

COUNCILLOR QUESTIONS TO CABINET – 24 FEBRUARY 2022

Question 1

From Councillor Jeremy Milln, Central Ward

To: cabinet member, commissioning, procurement and assets

For the Maylords library project, professional fees (£150k to RIBA 2 approved in Dec, £450k to RIBA 4 as per item 9 of today's Cabinet agenda and £156k to RIBA 6 as advised by officers) amount to around 25% of the £3m project which seems high given this is a refurb of existing, not a build from scratch. While some contingency for additional surveys etc may be prudent, can I have the cabinet member's assurance that every effort will be made to contain such costs to within the normal RIBA scale 10-15%?

Response

For Maylords the total value of the project in grant funding terms is £7m, but the £4m as council match funding is the asset value of the shopping centre (as per the point of the leasehold acquisition). The ownership of the building/ site doesn't change in anyway. But we can count our ownership value of the site as match for the grant fund.

In terms of the design stage costs, there is an element of contingency as identified in your question to allow for any additional surveys/ investigations etc that we may need as the work progresses.

The design team and related survey works will be called off at each RIBA stage, and will be better known at the end of RIBA stage 2 when we have a concept design and outcome of the planning pre-app. Any contract award would be based on both cost and quality of the successful bid

We will ensure the design stage costs are kept to a minimum, and should be within the percentage levels you helpfully identify.

Question 2

From Councillor Yolande Watson, Kerne Bridge Ward

To: cabinet member, environment and economy

Does Herefordshire Council carry out rural proofing exercise (such as a Rural Impact Assessment) on any of its policies, budgets or services?

Response

Policy documents that are produced such as the emerging Local Plan are subject to a number of different appraisals but none that would match the definition of a Rural Impact Assessment.

In looking at the Lord Cameron Review into Rural Proofing implementation within government departments this was mainly concerned with the extent to which government departments had adopted and implemented the principles and guidance set out in the Rural Proofing materials published by DEFRA. The definition of Rural Impact Assessment or Rural Proofing as it is known defined by various rural action network

groups may be of more relevance to the policies, projects and programmes produced by the Council and we will therefore look to see how we can incorporate this approach into the work we are currently and planning to produce.

Question 3

From Councillor Nigel Shaw, Bromyard Bringsty Ward

To: cabinet member, commissioning, procurement and assets

In welcoming the recent NMiTE student cohort to Hereford, can we be advised what the occupancy level at the student accommodation in Station Approach is and be reminded what the Council obligations are in respect of any under-occupancy? The cabinet member may wish to comment on any further plans for building student accommodation which was at one time so imperative to ensuring NMiTE's successful launch.

Response

The Station Approach Student Accommodation is privately owned and operated by City Heart Living Partnerships. We understand that the current occupancy levels are 59% (105 of 178 rooms occupied). The council does not currently hold any liabilities in terms of under occupancy. Hereford College of Arts (HCA) hold the nominations rights and associated liabilities for 89 rooms for the first two years of operation, and then all 178 thereafter. The council has agreed a sub-nominations agreement (and related liabilities) with NMiTE for the remaining 89 rooms for the first two years of operation until HCA has the rights to all of the available rooms.

In terms of the future development of accommodation, at this stage there is no immediate requirement. We understand NMiTE's current intake and short term forecast growth can currently be met by Station Approach as well as their own separate agreements with other private providers. HCA have indicated the 178 rooms in Station Approach is likely to meet their needs in the short term. The Hereford City Masterplan will consider the need for additional student accommodation in the medium to long term.

Supplementary question

You state that the Council does not currently hold any liabilities in respect of under-occupancy but does not state whether there any circumstances which might give rise to a liability being crystallised. Would this potential [be] contained within a schedule of underwritten soft loans and potential liabilities and where can a member or the external auditor inspect this schedule?

Response

A written response was promised to the supplementary question and supplied as follows:

On the 10th June 2019 the Cabinet member corporate strategy and budget took the following decision to support the development of the student accommodation on the Station Approach site, which we inherited from your previous administration: [Decision - Development and regeneration programme project approval for student accommodation at Station Approach - Herefordshire Council](#). The decision includes the long term lease (125 years with a break clause at 50 years) of the council owned land at market value, the council providing a guarantor for the M&G loan to City Heart

Living Partnerships, and the guarantor to the 50 year nominations agreement to Hereford College of Arts for the first six years of the nominations agreement.

The council retained nomination rights for half of the rooms (89) for the first three years of operation, although this latterly became 2 years due to the delays in constructing the building. These rooms has been previously agreed to provide initial student accommodation for NMiTE during the start-up phase of its operation.

Through the delegation granted in the June decision, the Director for Economy and Place then entered the respective contracts on the 29th July 2019 [Decision - Student accommodation on Station Approach final project approval - Herefordshire Council](#), and the sub-nominations agreement with NMiTE for the retained 89 rooms on the 4th August 2020 [Decision - Station Approach Nominations Agreement with New Model Institute in Technology and Engineering - Herefordshire Council](#).

No soft loans have been provided by the council related to the development.

Should City Heart Living Partnerships fail, the council would assume ownership of the building and responsibility for the operation in order to repay the M&G loan.