

Minutes of the meeting of the Connected Communities Scrutiny Committee held in Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Wednesday 19 July 2023 at 10.00 am

Committee members present in person and voting: Councillors: Bruce Baker, Ellie Chowns (Chairperson), Frank Cornthwaite, David Hitchiner, Ed O'Driscoll (Vice-Chairperson), Ben Proctor and Allan Williams

Others in attendance: R Allonby (Service Director Economy and Growth), B Baugh (Democratic Services Officer), Councillor G Biggs (Cabinet Member Economy and Growth), Councillor H Bramer (Cabinet Member Community Services and Assets), R Cook (Corporate Director - Economy and Environment), Councillor C Gennard (Central Ward), R Hart (Head of Strategic Finance), D Jones (Programme Manager), S Jowett (Strategic Assets Delivery Director), Councillor J Lester (Leader of the Council), A Pitt (Director of Strategy and Performance), Councillor P Price (Cabinet Member Transport and Infrastructure), A Rees-Glinos (Democratic Services Support Officer), Councillor P Stoddart (Cabinet Member Finance and Corporate Services), D Webb (Statutory Scrutiny Officer) and S White (Programme Manager)

1. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillor Rob Williams.

2. NAMED SUBSTITUTES

Councillor Allan Williams was present as the substitute for Councillor Rob Williams.

3. DECLARATIONS OF INTEREST

No declarations of interest were made.

4. MINUTES

The minutes of the previous meeting were received. The Chairperson advised that a few minor textual matters of accuracy had been identified and would be addressed following the meeting.

Resolved:

That, subject to minor textual adjustments, the minutes of the meeting held on 13 February 2023 be confirmed as a correct record and be signed by the Chairperson.

5. QUESTIONS FROM MEMBERS OF THE PUBLIC (Pages 9 - 10)

A document containing questions received from members of the public and the responses given, plus a supplementary question and the response, is attached at Appendix 1 to the minutes.

6. QUESTIONS FROM MEMBERS OF THE COUNCIL

No questions had been received from councillors.

7. PRE-DECISION SCRUTINY OF THE FORTHCOMING CABINET DECISION ON REVIEW OF NEW HEREFORD LIBRARY AND LEARNING RESOURCE CENTRE LOCATION

The Chairperson advised that the purpose of this item was to undertake pre-decision scrutiny ahead of the Cabinet meeting on 20 July 2023 and drew attention to the council's 'Principles of decision making'.

The Cabinet Member Community Services and Assets opening comments included: officers were commended for the team effort on this matter; there was an opportunity to bring the Shirehall back into use; and there was the potential for the library and learning centre and for the museum and art gallery to become world-class facilities.

The key topics and lines of questioning are summarised below.

Consultation

1. The consultation undertaken with the Herefordshire Cultural Partnership was discussed. The Vice-Chairperson expressed a concern about the potential impact of the creation of a performance space at the Shirehall on the business models of existing commercial operators. The Director of Strategy and Performance outlined the information provided to the Herefordshire Cultural Partnership and advised that stakeholders would be engaged further as part of the development of the full business case.
2. On the perceived benefits of the Shirehall location, the Cabinet Member Community Services and Assets commented that the Shirehall was an iconic building and could provide around twice the space. The Chairperson highlighted an inconsistency between the space figures referenced and those provided in the published report (674.3 square metres for Maylord Orchards and 861.98 square metres for the Shirehall). The Service Director Economy and Growth explained that the disparity related to the atrium space at Maylord Orchards.
3. In terms of the learning from the consultation with stakeholders, the Cabinet Member Community Services and Assets advised that the chairperson of the library user group had expressed a preference for the Shirehall location. The Director of Strategy and Performance said that positive comments had been made by other stakeholders about the re-use of the historic building.
4. The Chairperson considered it surprising that no background papers had been identified in the covering report given the apparent reliance on other information in the preparation of the papers.

