

Minutes of the meeting of Cabinet held at Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Thursday 26 October 2023 at 2.30 pm

Cabinet Members Physically Present and voting: Councillor Jonathan Lester, Leader of the Council (Chairperson)
Councillors Graham Biggs, Harry Bramer, Barry Durkin, Carol Gandy, Philip Price and Pete Stoddart

Cabinet Members in remote attendance

Cabinet members attending the meeting remotely, e.g. through video conferencing facilities, may not vote on any decisions taken.

Cabinet support members in attendance: Councillors Dan Hurcomb

Group leaders / representatives in attendance: Councillors Liz Harvey, Ellie Chowns, Terry James and Bob Matthews

Scrutiny chairpersons in attendance: Councillors Pauline Crockett

Other councillors in attendance:

Officers in attendance: Chief Executive, Monitoring Officer, Director of Resources and Assurance, Corporate Director - Children & Young People, Corporate Director - Economy and Environment, Corporate Director Community Wellbeing, Service Director Economy and Growth, Service Director Environment and Highways and Public Realm Contract Manager.

38. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Elissa Swinglehurst, Councillor Ivan Powell, Councillor Nick Mason, Councillor Toni Fagan and Councillor Stark

39. DECLARATIONS OF INTEREST

None.

40. MINUTES

Resolved: That the minutes of the meeting held on 28 September 2023 be approved as a correct record and signed by the Chairperson.

41. QUESTIONS FROM MEMBERS OF THE PUBLIC (Pages 7 - 10)

Questions received and responses given are attached as appendix 1 to the minutes.

42. QUESTIONS FROM COUNCILLORS (Pages 11 - 12)

Questions received and responses given are attached as appendix 2 to the minutes.

43. REPORTS FROM SCRUTINY COMMITTEES

Feedback from the Connected Communities Scrutiny Committee (CCSC) that took place on 23 October on the Review and Comparison of the Full Business Case for both the Shirehall

and Maylord Orchards as locations for the future Hereford City Library. The Leader thanked the CCSC for their work in forming the recommendations and confirmed that all Cabinet members have read the recommendations provided, it was advised that the responses will form part of the debate on item 7.

The principle points were presented by the chairperson of the CCSC:

There were 12 recommendations and it was requested for Cabinet to respond to all of these before making its decision. It was noted that questions were raised about the strategic, economic, financial, commercial and management aspects of the business case and requested that the recommendations be considered before Cabinet can make an informed decision.

The full table of recommendations and the responses given in Cabinet are listed as an appendix.

There were no other reports from scrutiny committees for consideration at this meeting.

44. REVIEW AND COMPARISON OF FULL BUSINESS CASES FOR BOTH THE SHIREHALL AND MAYLORD ORCHARDS AS LOCATIONS FOR THE FUTURE HEREFORD CITY LIBRARY (Pages 13 - 16)

The Cabinet member for Community Services and Assets introduced the report and highlighted that Hereford library needs a new home as the museum is being redeveloped to make it a World class museum in heritage. A review took place in June 2023 to find potential locations for the library and learning centre and identified two preferred sites, Maylord Orchards and the Shirehall. In July 2023 Cabinet agreed a full business case to be considered against the existing plans for Maylord Orchards.

In October 2023 capital funding was sought subject to Council approval and Stronger Towns Board subject to agreement. It was noted that revenue uplift would be required to meet the increased staffing to manage a larger library.

It was noted that locating to the Shirehall would bring a valuable heritage asset back into continued community use. It would provide a bigger floor, library and learning centre space than Maylord Orchards and bring together the library, adult learning, health and wellbeing and community services. It would also provide residents with access to sensory learning, digital skills and business development advice.

Cabinet Members discussed the report and it was noted that:

The cost of renovating the Shirehall is a consideration but does not form part of the business case, which is focused on the best location of the library.

The two buildings, Shirehall and Maylord Orchards, cannot be compared as they were built in different times (1817 and 1987). Queried if the decision was taken not to place the library in the Shirehall, what would become of the building. It was discussed that a key consideration is 'where is the best place to put the library'. Noted that the Shirehall is an iconic building. It is a civic building and by putting the library in the civic centre of Hereford, would provide lots of learning resource space and provides that building a long term purpose. If it was decided that the Shirehall was not the best location for the library then the Council would continue to act as custodian for the building.

