

# 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 <sup>th</sup> March 2021	First release of the <i>Stage 2 – Business Case Template</i>	TFDP
2	25 <sup>th</sup> March 2021	Updates to the Strategic Case, Financial and Commercial Cases to provide additional context and guidance for these cases	TFDP
3	24 <sup>th</sup> 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 <sup>th</sup> August 2021	Updated with the revised Annex C – Summary Document template	TFDP

# CONTENTS

Executive Summary.....	6
Introduction.....	12
Strategic Case.....	18
Economic Case.....	34
Financial Case.....	42
Commercial Case.....	48
Management Case.....	55
Appendix 1- Library feasibility report (Take the Current Ltd)	
Appendix 2- RIBA stage 2 report (Mace Ltd)	
Appendix 2a- RIBA stage 2 cost plan (Mace Ltd)	
Appendix 3- Capital cost of project (HC)	
Appendix 4- Consultation Strategy (Mace Ltd)	
Appendix 5- Risk log (HC)	
Appendix 6- Contract procedure rules (HC Governance)	
Appendix 7- Equality impact assessment	



# 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 lowest<sup>1</sup> 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 65<sup>2</sup>, 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

---

<sup>1</sup> [Mapping inequality in the UK \(ons.gov.uk\)](https://ons.gov.uk)

<sup>2</sup> [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:

		Sensitivity test 1	Sensitivity test 2
Value for money assessment (£M, discounted, 2021 prices)	Core scenario	No Learner Benefits	Optimism Bias 24%
<b>Economic benefits</b>			
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				
<b>Total economic benefits</b>	<b>(A)</b>	<b>£7.57</b>	<b>£6.47</b>	<b>£7.57</b>
<b>Economic costs</b>				
Towns Fund	(B)	£3.00	£3.00	£3.00
Optimism Bias	(C)	£0.36	£0.36	£0.72
<b>Total public sector</b>	<b>(D)=(B)+(C)</b>	<b>£3.36</b>	<b>£3.36</b>	<b>£3.72</b>
<b>Benefit Cost Ratio</b>	<b>(A) / (D)</b>	<b>2.3</b>	<b>1.9</b>	<b>2.0</b>

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 29<sup>th</sup> 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
<b>Elements included in Mace Ltd Cost Plan</b>		
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	
<b>Construction Cost Sub Total</b>		<b>£ 1,812,462.00</b>
Main Contractors Preliminaries	£ 308,119.00	
Main Contractors OH&P	£ 14,841.00	
Inflation to Mid Point Construction	£ 204,212.00	
<b>Prelims, Contractors OHP and Inflation Sub Total of</b>		<b>£ 660,771.00</b>
Project / Design Team Fees	£ 533,269.00	
Project Contingency	£ 300,650.00	
<b>Mace Ltd Sub Total</b>		<b>£ 833,919.00</b>
<b>Mace RIBA Stage Costings Total</b>		<b>£ 3,307,153.00</b>
<b>Elements not included in Mace Ltd Cost Plan</b>		
Procurement costs 0.3%	£ 5,437.38	
PMO Cost	£ 140,000.00	
Planning Cost	£ 1,500.00	
Income Generation Report	£ 4,777.50	
<b>Additional Cost not included in Mace Cost Sub Total</b>		<b>£ 151,714.88</b>
<b>Total</b>		<b>£ 3,458,867.88</b>

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.

<b>Funding streams</b> <b>(Indicate revenue or capital funding requirement) Or Grant funding that may be sought?</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Future Years</b>	<b>Total</b>
Town Investment Fund (capital)	£150,000	£550,000	£2,300,000	£0	<b>£3,000,000</b>
Herefordshire Council			£500,000		<b>£500,000</b>
<b>TOTAL</b>	£150,000	£550,000	£2,800,000	£0	<b>£3,500,000</b>

### Financial year forecast

<b>Financial Year Forecast Costings</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Future Years</b>	<b>Total</b>
	£1,018,000	£2,481,109			<b>£3,500,000</b>

The below table summarises the revenue income and expenditure for the Library and Learning Resource Centre:

<b>Revenue budget implications</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Future Years</b>
<i>Service Charge, Insurance, rates (expenditure) (excluding café)*</i>			£29,382	£58,765
<i>Library Operation (staff costs)</i>			£145,181	£248,882
<b>Total Expenditure</b>			<b>£174,563</b>	<b>£307,647</b>
<i>Indicative Café (10% turnover)</i>			£5500	£11,000
<i>Indicative Meeting / Training Room (income)</i>			£27,150	£54,300
<b>Total Income</b>			<b>£32,650</b>	<b>£89,860</b>

