

Stronger Towns Project Development Fund Acceptance (Maylord Orchard)

Decision maker: Cabinet member commissioning, procurement and assets

Decision Date: 22 December 2021

Report by: Senior Project Manager

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To accept and spend the development funding offered by the Hereford Stronger Towns Board in support of the proposed provision of a new library and learning resource centre in Maylord Orchards. To approve the commencement of the procurement of a project design team required to lead the technical development of the project.

Recommendation(s)

That:

- a) To accept and approve expenditure of up to £150,000 project development funding offered by the Hereford Stronger Towns Board in support of the Maylord Orchard Library and Learning and Resource Centre 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 £150,000) 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, and building condition surveys required to seek the Stronger Towns 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 £3m redevelopment of Maylord Orchards to create a new library and learning resource centre is a key project in the [Hereford Town Investment Plan](#). The project will establish a modern library service and Learning Resource Centre at the heart of the city, re-purposing a key area of Hereford in creating new reasons for people to visit and spend time and money across the centre as a whole. The Learning Resource Centre will provide facilities to enable local people to access the support they need to develop their skills, and access new employment opportunities such as the council's Adults and Community Learning Service.
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 developing a refocussed mixed use offer focussed on learning and culture. The new library and Learning Resource Centre is a key part of this strategy. Two other complimentary proposed projects that may also be located in Maylord Orchards will further enhance the cultural and educational offer, creating a local hub (being led by Powerhouse and Rural Media separately).
5. In order to seek the required Stronger Towns Funding (£3m) 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, to procure contractors and implement the project.
6. 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, 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).

7. The project management and design team will be appointed based on the following phases;
 - Completion of RIBA stage 2 up to the value of the project development funding offered by the Hereford Stronger Towns Board (up to £150,000)
 - 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 (up to £3m).
8. The specialist design team will include;
 - Architect/ Lead Designer
 - Sustainability Consultant
 - Project Manager
 - Quantity Surveyor
 - Structural and Civils Engineer
 - Mechanical and Electrical Engineer
 - Landscape Architect
 - Principal Designer
 - Fire Engineer
 - Acoustics Engineer

Community impact

9. The proposed Maylord Orchard Library and Learning Resource Centre project will be of significant benefit to the local community, establishing a modern high quality library and learning facility at the heart of the city centre. Creating new reasons for people to visit, spend time and money in the city centre, responding to the decline of retail as a primary footfall driver, will also help secure the economic viability of Hereford and local jobs.
10. Whilst all sectors of the local community will benefit from the enhanced facilities and services, the project will specifically benefit local schools and colleges in terms of access to the library for educational purposes. Local people will be able to access the training and support they need at the new Learning Resource Centre.
11. The proposed project will deliver the following actions identified in the Delivery Plan;
 - *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*
 - *EC3.2: 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*

Environmental Impact

12. A key aim of the project is to achieve the highest possible environmental and energy efficiency standards possible in the now dated Maylord Orchard atrium area.
13. The technical support required to design and implement the project (subject to this decision) is critical to achieving this aim.

Equality duty

14. 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.
15. The proposed project will significantly enhance access to Herefordshire's cultural and learning offer for all. The project will establish a modern, accessible new library and a Learning Resource Centre at the heart of the city centre, providing enhanced access to key local services for learning and development across all sectors of the local community.

Resource implications

16. This decision seeks approval to accept and spend the development funding offered by the Hereford Stronger Towns Board to support the Maylord Orchard Library and Learning Resource Centre project.
17. The project seeks approval to procure a design team to lead the future development and implementation phases. Initially the project manager and design team will be appointed up to the value of the Stronger Towns Project Development Funding (up to £150,000). 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 2/3, and structural investigations	£150,000				£150,000
TOTAL	£150,000				£150,000

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2021/22	2022/23	2023/24	Future Years	Total
Stronger Towns Development Grant	£150,000				£150,000
TOTAL	£150,000				£150,000

Legal implications

18. 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.

19. The term of this grant are 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.*

20. 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

21. 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

22. The Maylord Orchard Library and Learning Resource 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
Approved by	Paul Smith	Date 20/12/2021

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