Noted that if the library was located in Maylord Orchards it may not be a long term option due to changing situations in terms of future retail and commerce opportunities. Whereas the Shirehall is a civic building, which will always be used for a civic purpose and that correlates with the library having a permanent home.

Noted that the Shirehall is an iconic building, and we now have the opportunity to use it to provide a valuable service to the public. Commented that the BCR was positive and obtained through the correct processes.

Noted the cost of moving the library service from Broad Street to either Maylord Orchards or Shirehall will require an increase in revenue budget, as the footprint of the library in both locations will be greater and the provision of the Learning Centre is a new provision. The revenue cost for Maylord Orchards is estimated at £515,973, and for the Shirehall, £390,077. Both FBCs indicate that additional staffing will be required and it was confirmed that this will form part of the annual budget planning for the service. It was confirmed that the difference in the costs to the service between the two locations, beyond staffing, mainly relate to rent/rates, service charge, utilities cleaning and telephones associated with Maylord Orchards as a commercial centre. Noted that if commercial tenants occupy the allocated space in Maylord Orchards then they will cover the service charges together with paying non-domestic rates with the council expecting to receive rental income in the excess of £55k per annum.

Group leaders gave the views of their groups. Whilst there was initial support for Maylord Orchards, it was the only option offered at the time and now there was some support for the Shirehall. Noted that the Shirehall has financial, commercial benefits and would bring a valuable heritage asset back into community use. There were concerns expressed that the Shirehall had been neglected for 4/5 years and what would become of the building. It was raised that not all CCSC recommendations were responded to. Concerns were expressed regarding the funding, and further information was still required for the figures and costs. A request was made to confirm the scale and the source of the funding to renovate the Shirehall up to 2029 and the impact this would have on other directorates, such as Children Services. Noted that the estimated costs in making the Shirehall suitable for the library were high and the five phases will not be completed until 2029. Concern expressed that relying on the Benefit Cost Ratio was a false analogy to support the Shirehall and the focus should be on which location offers better value for money. It was raised that the Shirehall was an emotive rather than a business decision. Discussed that Maylord Orchard's remained the better option and how the Shirehall will be managed, if it were not chosen, should be discussed afterwards.

In response to the points and queries raised Cabinet members confirmed that recommendation (d) in the report would be deleted. The views of Group Leaders had been heard as well as the recommendations from Scrutiny committee. Confirmed that Cabinet members would make their decision whilst being fully aware of the demands of other services of the Council.

It was unanimously resolved that:

- a) Cabinet approves the Shirehall as the location for Hereford Library and Learning Centre (HLLC);**
- b) The full business case (FBC) be submitted to the Stronger Towns Board with a request to transfer the funding associated with the Maylord Orchards project to Shirehall;**
- c) Subject to recommendations (a) and (b), the Stronger Town grant be accepted with permission to spend the full budget allocation of up to £3.005m with all operational decisions to progress the project to conclusion delegated to the Corporate Director Community Wellbeing in consultation with the Cabinet Member for Community Services and Assets and the Deputy s151 Officer.**

45. LEGAL STATUS OF AND FINANCIAL ARRANGEMENTS WITH BBLP

Cabinet members considered a report to provide information in respect of the Council's contractual arrangements with Balfour Beatty Living Places and update Cabinet on progress made following recommendations made by its external auditor in the Auditor's annual report for the year ending 31 March 2022.

The Cabinet member for Roads and Regulatory Services introduced the report, the principal points were raised.

The external auditors recommended that the Council establish the validity and contractual trading of BBLP. External legal advice confirmed that the Council were not exposed and the contract was not invalidated by BBLP arrangements.

BBLP company secretary has confirmed that BBLP has an active company status and makes returns as a dormant company under the Companies Act. Further legal advice confirmed that the dormant company status was not unusual.

Confirmed that the parent company guarantee is in place within the public realm contract, the risks are recorded and monitored through the department risk register and reviewed monthly.

The Council have undertaken a fundamental review of the arrangements and confirmed these are legally compliant.

There were no points raised by Cabinet members regarding the report.

