

National Lottery Heritage Fund Delivery Grant Acceptance (Hereford Museum & Art Gallery)

Decision maker: Cabinet Member

Decision Date:

Report by: Museum & Gallery Lead

Classification Open

Decision type Key

Wards affected All Wards

Purpose

To accept and spend the funding offered by the National Lottery Heritage Fund (NLHF) to complete the redevelopment of Hereford Museum and Art Gallery. To approve the commencement of the procurement of a fit-out design team required to lead the technical completion of the project.

Recommendations(s)

- 1. To accept the £5,084,465 delivery grant offered by the National Lottery Heritage Fund to support the redevelopment of Hereford Museum and Art Gallery.**
- 2. To delegate all operational decisions to the Corporate Director for Community and Wellbeing and the Corporate Director for Environment and Economy in consultation with the Cabinet Member for community services and assets and the Deputy s151 officer in accordance with the National Lottery Heritage Fund standard terms of grant.**

Alternative options

1. The council could choose to not accept the funding offered by the NLHF. However, this would mean the council would be unable to access the £5,084,465 funding which is critical to complete the redevelopment of the building.

Key considerations

1. The [Cabinet member commissioning, procurement and assets decision](#) on 2 December 2022 gave permission for the submission of the NLHF grant application subject to approval from the Corporate Director for Economy and Environment, Deputy S151 Officer and the Cabinet Member. The application was submitted on 23 February 2023.
2. In 2020 government selected Hereford to be one of 101 towns/cities from across England who were eligible to seek up to £25m of funding to support regeneration and enable economic growth. Hereford's Stronger Towns Partnership Board, Stronger Hereford, oversaw the development of a Town Investment Plan through extensive local community engagement. The council submitted three project proposals to the Board, including the redevelopment of Hereford Library and Museum into a state-of-the-art museum and art

gallery of regional significance. The Board submitted the Town Investment Plan to government at the end of January 2021, and in June 2021 they announced a £22.4m allocation to the Hereford, including £5 million for the museum redevelopment.

3. The £18 million redevelopment of Hereford Museum and Art Gallery is the flagship project for Stronger Hereford and the Town's Investment Plan. The project is intended to significantly enhance the city's cultural offer, support community engagement and attract visitors into the city, helping to make Hereford a better place for people to live, study, work and invest. The development of the city's museum offer is an essential part of this new vision. It is an opportunity to reactivate a powerful dormant asset in the city, creating a new heritage-focused attraction in a new cultural quarter, significantly contributing to the regeneration of the city centre as a whole.
4. The museum redevelopment will include up to eight new galleries and display spaces, a temporary exhibition space, the restoration of the historic Woolhope Club Room and new commercial areas including a retail space, a roof-top café and events and education space. A spectacular viewing beacon and roof terrace will be accessible from the fifth floor courtyard space providing incredible 360 degree views over the city and surrounding Herefordshire landscape.
5. Subject to this decision and in accordance with the Contract Procedure Rules, the council intends to procure specialist gallery design, interpretation and retail team to lead the delivery of RIBA stages 4-6 (technical design to handover). This team will work in collaboration with the building contractors, project management team and museum service to deliver the project.

Community impact

6. The museum and art gallery redevelopment will be of significant benefit to the local community. The gallery approach will be welcoming, playful and, most importantly, fun for everyone. The rich science, history and arts collections will be explored through different creative lens, allowing visitors to explore the stories and collections in imaginative ways and from multiple perspectives.
7. The Activity Plan prepared for the NLHF grant champions the use of our collections and cultural activities to connect with people who might not ever have thought of engaging with heritage, or who are physically isolated across Herefordshire. It focuses on wellbeing through creativity, heritage activity and connecting with nature. We are not just going to build it and hope that they come, but actively go out into the community to strengthen relationships, and take the history and heritage out to them through mobile activities and outreach projects. The museum will work with Herefordshire Mind to inspire people to talk more using object conversations, and even provide subsidised transport to enable those who would struggle to get to the museum the chance to experience what it has to offer.