## 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 footfall<sup>3</sup>.

## MANAGEMENT CASE

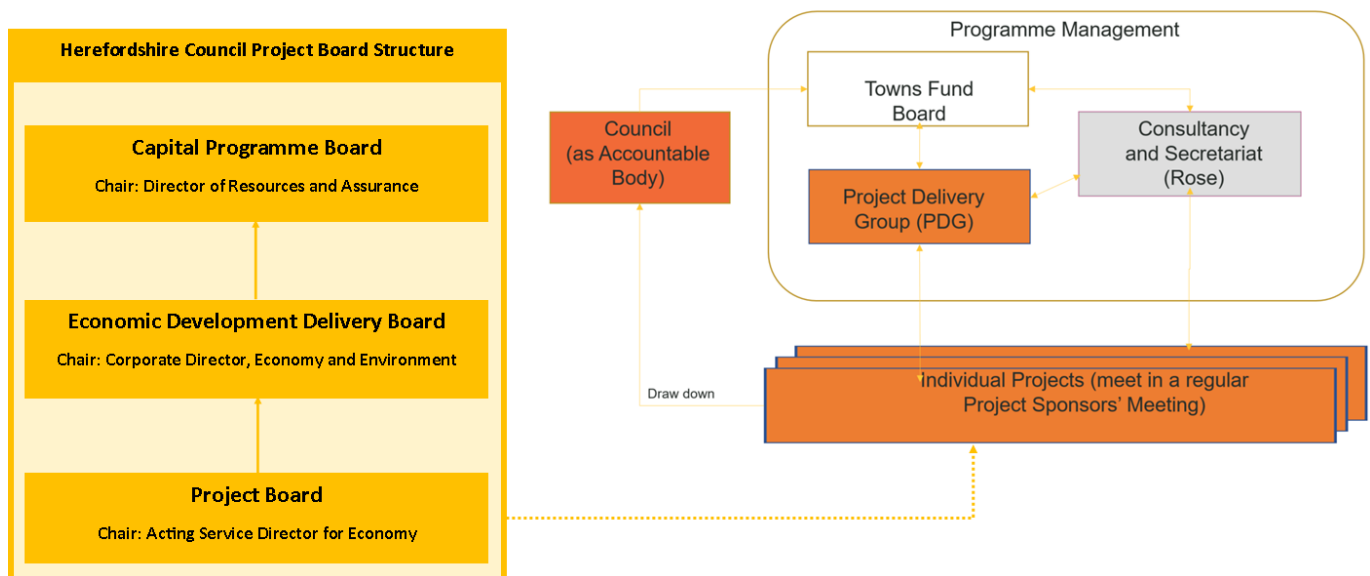
The following governance arrangements are in place for the Library and Learning Resource Centre project:

1. HMAG & Maylords Project Board
2. Economic Development Delivery Board
3. Hereford Towns Board

<sup>3</sup> Take the Current Income Generation Report

#### 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 (46m<sup>2</sup>) will be adjacent and connected to the library, with frontage and an entrance from Trinity Square, where there is a further approximately 25m<sup>2</sup> 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.

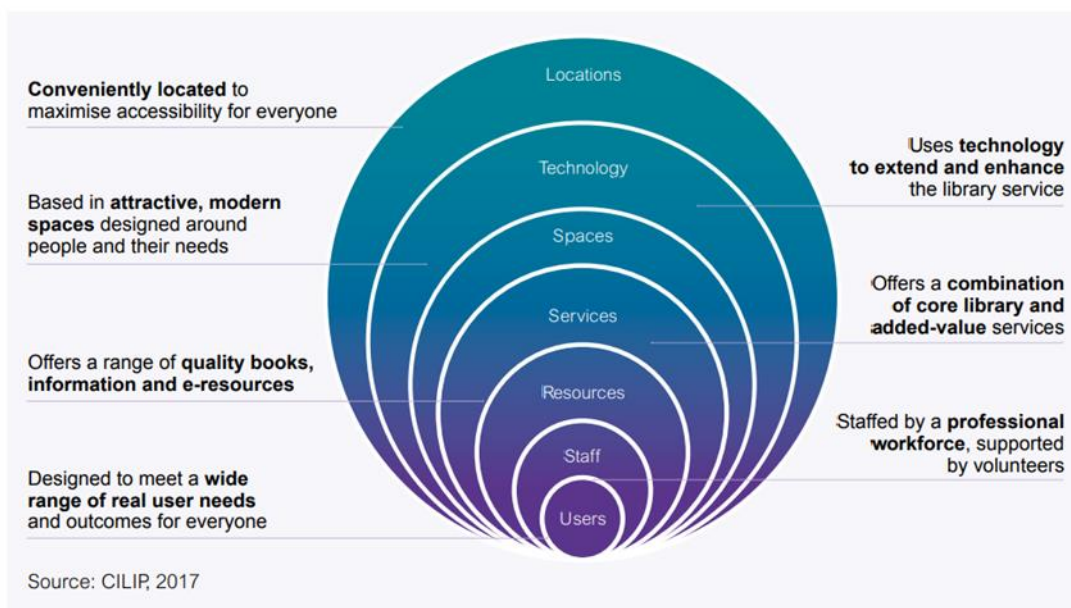
The National Libraries Taskforce has specifically identified seven outcomes that libraries contribute to in their ‘Libraries Deliver: Ambition for Public Libraries in England:’

- 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 21<sup>st</sup> 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](http://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"> <li>No disruption to library services, existing tenants and visitors to Maylord Orchards.</li> <li>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.</li> </ul>
Cons	<ul style="list-style-type: none"> <li>Loss of grant funding (£3m)</li> <li>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.</li> <li>Maylord Orchards building could fall further into disrepair.</li> <li>Lack of mixed use purpose in the city centre may result in a further decline to footfall, impacting future economic viability.</li> </ul>
Recommendation	<b>Rejected</b>

**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"> <li>Provides a new Learning Resource Centre to re-purpose the city centre and provide residents with access to services.</li> <li>Supports physical and social recovery from Covid 19.</li> <li>Redevelops a dated site that may otherwise fail to retain / attract tenants.</li> <li>Creates learning opportunities for local people.</li> <li>Enables the linked Museum and Art Gallery project to proceed due to relocation of the library.</li> </ul>
Cons	<ul style="list-style-type: none"> <li>Possible disruption to other businesses during capital works.</li> <li>Possible disruption to library users during the relocation.</li> <li>Current library operational costs will increase, such as business rates and service charge.</li> </ul>
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"> <li>More extensive redevelopment of the current shopping centre, a strategically significant site at the heart of the city centre.</li> </ul>
Cons	<ul style="list-style-type: none"> <li>Likely to negatively impact the museum redevelopment project as the library will not be relocated.</li> <li>More significant disruption to current tenants and visitors.</li> <li>Town Investment Plan outputs relate to learning opportunities from the Learning Resource Centre.</li> <li>Failure to create a mixed use purpose.</li> </ul>
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.