Group leaders gave the views of their groups. Noted this is a legal point and concerns over the BBLP contract will be covered in the next item. It was noted as frustrating that it took Auditors some time to notice this point and requested that the reports for Cabinet follow the same format.

In response to queries it was confirmed that clarification would be obtained from officers as to why the report does not include the environmental impact section.

It was unanimously resolved that;

- (a) Notes the contractual arrangements in respect of the council's public realm contract with Balfour Beatty Living Places Limited and its agency company status; and**
- (b) Notes the recommendations made by external auditors in respect of this arrangement and the actions taken by the council in response.**

46. PUBLIC REALM CONTRACT EXTENSION 2023

Cabinet members considered a report to approve an extension of the public realm service contract with BBLP in line with contract terms and conditions and provide an update on contract management arrangements.

The Cabinet member for Roads and Regulatory Services introduced the report, the principal points were raised.

The contract came in 2013 for an initial ten years and a decision was made in 2018 to extend the contract by one year until 31 August 2024. Consideration of further extending the contract is now due.

There are a number of commercial and financial performance issues. The future operating model project is in progress and scheduled for a report in March 2024, these issues are being actively looked at.

The contract contains the facility for the Council to issue a two year no fault termination.

Cabinet members discussed the report and it was noted that:

Issues with BBLP were noted and it was queried if the current KPI's would be reviewed. In response it was confirmed that the KPI's are agreed with BBLP and are not reviewed as frequently as they could be. BBLP have been issued a warning that the KPI's for next year need to reflect where the Council is now, not where the Council was 5 years ago. BBLP may not agree to this and the Council would have to revert to the KPI's set in 2021. Confirmed this is a contractual decision and both parties have to agree to change the KPI's. However, it was confirmed that the Council would then look at other options if the performance received was not as expected.

Group leaders expressed that the contract with BBLP was not satisfactory. It was expressed that the BBLP contract has been mismanaged, not managed robustly and should be heavily scrutinised going forward. It was noted that it is important for the KPI's to be reviewed regularly and updated with the view that new KPI's should be agreed now. It was noted that the Council should have more power to run the contract and there should be better preparation in place when a new contract is signed with a provider. It was queried why there are no KPI's for 2022/2023, why there was a reason for the decline in performance between 2020 and 2021 and why the minimum performance level is 9 and not higher.

In response to queries it was noted that:

- The performance data for 2022/2023 will be available in November 2023.
- Performance dropped between 2020 and 2021 as a result of the method of calculation year on year. Confirmed further clarification regarding this will be obtained.
- Regarding the performance level of 9, this was the key target for contract extensions and it is unclear why level 9 was set. It was confirmed that BBLP have been achieving and above this base line. Confirmed this should have been reviewed and this target should have been made more robust.
- Regarding being able to direct the contract, it was confirmed that it is a good contract by managing the relationship between the contractor and the commissioner but in the past the Council have not been robust in their commissioning. At present and going forward it was confirmed that there has been a change in how the Council operates with BBLP and the Council are looking at the priorities for BBLP rather than being told by the provider what works should be carried out.
- The s.106 works is managed by the PMO under a separate contract and these are now in a better position.

It was unanimously resolved that;

- (a) Balfour Beatty Living Places be awarded two extensions in accordance with the Public Realm Contract of one year for each relevant period (to 31 August 2026);**
- (b) That the progress in closing out the improvement plan actions is noted and agreed;**
- (c) That the progress made in implementing the commissioning and contract management functions and the findings of the SWAP audit are noted.**

47. **TRANSITION OF FUNCTIONS FROM THE MARCHES LOCAL ENTERPRISE PARTNERSHIP**

Cabinet members considered a report to establish required arrangements to transition functions from the Marches Local Partnership (LEP) to commence from April 2024, following the Government's announcement in August 2023 that they will no longer provide funding to LEPs with functions to be alternatively led by Local Authorities.

The Cabinet member for Economy and Growth introduced the report, the principal points were raised.

The Government communicated on 4 August their decision to longer fund Local Enterprise Partnerships and functions to transfer to Local Authorities from April 2024. The recommendation proposes establishing a joint committee of the Local Authorities made up of the leaders of the three Councils to provide the government structure required by the Government to oversee the transition arrangement.

