Scrutiny Management Board.

In 2020/21 we identified that the published MTFS did not provide financial forecasts beyond one year. The Council has looked to address this and as part of the 2022/23 budget setting process the MTFS showed only income projections for more than one year, but in 2023/24 the MTFS showed income and expenditure forecasts for three years as part of the appendices. The income and expenditure forecasts, along with any resulting budget gap is a key aspect of the MTFS and can be found within appendix M” of the 2023/24 to 2026/27 MTFS.

Currently the Council use a third party to model its MTFS plans which are refreshed throughout the year. Inputs are based on income sources together with latest data and assumptions specific to the Council and linked to government announcements. The Council has arrangements in place to ensure that budget assumptions are reasonable and that specific pressures are adequately reflected in the numbers along with the key sources of funding. An example of this is the additional monies allocated to children’s social care service over recent years.

The 2022/23 MTFS identified key risks including external risks that could affect the delivery of the Council’s planned savings, treasury management, capital strategy and reserves. The key risks identified were assessed in terms of likelihood and impact with mitigating actions. For example, high needs budgets which are funded by the dedicated school’s grant, where many other councils are in a deficit position. Whilst the Council anticipates increase in central government funding, it has managed to stay within budget to avoid a deficit position.

In response to the increased pressures, for example additional placement costs from unexpected demands, the financial resilience reserve was established to manage risks present in the base budget. This reserve will also fund the two year transformation programme the Council has embarked upon to improve the journey of the children social care services, as noted below.

The Council’s priority to improve the Children’s Social Care Service is also a significant financial pressure. Since the court judgement issued in April 2021 and the issue of statutory improvement notice from the DfE, the Council and the DfE have provided additional funds to the Council’s Children’s Social Care Service. In 2021/22 the Council agreed funding of £5.22m which has since been increased to £11.49m, which has been funded from the financial resilience reserve. The DfE have also provided funding of £1.7m.

The Council’s arrangements for budget setting an medium term financial planning continue to be refined and now provide more detail on assumptions reflecting the increased uncertainty of both funding and cost pressures. The Council’s 2023/24 budget setting process considered a range of assumptions and scenarios, such as a range of different Council Tax rises and movement in the pay award. For 2024/25 to 2026/27 a range of best/worst and most likely scenarios were considered for both income and expenditure. These scenarios have not been presented publicly within the MTFS, but have been discussed with members within the Council’s range of meetings, known as Star Chamber sessions.

Financial planning aligned with strategic priorities

As discussed earlier within our governance section, the Council’s vision and objectives are set out within its County Plan, below which sits the delivery plan. The MTFS and budget are linked to the County Plan and provide the detail of how key priorities will be funded.

The current County Plan 2020-24 takes into consideration factors such as the Council’s rurality, the aging population profile and social mobility for young people, as challenges to service delivery.

In March 2022, Cabinet approved four Market Town Investment Plans (MTIPs) in order to increase investment in local economic and social projects. The development of the MTIPs highlights significant enhancement to infrastructure, public realm, shop fronts and buildings. This improved economic development should benefit both local residents and business owners and should also benefit the Council through increased revenue (business rates) and reduced dependency on Council Tax benefit.

Plans to bridge the funding gaps and identify achievable savings

The Council does not have a track record of delivering all its planned savings. Delivery against planned savings is set out in the table opposite. In 2021/22 the Council had a savings target of £11m and only delivered savings of £8m (72%), additional income for central government, the most significant of which was covid funding offset this shortfall. For 2022/23 the savings target is significantly lower.

Throughout 2021/22 savings delivery performance was reported quarterly as part of the budget performance reports. As at September 2022, 74% of the savings target for 2022/23 has been achieved, recognising the much lower total.

Last year we recommended that the Council should ensure narrative is provided to explain any slippage in savings targets in its quarterly budget performance reports provided to Cabinet. We found that a narrative explaining the reason for the slippage was provided for the majority of saving schemes in 2022/23.

The 2023/24 indicative budget is predicated on the delivery of £14.1m of savings. In the following 3 years through to 2026/27 a total gap of £15.8m currently exists (as illustrated in the table on page 8) that will inevitably require further savings and efficiencies to balance the books. Delivering the full budget levels of savings and the importance of these being recurrent savings will only increase into the medium term given the gaps identified in the MTFS.

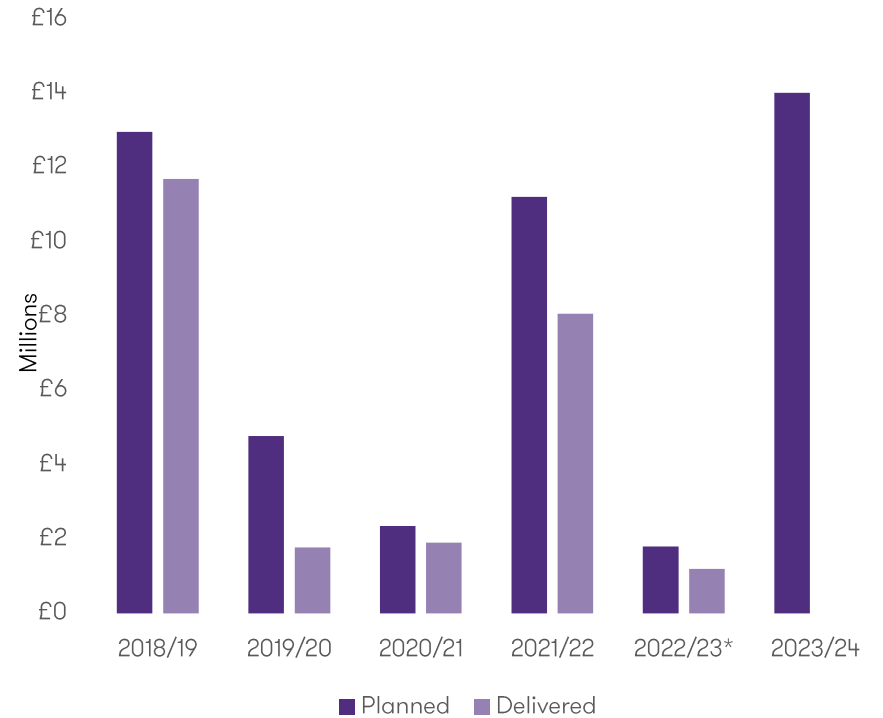
Treasury management

The Councils three-year Treasury Management Strategy (TMS) includes investment and borrowing strategies with consideration to risks such as security, liquidity and interest rates, with the aim to maximise return on investments and minimise interest rate costs.

Cabinet received treasury management updates within the quarterly finance and performance reports. The TMS and a Capital Investment Strategy for 2022/23 was approved by Full Council in Feb 2022 as part of the budget. The Capital investment Strategy for 2022/23 indicates:

- a borrowing strategy to restrict short term loans to a total of 50% of loans required, thereby minimising the exposure on interest rate risk. It is estimated that this approach saves the council in excess of £1m of borrowing costs per annum
- £51.3m of capital spend requiring financing from prudential borrowing
- the Council’s underlying need to borrow is expected to increase by £16.6m
- borrowing budget includes provision (£5.2m) to pay interest costs on short-term and existing fixed long-term borrowing
- capital investment budget of £99m in 2022/23 , £90m in 2023/24 and £45m in 2024/25.

Planned savings compared delivered



Long-term borrowing

The chart opposite shows that the Council in comparison to other similar councils has a low proportion of long term debt as a proportion of its long-term assets, illustrating that the Council has low levels of long-term debt. This will reduce the risk of exposure to increases in interest rates.

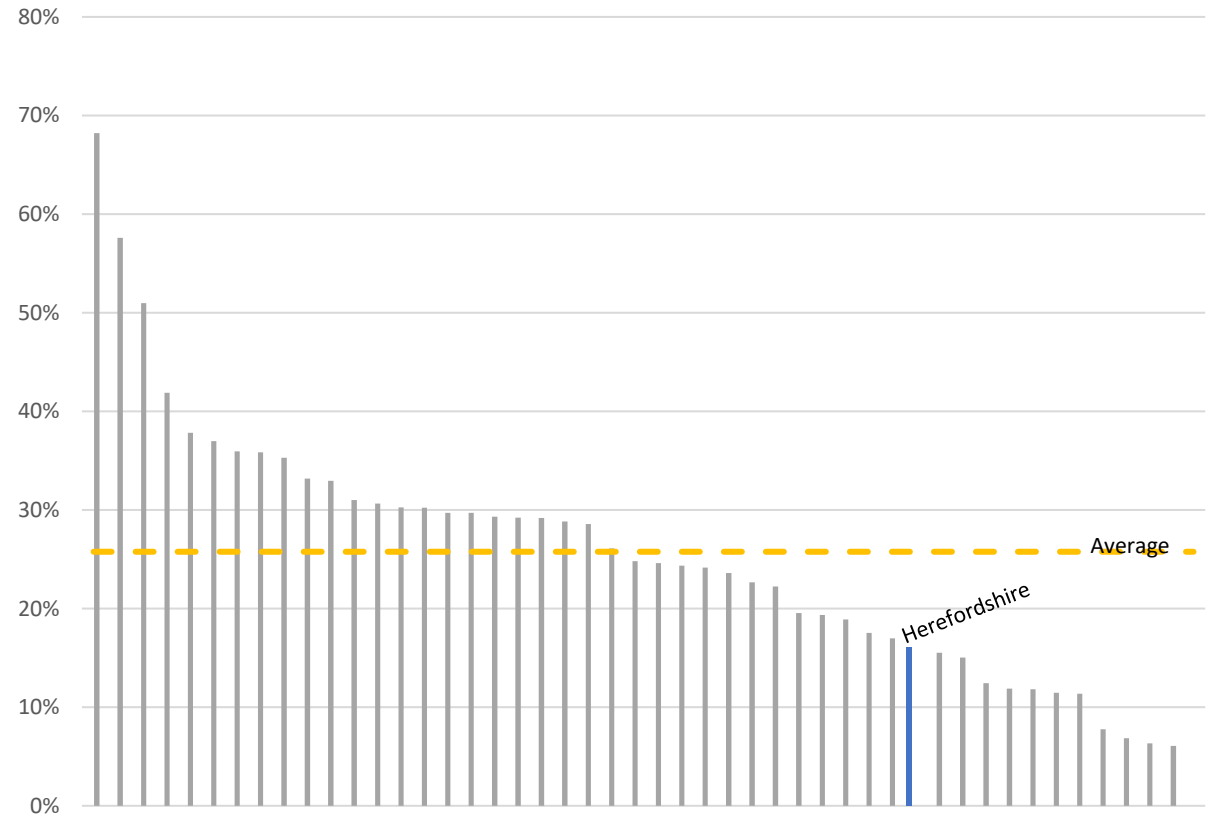
The average percentage of borrowing is 26%, the Council is below average at 16% and is at the lower end of the scale compared to other unitary councils.

Workforce and strategy plans

The Council adopted its Workforce and Organisation Development Strategy (2021-2024) in January 2021. This strategy outlines the work the teams will do over the next four years to support the delivery of the County Plan. The workforce plan which would support this strategy has not been developed. Until the Council develops its workforce plans it cannot ensure the MTFS and budget is aligned to its future workforce proposals.

We recommend that the Council develop its workforce plans to understand what it requires and in turn ensures that the costs of such proposals are fully reflected in its MTFS and other financial plans can be amended to meet those needs. This was raised as an improvement recommendation last year and remains outstanding.

Long-term borrowing as a proportion of Long-term assets (%) 2020/21



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Workforce and strategy plans continued

A report on workforce issues within children's social care service was presented to scrutiny in February 2022 the report contained results of a staff survey which uncovered multiple areas including the issue of "Silo Working" as a theme area. The Council's Director of Human Resources informed us that the next steps would be to develop an action plan to address the issues raised. We recommend that as the Council work towards updating its workforce strategy in 2023, it continues to request and receive feedback from regular staff surveys and in addition to recruitment, it also focuses on retention strategies to ensure a sustained work force.

Capital Investment

The Council's Capital Strategy approved in February 2022 clearly set out the process to approve capital projects and linked the capital projects to the County Plan aims. Each proposed Capital schemes is aligned a project delivery board, each delivery board report to the CLT .

It is standard practice to re-profile the capital budget in quarter one, as a result the Council's Capital investment budget in 2021/22 was reprofiled from £97m to £69m.

	2020/21	2021/22	2022/23
Original capital budget	£122m	£97m	£99m
Reprofiled	£99m	£69m	£67m
% reprofiled	19%	29%	32%
Outturn	£55m	£37m	£55m*
% shortfall to original budget	55%	62%	44%
% shortfall to reprofiled budget	44%	46%	18%

* Forecasted outturn third quarter 2022/23.

At the end of the 2021/22 year, the shortfall (£32m) consisted of £4.79m for projects that have delivered below budget and the capital funds are no longer required. The remaining £26.7m has been rolled forward to 2022/23.

Capital Budget for 2022/23 - increased from £99m to £133.8m (due to £26.7m unspent budget carried forward from 2021/22 and £8m additional grants) and was reprofiled to £67m. The Council already forecasts an underspend of £12m against a reprofiled budget of £67m.

In prior year, we recommended that Council should report capital outturn against the original capital budget and ensure this budget more accurately reflects the expect capital spend in year. This recommendation has been addressed along with an explanation where slippage has occurred, see page 33.

Level of Reserves

The first chart on the next page illustrates the level of general fund, earmarked reserves and school balances for the Council at the 31 March each year for 2017/18 to 2022/23. The Council has maintained its general fund (GF) reserve at a steady level, increasing from £9.1m to £9.6m (£0.5m increase due to underspend in the revenue budget). The Council's level of earmarked reserves since 2020/21 have begun to decline, recognising these are set aside for future pressures that are now arising, such as the resilience reserves having been used to fund overspends and cost pressures such as the children's social care service improvements. At the time of the original draft of this report in February 2023 the Council was projecting an in year overspend of £9.1m that would have placed further pressure on the level of reserves. Since then, the financial position for 2022/23 has improved with the draft financial statements for 2022/23 report an overspend in 2022/23 of £5.6m

The Council's specific earmarked reserves totalled £96.5m on 31 March 2022 (including £9.4m of School balances and £23.1m grant funding carried forward to 2022/23) and is estimated to be £67.8m at the end of 2022/23.