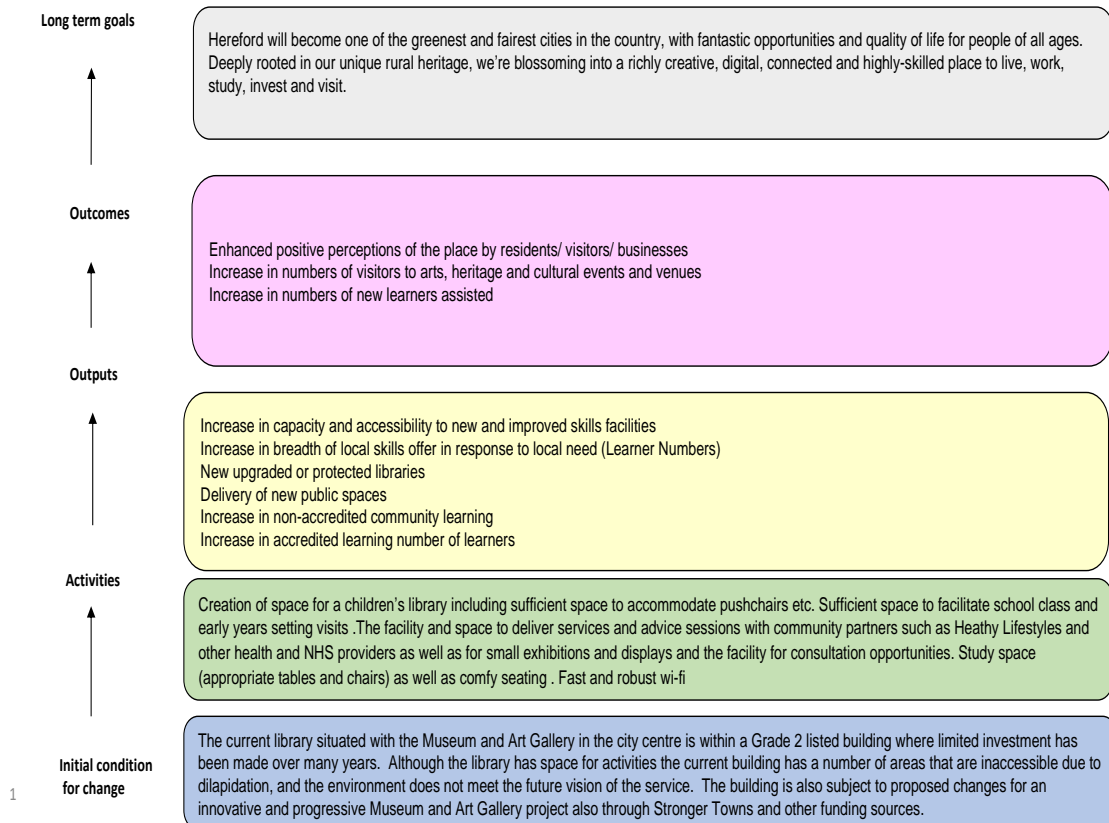
#### Critical success factors

- 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 14<sup>th</sup> September 2021:

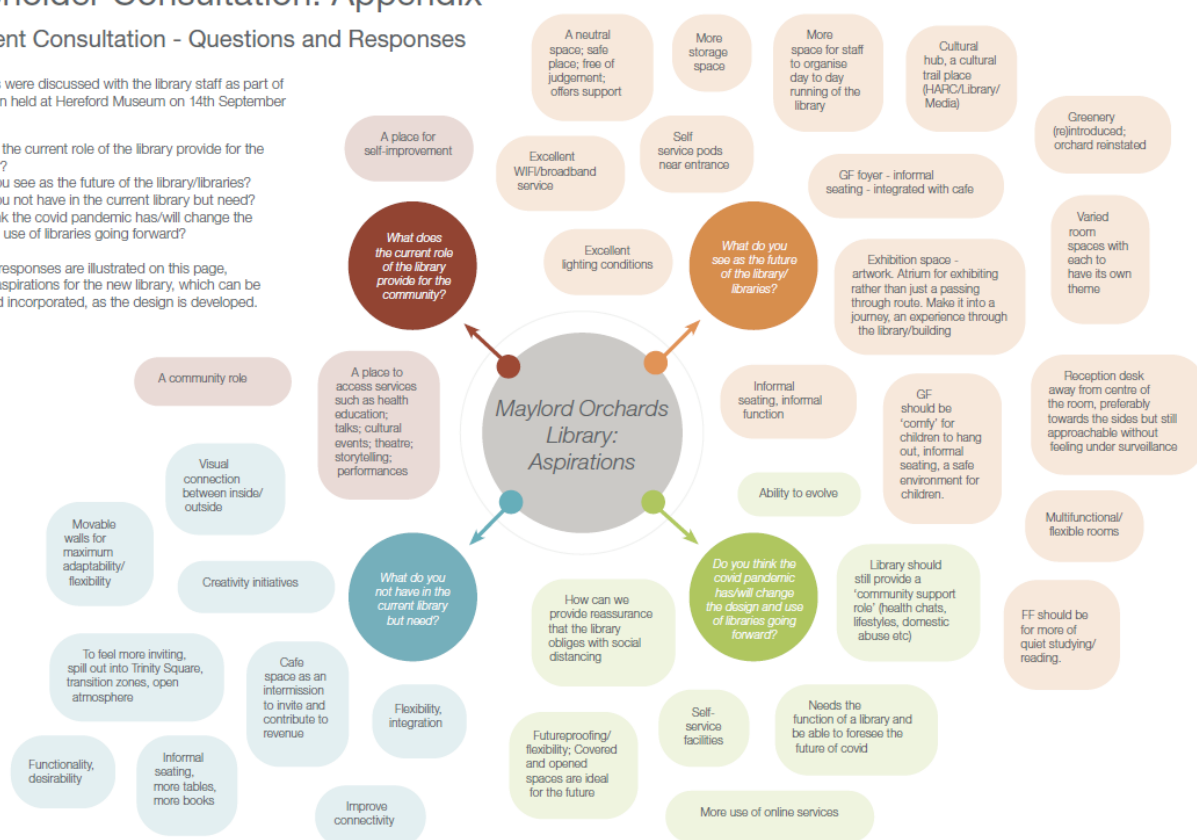
# Stakeholder Consultation: Appendix

## 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

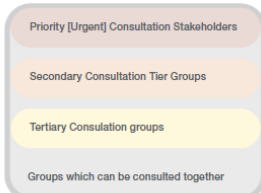
### 1.2 / Organogram

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.