Maylord Orchards

5. Questioned on the intended plan for Maylord Orchards, the Cabinet Member Community Services and Assets commented on the ongoing use of a unit by the Department for Work and Pensions and on the demand for retail and commercial space. The Chairperson questioned the statement that 'Our appointed agents inform us however, that we are performing very well against the national picture' (paragraph 11, agenda page 32) given the number of units that were currently vacant. The Cabinet Member Community Services and Assets commented on expressions of interest received in recent months. The Cabinet Member Economy and Growth accepted that the council needed to do better in terms of managing the commercial space. The Service Director Economy and Growth commented that

the retail sector had been more resilient than projections had indicated, and the strategic review had identified that the bringing the Shirehall back into use would generate an increase in footfall.

6. In response to a question, the Cabinet Member Finance and Corporate Services confirmed that capital budget had been allocated to improvement works to Maylord Orchards.
7. Comments were made about the potential for the Stronger Towns projects to regenerate the city centre and to attract visitors.

Costs

8. With attention drawn to paragraphs 36 and 37 of the covering report (agenda page 35), the Chairperson noted the costs already incurred of £684k, plus at least £86k and potentially up to a further £608k for demobilisation costs. In response to questions, the Cabinet Member Finance and Corporate Services commented: that survey work undertaken would inform the improvement works to Maylord Orchards; on potential funding allocations through the capital programme; and that the review provided a longer-term vision.
9. Referring to the paper 'Shirehall Design Strategic Review July 23' circulated in a supplement the evening before this meeting, the Chairperson challenged a comment that the Shirehall project was fully costed, particularly given the lack of a breakdown. The Cabinet Member Finance and Corporate Services said that the costs would be refined and firmed up as part of the full business case. The Cabinet Member advised that the same technical consultants had provided the estimated costs for the refurbishment of the Shirehall to Cabinet in November 2022 (£7.5m) and the estimated costs of a reduced scope project (£3.641m).
10. The Chairperson commented that the bare minimum costs to bring the building back into operation, as provided to Cabinet in November 2022, were significantly higher than the new estimated costs, and that the new and much lower estimate was very surprising given the sharp increase in construction costs in the intervening period. The Service Director Economy and Growth advised that the reduced scope project focussed on the works necessary to open the building for use as the library and learning centre, and omitted non-essential elements and works to the courts. Comments by the Strategic Assets Delivery Director included: the different briefs of the previous administration and of the current administration; the desktop exercise that had been undertaken, including adjustments to inflation; and the next steps in the development of the full business case.
11. The Chairperson drew attention to the sentence 'The figures included below are for information only and are not intended to inform the decision to select a new location for the Library and Learning Centre to be considered by Cabinet on 20 July 2023' (supplement page 5) and questioned what financial information would be used to inform the decision. The Leader of the Council welcomed the exploration of these matters through the Political Group Consultation and at this committee, noted that estimates had been provided but a full business case was needed, and commented on the importance of achieving the best outcomes for council assets.
12. The Chairperson noted that the 'Criteria for review' included 'Value for Money' and 'Financial Viability' (agenda page 66) but the paper 'Strategic Review of Hereford Library and Learning Centre Location – July 2023' (from agenda page 41) did not include these headings and it was considered that the review only addressed two of the eight bullet points set out under the 'Financial Viability' criteria, e.g. it did not

address 'Capital requirements to bring the site into use as a city library and learning centre' or 'Ongoing revenue requirements for operating the site as a city library and learning centre'. Therefore, it was questioned how the review could be considered to provide adequate information to enable Cabinet to take a decision. The Leader commented that there would be capital requirements to bring the Shirehall back into use and the full business case would inform final decisions.

13. A committee member highlighted that the paper 'Shirehall Design Strategic Review July 23' identified that 'the consultants were asked to estimate high level expected costs' but there was no reference to the likely additional costs of conversion into a library and learning centre, or for the other potential uses identified in the review. The Cabinet Member Finance and Corporate Services said that conversion into a library and learning centre would come from the Stronger Towns funding of £3m and the Leader of the Council said that the design work would determine how much the refit would cost.