Level of Reserves continued

The level of reserves and expected movement in reserves were set out in the MTFS as part of the annual budget setting process and were reported to Cabinet. The Chief Finance Officer completed his review of the reserves and concluded within the Section 25 Statement, that the balances held remain reasonable and prudent in addressing some of the current and future challenges.

The second chart opposite illustrates the Councils general fund reserves and non-schools earmarked reserves - rated as a percentage of net service revenue of expenditure. The Council is above average at 55% compared to other similar councils.

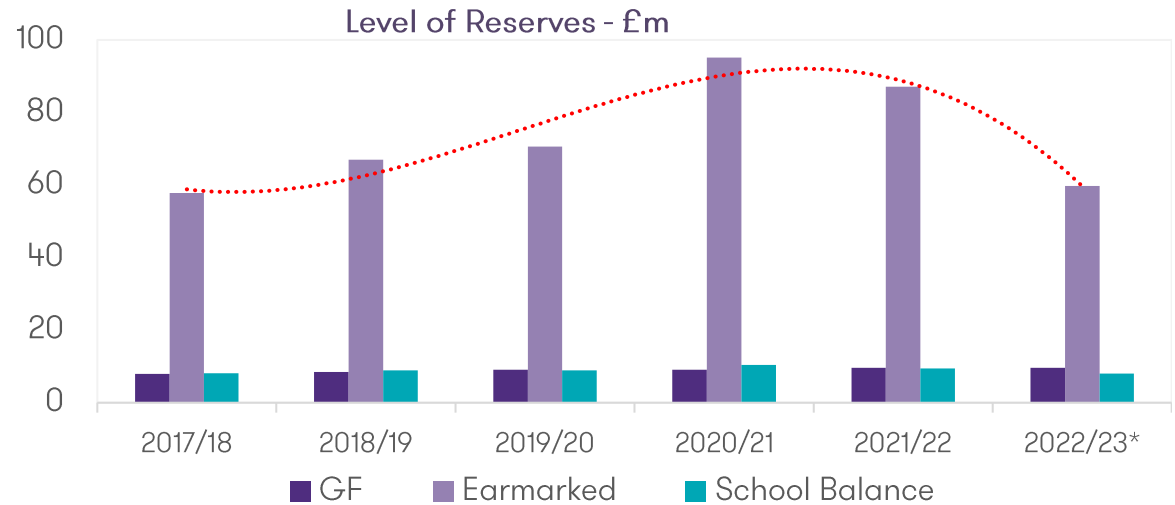
Overall, we consider that the Council has sufficient levels of reserves to meet existing financial pressures.

Auditor judgment

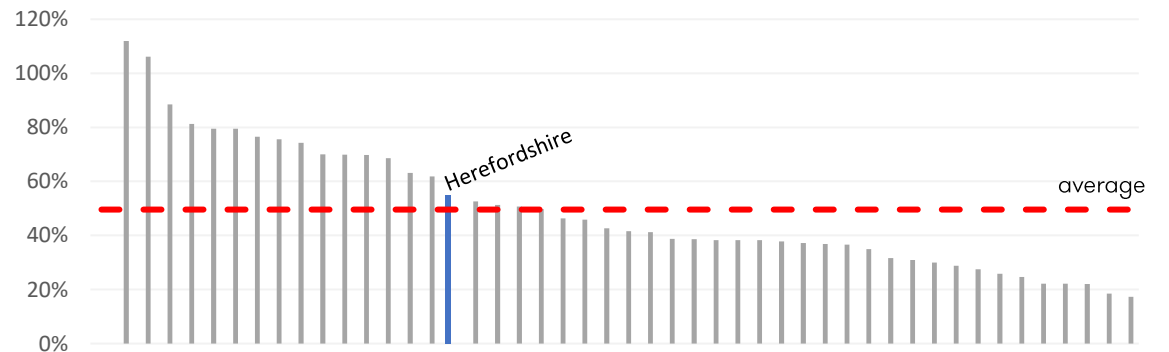
The Council achieved an underspend of £0.54m against its annual 2021/22 budget of £161m, after receiving COVID-19 funding of £4.79m. The greatest pressure within year was within the Children’s Young People and Family Services which was overspent by £4.4m. Despite this, financial pressures remain and if not carefully managed will adversely impact on financial sustainability into the medium term. Specifically, the draft financial statements for 2022/23 report an overspend in 2022/23 of £5.6m. There is also a budget gap of £15.8 from 2024/25 to 2026/27.

We note that, unlike a number of other councils across England the Council has not accumulated a deficit balance within its Dedicated Schools Grant (DSG), within its high needs block (special educational needs and disability) and continues to actively manage this risk to prevent the entering a deficit.

We have not identified any risks of significant weaknesses in arrangements as part of our work on financial sustainability or improvement recommendations and consider that, subject to continued careful financial management, the Council has sufficient reserves to cover this overspend and mitigate against the uncertainty in the short to medium term.



General fund and non-schools earmarked general fund reserves as a % of net service revenue expenditure 2021/22



Governance



We considered how the Council:

- monitors and assesses risk, gains assurance over the effective operation of internal controls and arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- Demonstrates leadership and governance and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- monitors and ensures appropriate standards, meets legislative/regulatory requirements) and where it procures and commissions services.

Leadership

The Council appointed a new Chief Executive in 2020/21 and during 2021/22 the leadership team has stabilised as interim director posts have been replaced by permanent appointments.

During 2021/22 the Chief Executive conducted a restructure of the senior leadership team. The following appointments have been made:

- Children and Young People Director
- Economy and Environment Director
- Community Wellbeing Director
- Director of Governance and Legal Services.

As a result a number of the senior leadership are new to post and time will inevitably be needed for this new team to deliver on its priorities. The Chief Executive and his Corporate Leadership Team are committed to developing the culture, to move away from silo working and to create a collaborative leadership team, a one Council culture and way of working.

The high staff vacancy rate within the Children and Young People Directorate remains a real concern, resulting in the Council continuing to rely on costly temporary and agency staff. This situation has been compounded by staff leaving following the adverse court judgement and recent Ofsted inspection.

The Children's Commissioner's report has raised the issue that in her view the Council does not currently have the capacity and capability to improve children's services in a reasonable timeframe. The Commissioner has recommended that the leadership team of the children's services should be strengthened to ensure that the pace of improvement increases rapidly in line with its agreed improvement plan.

The Children's Commissioner has also raised concerns about the lack of strategic planning and that partnership working is very under-developed. This included the Children and Young People's partnership having only just met for the first time in over a year and the safeguarding partnership being ineffective in addressing key concerns.

Our findings along with those of the Children's Commissioner indicate that the Council has made limited progress in addressing the weaknesses within the Directorate and as a result the Council is failing to meet the statutory needs of children in its care. This remains a significant weakness in arrangements in 2021/22.

Risk management

The Council has a Risk Management Plan (RMP) that sets out how risks are identified, assessed for likelihood, addressed, monitored and reported within risk registers.

In 2021/22 the Council reported risk registers at service, directorate and at corporate level. The RMP was reviewed in July 2022, in line with the Council's approach to review the RMP annually. The Corporate Risk Register was reviewed quarterly by the Audit and Governance Committee.

In 2021/22 the Council's Internal Auditor's, South West Audit Partnership (SWAP), undertook a high-level corporate review of risk maturity, this review did not identify any significant weaknesses, but did identify that risk management should be further improved and there remains a need to embed risk management across the Council. A more detailed risk management audit will be undertaken by SWAP in 2022/23.

The Council should therefore continue to look to strengthen this area and action the recommendation set out on page 23, relating to assessing the risks in relation to contracting with a dormant company. However, overall, we consider the arrangements in place to be adequate.

Maintaining standards and internal controls

In 2021/22 there was no evidence of significant non-compliance with the body's constitution. We are not aware of any breaches of legislation or regulatory standards during the year.

The Internal Audit function, SWAP confirmed in their Annual Opinion Report (2021/22) that there were no areas of significant corporate risk reported during the year.

Internal Audit did, however, report that the Hereford City Centre Transport Package (HCCTP) was an area of concern with control weaknesses identified in how it operates. SWAP undertook a special investigation in January 2022 of the HCCTP to review compliance with the recommendations made on capital projects following an earlier audit in 2017/18 (Blue School House). SWAP concluded that budget monitoring arrangements were inadequate, together with a poor project governance structure and lack of escalation of key project issues. No evidence was provided to show the status of priority actions that followed from the investigation. The review raised 11 recommendations, of which one was priority 1 (findings are fundamental and require immediate action) and eight priority 2 (important and needs to be resolved by management). It is our understanding that these recommendations remain unresolved and an update has not been provided to the Audit and Governance Committee

Learning from past weaknesses and following-up on past actions

As part of our 2021/22 VFM planning processes we identified a risk of significant weakness that the Council may not be learning or following-up and completing actions from past reviews and recommendations.

We considered how the Council has responded to significant weaknesses and the key recommendations raised in our previous report (issued in April 2022), changes in arrangements as well as the following reviews:

- Blue School House project
- Hereford City Centre Transport Package (HCCTP)
- Safeguarding Peer on Peer (now known as child on child) review.

The Council has strengthened its Project Management Office (PMO) to ensure past actions are not repeated, to address previously identified control weaknesses and apply lessons learnt to new projects. The PMO should ensure a consistent approach is adopted to addressing weaknesses and agreed actions are implemented. The PMO now tracks and monitors progress of both major capital projects but also key strategies and improvement reviews. The PMO provides monthly monitoring reports to the Executive Programme Board, which includes all Corporate Leadership Team members except the Chief Executive on cost and delivery. This has enabled the Council to separate its operational requirements from the assurance role.

The HCCTP review undertaken by Internal Audit in January 2022 also included consideration of compliance with the Blue School House recommendations, raised by the Council following an internal review in 2017. SWAP concluded that although there are some differences in the findings between the HCCTP review and the Blue School House findings and agreed actions there were strong similarities that can be seen through the audits since and including the Blue School House Refurbishment Investigation as follows:

- insufficient or clear audit trail to outline how budget figures have been derived and what budget figures are based on.
- insufficient detail and/or information to be included in governance decisions to ensure informed decision making takes place.
- a lack of robust budget monitoring and clarity on financial position.
- poor governance in relation to compensation events and increases in costs through the tender and contract award processes.
- insufficient recording in minutes and tracking of actions across the project governance structure, and
- lack of escalation of key project events/issues.

This illustrates that there were lessons to be learnt from the Blue School House project that could have been applied to the HCCTP project.

Learning from past weaknesses and following-up on past actions continued

In March 2016 there was an alleged child on child sexual assault incident between two pupils who both attended the same school in Herefordshire. Following complaints received an investigation was undertaken in February 2017. This review was published in April 2017 and was released to the School and the Council. The findings and recommendations were not shared by the Council with other schools within Herefordshire, which were subsequently considered to be a weakness in arrangements and is an example of a missed opportunity of the Council not learning from previous mistakes and recommendations issued by others.

Further reviews were undertaken by the Children and Young People Scrutiny Commission. These reviews also led to a further external independent review that was commissioned in December 2020, with the terms of reference agreed in January 2021 and concluded in November 2022. We understand that the work took some time to conclude due to the complexity of the issues involved.

A key aim of the latest review was to assess the Council's handling of child on child sexual abuse allegations referred to its Multi-Agency Safeguarding Hub (MASH) in its schools since 2017, and what learning should it now embed into its processes in its engagement with schools, parents, pupils, its community and third parties when dealing with child on child abuse cases in Herefordshire schools.

The Leader, Deputy Leader, Cabinet Member Children and Families and Statutory Officers (S151 and Monitoring Officer) received a copy of the independent report and were updated by Chief Executive shortly after in November 2022. The report was also subsequently shared with the chair of the Children's Services Scrutiny Committee on 13 December 2022, at which it was confirmed that the Children's Commissioner considered the Council guidance issued to schools in respect of child on child abuse to be satisfactory. Further key members were also consulted and we understand that the Council that the Chief Executive intends to collate the feedback and consider the lessons learnt. Based on these findings we recognise that steps have been taken to strengthen processes in relation to child on child abuse.

Whilst, we recognise that the pace of change needs to increase no other significant issues have arisen in 2021/22 and based on these findings we do not consider this to be a significant weakness in arrangements in 2021/22 and have raised an improvement recommendation on page 18.

Effectiveness of the Audit and Governance Committee

The effectiveness of an audit committee is dependent on several factors, including the role of the chair, attendance of members, their level of training, and their commitment to their responsibilities. In 2021/22, there was a good level of attendance by members at Audit and Governance Committee meetings. Training included member training and specific member development training. We, as your external auditors attend all Audit and Governance Committees and overall consider it to be fit for purpose. However, there are areas for improvement as set out below.

The Audit and Governance Committee does not have a single record of all external regulator and Internal Audit priority recommendations. Internal Audit recommendations are monitored but those raised by external audit are not.

We are of the opinion that the Council's Audit and Governance Committee effectiveness could be further strengthened through the appointment of one or more independent members who could bring increased objectivity, expertise and accountability to help the committee make decisions that yield better outcomes for the Council.

During the year and as at January 2023, the Council's Audit and Governance Committee consisted of seven councillors, it did not include any independent members. The Chartered Institute of Public Finance and Accountancy (CIPFA) in its recent statement (May 2022) on Audit Committees in Local Authorities in England, recommend that each authority audit committee should include at least two co-opted independent members. This builds on Sir Tony Redmond's 2020 Independent Review into the *Oversight of Local Audit and the Transparency of Local Authority Financial Reporting* which recommended that local authorities appoint at least one independent member to audit committees.

