

Hereford Museum and Art Gallery Re-development

Decision maker: Cabinet member commissioning, procurement and assets

Decision Date: 22 December 2021

Report by: Head of economic development

Classification

Open

Decision type

Non-key

Wards affected

Central;

Purpose

To accept and spend the project development funding offered by the Hereford Stronger Towns Board in commissioning the technical support required to develop the proposed project for grant funding consideration. To procure a qualified design team to develop the project, called off in phases against RIBA stages.

Recommendation(s)

That:

- a) To accept and approve expenditure of up to £250,000 project development funding offered by the Hereford Stronger Towns Board in support of the Hereford Museum and Art Gallery project;**
- b) To delegate all operational decisions to the Director for Community and Wellbeing in consultation with the Cabinet Member for commissioning, procurement and assets in commissioning the technical support required to develop the project up to the total value of project development funding offered by the Hereford Stronger Towns Board; and;**
- c) To procure a specialist project management and design team to lead the development and implementation of the project. Appointment of the selected contractor(s) will be phased, initially up to the value of the Stronger Towns Project Development funding (up to £250,000) and thereafter subject to Full Council's approval to add the project to the**

capital programme in February 2022 and a separate key cabinet member decision to spend these funds.

Alternative options

1. The council could choose to not accept the project development funding offered by the Stronger Towns Board. However, this would mean we would be unable to seek the technical support such as architects, building condition surveys and specialist heritage advice required to seek the Stronger Towns or National Heritage Lottery Fund grants. Failure to meet the required timescales or information requirements for these funds would prevent the proposed project from progressing.

Key considerations

2. In 2020 government selected Hereford to be one of 101 towns/ cities from across England who were eligible to seek up to £25m of funding to support regeneration and enable economic growth. As required by the funding guidance, a Hereford Stronger Towns partnership Board was formed including wide ranging representation across the public, private and community sectors. The Board oversaw the development of a Town Investment Plan through extensive local community engagement, and inviting people to put forward project proposals for submission to government in the Plan. The council submitted three project proposals to the Board, including the significant redevelopment of Hereford Museum and Art Gallery, the relocation of the current library and the creation of a Learning Resource Centre in to the Maylord Orchard Shopping Centre, and a project focussed on greening the city, improving active travel measures and providing digital visitor information points. The Board submitted the Town Investment Plan to government at the end of January 2021, and in June 2021 they announced a £22.4m allocation to the Hereford, including in principle support for the three proposed council led projects. Each selected project now needs to develop a Full Business case for by June 2022.
3. The proposed £15m significant redevelopment of the grade 2 listed Hereford Museum and Art Gallery (HMAG) is a flagship project in the [Hereford Town Investment Plan](#). The project will establish a modern high quality museum and art gallery visitor experience, attracting high profile exhibitions, providing additional space to display local heritage artefacts potentially including the Herefordshire Hoard, include a café and shop, and provide opportunities for corporate hospitality. A key feature of the proposed project is a culture trail on the roof of the historic building offering views over the city, including the Hereford Cathedral located opposite the site.
4. Following the decline in retail, accelerated through Covid 19, all towns and cities need to consider how they will regenerate and re-purpose creating new opportunities for trade, employment, living and studying. In creating a revitalised and vibrant city centre, a key focus of the Hereford Town Investment Plan is to develop a high quality visitor and cultural offer for local residents and visitors. The HMAG redevelopment is a key part of this strategy.
5. The proposed project will also address significant viability issues with the current museum and art gallery. The current layout of the historic building severely limits access to those with a disability who are currently unable to access the museum and art gallery on the first floor. Due to fire evacuation restrictions the numbers of people accessing the museum and art gallery is also currently capped at a maximum of 10 people at any one time. This severely restricts local residents or visitors from accessing the building, which is not viable in the medium to long term. The upper floors of the grade 2 listed building are currently not accessible by the public at all, and at risk of falling into disrepair.