14. In response to a question, the Cabinet Member Finance and Corporate Services said that match funding for the Stronger Towns funding would come from the value of the Shirehall, together with funding for capital works. It was reported that the current value of the Shirehall was £7.551m*.

[*Note: On 20 July 2023, the Cabinet Member Finance and Corporate Services advised that this information was incorrect, the valuation provided was for Maylord Orchards and not for the Shirehall. The current valuation of the Shirehall was reported as £0.519m].

15. The Service Director Economy and Growth advised that the Stronger Towns Board had indicated a willingness to make the full amount of grant available to this project, subject to delivering identified outputs.

16. The Vice-Chairperson considered that there was an imbalance in the detail provided and suggested that it would be pragmatic to wait until the information was evenly balanced for both sites before any decision was taken to cancel the Maylord Orchards project. The Leader of the Council commented on the reasons for the pause on the decision to relocate to the Maylord Orchards site and the potential benefits of locating the library and learning centre within the Shirehall and re-iterated the importance of the full business case.

17. Questioned further by a committee member about putting the decision about Maylord Orchards on hold pending the full business case for the Shirehall option, the Leader of the Council noted that this point had also been raised during the Political Group Consultation and Cabinet would reflect on this at its meeting on 20 July 2023.

18. A committee member commented that the potential additional costs of an extended pause should be evaluated.

19. In response to a question from a committee member, the Cabinet Member Community Services and Assets considered that the library could be located at the Shirehall in perpetuity. The Leader of the Council commented that Maylord Orchards was a commercial centre and there was a need to use it for the best retail or commercial purposes.

20. Noting the comment by the Cabinet Member Finance and Corporate Services that there was only a Letter of Intent with the contractor, the Vice-Chairperson questioned whether this lessened the urgency to cancel the Maylord Orchards option. The Cabinet Member commented on the need to maintain good

commercial relationships and the Service Director Economy and Growth provided an overview of the current position.

21. The Chairperson summarised the findings to this point, including: the significant uncertainty regarding the costs of proceeding with the proposed Shirehall project; the need for the costs to be worked out for the full business case to enable comparisons of the options to be made on a like for like basis; and noted that the pause on the decision to relocate to the Maylord Orchards site had incurred additional costs but the benefits of retaining this as an option could be significant if the costs of relocating to the Shirehall were found to be prohibitive.

[Note: There was a short adjournment before the next topic]

Risks

22. A committee member commented that some of the risks / opportunities identified in the 'Risk Management' section of the Cabinet report (agenda page 37), such as 'We are confident that the library refurbishment will be delivered within the financial envelope' and 'Any installation of library and learning centre to the Shirehall will be subject to refurbishment and renovation of the wider Shirehall building', were not statements of risk, and sought clarification on the most significant risks. The Cabinet Member Community Services and Assets emphasised that the administration was committed to the provision of a library. The Leader of the Council said that the biggest overall risk was choosing the wrong place to locate the library and learning centre, and the most significant risk to the Shirehall project related to funding, particularly securing the transfer of Stronger Towns grant funding. The Chairperson expressed a concern that there was insufficient information upon which to base a decision on location at this stage.
23. In response to a question from a committee member, the Director of Strategy and Performance outlined the temporary arrangements for the provision of library services following the recent closure of the existing library at Broad Street to enable its redevelopment into a modern museum and art gallery. In response to a question later in the meeting, the Director said that consideration could be given to extended opening hours, but residents could access library resources online and could apply for the home delivery service. On behalf of the committee, the Chairperson commended all those involved in the museum and art gallery project.
24. The committee briefly discussed the importance of objectivity and the need for decisions to be supported by clear evidence.
25. The Service Director Economy and Growth clarified that the risk, 'We are confident that the library refurbishment will be delivered within the financial envelope', was about whether the library and learning centre element could be delivered within the scope of the Stronger Towns grant, and it was believed that it could be.
26. In response to questions from the Chairperson: the Cabinet Member Economy and Growth said the Stronger Towns Board had given an indication that it would support the submission of a project adjustment report to the Department for Levelling Up, Housing and Communities for the transfer of funds, as long as the outputs were met; the Cabinet Member Finance and Corporate Services said that the review had identified that the outputs would be achieved or enhanced; the Cabinet Member Finance and Corporate Services said that there was confidence about the transfer of funds but, if this was not achieved, then any shortfall would need be part of the full business case; and the Cabinet Member Economy and Growth advised that Stronger Towns funding was to be spent by Spring 2025.