Budget setting, control and monitoring

The 2022/23 budget was first reported to Cabinet in January 2022, along with an accompanying 3-year Medium Term Financial Strategy (MTFS) plan, and treasury management and capital strategies. The budget setting process commenced with a review of the base budgets at directorate levels and identification of cost pressures, followed by discussions with the budget holders. These budgets were then scrutinised by the Corporate Leadership Team, who were also tasked with identifying the Council's underlying savings requirement.

The approved budget for 2022/23 included information on budget pressures faced by the Council, prior year outturn as well as MTFS strategies considering various scenarios.

The budget setting process involved external consultation with stakeholders as well as a variety of debates and internal discussions during the budget Council meeting. The 2022/23 Cabinet's budget recommendations were provided to Full Council for approval in February 2022.

Quarterly budget monitoring reports were provided to Cabinet following budget holders review of financial performance and risks during the year. The reports also included appendices which included detailed narrative to explain variations.

Our review of the governance arrangements in relation to budget setting, control and monitoring has not identified any risks of significant weakness in the 2021/22 financial year.

Settlement agreements

In 2020/21 we recommended to that the Council should maintain a central record of confidential decisions relating to settlement agreements. The aim of such a record would have been to ensure that corporate knowledge was maintained regardless of changes in senior officers. The Council have reviewed existed arrangements and have concluded that a central record is not required, and existing records provide sufficient evidence and that all information to support a decision is retained in the individual's HR file.

Auditor judgement

We found no evidence of significant weaknesses in the Council's governance arrangements for ensuring that it made informed decisions and properly managed its risks, although we have identified two areas for improvement. The Council needs:

- to make more progress in implementing the change required to bring about the desired improvements in respect of the key recommendations
- consider appointing independent members to the Audit and Governance Committee.

Improvement recommendations



Governance

Improvement Recommendation 4

The Council needs to make more progress in implementing the change required to bring about the desired improvements in respect of the key recommendations. It should ensure:

- rigorous processes are in place so that recommendations are completed fully and on a timely basis
- a single record of all external regulator and Internal Audit priority recommendations so that, amongst others, the Audit and Governance Committee can proactively monitor implementation.

Why/impact

A mature organisation ensures action is taken to address failures in service provision and learns from previous mistakes so that improvements are made and the likelihood of similar incidents occurring to reduce.

Auditor judgement

The Council's processes could be improved to ensure action is taken at pace and to enable others learn from past mistakes and issues.

Summary findings

Not all recommendations raised by regulators as well as by internal and external audit are being actioned in an effective and timely manner. The Children's Commissioner concluded that the Children's Improvement Board has not been robust enough to be able to assist in the acceleration of improvements. The issues facing the Children's Service have been long standing and the steps taken to date have not addressed previous identified failings. The Commissioner has concluded that the Council does not currently have the capacity and capability to improve children's services in a reasonable timeframe.

Management Comments

We will review arrangements for 2023/24 to ensure that the completion of improvement recommendations from external and internal sources can be monitored proactively.



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The range of recommendations that external auditors can make is explained in Appendix C

Improvement recommendations



Governance

Improvement Recommendation 5

The Council should consider appointing independent members to the Audit and Governance Committee.

Why/impact

Independent members can provide additional capacity, skills and knowledge

Auditor judgement

The Audit and Governance Committee would benefit from independent members.

Summary findings

The current committee does not have any independent members.

Management Comments

The Audit & Governance Committee will consider the appointment of independent members for 2023/24.



The range of recommendations that external auditors can make is explained in Appendix C

Improving economy, efficiency and effectiveness



We considered how the Council:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives
- where it commissions or procures services assesses whether it is realising the expected benefits.

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Children's Social Care Services

Last year we reported that since June 2018, the Council's Children's Social Care services have been assessed by Ofsted as 'requires improvement'. Limited progress was made in addressing the improvement areas and in March 2021 Mr Justice Keehan issued a court judgment in relation to a case which involved four children placed in foster care. The judgment found significant failings over an extended period in respect of how the Council supported the children, the foster parents and the birth family of the children in care. Subsequent to this judgment the Council received a non-statutory improvement notice from the DfE in May 2021.

In July 2022 Ofsted undertook a detailed inspection and the service received an overall rating of 'Inadequate' and a statutory improvement notice was issued. This assessment was in line with the findings of Ofsted's earlier focused visits which concluded that the Council had made little progress in improving the quality of practice for children in need and those subject to child protection planning since the inspection in June 2018.

The Council has established an improvement board which has met regularly and has been chaired by the Department for Education Advisor. The Children's Commissioner concluded that the Board has not been robust enough to be able to assist in the acceleration of improvements. The issues facing the Children's Service have been long standing and the steps taken to date have not addressed these. The Commissioner has concluded that the Council does not currently have the capacity and capability to improve children's services in a reasonable timeframe.

This represents a further deterioration in arrangements in the area of children's services since our review last year.

We consider the Council's failure to meet the statutory needs of children in its care and the failure to make improvements with sufficient speed to be a significant weakness in arrangements for the audit year 2021/22.

On page 14 we have commented on the governance arrangements around leadership and partnerships within the Children's Social Care Service and the impact they have had on the Council's ability to implement change.

Performance management

The Council set out its vision and objectives within its County Plan. A five year plan that was supported by a delivery plan which included the objectives against which the County Plan was monitored.

Performance against these objectives was monitored and reported to Cabinet on a quarterly basis. However, we identified that the objectives within the County Plan and supporting delivery plan have not been updated to reflect changes in service delivery. For example, those indicators relating to children's services do not reflect the Court Judgement or the latest Ofsted inspection and do not provide the reader with an overall reflection of the Children's social care service.

Although we recognise that the Children's Services Improvement Plan was reported to Cabinet at the same meeting as the County Plan Delivery Plan Failure (February 2022), the Delivery Plan objectives were not updated to take into account that failures within the Children's Service would have an impact on the objectives of the Delivery Plan.

The Children's Commissioner's report also reported that the ambitions of the County Plan were not being realised. This failure and the inadequate Ofsted rating is not evident from the performance measures currently being used to assess performance against the County Plan Delivery Plan.

Benchmarking

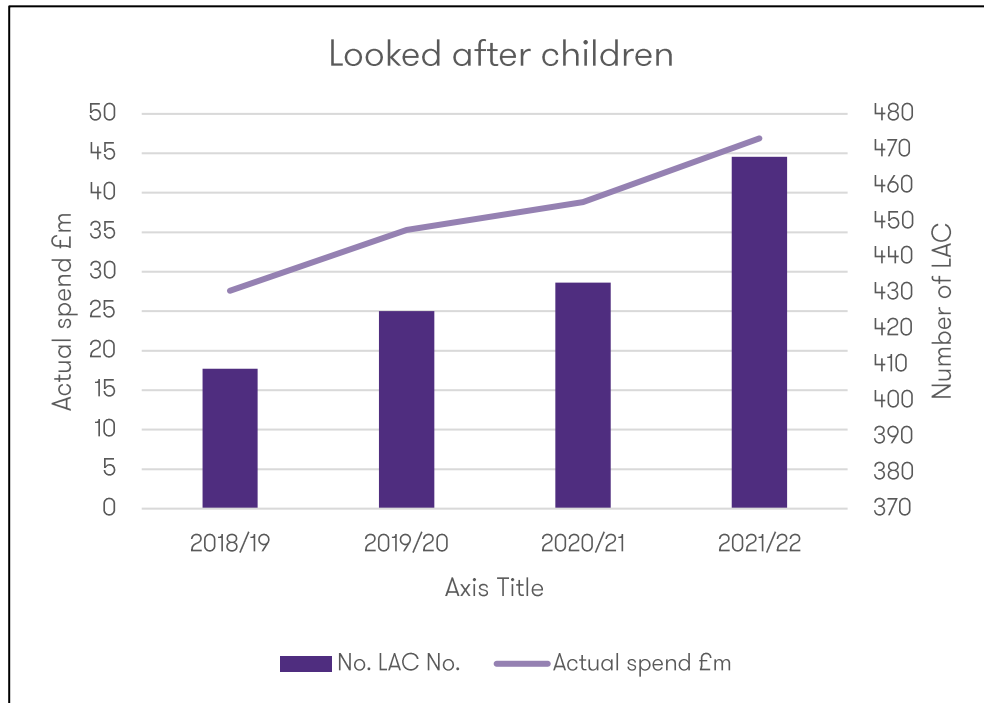
Benchmarking and comparing the Council’s performance to others enables it to identify both areas of good performance but also those areas where performance could be improved. As part of our review we discussed a range of indicators produced by our management tool, ‘CFO Insights’. The Council has continued to use benchmarking to assess, amongst other things, its financial resilience and confirm the appropriateness of its level of reserves.

The CFO Insights indicators are based on 2022/23 budget information and compared the unit costs for a range of services. The indicators identified the following areas where the unit costs were high in comparison to other unitary authorities:

- Children’s social care
- Planning and development control services.

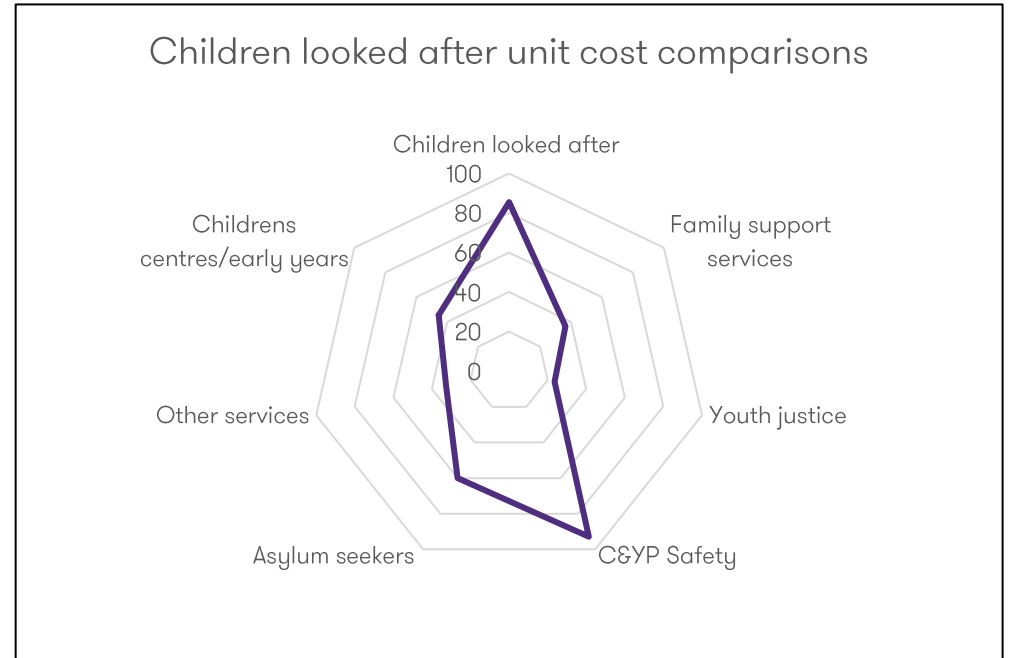
Children’s social care

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Children’s social care remains very high cost and is as expected due to the high numbers of high cost looked after children and additional funds having been allocated to improve this service area following the adverse court judgement and inadequate Ofsted rating. The chart opposite illustrates the increasing numbers and costs.

The chart below illustrate the issue within Children’s Social care. The rate of improvement has been raised as a concern by Children’s Commissioner, as progress has been slow with limited outcomes for children.

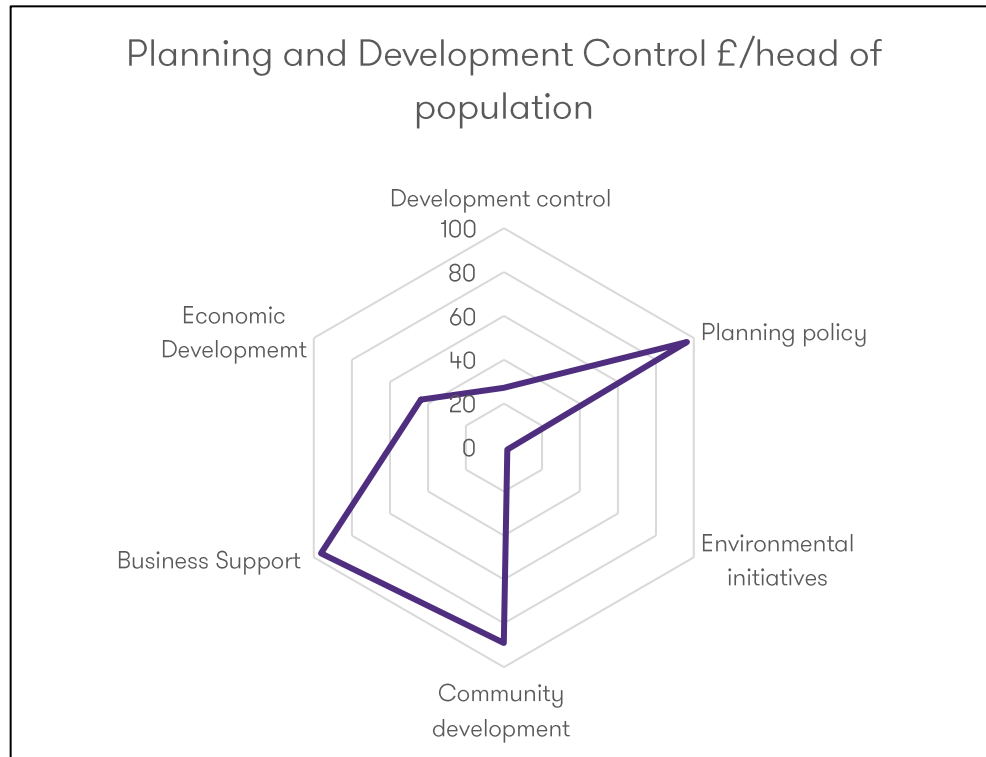


On the chart above 50 represents the group median. The group in this case is all unitary councils. If a measure is closer to the outside of the chart it would be classed as 'very high cost', whereas if the line is closer to zero, then it would be classed as 'very low cost' in comparison to the group. Indicating that children looked after and children and young people safety are very high costs.