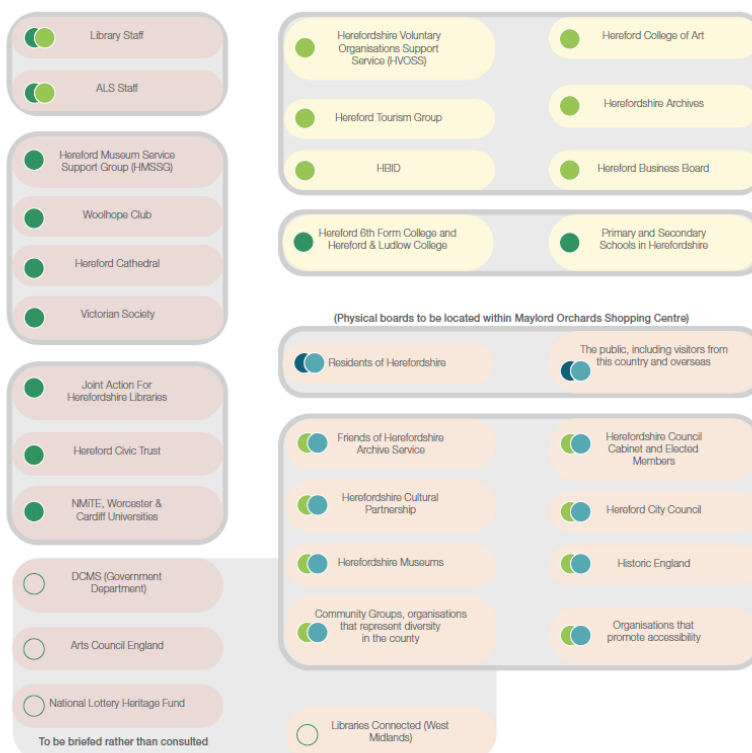
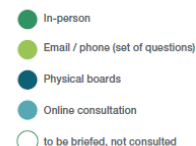
Groupings have been created with stakeholders of equal priority who will be consulted via the same consultation method.

Priority and consultation method have been identified using the colour coding keys below:

#### Stakeholder Priority Key



#### Consultation Method Key

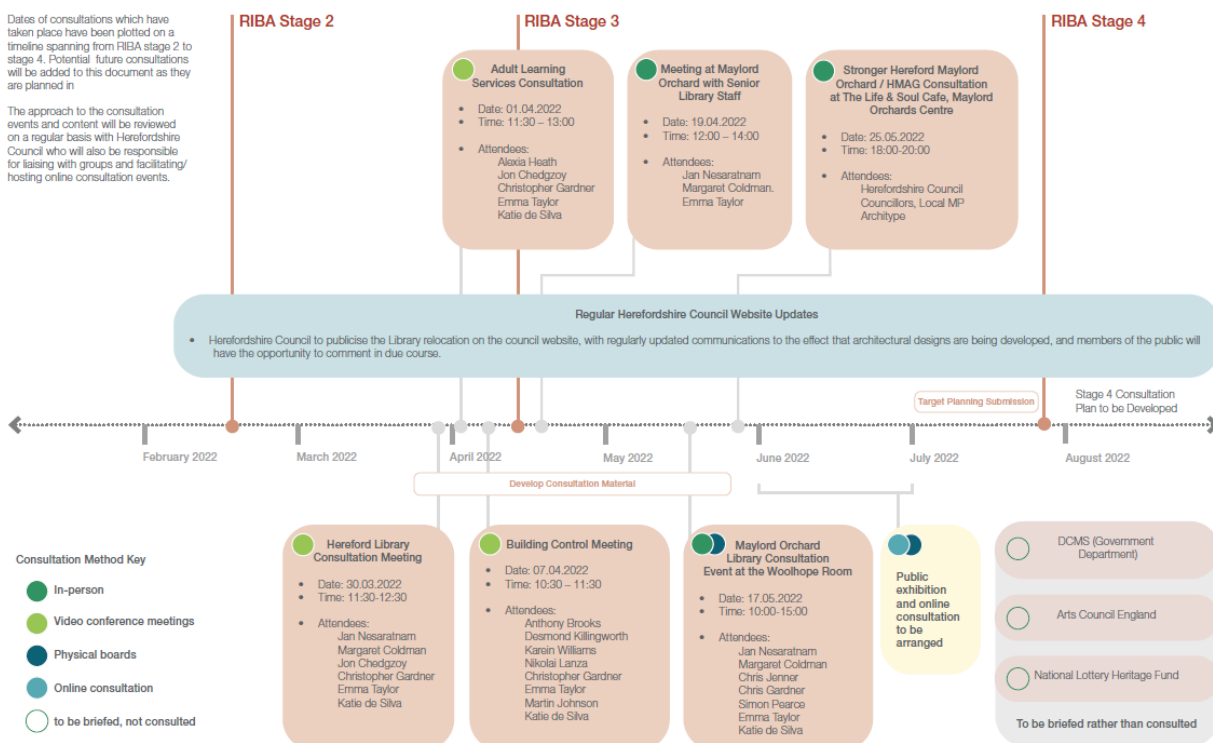


## Stakeholder Consultation: Strategy

### 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 17<sup>th</sup> 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 25<sup>th</sup> 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