6. Therefore the proposed redevelopment will establish a high quality, prominent new visitor and cultural attraction at the heart of the city centre, supporting regeneration in creating a great place to live, work, study and visit. The project will also address some of the current limitations, ensuring the museum and art gallery remain viable and available to all.
7. In order to seek the required Stronger Towns (£5m) and National Heritage Lottery Fund (£5m) funding a range of technical support is required. To date the council has commissioned architects to develop the project to the initial stages of RIBA stage 2, as well as specialist advice in developing the revenue business plan, and structural review of the building. Further technical works are required to finalise the design, seek planning approval and listed building consent, to procure contractors and implement the project in a grade 2 listed building.
8. Subject to this decision, the council intends to procure in accordance with the Contract Procedure Rules a specialist Project Management and design team to lead the phased development of the project including the completion of RIBA stage 2 (inclusive of the production of a Heritage Statement and Impact Assessment), planning application stage (RIBA stage 3), procurement of a contractor (RIBA stage 4) and the implementation and handover of the building (RIBA Stages 5/6).
9. The project management and design team will be appointed based on the following phases;
 - Completion of RIBA stage 2 (including any related technical studies such as a Heritage Statement and Impact Assessment, and building condition surveys) up to the value of the project development funding offered by the Hereford Stronger Towns Board (up to £250,000)
 - Completion RIBA stages 3/4 subject to a Full Council decision to add the project to the capital programme in February 2022, and a separate key decision to spend these funds
 - Completion of RBA stages 5/6 subject to approval of the full business case, securing Stronger Towns Funding (£5m) and Heritage Lottery Funding (£5m)
10. The specialist design team will include;
 - Architect/ Lead Designer
 - Sustainability Consultant
 - Historic Building Consultant
 - Project Manager
 - Quantity Surveyor
 - Museum/ Gallery Adviser
 - Structural and Civils Engineer
 - Mechanical and Electrical Engineer
 - Landscape Architect
 - Principal Designer
 - Fire Engineer
 - Acoustics Engineer

Community impact

11. The proposed HMAG project will be of significant benefit to the local community, establishing a modern high quality museum and art gallery facility, providing significantly enhanced access to arts and culture including Herefordshire's own significant heritage. HMAG will provide access

to local artefacts currently in storage due to the lack of display space, as well as providing an opportunity for local people to access the wide range of exhibitions that will be displayed in the redeveloped building.

12. The project will secure the long term viability and usage of a grade 2 listed building at the heart of the city centre, opening up access to areas that are not currently available to the public. The project will also ensure access for people with a disability. Currently access to anyone with a disability is severely restricted. The total number of people currently able to access the museum and art gallery is also restricted to 10 people at any one point in time.
13. Whilst all sectors of the local community will benefit from the enhanced facilities and services, the project will specifically benefit local schools and colleges in terms of access for educational purposes. There will also be an opportunity for local people to benefit from developing specialist heritage and conservation skills on site.
14. The HMAG project directly contributes to the delivery of the following Herefordshire Council Delivery Plan 2020 to 2022 actions;
 - *EC2.1: Work with partners to develop and implement a £25m Town Investment Plan for Hereford, to be funded through the Stronger Towns Fund*
 - *EC5.1: Work with private sector partners to support the growth of the tourism industry across Herefordshire building on our strengths of outdoor activities, heritage & culture; and support the development of a destination business improvement district*

Environmental Impact

15. A key aim of the project is to achieve the highest possible environmental and energy efficiency standards possible through the redevelopment of a grade 2 listed building. The project will seek to achieve EnerPHit passive house environmental standards, becoming an exemplar for the redevelopment of historic public buildings.
16. The technical support required to design and implement the project (subject to this decision) is critical to achieving this aim.

Equality duty

17. 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.
18. The proposed project will significantly enhance access to Herefordshire's heritage and cultural offer for all. At present there is no means for anyone with a disability to access the museum and art gallery located on the first floor of the existing building. The upper floors of the historic

building are completely closed off to the public due to access limitations. The project will redevelop the building, allowing anyone to access the public areas of the building, including the proposed cultural trail on the roof.

19. In addition to the physical changes to the building, the heritage activity plan will establish a wide range of outreach services to engage local schools and disadvantaged groups, providing access to educational opportunities and experiences.

Resource implications

20. This decision seeks approval to accept and spend the development funding offered by the Hereford Stronger Towns Board to support the HMAG project.
21. The project seeks approval to procure a design team to lead the future development and implementation phases. Initially the project manager and design will be appointed up to the value of the Stronger Towns Project Development Funding (up to £250,000). Thereafter, the phased appointment will be subject to the Full Council decision to add the project to the capital programme and a separate key decision to spend these funds.