Planning and development control

The high unit costs for planning and development control are attributable by the Council, to three areas, planning policy, community development and business support. We understand that the Council has explore why these areas are high cost in comparison to others and are attributable to additional planning costs attributable to phosphate contamination.

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On the chart above 50 represents the group median. The group in this case is all unitary councils. If a measure is closer to the outside of the chart it would be classed as 'very high cost', whereas if the line is closer to zero, then it would be classed as 'very low cost' in comparison to the group. Indicating that business support, planning policy and community develop are very high cost.

Procurement

The Council current procurement strategy which is available on the Council's website is dated 2018. The Council has developed a revised strategy 2022-25, which has been reviewed and ratified by Cabinet. We are not aware of any significant commercial or procurement undertakings during 2021/22, although the Council has been collaborating with Worcestershire County Council to develop a Joint Municipal Waste Strategy for Herefordshire and Worcestershire 2021 to 2035. The procurement for this new strategy will commence in 2022/23.

In order to remain compliant with procurement legislation the Council should follow its procurement rules and re-tender in line with current legislation. If these rules are not followed then this would constitute a procurement breach. The number of breaches should be recorded and formally reported to ensure compliance with procurement rules.

The Constitution sets out that exemptions from the Contract Procedure Rules should be by exception only and should be documented and completed in consultation with commercial, finance and legal services.

In 2022/23 the Council granted 40 contract waivers compared to 46 recorded in 2021/22. The Council has agreed procedures which should be followed and these procedures were documented within the Council's contract procedure rules. There were no significant instances of non-compliance within 2022/23.

Contract management

In 2020/21 we identified a significant weakness in this area and raised a key recommendation relating to the management of the Council's public realm and facilities contracts with Balfour Beatty. This was following concerns raised in a number of reviews under taken by the Interim Capital Projects Director and Internal Audit.

Cabinet were formally made aware of the concerns raised within these internal reviews in July 2021. The Council then agreed a number of its own recommendations and actions. Cabinet also agreed the establishment of the Major Contracts Improvement Board to resource and facilitate the required improvements in contract management and commissioning, to strengthen the corporate centre and to provide capacity and support.

An improvement plan was developed in March 2022, seven months after it was agreed to establish an improvement board. The improvement plan is available on the Council's website.

Contract management continued

The Major Contract Improvement Board, an internal joint officer and member board is responsible for monitoring performance and progress against the improvement activities. Progress is not being reported to a formal member committee or Cabinet.

In 2022/23, outside our year of review the Major Contracts Improvement Board met monthly between April 2022 and September 2022. The last meeting was held in September 2022 and included a Close Out Statement on the Major Contract Improvement Plan which showed that out of 39 actions across 11 improvement plans, 27 actions have been fully completed (70%), while the remaining 12 (30%) are in progress with expected completion dates of October 2022. The remaining actions are expected to be completed in 2023/24 when additional resources are available.

In our view, as progress to address this significant weakness were initiated late in 2021/22, the significant weakness in contract management arrangements for 2021/22 remains.

Balfour Beatty Living Places Limited

Last year, in addition to the concerns relating to contract management, we reported that the public realm contract is held with a dormant company Balfour Beatty Living Places Limited (BBLP). This company was dormant at the time the contract was awarded in 2013, have continued throughout 2021/22 and as at the date of drafting this report BBLP remains registered as a dormant company at Companies House. Contract payments continue to be made to BBLP with invoices showing the company name of the dormant company.

Current management at the Council became aware that BBLP was a dormant company in January 2021. In 2020/21 no action was taken by the Council to better understand the risks posed to the Council as a result of this contractual arrangement and what if any mitigating actions might be required.

The Council only began to take action at the end of 2021/22, when legal advice was obtained in March 2022 following our enquiries. This advice included the following statement: - *'Our overall view is that the Council is not fundamentally legally exposed and the Contract is not invalidated by these arrangements, but we maintain the view that these arrangements are of dubious validity and could cause issues in the event that there was a major dispute between the parties.'*

In March 2022 the Council wrote to BBLP asking them to either:

- commence trading through BBLP; or
- novate the public realm contract to BB Group.

The Council subsequently received correspondence from BBLP which explained that BBLP is an agency company of Balfour Beatty Group and *"when contracting with an agency company, a customer is contracting with Balfour Beatty Group Ltd as a legal matter"*.

The Council were also informed that they were made aware of this in the initial contract submission. This letter provided the submission made by BBLP in 2012 as part of the PQQ process and a letter from the Company secretary dated 4 November 2020 setting out the legal status of the agency company structure. Balfour Beatty Group explained that BBLP is an agency company which enables it to *'sign contracts, place orders and otherwise operate like any other conventional trading company, the key difference being that they do so for and on behalf of the group'* and *'can be sued, in both civil and criminal litigation'*.

This correspondence was not shared with the Council's legal advisors and further advice has not been sought. Whilst the information provided by BBLP may have legitimate standing, the Council has not formally confirmed this. Council Officers have verbally confirmed that in their view they do not consider this arrangement to be a risk to the Council and intend to take no further action with regards to the dormant company. However, this decision has not been documented and we remained concerned that in the absence of a proper documented risk assessment and conclusion on whether any further action is required that the Council remains exposed should a major dispute occur. As a minimum we would expect that legal advice was sought as to the view posed by Balfour Beatty Group and the decision and risks to be documented and presented to Cabinet.

Based on these findings we consider that the Council's contract management arrangements remain a significant weakness in arrangements, as it has not sought further third party legal advice, documented the potential risks and formally communicated this officer decision to Cabinet.

Contract procedure rule

In 2020/21 we identified that the Council's existing contract procedure rules did not cover the evaluation of tenders and the range of due diligence required of potential suppliers. We recommend that the contract procedure rules, documented within the Constitution, should be updated to include contract evaluation and the extent of appraisal of potential suppliers (due diligence) that should be undertaken before awarding a contract. As a result, the contract procedure rules were updated in July 2022 setting out the additional due diligence required including Companies House searches, Fraud checks and credit history. However, for the year under review these arrangements were not in place.

Performance managing subsidiaries

Hoople Ltd is a joint venture (JV) subsidiary company of the Council created in April 2011 to deliver business support services to clients across the public and private sector. In 2020/21 Hoople Ltd was wholly owned by the Council and Wye Valley NHS Trust, the Council being the majority shareholder.

Performance monitoring and ensuring appropriate governance over a subsidiary requires a different approach, as the JV should be able to operate commercially whilst delivering its services in line with any agreed contract or service level agreement.

In 2020/21 we recommended that the Council should strengthen the performance monitoring arrangements for Hoople Ltd to include formal reporting to members, such as an annual report. The arrangements remained the same in 2021/22, but in 2022/23 the Council began reporting on the financial performance of Hoople within its quarterly budget performance reports to Cabinet.

However, Hoople's performance in relation to the service it delivers which is covered by Service Level Agreements (SLAs) has not yet been reported to Cabinet. We understand that this is reviewed by individual service managers. In order to ensure an appropriate level of performance is delivered and members are aware of how Hoople is performing we recommend that the Council should also consider reporting performance inline with key performance indicators within the SLAs to Cabinet.

During 2021/22 the responsibility for overseeing the Council's interests and shareholder responsibility sat with the Council's Audit and Governance Committee. However, throughout 2021/22 the Council's Audit and Governance Committee did not review or consider Hoople's performance, neither were scrutiny involved. Based on these arrangements it is unclear who fulfilled the shareholder function during 2021/22. In early 2023 the Council has improved arrangements and established a shareholder committee.

The Council's S151 Officer and the Leader of the Council, are members of the Hoople Board and receive regular reports on Hoople. Specifically the company's trading position, financial position and key risks. In our experience, members and officers of the Council who are also appointed directors of a separate legal entity can present a risk of conflict of interest. This arrangement makes it difficult for the Council to challenge the commercial operations of the company and ensure that the company operates in the best interest of the Council.

Conflicts of interest can arise from acting as a director of the company and also when acting as a councillor or officer of the company. As a result we have raised an improvement recommendation on page 27.

Significant partnerships

In order to improve the Council's arrangements relating to significant partnerships the Council has defined significant partnerships, developed a partnership framework and introduced a partnership register. Both the partnership framework and register are available on the Council's website.

The Council has entered into the following significant partnership in 2021/22 and updates have been provided to Cabinet:

- the Integrated Care System work with NHS and Public Health partners to implement for Herefordshire and Worcestershire.
- Herefordshire Climate and Nature Partnership - which focuses on six areas: housing and buildings; energy; transport; food consumption; farming and land use; and waste management
- Herefordshire Stronger Towns Partnership was awarded £22.4m from the Government's Towns Fund for a range of projects that support post-covid recovery and enhance economic growth. The programme is being delivered through a Towns Fund Board, the Stronger Hereford Board of which the Council is a key partner and the accountable body.

Significant partnerships continued

In 2020/21 the Council introduced a self assessment for each partnerships as part of the draft Annual Governance Statement for 2020/21. These self assessments were completed by the service departments and reviewed by the Audit and Governance Committee in July and September 2021. Whilst the self assessment demonstrated the Council's commitment to improving its understanding and partnership arrangements it demonstrated, in our opinion, a number of areas for improvement and we raised the following improvement recommendation:

The Council should review and improve the content of the significant partnerships' self assessment, both the questions asked and the replies received and consider:

- documenting the strategic objectives to which they contribute
- ensure detailed responses are provided
- define why the partnership is a significant partnership in line with the Council's own definition.

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This recommendation remains outstanding.

Auditor judgement

In our 2020/21 report which was reported to Audit and Governance Committee in May 2022 we raised three areas of significant weakness and three corresponding key recommendations. These significant weaknesses and key recommendations remain valid for 2021/22.

1. The Council's failure to meet the statutory needs of children in its care. This is evident from the findings in the court judgment issued in March 2022, the lack of progress made since Ofsted inspected in 2018 and the 'inadequate' Ofsted inspection rating provided in July 2022.
2. The Council's lack of effective contract management arrangements for its public realm and facilities management contracts, to enable it to hold its contractor to account, is a significant weakness in arrangements.
3. The Council's continued contract management arrangements with Balfour Beatty Living Places Limited (BBLP), a dormant company and the Council's failure to seek further third party legal advice, document its decision to continue to contract with BBLP, consideration of the risks this might continue to pose and make Cabinet aware of this decision.



Improvement recommendations



Improving economy, efficiency and effectiveness

Improvement Recommendation 6

The Council should review and consider updating the indicators used to assess delivery and progress on ambitions and objectives within the County Plan 2020-2024 and its supporting delivery plan to ensure they take account of the Children’s Services Improvement Plan.

Why/impact

Performance objectives do not appear to take account of other key priorities which have occurred after the objectives were first agreed.

Auditor judgement

Currently performance monitoring of the County Plan Delivery Plan does not directly take account of the improvements required within the Children’s Improvement Plan.

Summary findings

The Council separately reports performance against its Children’s Improvement Plan and its County Plan Delivery Plan to Cabinet. Although both items are reported at the same time the County Plan’s Delivery Plan does not reflect how failures within the Children’s Services may impact on the Delivery Plan objectives and indicators.
The Delivery plan indicators relating to children’s services do not reflect the Court Judgement and latest Ofsted inspection and do not provide the reader with an overall reflection of the Children’s social care service.

Management Comments

We will review arrangements from 2023/24 to ensure that routine monitoring and reporting includes performance against the Children’s Improvement Plan.



The range of recommendations that external auditors can make is explained in Appendix C.

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Improvement recommendations



Improving economy, efficiency and effectiveness

Improvement Recommendation 7

The Council should review its governance arrangements for Hoople Ltd considering the role of:

- the shareholder
- members and officers on the company board to ensure the scope for conflicts of interest is minimised to ensure there is a clear divide between those responsible for holding them to account and or overseeing them
- scrutiny.

Why/impact

Hoople may not be effectively held to account and conflicts of interest may occur.

Auditor judgement

The arrangements in place during 2021/22 did not ensure members had oversight of Hoople.

Summary findings

The Hoople Board includes the Council's S151 Officer and the Leader of the Council. The November 2022 report to Cabinet indicated that the Council gains assurance from these two individuals' providing management with regular reports on the company's trading position, financial position and key risks as the membership. This might cause a conflict of interest.

During 2021/22 the responsibility for overseeing the Council's interests and shareholder responsibility sat with the Council's Audit and Governance Committee. However, throughout 2021/22 the Council's Audit and Governance Committee did not review or consider Hoople's performance, neither were scrutiny involved. Based on these arrangements it is unclear who fulfilled the shareholder function during 2021/22. In early 2023 the Council has improved arrangements and established a shareholder committee.

Management Comments

The Shareholder Committee was established by resolution of Cabinet on 12 January 2023. Following guidance from external lawyers, the creation of a formal member led Shareholder Committee will provide robust, structured governance arrangements for the council as shareholder and enable greater oversight of the council's interest in the company from 2023/24.



The range of recommendations that external auditors can make is explained in Appendix C.

Follow-up of previous key recommendations

Recommendation	Type	Date raised	Progress to date	Addressed	Further action?
<p>1 Key recommendation – children’s The Council should continue to work with the Department for Education to improve its Children’s Social Care Services.</p>	Key	April 2022	<p>In June 2018 the Council’s Children’s Social Care services were reported by Ofsted as ‘requires improvement’. Limited progress had been made and in March 2021 Mr Justice Keehan issued a court judgment in relation to a case which involved four children placed in foster care.</p> <p>In July 2022 Ofsted undertook a detailed inspection and the service received an overall rating of ‘Inadequate’.</p> <p>Performance has deteriorated.</p>	No	<p>Yes – recommendations have been raised by the Children’s Commissioner.</p> <p>The Council needs to improve the quality of the service provided.</p>
<p>2 Key recommendation – contract management The Council should progress the actions within its major contracts’ improvement plan, and to ensure delivery we recommend that performance against this plan should be reported to Cabinet.</p>	Key	April 2022	<p>Limited progress in 2021/22 as the Major Contracts Improvement Board (MCIB) was not established until April 2022.</p> <p>The MCIB concluded in September 2022 with the majority of actions noted as complete, but a number of actions requiring funding before they can be completed.</p> <p>AECOM report completed in 2022/23 which concluded that the HCCTP contract - <i>had not been managed fully in accordance with the contract and in line with good NEC project management practice.</i></p>	No	Completion of the outstanding actions and consideration of application to other major contracts.