**#STRONGERHEREFORD**

Wednesday 25<sup>th</sup> May  
6:00pm – 8:00pm  
Life & Soul Café in the Maylord Orchards Centre  
RSVP via the Eventbrite link provided by Friday 20<sup>th</sup> May

 @hfdscouncil

**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 lowest<sup>4</sup> 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 65<sup>5</sup>, 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*

---

<sup>4</sup> [Mapping inequality in the UK \(ons.gov.uk\)](https://ons.gov.uk)

<sup>5</sup> [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 Cente providing local residents with access to Aldult Learning Services, addressing skills gaps and enabling them to seek better higher value roles leading to imporved living standards. It will also provide a central cisity centre location for accrss to we-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 acorss 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](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

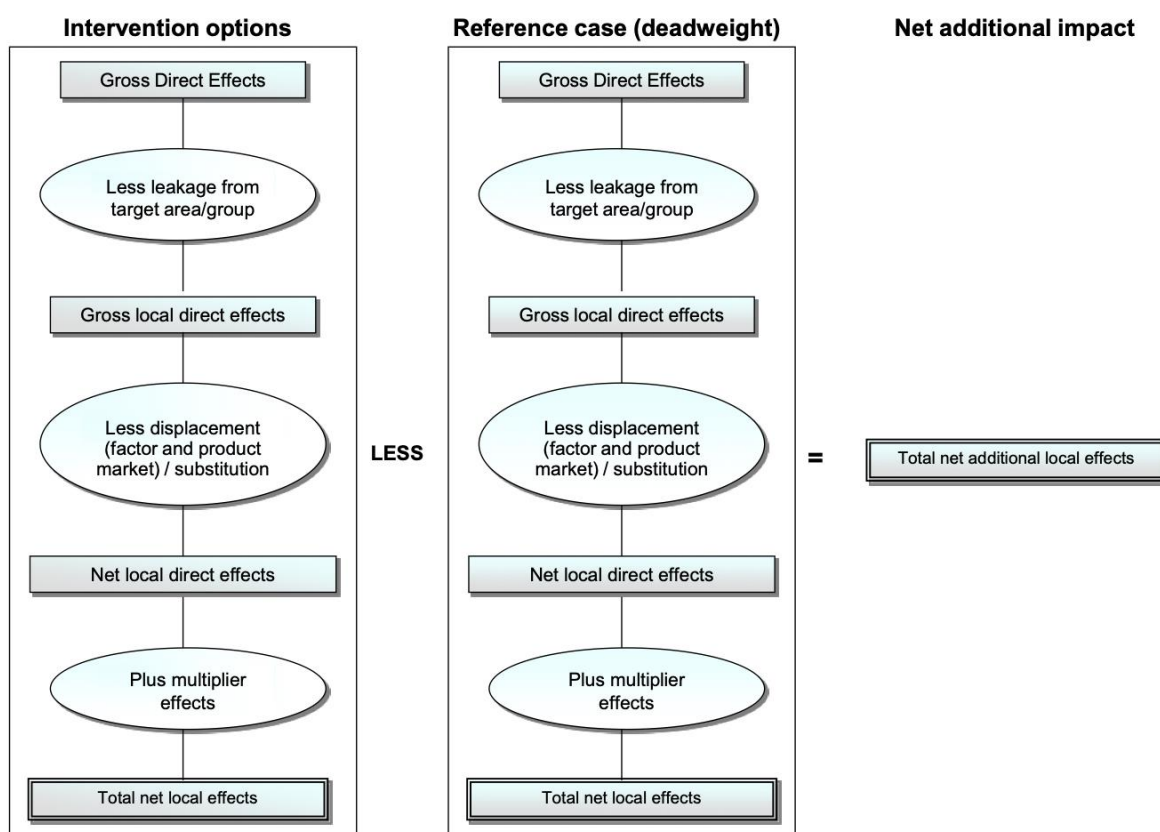
Of key importance in assessing the impact of the proposals on the local economy is the extent to which new activity is truly additional, in other words it does not simply displace existing activity. Furthermore, it is important to understand who is likely to benefit from the impacts generated and the 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](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"> <li>Land value uplift</li> </ul>	<ul style="list-style-type: none"> <li>Increases in local employment and GVA</li> <li>Community cohesion</li> <li>Health benefits from increased active travel or use of new public / green spaces</li> <li>Social benefits (e.g. improved personal security)</li> </ul>	MHCLG guidance

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

		Sensitivity test 1	Sensitivity test 2
Value for money assessment (£M, discounted, 2021 prices)	Core scenario	No Learner Benefits	Optimism Bias 24%

### 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				
<b>Total economic benefits</b>	<b>(A)</b>	<b>£7.57</b>	<b>£6.47</b>	<b>£7.57</b>
<b>Economic costs</b>				
Towns Fund	(B)	£3.00	£3.00	£3.00
Optimism Bias	(C)	£0.36	£0.36	£0.72
<b>Total public sector</b>	<b>(D)=(B)+(C)</b>	<b>£3.36</b>	<b>£3.36</b>	<b>£3.72</b>
<b>Benefit Cost Ratio</b>	<b>(A) / (D)</b>	<b>2.3</b>	<b>1.9</b>	<b>2.0</b>

The rationale/sources for the benefits calculated is set out below:

<b>Increase in capacity and accessibility to new and improved skills facilities</b>		
Source <a href="https://www.powertochange.org.uk/wp-content/uploads/2017/10/PTC_RoomHire_A5_AW-1.pdf">https://www.powertochange.org.uk/wp-content/uploads/2017/10/PTC_RoomHire_A5_AW-1.pdf</a>		
Measure: Hourly rate for room hire		
Number Facility open 48 weeks a year, 6 days 8 hours per day		
Value	£27	£289,928
<b>Increase skills offer in response to local need</b>		
Source: <a href="https://www.gov.uk/government/publications/valuing-adult-learning-comparing-wellbeing-valuation-and-contingent-valuation">https://www.gov.uk/government/publications/valuing-adult-learning-comparing-wellbeing-valuation-and-contingent-valuation</a>		
Measure: adult learning benefits		
Number 3579 over 20 years based on council projections		
Value	£2,234	£4,185,953
<b>New upgraded or protected libraries and Delivery of new public spaces</b>		
Source <a href="https://www.social-value-engine.co.uk/calculator/Quantifying_and_valuing_the_wellbeing_impacts_of_sport_and_culture.pdf">https://www.social-value-engine.co.uk/calculator/Quantifying_and_valuing_the_wellbeing_impacts_of_sport_and_culture.pdf</a>		
Measure: library users		
Number: 4184 34% of population uses library - 61,000 population 20% increase = 4148 people		
Value	£149	5,319,944
<b>Non-accredited Community Learning Number of learners</b>		
Source:		

<a href="http://social-value-engine.co.uk/calculator/Two%20Day%20Personal%20Development%20Training%20Course.pdf">http://social-value-engine.co.uk/calculator/Two%20Day%20Personal%20Development%20Training%20Course.pdf</a>		
Measure: Council projected learners		
Number 1241 over 20 years		
Value	£1,081	£1,341,672
<b>Accredited Community Learning Number of learners</b>		
Source:		
<a href="http://social-value-engine.co.uk/calculator/RR821.pdf">http://social-value-engine.co.uk/calculator/RR821.pdf</a>		
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 <sup>2</sup>	Cost/ft <sup>2</sup>
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
	<b>SUB TOTAL CONSTRUCTION COSTS</b>	<b>1,812,462</b>	<b>55</b>	<b>2,690</b>	<b>250</b>
	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
	<b>SUB TOTAL OF PRELIMS, CONTRACTORS OHP AND INFLATION</b>	<b>660,771</b>	<b>20</b>	<b>980</b>	<b>91</b>
11	PROJECT / DESIGN TEAM FEES	533,269	16	791	73
12	PROJECT CONTINGENCY @10%	300,650	9	446	41
	<b>Total</b>	<b>3,307,153</b>	<b>100</b>	<b>4,907</b>	<b>453</b>

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
<b>Elements included in Mace Ltd Cost Plan</b>		
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	
<b>Construction Cost Sub Total</b>		<b>£ 1,812,462.00</b>
Main Contractors Preliminaries	£ 308,119.00	
Main Contractors OH&P	£ 14,841.00	
Inflation to Mid Point Construction	£ 204,212.00	
<b>Prelims, Contractors OHP and Inflation Sub Total of</b>		<b>£ 660,771.00</b>
Project / Design Team Fees	£ 533,269.00	
Project Contingency	£ 300,650.00	
<b>Mace Ltd Sub Total</b>		<b>£ 833,919.00</b>
<b>Mace RIBA Stage Costings Total</b>		<b>£ 3,307,153.00</b>
<b>Elements not included in Mace Ltd Cost Plan</b>		
Procurement costs 0.3%	£ 5,437.38	
PMO Cost	£ 140,000.00	
Planning Cost	£ 1,500.00	
Income Generation Report	£ 4,777.50	
<b>Additional Cost not included in Mace Cost Sub Total</b>		<b>£ 151,714.88</b>
<b>Total</b>		<b>£ 3,458,867.88</b>

## 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	<b>£3,000,000</b>
Herefordshire Council			£500,000	£0	<b>£500,000</b>
<b>TOTAL</b>	£150,000	£550,000	£2,800,000	£0	<b>£3,500,000</b>

### 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:	920	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
	Unit 41 (local)	375		<u>Unit 42</u> Service Charge: £2,249 Insurance: £155 Rates: £3,584
	Unit 42 (nails)	1723		<u>Unit 43</u> Service Charge: £10,334 Insurance: £820 Rates: £11,904
	Unit 43 (former cafe)			
	First Floor:	1625		<u>Unit 46:</u> Service Charge: £9,763 Insurance: £671 Rates: £7,120
	Unit 46 - Enchanted Kingdom			
	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)
--	--	--	--	-------------------------------

Indicative Unit Cost Breakdown						
Tenant	Unit	Proposed Use	Service charge	Insurance	Rates	Total Cost
Herefordshire Council's Community Wellbeing	Unit 41	Library	£ 5,518.00	£ 379.00	£ 6,383.00	£ 12,280.00
	Unit 42	Library	£ 2,249.00	£ 155.00	£ 3,584.00	£ 5,988.00
	Unit 46	Library	£ 9,763.00	£ 671.00	£ 7,120.00	£ 17,554.00
	Unit 50	Library	£ 2,465.00	£ 175.00	£ 3,143.00	£ 5,783.00
Herefordshire Council's Community Wellbeing	Unit 52	Learning Resource Centre	£ 9,506.00	£ 654.00	£ 7,000.00	£ 17,160.00
Café Operator	Unit 43	Café	£ 10,334.00	£ 820.00	£ 11,904.00	£ 23,058.00
						<b>Total:</b> £ 81,823.00

*\*Café service charges, insurance and rates are excluded from the above table as these costs would be met by the café operator.*



<b>Revenue budget implications</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Future Years</b>
<i>Service Charge, Insurance, rates (expenditure) (excluding café)*</i>			£29,382	£58,765
<i>Library Operation (staff costs)</i>			£145,181	£248,882
<b>Total Expenditure</b>			<b>£174,563</b>	<b>£307,647</b>
<i>Indicative Café (10% turnover)</i>			£5500	£11,000
<i>Indicative Meeting / Training Room (income)</i>			£27,150	£54,300
<b>Total Income</b>			<b>£32,650</b>	<b>£89,860</b>

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 percentages 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**