Timelines and deliverability

27. The Chairperson drew attention to paragraph 15 of the Cabinet report (agenda page 32) which identified '... completion of the project estimated as autumn 2025' and paragraph 20 of the Strategic Review (agenda page 47) which identified 'Shirehall completion would be currently estimated July 2025...'. The Service Director Economy and Growth said that the projected timelines were based on the desktop exercise and would be subject to review as part of the full business case, with project completion anticipated in July 2025. The committee was advised that the Stronger Towns funding could be spent first, with council funding used to finish the project. In response to further questions, the Service Director commented that officers would need to work with technical experts on the phasing of the works required to open the building as part of the full business case. The committee was advised that the Stronger Towns funding could contribute towards the total set of costs.
28. The Chairperson questioned whether the indicative task timelines provided in the Gantt chart 'Shirehall High Level Feasibility' (agenda page 74) were realistic, particularly in comparison to those provided for the 'Maylord Programme' (agenda page 75). The Cabinet Member Community Services and Assets said that the timelines had been informed by the advice of technical consultants. The Chairperson commented that, in view of experiences with other projects, there was the potential for project overrun which could pose significant financial risks for the council. The Cabinet Member Finance and Corporate Services acknowledged that the timelines were challenging and would require commitment, but the piece of work was not a 'ground-up' design, it would involve taking existing work and refining it. The Chairperson noted that new design work would be required for the fitting out of the library and learning centre. The Cabinet Member Finance and Corporate Services commented on the potential to use a greater proportion of the Stronger Towns funding on the fit out at the Shirehall than would be the case at Maylord Orchards. The Chairperson highlighted that this information had not been provided as part of the papers for this meeting and there was a need to address this in the full business case.
29. With attention drawn to the paragraph 'Wider works would be required to the Shirehall before the library could be installed, to address the structural defects within the building. Work carried out in preparation of this review demonstrates that these wider works would not be a barrier to the installation of the library...' (agenda page 48), the Chairperson considered these statements to be mutually incompatible. In response, the Cabinet Member Community Services and Assets said that not all the works to the building needed to be completed before the library element could be commenced. The Chairperson commented on the need for clarity about the works in order to inform a more detailed Gantt chart. The Cabinet Member Finance and Corporate Services re-iterated that advice had been received from technical consultants and these matters would be explored further in the full business case.
30. The Chairperson noted that a range of assurances had been provided around funding and timelines, but concerns remained about the significant financial risks, and did not consider that these matters were adequately explored in the report to the Cabinet.
31. In response to a question from a committee member about the library design, the Director of Strategy and Performance outlined the engagement undertaken with stakeholders as part of the Maylord Orchards project and the Service Director Economy and Growth commented on the involvement of specialists which would inform the development of the full business case for the Shirehall.