Follow-up of previous key recommendations

Recommendation	Type	Date raised	Progress to date	Addressed	Further action?
<p>3 Key recommendation – dormant company</p> <p>The Council should seek to regularise its contractual arrangements for its public realm contract with Balfour Beatty Living Places Limited and ensure it:</p> <ul style="list-style-type: none"> obtains further legal advice beyond that already obtained to clarify the validity of the current contract arrangements fully understands the implications of contracting and paying a dormant company undertakes appropriate due diligence before engaging in any major contracts; and reviews existing contracts to ensure they are operating within appropriate legal standards and internal policies. 	Key	April 2022	<p>The Council obtained legal advice in March 2022. This advice provided the following statement: - <i>‘Our overall view is that the Council is not fundamentally legally exposed and the Contract is not invalidated by these arrangements, but we maintain the view that these arrangements are of dubious validity and could cause issues in the event that there was a major dispute between the parties.’</i></p> <p>In March 2022 the Council wrote to BBLP asking them to either:</p> <ul style="list-style-type: none"> commence trading through BBLP; or novate the public realm contract to BB Group. <p>The Council subsequently received correspondence from BBLP which explained that BBLP is an agency company of Balfour Beatty Group and "when contracting with an agency company, a customer is contracting with Balfour Beatty Group Ltd as a legal matter". The Council were also informed that they were made aware of this in the contract submission. This letter provided the submission made by BBLP in 2012 as part of the PQQ process and a letter from the Company secretary dated 4 November 2020 setting out the legal status of the agency company structure. Balfour Beatty Group explained that BBLP is an agency company which enables it to <i>‘sign contracts, place orders and otherwise operate like any other conventional trading company, the key difference being that they do so for and on behalf of the group’</i> and <i>‘can be sued, in both civil and criminal litigation’</i>.</p> <p>This correspondence was not shared with the Council’s legal advisors and further advice has not been sought, whilst the information provided by BBLP may have legitimate standing, the Council has not formally confirmed this. Council Officers have verbally confirmed that in their view they do not consider this arrangement to be a risk to the Council and intend to take no further action with regards to the dormant company. This decision has not been documented and there is no evidence that the Council is not exposed should a major dispute occur.</p>	No	<p>The Council should review its arrangements and document its decision and related risks if it plans to continue to contract with BBLP. The decision should be formally communicated and signed off by Cabinet.</p>

Follow-up of previous improvement recommendations

Recommendation	Type	Date raised	Progress to date	Addressed	Further action?
4 The Council should consider extending the use of benchmarking, in particular those areas which are high cost in comparison to others, such as highways and transport services.	Improvement	April 2022	The Council used benchmarking to assess its financial resilience and confirm its level of reserves, spend and performance of neighbouring and similar authorities.	Yes	Another improvement recommendation raised
5 The Council should review its Procurement and Commissioning Strategy, update it as necessary and ensure the actions are translated into a deliverable action plan. A mechanism against which progress against these deliverables can be monitored should then be implemented.	Improvement	April 2022	A new procurement strategy has been developed and now covers 2022-2025.	Yes	No
6 The Council should review and update the contract procedure rules, documented within the Constitution, to include contract evaluation and the extent of appraisal of potential suppliers (due diligence) that should be undertaken before awarding a contract.	Improvement	April 2022	The Contract procedure rules were updated in July 2022 setting out the additional due diligence required including Companies House searches, Fraud checks, credit history.	Yes	No
7 The Council should strengthen the performance monitoring arrangements for Hoople Ltd to include formal reporting to members, such as an annual report.	Improvement	April 2022	Performance was monitored and reported through (Service level Agreements (SLAs). Hoople's financial performance was reported to Cabinet in Quarter 2 2022/23 budget and performance report.	Partial	The Council should also consider reporting to Cabinet performance inline with key performance indicators as set out in the SLA.s.
8 The Council should review and improve the content of the significant partnerships' self assessment, both the questions asked and the replies received and consider: <ul style="list-style-type: none"> documenting the strategic objectives to which they contribute ensure detailed responses are provided define why the partnership is a significant partnership in line with the Council's own definition. 	Improvement	April 2022	These actions have not been addressed. The Council considers that its governance are appropriate and does not intend to implement this recommendation.	No	The Council does not plan any further action.

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Follow-up of previous improvement recommendations

	Recommendation	Type	Date raised	Progress to date	Addressed?	Further action?
	9 The Council should ensure that appropriate records are maintained for settlement agreements and an audit trail is established. We suggest a central record should be maintained which includes confidential decisions so that corporate knowledge is maintained regardless of changes in Senior Officers.	Improvement	April 2022	The Council have informed us that they have considered this recommendation and are of the view that appropriate records are held and do not consider that a central record is required.	No	The Council are of the view that no further action is required.
359	10 The corporate risk register should be updated to map each corporate risk to the relevant corporate objective.	Improvement	April 2022	Corporate risks within the corporate risk register have not been mapped to the corporate objectives.	No	Implement the original recommendation.
	11 The Council should strengthen its financial planning. The Council should: <ul style="list-style-type: none"> increase the financial planning timeframe in the MTFS from one year to three or five years and ensure the longer horizon MTFS is reviewed and agreed by members introduce scenario and sensitivity analysis within the MTFS 	Improvement	April 2022	Financial planning timeframe in the MTFS increased from one year to three years for 2021/22 and 2022/23 and four-years from 2023/24; MTFS is reviewed and agreed by members; further analysis is not reported as part of the MTFS but part of internal working papers as informed by Council.	Yes	No
	12 The Council should ensure narrative is provided to explain any slippage or shortfall in savings targets in the quarterly budget performance reports provided to Cabinet.	Improvement	April 2022	Narrative is provided to explain slippage or shortfall in savings targets for savings.	Yes	No

Follow-up of previous improvement recommendations

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Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
13 The Council should include its performance against budget for the Dedicated Schools Grant (DSG) within its quarterly Cabinet budget reports.	Improvement	April 2022	Unlike a number of other councils across England the Council has not accumulated a deficit balance within its Dedicated Schools Grant (DSG), within its high needs block (those with a disability or special education need). However, this information is not reported to Cabinet. Outstanding	No	Implement the original recommendation.
14 The Council should quantify the financial assumptions and risks within its MTFS and assess if the level of reserves is sufficient to meet these possible pressures.	Improvement	April 2022	This has been introduced within the budget for 2023/24.	Yes	No
15 The Council should develop more comprehensive and integrated workforce plans which support its recently developed workforce strategy.	Improvement	April 2022	Outstanding	No	Implement the original recommendation.
16 The Council should report capital outturn against the original capital budget and ensure this budget more accurately reflects the expect capital spend in year.	Improvement	April 2022	The quarterly reports to Cabinet provide detail of the original budget and the revised budget.	Yes	No
17 The Council should ensure that quarterly performance reports to Cabinet provide an explanation for slippage of the capital programme.	Improvement	April 2022	Narrative I provided within the quarterly reports to cabinet	Yes	No

Appendices

Appendix A – Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

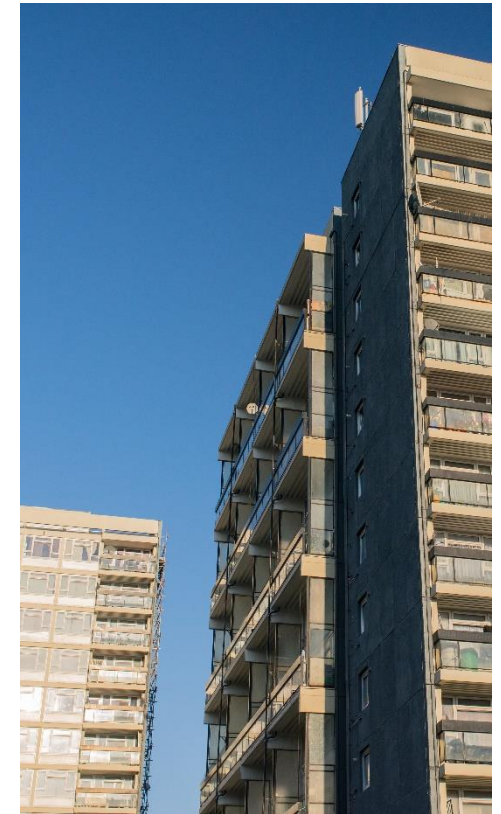
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement

The Chief Financial Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B – Risks of significant weaknesses, our procedures and findings

As part of our planning and assessment work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. The risks we identified are detailed in the table below, along with the further procedures we performed, our findings and the final outcome of our work:

Risk of significant weakness	Procedures undertaken	Findings	Outcome
The Council's failure to meet the statutory needs of children in its care. Further details can be found on page 20.	We reviewed the Council's progress in this area including the Children's Commissioner report.	Significant weakness identified	Appropriate arrangements not in place, the key recommendation raised in 2020/21 remains outstanding.
The Council's lack of effective contract management arrangements for its public realm and facilities management contracts, to enable it to hold its contractor to account. Further details can be found on pages 22 and 23.	We reviewed the actions taken by the Council following the legal advice received and review the progress made since March 2021.	Significant weakness identified	Appropriate arrangements not in place, the key recommendation raised in 2020/21 remains outstanding.
The Council continues to contract with Balfour Beatty Living Places (BBLP) a dormant company. Further details can be found on page 23.	We reviewed the actions taken by the Council following the legal advice received and the progress made since March 2021.	Significant weakness identified	Appropriate arrangements not in place, the key recommendation raised in 2020/21 remains outstanding.

Appendix C – An explanatory note on recommendations

A range of different recommendations can be raised by the Council’s auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	No	N/A
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Council. We have defined these recommendations as ‘key recommendations’.	Yes	Pages 29 and 30.
Improvement	These recommendations, if implemented should improve the arrangements in place at the Council, but are not a result of identifying significant weaknesses in the Council’s arrangements.	Yes	Pages 18, 19, 26, 27 and 28.



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Title of report: Public realm contract extension 2023

Meeting: Cabinet

Meeting date: 26 October 2023

Cabinet Member: Barry Durkin, Roads and Regulatory Services

Report by: Corporate Director, Economy and Environment

Report by: Service Director Environment and Highways

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.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

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.

Wards affected

(All Wards);

Purpose and summary

To approve an extension of the public realm service contract with Balfour Beatty Living Places in line with contract terms and conditions and provide an update on contract management arrangements.

Recommendation(s)

That:

- (a) Balfour Beatty Living Places be awarded two extensions in accordance with the Public Realm Contract of one year for each relevant period (to 31 August 2026);**
- (b) That the progress in closing out the improvement plan actions is noted and agreed;**
- (c) That the progress made in implementing the commissioning and contract management functions and the findings of the SWAP audit are noted.**

Alternative options

1. Not to award an extension to the contract at this time. This is not recommended as the contract follows a model that is designed to incentivise the provider to achieve successful performance delivery throughout the potential contract term. Successful performance is gauged against strategic indicators which are monitored and considered at relevant set periods through the term of the contract. As Balfour Beatty Living Places (BBLP) has achieved acceptable strategic performance, as defined by the contract they are entitled to a contract extension in any event unless the performance reduces and then the council reduces the extension period.
2. To award an extension of the contract period to BBLP that is greater than two years for the relevant period. Under the contract the council has discretion to award extensions of greater than one year following the attainment of acceptable strategic performance by BBLP. This is not recommended at this time as the council considers the future operating model.

Key considerations

3. The public realm services contract between the council and BBLP commenced on 1 September 2013. This is one of the council's strategic and most significant contracts in terms of range of services and value. To ensure the services provided through the contract meet the council's requirements, the performance is closely monitored and performance is incentivised throughout the term of the contract. This helps enable a positive and mutually supportive strategic partnership.
4. The contract period is September 2013 to August 2023, with up to a ten year extension. A decision was made on the 9 July 2018 by the Cabinet Member Transport and Regulatory Services that BBLP be awarded a one year extension (to 31 August 2024) to the public realm service contract in line with the contract terms set out in paragraphs 8 and 9.
5. The contract has now reached the second and third relevant periods for review of strategic performance and the award of a contract extension. The overall performance delivery meets the required thresholds for a contract extensions over the relevant periods achieving acceptable or above performance.
6. The council and BBLP jointly set and review the strategic performance indicators (SPI), of which there are 16, which measure the contract's contribution to the council's strategic objectives. Each SPI has a specific definition which includes how each will be measured and performance calculated within set thresholds.
7. The contract sets out relevant periods for the review of strategic performance as:
 - i. the 3 financial years from and including 2014/15 to 2016/17;
 - ii. the 3 financial years from and including 2017/18 to 2019/20;

- iii. the 2 financial years from and including 2020/21 to 2021/22;
 - iv. the 2 financial years from and including 2022/23 to 2023/24; and
 - v. Subject to extensions to the Contract Period having been granted in accordance with clause 31.3) the 2 financial years from and including 2024/5 to 2025/26.
8. The contract states that BBLP are awarded one year's extension to the contract period, for each relevant period in which they achieve either acceptable strategic performance in each of the financial years comprising the relevant period, or where the total performance score achieved is greater than the total score for acceptable strategic performance for those financial years comprising the relevant period. The aggregated score against the strategic performance indicators must not be less than 9 for BBLP to have achieved acceptable performance.
9. In accordance with the contract, extensions are now due for 2 relevant periods, as detailed in paragraphs 7. (ii).for the period earned 3 years from 2017/18 to 2019/20 and 7. (iii) the period earned for 2 years from 2020/21 to 2021/22 up to August 2026 subject to the satisfactory performance of the SPIs.
10. BBLP have submitted a SPI report, which demonstrates the performance position, scoring mechanism, trends and outcome. The overall performance delivery is positive when assessing the performance levels achieved, the total aggregated score, against the minimum required of 9 as detailed in paragraph 8 for the relevant periods is detailed below.