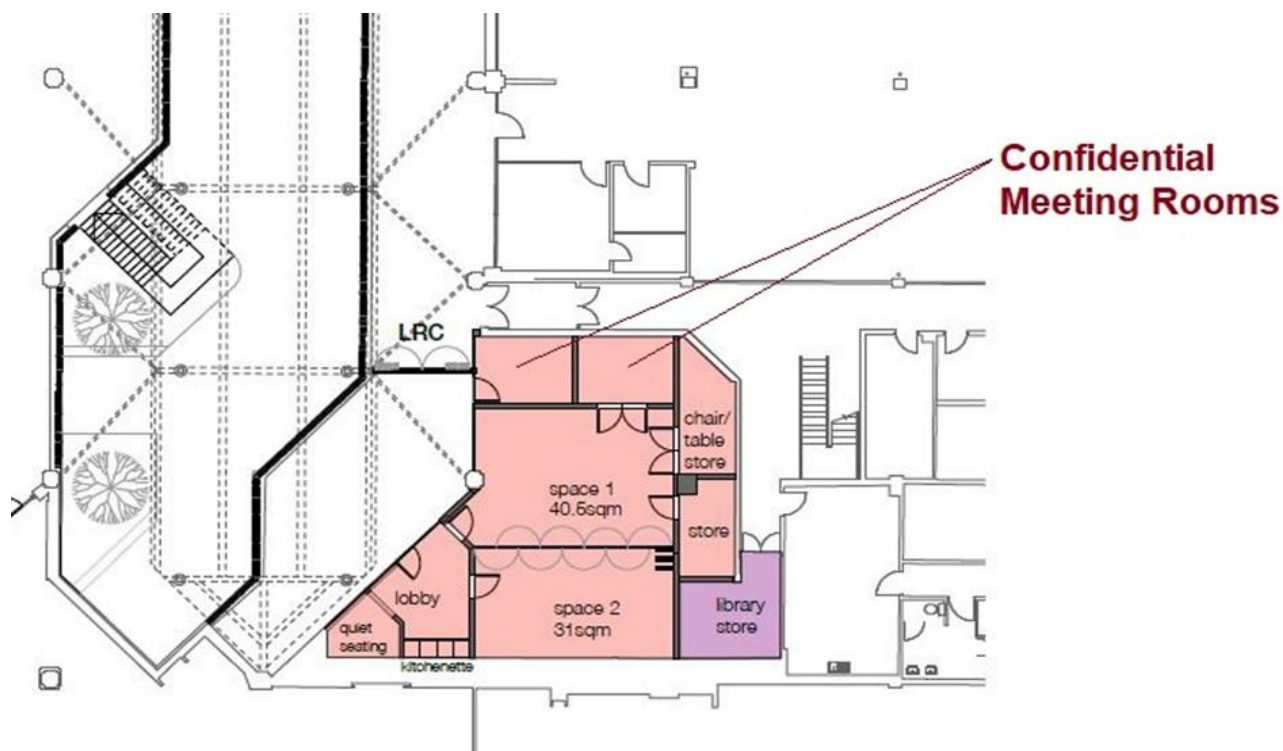
Opportunities for the library itself to generate additional income are limited and while, some items such as local history publications are sold, there is no recommendation for a retail element at the new library site.

### **Learning Resource Centre**

The Take the Current report states that for a room of 30 m<sup>2</sup> (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:

	<b>ALS</b>	<b>Hourly Rate</b>	<b>½ Day Rate</b>	<b>Full Day Rate</b>	<b>Evening Rate</b>
Space 1 (30sqm)	<b>ALS £15 Hourly rate</b> Weekday Term Time (39 weeks per/annum) 4 hours per day  <b>£11,700 p/annum</b>	<b>£15 Hourly rate</b> Assumed use 6 hours p/day 5 days p/week, 48 weeks p/annum  <b>£21,600 p/annum</b>	<b>½ day rate £60</b> Assumed use x2 half days, 5 days per week  <b>£28,800 p/annum</b>	<b>Full Day rate £110</b> Assumed use x5 full days  <b>£26,400 p/annum</b>	<b>Evening rate £45</b> Assumed used x2 evenings per week  <b>£4,320 p/annum</b>
Space 2 (40sqm)		<b>£20 Hourly rate</b> Assumed use 6 hours per day, 5 days a week, 48 weeks per year  <b>£28,800 p/annum</b>	<b>½ day rate £80</b> Assumed use x2 half days, 5 days per week  <b>£38,400 p/annum</b>	<b>Full Day rate £170</b> Assumed use x5 full days  <b>£40,800 p/annum</b>	<b>Evening rate £60</b> Assumed used x2 evenings per week  <b>£5,760 p/annum</b>
	Able to charge a higher rate if combining 2 rooms into 1, but may decrease income				
Small room 1 (estimated at 10sqm)		<b>£5 Hourly rate</b> Assumed use 6 hours per day, 5 days a week, 48 weeks per year  <b>£7,200 p/annum</b>	<b>½ day rate £20</b> Assumed use x2 half days, 5 days per week  <b>£9,600 p/annum</b>	<b>Full Day rate £40</b> Assumed use x5 full days  <b>£9,600</b>	<b>Evening rate £30</b> Assumed used x2 evenings per week  <b>£2,880 p/annum</b>



				p/annum	
Small room 2 (estimated at 10sqm)		<b>£5 Hourly rate</b> Assumed use 6 hours per day, 5 days a week, 48 weeks per year	<b>½ day rate £20</b> Assumed use x2 half days, 5 days per week	<b>Full Day rate £40</b> Assumed use x5 full days	<b>Evening rate £30</b> Assumed used x2 evenings per week
		<b>£7200 p/annum</b>	<b>£9,600 p/annum</b>	<b>£9,600 p/annum</b>	<b>£2,880 p/annum</b>

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
<b>RIBA Stage 1</b>	<b>July 2021 to February 2022</b>
Procurement of professional team (design team and project management consultants) (Mace)	December 2021 – January 2022
<b>RIBA Stage 2</b>	<b>February 2022 – March 2022</b>
Operating forecasting consultant (Take the Current)	March 2022– April 2022
<b>RIBA Stage 3</b>	<b>April 2022 – Sept 2022</b>
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
<b>RIBA Stage 4</b>	<b>September 2022 – January 2023</b>
Main contract (Mace)	July 2022 – February 2023
<b>RIBA Stage 5/6</b>	<b>February 2023 – February 2024</b>
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.