Environmental impact

8. A key aim of the project is to achieve the highest possible environmental and energy efficiency standards possible. Hereford Museum and Art Gallery will be the first museum EnerPHit project in the UK and the most ambitious heritage retrofit EnerPHit project of this scale. The building design will be a flagship architectural project for environmental design, an exemplar for peer review.

9. The redevelopment centres environmental approaches, drawing on the latest sustainable technologies and design, and looking at innovative ways to discuss our impact on the world around us today. Live science from the Woolhope Club will feed into gallery displays, visitors can interrogate the inner workings of the building, and take part in environmental events and activities. The pinnacle will be the roof garden and bee hive installation on the top of the building tended by community volunteers.

Equality duty

10. 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.
11. The redevelopment is based on the principles of inclusive design and has put people at the heart of the design process. The access is not only physical but also cultural, intellectual and sensory. The building and activities that take place in it are being designed so that everyone can enjoy them confidently and independently with choice and dignity – regardless of disability, age, gender, sexual orientation, race or faith.

Resource implications

12. This decision seeks approval to accept the delivery funding offered by the NLHF to complete the delivery of the Hereford Museum and Art Gallery redevelopment project.
13. Herefordshire Council approved match funding of £910,817 to support this grant as part of the Stronger Town Projects Full Business Case Submission [cabinet decision](#), 29 June 2022.

Legal implications

14. The terms of this grant are made under the NLFH's [Standard Terms for Delivery Grants - £250,000 to £10million](#).
15. As Local-authority grantee Herefordshire Council has 28 days from the date of the Grant Notification Letter (19 July 2023) to send the NLHF a certified copy of the Cabinet Member decision authorising the acceptance the Terms of Grant, together with a statement containing the information set out below. The statement must include the following information:
 - a) the power used to accept the Terms of Grant;

Paragraph 65 of Herefordshire Council's Finance Procedure Rules gives authority to the Chief Financial Officer to accept grant offers and sign the appropriate documents to do so.

[Cabinet member commissioning, procurement and assets decision](#), 2 December 2022, gave permission for the submission of the NLHF grant application.

[Cabinet decision](#), 29 June 2022, gave approval for allocation of match funding for the NLFH grant application.

[Council](#), 24 February 2022, approved the addition of the redevelopment to the council's capital programme.

[Cabinet decision](#), 24 February 2022, gave approval expenditure to develop plans for the redevelopment.

[Cabinet member commissioning, procurement and assets decision](#), 22 December 2021, gave approval to develop plans for the redevelopment and add it to the capital programme subject to Full Council approval.

- b) an extract of that part of your policy framework under the terms of grant have been accepted;

[Finance Procedure Rules](#)

Paragraph 65 (page 191)

Grants and External Funding

The acceptance and spend of grants may be recorded as record of officer decisions as long as they are part of an approved strategy of the council and there is a delegation in place in either a scheme of delegation or a bespoke delegation from Cabinet or Cabinet Member.

The relevant strategy and delegation will need to be stated in the record of officer decision. If neither of these are in place, then an executive decision will need to be taken before the grant can be accepted. Any grants awarded above £500k are treated as key decisions

Authorisation to submit a bid for grant or other external funding, or accept an offer of such funding, must be obtained in advance of bid documents or acceptance documents being signed.

[Medium term financial strategy 2023/24 to 2026/27](#)

Pages 10-11

Capital Investment

There are a number of projects that will continue or commence delivery in the next financial year for waste management changes, development of the Hereford Town Investment Plans projects such as a new Museum, development of the Maylords site, which were part of a £25m funding bid approved. The third council project was for greening the city and since approval by the Towns Board is also progressing towards delivery. The council is the accountable body for the £22.4m funding but a number of projects will be run by other organisations. The museum project is also subject to securing £5m Heritage Lottery Funds Grants to secure the full £18m required to deliver the project, with £5m from Stronger Towns and £8m contribution from the council.

