

# **The Stronger Towns Fund - Hereford Museum & Art Gallery (Detailed Design)**

**Meeting: Cabinet**

**Meeting date: Thursday 24<sup>th</sup> February**

**Report by: Cabinet member commissioning, procurement and assets;**

## **Classification**

Open

## **Decision type**

Key

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

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.

## **Wards affected**

Central

## **Purpose**

To approve up to £1.5m of the expenditure required to instruct the technical project manager and design team to complete the detailed design stage of the project and any related work required to support the development of the full business case including seeking planning and all related regulatory approvals such as listed building consent.

## Recommendation(s)

That:

- a) **The redevelopment of the Herford Museum and Art Gallery to create a new high quality visitor attraction project is approved;**
- b) **Expenditure of up to £1.5m of the Hereford Museum and Art Gallery (HMAG) redevelopment capital programme allocation be approved to complete the detailed design stage of the project including seeking planning permission,; and**
- c) **The Director for Community and Environment, following consultation with Deputy Section 151 Officer, in consultation with the Cabinet member commissioning, procurement and assets, be authorised take all operational decisions necessary to complete the detailed design stage and seek planning approval within the £1.5m approved budget.**

## Alternative options

1. Do nothing – The council could choose to not approve the expenditure.. 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 museum and art gallery, 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. 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 up to RIBA stage 2, as well as specialist advice in developing the revenue business plan, and structural review of the building. The technical work commissioned to date is subject to a separate non-key decision taken in December 2022: [Decision - Hereford Museum and Art Gallery Re-development - Herefordshire Council](#).
8. Further technical works are required to develop the full business case, finalise the design, seek planning approval and listed building consent, to procure contractors and implement the project in a grade 2 listed building.
9. This decision seeks approval to appoint a multi-disciplinary design team that has been procured in accordance with the contract procedure rules to complete RIBA stages 3 and 4 of the proposed HMAG project, including seeking planning application approval and listed building consent (RIBA stage 3) and procurement of a contractor (RIBA stage 4) and any associated costs such as building surveys and developing the operational business plan. Should grant funding be awarded and planning approved, a separate key decision will be brought forward regarding the construction and handover of the building phases (RIBA Stages 5/6).
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 the redevelopment (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 spend up to £1.5m of the allocation to support the detailed design and planning application stage of the project and any related activity required to complete the full business case. Whilst government has provided some project development funding (£250,000) as per para 7 above, applicants to the Stronger Towns funds and the Heritage Lottery Fund are required to undertake development work at their financial risk in order to be considered for the grant funding.
21. The £1.5m funding will be utilised to instruct the procured design team to complete RIBA stage 3 and subject to planning approval RIBA stage 4 (tendering of works) and any associated technical advice required to complete the full business case (such as building surveys and the operational business plan). Should the council secure the grant funding from the Stronger Towns Fund and the National Heritage Lottery Funding to complete the scheme, a separate decision will be brought forward to seek approval to implement the project.
22. If the expected grant funding is not forthcoming then an alternative revenue funding source will be required, such as the Financial Resilience Reserve. The risk at this stage is considered low, government has already selected the project to proceed to Full Business Case stage following submission of the Town Investment Plan, and provided some project development funding.
23. The council has both a role as the Stronger Towns funding accountable body for all Hereford projects, and as an applicant for the Hereford Museum and Art Gallery, Maylord Orchard Library and Learning Resource Centre and the Greening the City projects. To ensure a clear separation of duties between these roles, the Section 151 Officer and Deputy 151 officer are the leads for accountable body responsibilities for both the internal and external projects and the Strategic Capital Finance Manager supports the finance decisions for the council led projects.

Capital cost of project	2020/21	2021/22	2022/23	Future Years	Total
Design and planning fees			£1,500,000		£1,500,000
<b>TOTAL</b>			£1,500,000		£1,500,000

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2020/21	2021/22	2022/23	Future Years	Total
Capital grant			£1,500,000		£1,500,000
TOTAL			£1,500,000		£1,500,000

Revenue budget implications	2020/21	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
<i>Should the project not proceed, capital expenditure in the detailed design stage would be funded from an alternative source.</i>					
TOTAL					

### Legal implications

24. If the council agrees that this project is part of the capital programme for 2022/23 then this decision is required to enable the project to proceed and allocated capital funds to be spent to the limit set out in this report.
25. If the project budget is not approved in the 2022/23 capital programme then this decision cannot proceed.

### Risk management

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

<b>Risk / opportunity</b>	<b>Mitigation</b>
<p>Technical works are commissioned and funds spent but the project does not proceed. For example the full business case is not approved and grant funding not secured, match funding not secured, planning application not approved. This would require any council development funding spent to date to be found from revenue budgets.</p>	<p>The technical development works are required in order to seek the grant funding. To date the Hereford Stronger Towns Board, government (in reviewing the Town Investment Plan) and National Heritage Lottery Fund have all expressed support for the proposed project. Government has provided £250,000 towards the development of the project that does not need to be repaid should the project not proceed. Should the project not proceed, the council's capital costs relating to this decision (detailed design) would be funded from the Financial Resilience Reserve. .</p>
<p>The technical works are not completed by the June 2022 deadline for the Stronger Towns Business Case.</p>	<p>The required timeframes for completion of the work will be clearly defined in the brief and a key consideration during the evaluation of tenders.</p>
<p>Failure to engage consultants with the required technical skills to complete the work in the required timeframe.</p>	<p>The council has raised awareness of the upcoming tender opportunities, including at a recent meet the buyer event organised by the procurement team which identified interest in the project/ work.</p>
<p>The project fails to achieve planning approval/ listed building consent</p>	<p>The council has sought pre-app support from both the planning team and Historic England during the feasibility stage (RIBA stage 1), and will continue to do so through RIBA stage 2. The feasibility study has explored the range of options for developing a historic building whilst also considering the viability of the proposed new service. This will inform the next stages of the design process.</p>
<p>There is a covenant on the building held by Hereford Cathedral, relating to its use as a library and museum. Should the project proceed the library will be relocated.</p>	<p>Hereford Cathedral have been consulted on the proposed project and are supportive of the redevelopment, which will complement the Cathedral's own visitor offer.</p>
<p>Financial - Further investigation reveals additional structural issues leading to higher repair costs. Designs require review and possible change with implications for cost, value for money and funding proposals.</p>	<p>Initial investigative work already undertaken as part of project viability phase for Stronger Towns funding bid. Contingency sum included to cover unexpected costs. Value engineering exercise to be undertaken with National Lottery Heritage funding input.</p>

## Consultees

26. A political group consultation has been undertaken with supportive comments on the proposed project provided by Cllr Stark, Cllr Bartlett, and Cllr Milln. Cllr Stark asked that in developing the project we consider how the respective services can also be enhanced/ benefits also realised in the market towns.

## Appendices

Appendix 1 – Feasibility Study (RIBA stage 1)

### Background papers

None Identified

## Report Reviewers Used for appraising this report:

Governance	Sarah Buffrey	Date 27/01/2022
Finance	Karen Morris/ Josie Rushgrove	Date 15/12/2021
Legal	Claire Ward	Date 16/12/2021
Communications	Luenne Featherstone	Date 16/12/2021
Equality Duty	Carol Trachonitis	Date 16/12/2021
Procurement	Mark Cage	Date 10/01/2022
Risk	Paul Harris	Date 16/12/2021

Approved by Neil Taylor, Director for Economy and Place Date 16/02/2022