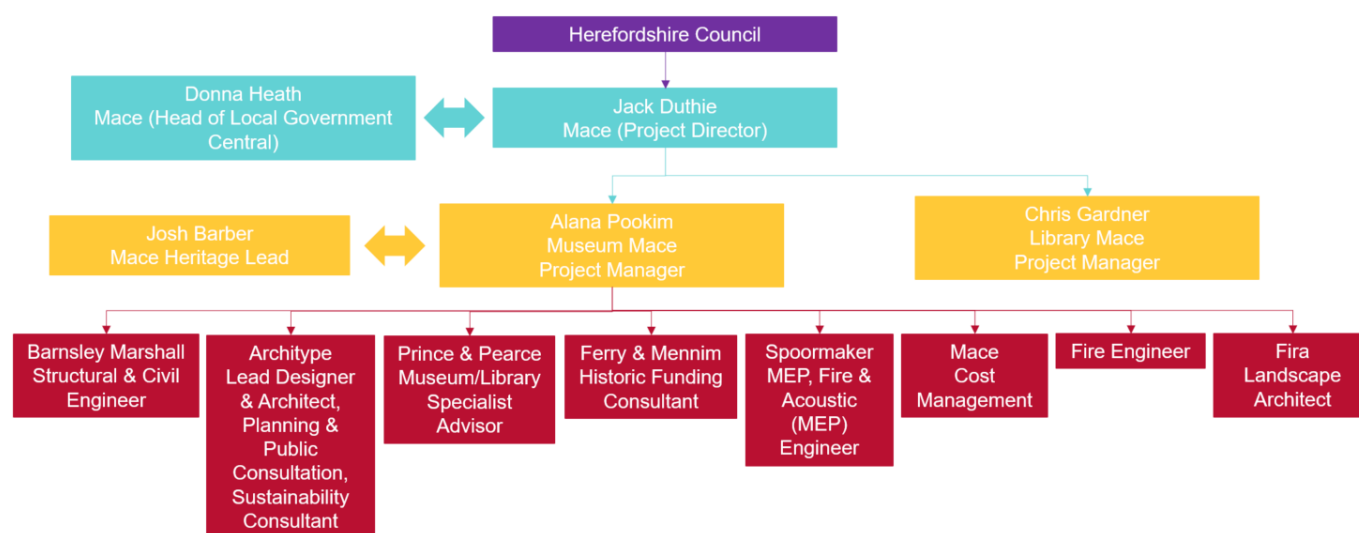
**Barnsley Marshall**, Mace's selected Structural and Civil Engineers are passionate about design and believe that great Architecture and design, supported by sound engineering, creates better buildings and environments that improve the quality of people's lives, bringing tangible social and economic 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**

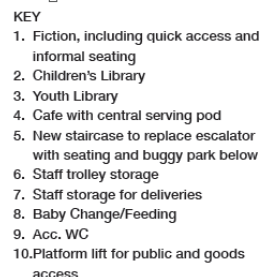
A key feature of the project/ refurbishment of the atrium building will be the development of a Learning Resource Centre including a new public library (including study space) and community café. The LRC located in a prominent city centre location will provide the whole community with a wide range of 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:

## 6.4 / Floor Plans - Ground Floor



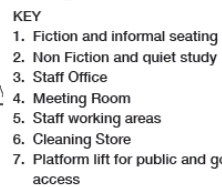
NOTE: coloured hatch denote areas within the library, not permanent divisions between space.

extent of GF library frontage

Scale 1:200



## 6.5 / Floor Plans - First Floor



9. New staircase to replace escalator with seating and buggy park below
10. Atrium space with seating and secure entry point
11. ALS - Large meeting room with folding partition
12. ALS - Secure storage
13. ALS - Entrance space with kitchenette and seating
14. Staff Room
15. Additional Staff storage

NOTE: coloured hatch denote areas within the library, not permanent divisions between space.

— extent of FF library frontage

Scale 1:200



### **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

<b>Maylord Orchard Redevelopment and Learning Resource Centre Risk Register</b>				
<b>Risk Number</b>	<b>Risk Description</b>	<b>Risk Score</b>	<b>Consequence</b>	<b>Mitigation</b>
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.

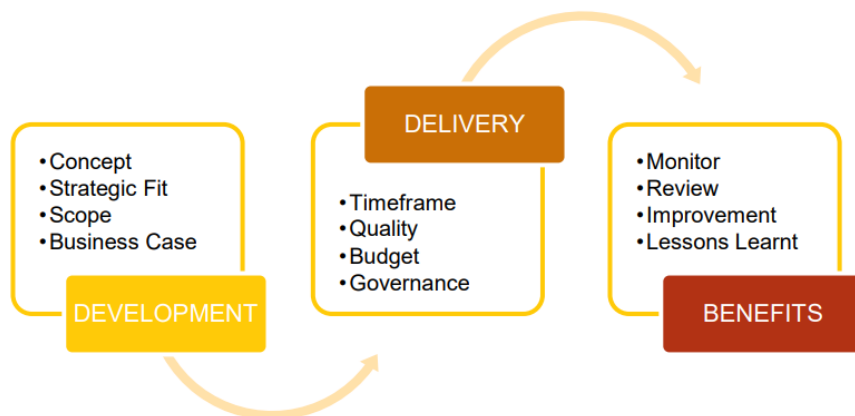
### This project depends on:

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.