Shropshire Council remain the accountable body for now and going forward through the transition period. It was confirmed there are no financial implications for the creation of a joint committee.

It was noted that this is an opportunity to ensure the future services are locally focused in meeting the needs of the county's heritage business.

There were no comments from Cabinet members.

Group leaders gave the views of their groups. The transfer of central government funding to Local Authorities was welcomed. It was raised that there was no long term funding to Local Authorities and it results in a competition, with only a small number receive the funding. Fairer funding should be achieved between Local Authorities and also within Herefordshire, with more areas of the County benefitting from funds being returned to the Local Authority. It was requested for the Leader to lobby central Government for more direct transfer of funding to Local Authorities and for a more transparent allocation of funding. It was also expressed that consistency of funding streams is required from central Government.

In response to queries it was noted that:

- The comments have been taken on board and agree in the past, it has been set up for Local Authorities to compete against each other. It is right to ask central Government for a framework regarding funding arrangements.

It was unanimously resolved that;

- a) A Joint Committee is established with Shropshire Council and Telford & Wrekin Council to (i) oversee, manage and distribute the assets, functions and responsibilities of the Marches Enterprise Partnership during the transition period and (ii) exercise executive functions as required to enable the transition of LEP functions.**
- b) Delegate to the Corporate Director for Economy and Environment, in consultation with the Leader of the Council, authority to agree the final Terms of Reference with partner councils.**

The meeting ended at 16:40

Chairperson

PUBLIC QUESTIONS TO CABINET – 26 October 2023

Question 1

Dr Nichola Geeson – Hereford

To: Councillor Bramer, Community Services and Assets

The Maylords is an ideal location for a new Library, being central, close to frequently-used shops, and beside the Job Centre, so ideal for people researching employment opportunities. A new Library could open there in April 2024. We read: “The cost of moving the library service from Broad Street to either Maylord Orchards or Shirehall will require an increase in budget as the footprint for the library in both locations will be greater. For Maylord Orchards, the increase was estimated at £515,973 and for the Shirehall £390,077”. If this is the basis for preferring the Shire Hall, it is very misleading. Why is it not made clearer that £4.2million needs to be spent on renovating the fabric of Shire Hall before it can even open its doors again, and that the earliest a new Library could open is June 2026?

Response

Thank you for the question.

You are correct that the Shirehall does require investment to enable the library and learning centre to be located there and bring the building back into use. This is noted in the report.

The additional revenue running costs for the library service are set out in the report for completeness. However, there are many other reasons why the Shirehall is recommended as the preferred location as it would:

- bring a valuable heritage asset back into community use
- make more visible the civic, communal and built heritage of Shirehall, connecting to the wider cultural and visitor attraction aspirations of the city
- deliver 895m² total floor space, which includes a 435m² Library footprint, 174m² Learning Centre footprint and 286m² back of house, circulation and other space.
- maximise the potential to integrate the library, adult learning, health and wellbeing and other community services under one roof
- provide residents with new access to sensory learning, digital skills lounge, makerspace and business development advice in a series of dedicated spaces (these resources would not be achievable at Maylord Orchards due to space limitation)
- provide a dedicated events space on the Assembly Hall stage to enable the delivery of a broad-ranging and quality cultural programme to widen participation
- generate income through hire of spaces and events and programmes in the Assembly Hall (income to library service plus income provided to Property Services from hire of training rooms)
- retain the earmarked space in Maylord Orchards for commercial purposes

It does mean that the library would reopen in June 2026 but temporary arrangements will continue to be put in place to enable residents to access the services.

Supplementary question:

Thank you for your reply to my Question, but I do not find your reasons for preferring the Shire Hall over The Maylords compelling. In a City with so many empty retail properties I believe

putting the Library in The Maylords would actually be a magnet to increase interest in retail and commercial opportunities nearby. My Supplementary Question is to ask whether you have now calculated the extra space available at The Maylords as a result of Wilco leaving, which would surely invalidate your argument that there is slightly greater space at Shire Hall?

Supplementary response:

Thank you for the question. I am delighted to be able confirm we currently have commercial interest in the Wilco unit and are seeking to bring those interests into a formal letting.