2017/18	15.40
2018/19	17.46
2019/20	16.99
2020/21	18.88
2021/22	14.40

11. The council's contract management team (CMT) have reviewed the SPI report, to test:
- i. If the SPI definitions have been correctly applied;
 - ii. The source and accuracy of the data;
 - iii. If the calculation is correctly applied and is correctly calculated;
 - iv. If the SPI outcome is correctly reported in the monitoring report.
12. The review concluded that the overall quality and accuracy of the SPI report is fit for purpose. The correct definitions, calculations and data sources have been applied for each of the indicators and the correct scores has been awarded. From the above review it is evident that the contract is currently performing in accordance with the agreed performance indicators and that the relevant extensions are due. As such the contract will be extended until August 2026 (unless there is reduction in performance for 2022/23 onwards to reduce the contractual term).
13. The council has received external legal advice on the conditions of contract which has confirmed that extensions are required as below:

- i. 3 years from 2014/15 to 2016/17 – if SPIs are achieved in each of the years 2014/15, 2015/16 and 2016/17, the Provider is entitled to a one-year extension, from the end of the current term, being until August 2024. (Awarded 9 July 2018)
 - ii. 3 years from 2017/18 to 2019/20 – if SPIs are achieved in each of the years 2017/18, 2018/19 and 2019/20, the Provider is entitled to a one-year extension, from the end of the extended term, until August 2025. (now due)
 - iii. 2 years from 2020/21 to 2021/22 – if SPIs are achieved in each of the years 2020/21 and 2021/22, the Provider is entitled to a one-year extension, from the end of the current term, being until August 2026. (Now due)
 - iv. 2 years from 2022/23 to 2023/24 – if SPIs are achieved in each of the years 2022/23 and 2023/24, the Provider is entitled to a one-year extension, from the end of the current term, being until August 2027.
 - v. 2 years from 2024/25 to 2025/26 – if SPIs are achieved in each of the years 2024/25 and 2025/26, the Provider is entitled to a one-year extension, from the end of the current term, being until August 2028.
 - vi. The council has discretion to award more than a one-year extension if required. The above extensions are only for a one-year period. The council has discretion to award a further 5-year extension to take the term to the full 10 years (maximum to August 2033) although they are not under any obligation to do so. If performance doesn't meet contractual requirements over any period then the term can be reduced by 1 year and if is lower under two consecutive contractual periods then the extension is reduced to zero.
14. Following the concerns raised by the external auditors on the contract, detailed in paragraphs 17 and 18, external legal advice has been taken to ascertain if the matters raised by the auditors would be deemed as “reasonable discretion” as set out in the contract for the council not to award a contract extension. The advice received was that “on the assumption that this contract was tendered by the council on this basis and has been ongoing since the Commencement Date, as well as the fact that one extension has been agreed, this would not be considered “reasonable” in the circumstances” and on that the council are required under the contract to award the extension if BBLP have met the SPI performance criteria.
15. In accordance with the contract, the CMT has been in negotiation with BBLP over the setting of the Strategic Performance Indicators and Operational Performance Indicators as the current ones were last agreed in July 2016. Following a failure to agree any changes for 2022/23, the Strategic Performance Indicators and Operational Performance Indicators were held at 2021/22 performance levels in accordance with the contract conditions. A revised set of Operational Performance Indicators were agreed and introduced for 2023/24.
16. The council has notified BBLP of its intention to reject the indicators for 2024/25. These will need to be reviewed and agreed for inclusion within the 2024/25 Annual Plan. The council's commissioners and BBLP's management team have begun to review the indicators and the outcome of these negotiations will be presented to the contract Strategic Partnering Board (SPB) for approval. In the event that there is a further failure to agree the SPIs will remain as those agreed for 2021/22.
17. A major contract performance review was undertaken on behalf of the council and the findings from this were taken to Cabinet on 24 September 2020. The review specifically

focused on the public realm services and property and facilities management service contracts provided by the council's contractor, BBLP. The review highlighted that there were concerns over performance monitoring, financial monitoring and contract compliance monitoring. Concerns were also listed under:

- i. Risk management – as the risk register does not sufficiently log actions related to risks;
 - ii. Relationship management – as there was “little constructive tension” between the two parties leading to a lack of competitive dialogue and the contractor not always providing ‘proactive support or the collaborative behaviour that would be expected from a strategic partner’ and a lack of clear demarcation between the council and its contractor, as both sides were co-located in the same office; and
 - iii. Change management – as the framework agreements were not included in the contracts register.
18. Concerns were also highlighted around the council's internal governance, whereby auditors commented that the council did not appear to be adhering to the contract procedure rules, when commissioning works outside the core programme. There were further concerns about the council's ‘lack of clarity’ around managing the contract and commissioning further work. Key recommendations arising from the report were:
- i. Build technical knowledge within the council – the council relies on its contractor for technical assistance which limits the council's ability to scrutinise or monitor effectively;
 - ii. Improve internal communication and education – the council needed to better understand the contract in order to achieve value for money;
 - iii. Increase the involvement of the council's procurement team – to assist with governance and provide expertise;
 - iv. Set up a contract management framework; and
 - v. Consider an appropriate contract management system.
19. To respond to the auditors concerns a Major Contracts Improvement Board (MCIB) was set up to oversee the development and implementation of an improvement plan for the public realm contract. The improvement plan was presented to the inaugural meeting of the board in February 2022. Following a series of meetings and progress made in the delivery of the improvement plan at its meeting in October 2022 the MCIB approved the close out of the improvement plan. The Board noted the successful close out of actions and that a phase 2 plan had been developed with responsibility for the close out managed by the Corporate Director Economy and Environment.
20. The council has issued a number of Early Warnings to BBLP regarding contract compliance to ensure that the CMT can continue its work in evidencing the close out of the improvement plan. BBLP have acknowledged that these matters need to be closed down but as yet have not provided a suitable evidence to enable the council to close out the matters. The outstanding Early Warnings are detailed in Table 2 below:

Table 2 – Outstanding Early Warnings

	EW No	Title	Date Raised
1	PR21-00-01-14	Annual plan and forward plan development	04/04/2022
2	PR22-00-01-12	SPI16 Continuous Improvement Efficiency clarification.	08/08/2022
3	PR22-00-01-08	Contract Quality Plan	15/07/2022
4	PR21-00-01-16	Social Value Plan	04/04/2022

5	PR22-00-03-02	Develop carbon footprint report and carbon Reduction Plan	06/10/2022
6	PR22-00-03-01	Contract Management and Record Keeping (Confirm)	23/09/2022
7	PR22-00-01-15	Out of Scope	17/08/2022
8	PR21-00-01-17	Implementation of phase 2 of OCH	04/04/2022
9	PR21-00-01-18	BBLP audit programme 2022/23 (to be closed out as part of EW PR22-00-01-08)	04/04/2022

21. In April 2022 the auditors made a further key recommendation that the council “should progress the actions within its major contracts improvement plan and that performance against the plan should be reported to Cabinet. The phase 2 improvement plan has been progressed with updates provided to the contract Strategic Partnering Board for information and comment. The current status and progress on the close out of the phase 2 improvement plan is attached as Appendix A.
22. The auditors also identified a significant risk identified related to the council’s capital programme whereby a number of issues had been identified in recent years. The auditors acknowledged that the council was responding to the issues but considered that it still represents a significant on-going risk to its VFM conclusion and concluded that “in light of the concerns raised over the contractual arrangements and the findings identified from the internal investigations, we have concluded that the council does not have appropriate arrangements in place over its capital programme”.
23. The auditors also referred to the council’s ongoing investigation into the City Link Road, the findings of which will be reported to a future cabinet meeting.
24. The council’s CMT has been developing and implementing revised procedures and processes to improve governance and compliance within the council’s contract management arrangements and address the concerns of the external auditors. These new procedures and processes have been assessed by SWAP Internal Audit as part of its follow up review of the Whitbourne section 106 project and SWAP issued its final findings Whitbourne Section 106 Follow Up Final Report – June 2023 with the following comments:
- i. The processes in operation when the Whitbourne Section 106 final report was published, in June 2020 have been superseded. This has resulted in a change in the roles and responsibilities of the Contract Management Team (CMT). The Highway and Public Realm Contract Manager advised that the governance process has been developed further since the last audit update in September 2020. All S106 works are now commissioned and project managed by the Council’s Programme Management Office (PMO).
 - ii. The role of Commissioner and Contract Management is now clearly defined. The Highway and Public Realm Contract Manager provided the organogram of the Transport and Highways Structure. The organogram shows the functional responsibilities for the CMT to manage the Balfour Beatty Living Places (BBLP) contract. Commissioners, including the PMO, are now required to provide a completed Service Order Form (SO), including budget information for each individual scheme presented to the Contract Management Team (CMT).
 - iii. The Contract Officer undertakes due diligence of the SO, to verify that it clearly states the requirements and that the document is fully complete. If satisfactorily, the SO information is input into Business World as a Purchase Order (PO). If clarification is required, only once a satisfactory response is received will the CMT populate Business World. The workflow mapping within the Business World system provides an audit trail of events, so record management is improved.

- iv. The Commissioner approves the expenditure through the standard approval process within Business World. In addition, an approved Record of Officers Decision is required for an SO of £50,000 or more. Once the approved PO is on Business World the SO is submitted by CMT to BBLP.
 - v. The follow-up audit has identified the process changes are now aligned to the Council's governance framework. This provides greater oversight and mitigates the control weaknesses previously identified.
25. To ensure that value for money (VFM) is delivered within the contract the council's CMT have implemented the identified actions within the improvement plan agreed by the MCIB which have seen the following new controls introduced to ensure that VFM is delivered:
- i. A robust approach to contract management by CMT on compliance to the contract to ensure that BBLP deliver the council's requirements to the required cost and quality. This has resulted in increased commercial tension within the contract and a number of commercial early warning notices issued by the council to BBLP.
 - ii. A review of the performance management arrangements with higher performance thresholds introduced for the operational performance indicators together with a review of the performance monitoring management arrangements. Performance is reported monthly to the Operational Board and quarterly to the Strategic Partnering Board.
 - iii. A commercial approach to the annual plan development process. This has included introducing a significant number of new acceptance criteria bring issued to BBLP setting out the councils requirements on cost, commercial and financial aspects of the annual plan.
 - iv. The introduction of a cost and commercial evaluation, in liaison with the council's accountants, of the budget costs for the contract in 2023/24. This resulted in the council reducing the service order values by 20% pending BBLP demonstrating its costs and VFM.
 - v. A commercial approach to the evaluation of the monthly Cost of Services Paid to Date (COSPTD) which has introduced further rigour into the evaluation of the invoices supplied by BBLP. This has resulted in costs being disallowed by the council where these are not deemed applicable within the contract.
 - vi. The introduction of Aecom as the council's cost consultants to assist the council's commissioners and CMT in verifying costs provided as part of any project within the contract.
 - vii. The council's commissioners will undertake an assessment of the procurement options (having due regard to the councils CPRs and relevant legislation), to determine the best route to market and ensure governance is in place prior to any works being placed with BBLP
 - viii. A review of BBLPs procurement process by the council's CMT and procurement teams to ensure that BBLP are evaluating and delivering VFM within its procurement and supply chain arrangements.
 - ix. The introduction of a mini competition process within BBLPs supply chain to assess the market rates and optimum VFM for the delivery of the pot hole fund programme for 2023/24. This has been managed jointly by the council with the outcome to be used to benchmark other rates.
 - x. A review of the gainshare process to ensure that transparency in the method of calculation and share due to the council is in place.
 - xi. A review of the management of risk within the contract and the introduction of a Risk Management Board. Risks are now reviewed monthly and escalated to the Strategic Partnership Board and added to the council's corporate and divisional risk registers as required.
 - xii. The completion of the contract management framework in compliance to council

policy.

Community impact

26. There is clear evidence that the effective management of the public realm, which includes highways, parks and public rights of way, is an important contributor to the county's health, wellbeing and economy.
27. A clear measurable annual plan provides a mechanism for monitoring performance and supports the council to achieve its corporate plan priority to secure better services, quality of life and value for money for the people of Herefordshire

Equality duty

28. 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.
29. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.
 30. BBLP is fully aware of its contractual requirements in regards to equality legislation BBLP has a Fair & Inclusive Workplace Policy which sets out its commitment to creating an inclusive workplace, free from discrimination, harassment and other unacceptable behaviour. As part of this all employees are required to complete Value Everyone Diversity & Inclusion training.
 31. The council manage this through its CMT with BBLP required to provide a full set of its policies and procedures each year and advise the council if there are any revisions or amendments. Any recorded incidents/complaints that relate to a protected characteristic would be reported through the contract governance. This decision will have no negative impact on the council or BBLP's compliance with this duty.

Resource implications

32. The annual contract value in 2023/24 is £12,867,000 capital and £5,832,587 revenue. An annual plan is developed in advance each year, which set out the proposed service and budget. Other capital programme budgets may be delivered by BBLP but are subject to separate decisions when approving the delivery method.
33. A Cabinet Member decision is taken each March for the financial year ahead, following the

council's approval in February of the annual capital and revenue budgets which in turn align to the council's medium term financial strategy.

Legal implications

34. The council has statutory duties to provide a number of the services which are contracted to BBLP under this arrangement. A list of the relevant legislation and policy context, together with the approved policies and procedures to be used by BBLP in the delivery of the annual plan are retained by the council's CMT. In addition the council has a general duty to secure best value in the exercise of all of its functions. The development and review of the annual plan, as part of the council's long term contractual relationship with BBLP, is a key mechanism for the discharge of these legal duties.
35. The council must ensure that the contract is robustly managed and appropriately scrutinised and reviewed to ensure that its specific statutory duties are met and also that the council's wider duty to obtain best value in the provision of all of its services is satisfied.
36. In procuring this long term contractual arrangement in 2013 the council contemplated a series of commercial incentives for the appointed contractor, of which this contract extension mechanism is part. To depart from this agreed mechanism in the contract without compelling financial or quality related reasons could give rise to difficulties with the contractual relationship with BBLP.
37. Robust contract management is any event essential for a long term contract which is of high financial value and of significant strategic importance. Price and quality must be regularly benchmarked to ensure that the contract continues to deliver best value for the council and its communities.