- c) the executive arrangements under the decision to accept the Terms of Grant has been made;

Individual Cabinet Members with responsibility are authorised to take executive decisions, as specifically delegated by Cabinet. These decisions must be made in line with the overall policies, priorities and budget set by full Council. Their decision making powers are set out in Herefordshire Council's [Constitution](#).

3.3.14 A key decision is a decision taken at a cabinet meeting, by an individual cabinet member, or a joint committee of the executive; and is:

- (i) Any decision in relation to an executive function which results in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.
- (ii) Any other executive decision which in the opinion of the monitoring officer is likely to be significant having regard to the strategic nature of the decision and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards in Herefordshire) affected.

An urgent key decision is one that cannot wait for the usual decision making process. Accepting the NLHF delivery grant is an urgent key decision it is subject to the General Exception procedure as it would be impracticable to defer the decision due to NLFH requirements.

- d) the considerations have been taken into account in using the powers and the procedure under which any consultation took place and the decision was made;

Consideration has been given to the 28 day notification limit set by the NLFH and the impact this has on the council's standard decision making processes. Consideration has also been given the Council's Constitution and Financial Procedure Rules in accepting the grant within granted permissions and limits of officer and Cabinet Member's authority.

Consultation has taken place through discussion at the Programme Board with the Senior Responsible Officer and Cabinet Member briefing. The notice of the decision has been issued to the chairman of the council and relevant scrutiny committee.

- e) the authority under which the Declaration forming part of the Application has been signed.

The delegation for accepting the grant is given by accepting the recommendations in this report.

16. The restrictive covenant requiring the Broad Street building to be used as a library must be removed before draw down of the grant can take place. NLHF require legal proof, such as a copy of the updated Land Registry Title Register for the Property, to show the restrictive covenant on the title to the Property. Removal of the covenant on title is dependent upon consent of the beneficiary of the covenant or a successful application to the Lands Tribunal.

17. A Restriction on title application must be made to the Land Registry within 28 days of the date of Permission to Start being granted by the NLHF. Updated office copies must be forwarded onto the NLHF once the restriction has been registered at the Land Registry as soon as possible.
18. The grant may be withdrawn if work start on the delivery phase without completing the permission to start process with NLFH and if work does no start on the project within six months of the date on the Grant Notification Letter (19 July 2023).

Risk management

19. The following are the identified key risks which will be managed by the Project Board:

Risk / opportunity	Mitigation
The RIBA 4 design and fit out works are commissioned and capital funds spent but the project does not proceed resulting in de-capitalisation and unable to draw down grant.	Grant can only receive Permission to Start once construction has commenced. Grant draw down cannot be committed until 'notice to start' is provided.
Failure to engage interpretation designers with the required technical skills to complete the project.	The council has raised awareness of the upcoming tender opportunities through pre-market engagement activities.
Meeting the additional grant conditions (paragraphs 14-17 above)	Project team are working with legal and estates to ensure that grant conditions can be met. Engagement with Lottery representative to keep them updated and informed of progress.

Consultees

20. The Hereford Museum and Art Gallery Redevelopment Project Board have been engaged throughout the project. It includes representation from across the council, including Project Management Office, Property Services, Finance, Legal, and Procurement. The NLFH development plans have been developed through extensive consultation with stakeholders and the public.

Appendices

Appendix 1 Activity Plan Executive Summary
Appendix 2 Equalities Impact Assessment

Background Papers

None identified

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

NLHF **National Lottery Heritage Fund**
EnerPHit **Quality-Approved Energy Retrofit with Passive House Components Certificate – the established Standard for refurbishing buildings using Passivhaus retrofit principles and components.**
RIBA 4 **Royal Institute of British Architects Stage 4 – Technical Design**