Capital cost of project	2021/22	2022/23	2023/24	Future Years	Total
Technical Design Works, such as completion of RIBA stage 2, Heritage Statement and structural investigations	£250,000				£250,000
TOTAL	£250,000				£250,000

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2021/22	2022/23	2023/24	Future Years	Total
Stronger Towns Development Grant	£250,000				£250,000
TOTAL	£250,000				£250,000

Legal implications

22. The money will be received as a Section 31 grant made under section 31 of the Local Government Act 2003. Section 31 of the Local Government Act 2003 empowers a Minister of the Crown to pay a grant to a local authority in England towards expenditure incurred or to be incurred by it. The amount of a grant under this section and the manner of its payment are to be such as the Minister may determine but is likely to include:

- (a) provision as to the use of the grant;
- (b) provision as to circumstances in which the whole or part of the grant must be repaid.

23. The term of this grant are as stated in the Memorandum of Understanding (MoU) for Stronger Town Full Business Case Development;

- *The Grant is being made available for the development and delivery of the Full Business Case and must not be used for any other purpose.*
- *The Full Business Case must be finalised and ready for submission on or before 30 June 2022.*
- *The Grant Recipient must notify Herefordshire Council immediately of any circumstances that might result in:*
 - *the Full Business Case not being finalised by 30 June 2022;*
 - *the Project being materially varied from 'The Project' as defined in the MoU;*
 - *any Termination events as detailed in Appendix 5 of the MoU.*
- *Any changes to the MOU requested by the Grant Recipient will need to be formally requested in writing and approval will be given at the discretion of Herefordshire Council.*
- *The Payment of the Grant (or any part thereof) shall not be payable by Herefordshire Council until the Grant Recipient has provided Herefordshire Council with a copy of:*
 - *the contract award letter to the selected supplier*
 - *evidence of demonstrating that a compliant and transparent tender process in accordance with Herefordshire Council's Contract Procedure Rules and/or The Public Contract Regulation 2015 as set out in Appendix 3 has been followed*
 - *the contract with the supplier signed by both parties or agreed terms and conditions.*
 - *Stronger Towns Board approval of the Early Funding allocation - either minutes or voting emails*
 - *satisfactory receipts relating to Qualifying Expenditure as referred to in Appendix 2 in respect of any claims*
- *The payment of the Grant is subject to the Grant Recipient putting in place and maintaining for the duration of this MOU and for a period of six years thereafter appropriate insurance cover with a reputable insurance company against all relevant liabilities and indemnities that may arise under clause 3.8.2 of this MOU and providing to Herefordshire Council upon request sufficient evidence of such insurance cover.*
- *For the avoidance of doubt Herefordshire Council in its role as accountable body is not responsible under the terms of this MOU for ensuring that the Grant Recipient secures any future funding or the management of any additional funding received by the Grant Recipient directly.*

24. At this stage as the grant is 100% funded externally under the finance procedure rules this grant can be added to the capital programme by the chief finance officer.

Risk management

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

Risk / opportunity	Mitigation
Technical works are commissioned and funds spent but the project does not proceed. For example the full business case is not approved or match funding secured.	The Stronger Towns project development funding does not need to be repaid to government should the project not proceed. Although this would reduce the overall Stronger Towns funding available to Hereford for alternative projects.
The technical works are not completed by the end of June 2022, the deadline for spending the allocated funds.	The required timeframes for completion of the work will be clearly defined in the brief and a key consideration during the evaluation of tenders.
Failure to engage consultants with the required technical skills to complete the work in the required timeframe.	The council has raised awareness of the upcoming tender opportunities, including at a recent meet the buyer event organised by the procurement team.

Consultees

26. The Hereford Museum and Art Gallery Project Board have been engaged in the development of the project, including representation from across the council, including PMO, Property Services, Finance, Legal, and Procurement.

Appendices

N/A

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	Kate Charlton	Date 17/12/2021
Finance	Karen Morris	Date 16/12/2021
Legal	Claire Ward	Date 16/12/2021
Communications	Alexandra Floyd	Date 06/12/2021
Equality Duty	Carol Trachonitis	Date 03/12/2021
Procurement	Lee Robertson	Date 17/11/2021

Risk	Kevin Lloyd	Date 06/12/2021
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Approved by	Paul Smith	Date 20/12/2021
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[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.