Risk management

38. Associated risks with contract extension are detailed below:

Risk / opportunity	Mitigation
Ensuring value for money is achieved in future years	Value for money is tested at various stages of the annual commissioning process and the council's acceptance of the annual plan.
Good quality effective service is continuously delivered	Performance is closely monitored through the Operational Performance Indicators and Strategic Performance Indicators, to ensure services are delivering to target and continuously improved, where possible. The contract model incentivises good quality performance. The Operational Performance Indicators for 2023/24 have been reset with higher thresholds to drive service improvements. The council has notified BBLP of its intention to reject the SPIs and OPIs for 2024/25 and these to be reviewed prior to the contract extension commencing.

Consultees

39. The contract SPB have been consulted on this decision report, as part of due contract process as detailed in paragraph 17. No issues were raised at this board and the decision to award the extensions was supported. As a key decision political groups have been consulted as part of the governance process.

Appendices

Appendix 1 - Public realm contract extension 2023

Background papers

None

**Major Contract Performance Improvement Plan – Phase 2 Action Plan
Progress Update - 30 June 2023**

No	Improvement Aim	Background from GT audit Major Contract Performance Review	Actions Identified from MCIB 17 th Oct 2022 and CMT	Progress Status	Evidence	Target Comp Date	Lead Officer	Lead Director	Status
1.	Ensuring Delivery	Ensure appropriate resources are available to deliver the improvement Plan	Identify IT Costs associated with CMS.	<p>Completed Costs of short term (current contract) action plan now identified to address system design and integration to support contract management arrangements. Order to be placed when finance available.</p> <p>Completed Medium Term (FOM) matters will be developed to ensure that appropriate costs are identified to support FOM implementation and delivery.</p>	<p>Councils CMT has access to Contractors live system to support BAU compliance and deliver improved contract management.</p> <p>Programme Director in place, FOM Board established with Digital and Customer Group tasked with reviewing future IT requirements..</p>				
27	Relationship Management.	There was “little constructive tension” between the two parties and lack of competitive dialogue.	Development of an agreed Gainshare model	<p>Council review completed and Early Warning issued to BBLP based on findings. Commercial negotiations to be conducted.</p> <p>Position paper developed and shared with BBLP which sets out the issues to address the concerns of Grant Thornton and identify the required actions to further develop the process to ensure the Council have clarity of the mechanism and method of calculation</p>	<p>Gainshare process in now defined with future actions and improvements set out for implementation by CMT.</p> <p>New process to be agreed and finalised to be incorporated into the 2023/24 Annual Plan.</p>	Aug 23	Dave Martin	Mark Averill	
			Development of Payless Notice	<p>CMT have reviewed the progress of BBLP against the 2023/23 Annual Plan, which was raised at the Operations Board. CMT have issued a schedule of outstanding EWs to BBLP and prepared a draft Payless notice setting out the potential works not completed and notional values.</p>	<p>Ops Board Minutes and Draft Payless Notice</p>	July 23	Dave Martin	Mark Averill	

			Join APSE benchmarking club to provide comparable data on similar services from other authorities to allow robust challenge to contract costs and productivity	Council full members of Apse and Performance Networks Benchmarking service. Initial results provide by Apse in Jan to March 2023. Issues with data has required further review with Apse.	Key findings to be report to Strategic Partnership Board at Oct meeting.	Oct 23	Dave Martin	Mark Averill	
378	Councils Internal Governance.	The council did not appear to be adhering to the contract procedure rules when commissioning works outside the core programme.	Adherence to Contract Procurement Rules	Completed New process now in place and have been reviewed by SWAP in regard to S106 with no concerns identified.	New process and arrangements in place to ensure that the Councils Contract Procurement Rules are considered prior to any commissions to BBLP.				
			Produce a commissioning flow chart	Completed New process now in place and have been reviewed by SWAP in regard to S106 with no concerns identified.	Arrangements implemented by CMT to ensure compliance with the Councils commissioning process.				
			Development of the VFM Model	Completed New process now in place and have been reviewed by SWAP in regard to S106 with no concerns identified.					
6.	Build technical knowledge within the Council.	Lack of an in house technical team increases the council's resilience on Balfour Beatty and limits the ability to effectively scrutinise their performance. This can be addressed by either building in house technical capabilities or by seeking second opinions more regularly. (eg by receiving competitive solutions /proposals from other suppliers.)	Introduction of a QS	Completed Arrangements in place through the Midlands Highway Alliance Framework to introduce the required commercial support on a call off basis. New council frameworks under development to provide professional services and civil engineering capacity and capability.	Framework in place				
			Civil Engineering Graduate to be recruited as permeant resource	Graduate included in new structure, specialist recruitment companies have not been able to identify candidates. Aecom to be approached about a secondment of a graduate to be trained by Aecom on behalf of the council. Target		Mar 24	Mark Averill		

				Completion Date Revised to March 24						
			Development of a Pricebook	Completed Arrangements in place through the Midlands Highway Alliance Framework to access the required data and information on a call off basis.	Framework in place.					
				Aecom recommendation to still hold on development due to market volatility. Aecom have access to national rates which can be made available for pricebook information through the existing framework	Phase 2 Aecom commission to commence when funding available and market conditions stabilise. Position to be reviewed in 6 months	Jan 24	Mark Averill			
7.	Improve internal communication and education.	There is an opportunity to clarify and clearly communicate to all client teams and stakeholders to better understand the Balfour Beatty to avoid conflicting views on a number of topics including LMO, fees for quotations and the timing of gain share calculations.	Development of a Contract Training presentation	Completed Strengthened compliance within CMT are providing knowledge and information sharing with PMO and Commissioners to share best practice, governance and compliance requirements and conformance to Council CPR and PRC. Completed Presentation developed for Elected Members and increased collaboration between council functions to ensure that compliance.	All Service Orders have appropriate approvals and evidence in place. Presentation prepared with dates to be identified for delivery					
			Contract Compliance	Completed New structure now in place which identifies roles and responsibilities for Commissioning and Contract Management. This is formally reviewed by CMT through revised Annual Plan process, commission process and appropriate audits	Revised process ensures that any commissions are in compliance to Councils Policy and Procedures.					
9.	Set up a contract management framework	The current contract management process and guidelines are not fully documented and some documentations are inconsistent such	Development of a Contract Management Framework	Completed The Councils Contract Management Framework has been completed for the Public Realm Contract, reviewed by the Corporate Support Team and	Framework in place and under review. Formal review required in 12 months					

		as the non-Annual Plan service process map are inconsistent with the Council's governance policies.		adopted by the Contract Management Team.						
			Review contract changes since contract inception to ensure that changes are appropriately recorded and documented identification of Out of Scope activities	Completed The process to identify Out of Scope is now included as part of the Annual Plan development process to provide clarity on contract changes. The council have issued an Early Warning to BBLP to identify all changes since contract commencement.	The Annual Plan 2023/24 details the out of scope activities.					
				Ongoing commercial negotiations will continue through the Early Warning procedures until resolved to the Councils satisfaction	Schedule of all out of scope activities identified.	Sept 23	Dave Martin	Mark Averill		
			Development of RACI	New structure agreed which identifies roles and responsibilities for Commissioning and Contract Management. Competent interims in place to support BAU and change management whilst permanent recruitments are made. Key process now agreed and existing process reviews to ensure that these comply with relevant Council policy and procedures. Work has commenced to map out the new process and consult with other internal functions for final agreement. Processes will then be introduced with the RACI matrix completed to align to the agreed process and new structures	New processes adopted and in place.	Aug 23	Dave Martin	Mark Averill		
10.	Consider an appropriate Contract Management System (CMS)	The Council does not currently use the contract management module of the tender portal, which is considered too basic and insufficient for its requirements. The Council can consider	Process model for how highways works can be commissioned	Completed New structure now in place which identifies roles and responsibilities for Commissioning and Contract Management. This is formally reviewed by CMT through revised Annual Plan process, commission process and appropriate audits	New roles and responsibilities and contract management processes implemented.					

	the use of an appropriate CMS, which can significantly improve the quality of information, reduce ambiguities around contractual clauses and Service Level Agreements (SLA), and reduce manual workload related to contract management activities. It is recommended that an industry leading off-the-shelf CMS is considered in the first instance as such solutions translate good practice contract management processes into workflows, and there is an opportunity for the Council to adopt elements of these underlying processes.		Strengthened compliance within CMT are providing knowledge and information sharing with PMO and Highway Commissioners to share best practice, governance and compliance requirements and conformance to Council CPR and PRC. New process now in place and have been reviewed by SWAP with no concerns identified					
			Completed New process and arrangements in place by CMT to ensure that VFM and compliance to the Contract Procurement Rules are in place prior to any commission through the Public Realm Contract.					
			Completed Review of COSPTD process in progress to identify system requirements.	Review of COSPTD process completed and implemented.				
		Identify the implications and benefits from the Council having joint access to the Confirm system currently operated by BBLP.	Completed CMT have access to live contract information and can generate reports as required. Early Warning raised on Integrated Works Programme to support this Schedule of Council employees with access to Confirm in place. Confirm management reports used to challenge Contract performance and compliance.	Early Warning issued highlighting council concerns on asset management and record keeping.				
		Investigate options for the Council to purchase and implement its own Asset Management and Contract Management software packages to identify alternative software solutions to support business as	Completed Early Warning raised by the Council to notify the Contractor of Councils requirements. Confirm engaged to provide training and support to BAU including a council only Confirm module. Short term (current contract) action plan now in progress to address system design and integration to support contract management arrangements.	Councils CMT has access to Contractors live system to support BAU compliance and deliver improved contract management.				

			usual requirements and strengthen the contract management arrangements.	Completed Medium Term (FOM) matters will be developed to ensure that appropriate arrangements are in place to support FOM implementation and delivery.	Medium term requirements agreed as part of FOM.				
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Transition of Functions from the Marches Local Enterprise Partnership

Meeting: Cabinet

Meeting date: Thursday 26 October 2023

Cabinet member: Graham Biggs, Cabinet member economy and growth

Report by: Corporate Director, Economy and Environment,

Report author: Service Director Economy and Growth, Economy and Environment

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.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

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.

Wards affected

All Wards

Purpose

To establish required arrangements to transition functions from the Marches Local Enterprise Partnership (LEP) to commence from April 2024, following government's announcement in August 2023 that they will no longer provide funding to LEPs with functions to be alternatively led by Local Authorities.

Recommendation(s)

- a) **That a Joint Committee is established with Shropshire Council and Telford & Wrekin Council to (i) oversee, manage and distribute the assets, functions and responsibilities of the Marches Enterprise Partnership during the transition period and (ii) exercise executive functions as required to enable the transition of LEP functions.**
- b) **Delegate to the Corporate Director for Economy and Environment, in consultation with the Leader of the Council, authority to agree the final Terms of Reference with partner councils.**

Alternative options

1. As per the letter from government (Appendix 1), the councils could ask the LEP to continue to deliver the identified sub-regional functions. However, as per the letter from the three Leaders of the respective councils (Appendix 2) to the LEP Board this is not considered to be the most efficient and effective route to engaging and supporting businesses locally. This option is not recommended.

Key considerations

2. Since the publication of the Levelling Up White Paper, government has made progress on extending devolution across England and has stated that it remains committed to empowering local leaders by integrating Local Enterprise Partnership (LEP) functions into local democratic institutions. The Spring Budget 2023 set out that government was minded to withdraw government support (core funding) for LEPs from April 2024 and to transfer LEP functions to local authorities, where appropriate and where not already delivered by combined authorities.
3. Following an information gathering exercise led by the Department for Levelling Up, Housing and Communities, and the Department for Business and Trade, the government announced on the 4th August 2023 that it has confirmed its decision to no longer fund LEPs.
4. Government's sponsorship and core funding of LEPs will cease from the end of March 2024. It recognises that as LEP's are legally private enterprises and that they may choose to continue operating in some form, but Government is clear that it will support local authorities to take on LEPs' functions and responsibilities.
5. A joint letter from the Leaders of the three councils dated 1 September 2023 (Appendix 2) confirms that the Councils wish to follow Government guidance and for the LEP to cease and to transfer its assets and responsibilities by the end of March 2024. At the time of report drafting various private sector LEP board members are expressing a desire for some form of an alternative commercial offer to the business community.
6. The Government decision also specifies activities to be transferred to upper tier authorities. These are set out in the government guidance of March 2022 LEP integration guidance and are those previously supported by annual core funding – namely, business representation, strategic economic planning, and responsibility for the delivery of government programmes where directed. Government has been clear that it expects these functions to be exercised by upper tier local authorities (working in collaboration with other upper tier local authorities as appropriate), where they are not already delivered by a combined authority, or in areas where a devolution deal is not yet agreed.
7. Government has stated that it will provide some revenue funding to local and combined authorities in 2024/25 to support them to deliver the functions currently delivered by LEPs.

Details of this support will be confirmed in due course. Funding beyond 2024/25 will be subject to future Spending Review decisions.