Suitability of the Shirehall

32. The Chairperson noted the intention to provide a 'modern, accessible learning centre' at the Shirehall (paragraph 13, agenda page 32) but said that there were crucial accessibility issues. A concern was expressed that the Equality Impact Assessment (EIA) Form to assess the 'suitability of the Undercroft and Assembly Hall at Shire Hall being the location for a new Hereford Library' had only been circulated shortly before the start of the meeting.
33. Given the identified 'gravitas of the historic building' and other similar comments that had been made by cabinet members during the meeting, the Chairperson questioned whether the Shirehall would be the ideal location for a public service that needed to reach out to all sections of the population. Responses from the executive members included: the Cabinet Member Community Services and Assets said that professional design and fitting out could make the Shirehall into a welcoming space; the Leader of the Council commented that the building was a significant historic and cultural asset which should be showcased and celebrated; and the Cabinet Member Finance and Corporate Services felt that the use of the building as a library and learning centre could be inspirational.
34. A committee member commented that the EIA Form provided was relevant to a future decision in relation to the Shirehall but the recommendation being made to Cabinet that 'The decision to relocate the Library and Learning Centre to the Maylord Orchards site is cancelled' (agenda page 30) was not supported by an EIA Form currently.
35. The Leader of the Council confirmed that a decision by Full Council would be required if there were any resulting changes to the approved capital programme.
36. The Cabinet Member Community Services and Assets considered that it would be possible to heat the Shirehall adequately through the replacement of the heating system.
37. In response to a question about decarbonisation, the Leader of the Council said that all buildings had to meet a range of objectives and standards in the longer term. The Chairperson noted the council's existing commitment to become net zero carbon by 2030 and said that the authority should take the opportunity to bring buildings into as good a state of energy efficiency as possible, particularly during refurbishment works. A committee member added that this could have positive implications for future running costs.
38. There was a brief discussion about potential measures to improve the acoustics in the Assembly Hall.
39. The Chairperson commented on inconsistencies in the report in terms of the requirements for planning permission and listed building consent. The Leader of the Council explained that any alterations to the historic or architectural significance of the building would require consent, but officers had advised that a change of use would not be required for the use of the Shirehall as a library and learning centre. The Service Director Economy and Growth added that the Gantt chart 'Shirehall High Level Feasibility' made provision for obtaining necessary consents.

At the conclusion of the debate, the committee discussed findings and agreed outline recommendations to the executive. In consultation with the Chairperson, the wording of

the recommendations was refined following the meeting and submitted for consideration by Cabinet at its meeting on 20 July 2023.

Resolved: That it be recommended to the executive that:

- a) **Recommendations a) and b) in the Cabinet report be removed and the Maylords project paused rather than cancelled, pending the provision of a full business case for the Shirehall option, to ensure that the full capital and revenue cost implications are worked out, and to enable proper comparison of the two options, thus ensuring that adequate information is available to inform a decision that carries significant financial risks.**
- b) **Detailed consideration is given in the full business case for the proposed Shirehall development in relation to:**
 - **Decarbonisation of the Shirehall, in line with the council’s existing commitment to become net zero carbon by 2030;**
 - **Clarifying the potential for expanding and enhancing the services provided, including providing indicative costings and indicating potential funding sources; and**
 - **Identifying and addressing potential impacts of any expanded and enhanced facilities and services, such as performance space, on commercial operators offering similar services to those envisaged at the Shirehall.**
- c) **The full business case addresses all of the ‘Criteria for Review’ points identified in the ‘Scope of Review of New Hereford Library and Learning Resource Centre Location’, with particular attention to ensuring that the criteria on Value for Money and Financial Viability are given adequate attention, given the concerning lack of information on these aspects in the report before Cabinet on 20 July 2023.**
- d) **Scrutiny is supported to ensure that the full evidence base underpinning future reports, especially financial information, is published in sufficient time; and that requests for information from scrutiny committee members are responded to in good time.**
- e) **An adequate Equality Impact Assessment (EIA) is produced in respect of the potential decision to terminate the Maylord Orchards capital project.**

8. DATES OF FUTURE MEETINGS

Committee meeting dates for the remainder of the municipal year were noted, as follows:

~~Wednesday 13 September 2023 10.00 am*~~

[*Note: The September 2023 meeting was rescheduled to [Monday 23 October 2023 2.00 pm](#)]

[Wednesday 8 November 2023 10.00 am](#)

[Wednesday 10 January 2024 10.00 am](#)

[Wednesday 6 March 2024 10.00 am](#)

[Wednesday 8 May 2024 10.00 am](#)

The meeting ended at 1.10 pm

Chairperson