8. In terms of grant funding monitoring, the council understand that the Marches LEP has distributed circa £200m of grants and other funding for project and business support since it was established. A significant number of those awards carry provisions for clawback or repayment dependent upon delivery of stated benefits within individually specified time periods. Although the vast majority of Local Growth Fund and Get Building Fund projects are now nearing an end. The LEP has invested in certain projects that can be deemed as contingent assets.
9. All government funding awarded to the Marches LEP has been made via Shropshire Council as the accountable body. Shropshire Council have committed to carry on its role as accountable body for the foreseeable future, as per their own respective cabinet decision taken on the 18th October 2023 (<https://shropshire.gov.uk/committee-services/mglIssueHistoryHome.aspx?Ild=27270&PlanId=213&RPID=521582338>). Those funding awards have been received as grants under the provisions of Section 31, Local Government Finance Act 2003. In this context the Marches LEP has been acting in a stewardship role and does not itself possess private ownership of those resources. Throughout the existence of the Marches LEP Shropshire Council's Section 151 Officer has also acted as the Section 151 Officer for Marches LEP and has ensured appropriate financial governance and systems have been in place for the distribution and management of those resources.
10. Herefordshire Council, Telford and Wrekin Council and Shropshire Council have been working as local authority partners within the Marches LEP since 2012 and are keen to demonstrate to government a spirit of continuity and stability of decision making in relation to LEP related matters.
11. The key functions of the Joint Committee, established to manage the effective transition of functions from the Marches LEP, which will form the basis for its 'Terms of Reference' are:
 - a) Set, monitor and review the programme for transfer of LEP responsibilities and existing programmes of activity across the Marches LEP area.
 - b) Agree the allocation of LEP revenue and capital spend previously under the control of the LEP Board and relating to the delivery of the LEP Economic Plan and individual councils economic plans/strategies.
 - c) Ongoing oversight, monitoring and review of ongoing grants, assets, programmes, or initiatives until such time as they cease or are transferred.
 - d) Keep under review, influence, and align government and public investment in order to boost economic growth across the geography of the three councils.
 - e) Provide an annual report on the activities of the Joint Committee to the respective three partner councils.
 - f) Agree lead or accountable body status for any particular issue as necessary.
 - g) Review and only where all three Leaders are present at the meeting amend the Terms of Reference of the Joint Committee.
12. In taking forward the Terms of Reference under recommendation b), the Council will ensure that decisions of the Joint Committee are made only by unanimous votes with each council in forming the Joint Committee having a single vote. There will not be any casting vote by Chairperson and every decision will need the support of all councils. Therefore the Joint

Committee cannot make decisions that bind Herefordshire Council unless our representative votes for it, and any resulting responsibilities are fully known and considered. The transfer of any future asset or liabilities would be subject to a separate cabinet decision.

13. In summary establishing Joint Committee during autumn 2023 offers the opportunity to create a smooth and well managed transfer of assets and responsibilities in accordance with government guidance. It provides the basis for joint working and collaboration within a formal governance structure without impacting individual local authority working arrangements.

Community impact

14. In accordance with the Levelling Up White paper, Government have taken the decision to focus business engagement and support services at a local level, responding to the needs of local communities. Through these changes Herefordshire Council can ensure that business representation, engagement, functions, and any available funding (such as UK Shared Prosperity Funding) are aligned in meeting local needs.
15. The Herefordshire Economic Plan recognises the need for better aligned business support, skills, educational and wider place services in order to achieve lasting growth.
16. Engaging and supporting businesses to enable growth and the creation of higher value jobs, through working in partnership with existing local partnerships such as the Herefordshire Business Board, is a priority for the council's administration.

Environmental Impact

17. The Marches LEP has made investments in a range of renewable energy and low carbon projects, and it is important that these are overseen and enabled through to successful delivery. The Joint Committee provides the vehicle for the partner local authorities to continue to support each another on climate and net zero plans and local delivery as required.
18. Each council has clear strategies for managing climate change and carbon reduction. The Joint Committee will take decisions on projects and programmes appropriate for its own local context balanced against the collective view.

Equality duty

19. 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.
20. The transfer of functions from the Marches LEP to the council will provide an opportunity to better respond to local needs, and ensure that services are available and accessible to all who

would like to use them. Equality Impact Assessments will be undertaken on all successor services prior to transition/ launch.

Resource implications

21. It is estimated that since the creation of the Marches LEP in 2012 it has distributed circa £200m of Government grants for growth and development projects across the three local authority areas. There will be a large number of those project awards that include provisions for clawback or repayment if certain agreed delivery criteria are not met. The Joint Committee will take decisions on the management of such decisions and allocate any residual resources as it sees appropriate.
22. Managing the ongoing programme of contracts and funding awards will require resources and capacities above what the three council partners already possess. It is proposed that an element of existing LEP resources be used to fund the capacities necessary for a smooth transfer and ongoing discharge of responsibilities. The councils are also awaiting government guidance and details of the resources that will be allocated to Local Authorities to undertake these additional roles.
23. Whilst the Councils will be no longer required to financially support the management arrangements of the LEP, the Joint Committee may determine as appropriate to jointly fund or augment ongoing work or any future initiatives.
24. At this stage there are no immediate cost implications for the council in creating the Joint Committee, providing the governance arrangements required to enable a manage transition of functions and assets.

Legal implications

25. Part VI of the Local Government Act 1972 and Part 1, Chapter 2 of the Local Government Act 2000 (as amended) makes provision for local authorities to establish joint committees. Provided that the functions to be exercised are executive functions, it is a matter for the respective Cabinets to determine the establishment of an executive joint committee and to agree the executive functions to be delegated to that joint committee. Every member of the joint committee must be a member of their nominating council's Cabinet. In the absence of an established joint scrutiny committee, decisions of the joint committee will remain subject to the individual council's scrutiny arrangements.
26. The decisions of the Joint Committee will be considered to be the decisions of the Council. The Terms of Reference need to be precise as to exactly what actions and decisions can be made by the joint committee as its decisions will bind Herefordshire Council.

Risk management

27. Given the Government's decision to devolve LEP responsibilities to local authorities before the end of March 2024 it is important that the three councils within the Marches LEP now establish an appropriate governance framework to oversee and manage the ongoing contracts, grant funding and contingent assets and liabilities of the LEP. Establishing a Joint Committee between the three Councils will provide a route to managing these obligations and ensure shared democratic accountability and collective decision making.
28. The Joint Committee will work with the LEP Board to establish a work programme and ensure appropriate capacities and resources exist to manage the transfer of responsibilities, records, data and resources.

29. The Joint Committee will take decisions on the treatment of any residual resources, contingent assets and liabilities of the LEP. This includes taking decisions on projects subject to ongoing monitoring and amendment to any previously agreed delivery criteria or benefits.

Risk

Mitigation

Legacy of LEP Grants not being spent in accordance with contracts.

Shropshire Council remain the accountable body for the management and reporting of contracts to government and this will not change unless the government legislates to change this. No financial liabilities will be transferred to Herefordshire Council, as a result of this decision. Should any future transfers be proposed by the Joint Committee, a separate cabinet decision will be brought forward to seek any required approvals.

Almost all funding has been drawn down projects contracted to the LEP already. Therefore, contract liabilities relate to monitoring outputs, and any potential clawback of none delivery.

Contracted LEP projects overspend or spend on items not subject to the contract.

Shropshire Council as the accountable body are responsible for managing existing contracts. However, the vast majority of any government funding will have been claimed by projects prior to the end of March 2024.

There are significant costs to winding up the LEP

At this stage the LEP Board have not made a decision regarding its future. As a Company Limited by Guarantee it can continue should it choose to. Government have made a decision to transfer the public functions to Local Authorities.

The LEP have significant reserves, currently held by Shropshire Council as accountable body, to cover any winding up costs (should the Board choose to wind the business up). Herefordshire Council will not be called upon to cover any winding up costs.

There are possibly redundancy and related pension liabilities of current LEP staffing.

All LEP staff are directly employed by Shropshire Council as the Accountable Body

Consultees

30. A Political Group Consultation meeting was held on Monday 16th October. Concerns were raised as to the government definition of a 'functional economic geography' requiring a population of 500,000 and/ or 20,000 businesses in order to access future funds. It was felt this is prejudicial to rural areas which by nature have low population density and large geographic areas. There was support for ensuring future services are locally focussed on local needs within the county, and that the proposed Joint Committee needs to ensure a co-ordinated transition that does not impact on service delivery to businesses.

Appendices

Appendix A – Government letter regarding outcome of the LEP review.

Appendix B – Joint letter of council Leaders to the LEP

Background papers

None

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published		
Governance	John Coleman	Date 10/10/2023
Finance	Wendy Pickering/ Karen Morris	Date 10/10/2023
Legal	Sean O'Connor	Date 06/10/2023
Communications	Rory O' Rafferty	Date 09/10/2023
Equality Duty	Harriet Yellin	Date 06/10/2023
Procurement	Lee Robertson	Date 06/10/2023
Risk	Kevin Lloyd	Date 11/10/2023
Approved by	Ross Cook	Date 18/10/2023

[Note: Please remember to overtype or delete the guidance highlighted in grey]

Please include a glossary of terms, abbreviations and acronyms used in this report.



Department for Levelling Up,
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Department for
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To: LEP Chairs, Combined Authority Mayors,
Local Authority Leaders, and the Mayor of London

4th August 2023

Dear all,

TRANSFER OF LOCAL ENTERPRISE PARTNERSHIP (LEP) CORE FUNCTIONS TO COMBINED AND LOCAL AUTHORITIES

At [Spring Budget 2023](#), the Chancellor announced that the Government was 'minded to' withdraw central government support (core funding) for Local Enterprise Partnerships (LEPs) from April 2024 and transfer their functions – namely, business representation, strategic economic planning, and the delivery of government programmes where directed – to local authorities, where they are not already being delivered by combined authorities or the Greater London Authority.

We wrote to you on 17th March 2023 to launch an information gathering exercise on the practical implications of this proposal. We would like to thank you for your participation in this. A [summary of the findings](#) has been published today on gov.uk.

Following the conclusion of this exercise, we are now writing to you to confirm our 'minded to' decision. From April 2024, the Government's sponsorship and funding of LEPs will cease. The Government will now support local and combined authorities to take on the functions currently delivered by LEPs. Where not already delivered by a combined authority, or in areas where a devolution deal is not yet agreed, the Government expects these functions to be exercised by upper tier local authorities, working in collaboration with other upper tier local authorities over functional economic areas as appropriate. Alongside this decision, we have published [technical guidance](#) for LEPs and local authorities to support them through this policy change.

The information gathering exercise identified overlap between some of the functions being discharged by LEPs, local authorities and combined authorities, as well as confirming that there is already a high level of integration of LEP functions in Mayoral Combined Authority areas. The exercise also highlighted the different perceived levels of benefit and engagement between LEPs and local authorities. The Government's

view is that there is likely to be scope for greater join-up, efficiencies, and clarity for the private sector by these functions being discharged within Mayoral Combined Authorities, devolution deal areas and upper tier local authorities, working together as appropriate.

The Government will therefore provide some revenue funding to local and combined authorities in 2024/25 to support them in delivering the functions currently delivered by LEPs. We will provide further detail of this support in due course. Funding beyond 2024/25 is subject to future Spending Review decisions.

Reiterating the message we sent to LEPs in March, we would like to thank LEPs and their staff for their hard work in supporting and driving local economic growth across England since 2011. We remain enormously appreciative of all the work LEPs have done in advising and supporting businesses and local decision makers for more than a decade, including through EU Exit and the COVID-19 pandemic. We would again like to thank those LEPs that have played an important role over the last year in helping areas broker new devolution deals and prepare Investment Zone bids.

The Government remains committed to our goal that by 2030, every area in England that wants a devolution deal will have one. By empowering local democratically elected leaders to deliver these key local growth functions from April 2024, we are accelerating the integration process set out in the Levelling Up White Paper.

With every good wish,



Dehenna Davison MP

Minister for Levelling Up, Department for Levelling Up, Housing & Communities



Kevin Hollinrake MP

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1 September 2023

Dear Sonia,

TRANSFER OF MARCHES LOCAL ENTERPRISE PARTNERSHIP CORE FUNCTIONS

Following Government's announcement of the 4th August we are writing to confirm the position of the local authority members to the Marches LEP. Collectively we support the Government's policy approach of empowering local leaders and the drive towards devolution to local authorities. We are keen to work with you, fellow board members and LEP staff to establish an orderly and structured transition towards transferring LEP assets, functions and responsibilities before the 31st March 2024.

While Government have confirmed the cessation of sponsorship and funding to LEPs and are supporting local authorities to take on the functions currently delivered by LEPs we recognise the huge contribution that the LEP has made to the economic wellbeing of our area over many years and the legacy that it leaves. In making this transition we are committed to ensuring this work and legacy is celebrated alongside establishing appropriate new arrangements that maintain the collaboration between partners and across geographies that remains critical to support our shared ambitions.

To help ensure a smooth transition and meet government's governance expectations, we will be seeking authority from our respective councils to establish a formal 'Joint Committee' of the three councils, comprising of the three council leaders (or nominated representatives). We aim to establish the Joint Committee early this autumn so that it can work with the LEP on agreeing and putting in place transitional arrangements and the transfer of functions in a well-managed, structured and collaborative way.

We recognise that the management of a number of funding programmes, contingent assets and liabilities will take many years to work through the system, so we envisage that the work of the Joint Committee will take as long as is required to manage these responsibilities effectively.

In moving to these new arrangements, we also recognise the vital role that businesses play in developing strong local economic partnerships and we are committed to ensuring a strong business voice and representation within future arrangements. In this sense we hope that businesses can see that we are ambitious for greater levels of investment, growth and development.

To assist in assessing these needs, drawing a programme together and managing the transfer process, we are establishing a senior officer group in support of Leaders and the Joint Committee. As the Accountable Body for the Marches LEP, Shropshire Council will work in partnership with Herefordshire and Telford and Wrekin Council colleagues. As set out in Government guidance we are keen to complete the transfer process by end of March 2024.

We propose that a meeting be organised in September to confirm the above and begin the process of dialogue and planning towards these new arrangements. We welcome working with you on these arrangements and we propose developing a joint public statement with you to help keep business and other local stakeholders informed of these arrangements.

It is appropriate that we formally recognise and thank everyone involved with Marches LEP over the past 12 years for their dedication and hard work. We particularly recognise the work of the existing Team who have had to deal with significant uncertainty over many months showing immense professionalism and maintaining delivery.

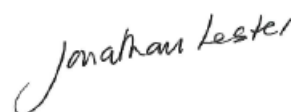
Yours sincerely



Cllr Lezley Picton
Leader - Shropshire Council



Cllr Shaun Davies
Leader – Telford & Wrekin Council



Cllr Jonathan Lester
Leader – Herefordshire Council