Question 2

John Harrington – Hereford

To: Councillor Price, Transport and Infrastructure

Can I ask Cllr. Price where is the Strategic Outline Business Case for ERIC, the Eastern Crossing at Rotherwas, that was supposed to land in Spring - by anyone's calculations, 5 months ago?

And can I ask if Cllr. Price has any objections to the Eastern Crossing which will deliver a bridge more quickly, more efficiently and for less environmental and financial cost and which was agreed as policy by Full Council and has been championed by opposition members such as Cllr. Bob Matthews, the business community and our MP.

Response

Whilst I have no doubt that the Eastern River Crossing, in providing a second bridge over the River Wye, would add some resilience to the highway network I continue to believe that the city's economy and need for housing would be better served by a western bypass. This would provide a complete alternative alignment for the A49 trunk road, thereby removing traffic from the city and handing responsibility for local accessibility and traffic improvements back to the council for the current route.

The Strategic Outline Business Case (SOBC) includes an updated cost estimate for the scheme. Far from the original £56m cost estimate from last year, anticipated project costs would be in the region of circa £150m. The SOBC does not include a benefit cost ratio calculation – this is normally carried out at a later stage - so the scheme's value for money is uncertain but it clearly no longer looks such an attractive proposition as is suggested.

When the final report has been received, it will be presented to Cabinet for consideration, but I do not see any value in publishing it out of context until we fully understand all the options open to us.

Supplementary question

My follow up question for Cllr Price.

Thank you very much for your response Philip and your clear statement around housing which leads me again to believe that a Western bypass is not a bypass but meant primarily to be an access road to accommodate an enormous amount of housing on Grade 1 farm land around the Huntingdon and Bobblestock areas. You will note Worcester's failed policy of more and more roads paid for by huge housing estate infill which has caused them to have significantly worse congestion than Hereford - according to the company that supplies traffic data to Google, INRIX - I think resilience, not housebuilding, is the best case for a new bridge and all signs point East.

Can you tell me precisely what we are waiting for in the Aecom Eastern Crossing "final report" nearly half a year after it landed on your desk? Does its release need to be achieved via a Freedom of Information request?

Can I also check you and your Cabinet colleagues think it is a good idea to take over the maintenance of a national trunk road bridge that had a provisional lifespan of 60 years at a point that is likely to be a few years past that 60 year lifespan projection? National Highways will think all their Xmases have come at once if they can dump that liability on the County.

Finally can I finally ask you to check with the CX and the MO the rules around due process. You appear to have not only neglected to allocate any funding in the forward capital programme for agreed Council policy, like the Eastern Crossing, but are pressing for funding for items that are not agreed policy. I am extremely concerned that you are putting the Council at reputational and financial and risk of judicial review by appearing to be proceeding against policy.

Supplementary response:

Thank you for the question. As there is so much in it we will require 10 days to come up with a full answer. With regards to everything asked, there are two points I would absolutely refute. I don't know why you think I have had this report, because I have not and this is the first place I've heard anything about the A49 trunk road being handed to the Council.

COUNCILLOR QUESTIONS TO CABINET – 26 October

No questions submitted.

Appendix: Summary of recommendations to the executive and executive responses “Review of the Full Business Case for the Shirehall as a location of the future of Hereford City Library”.

On 23 October 2023 the Connected Communities Scrutiny Committee considered the report “Review of the Full Business Case for the Shirehall as a location of the future of Hereford City Library”. The committee resolved ‘That the following be recommended to the executive:’			
Recommendation 1.	Clarify and include in the Shirehall business case the full costs of cancelling Maylord Orchards, including the implications of decapitalisation on revenue budgets.		
Executive Response	<p>As agreed in the Methodology Paper on the Shirehall full business case (FBC), following the Cabinet decision on 20 July 2023, the FBC was prepared as a standalone report, exploring the potential of the Shirehall on its own merit and to focus solely on the proposed library and learning centre development, acknowledging that this is part of a wider project to bring the whole Shirehall building back into use. It will consider the assembly hall and undercroft spaces and the wider key works required to enable access and operation of these parts of the building only. Estimates for the full capital costs to the Shirehall building will be developed in conjunction with this FBC and provided as contextual information. A standard FBC is used to set out all projects which meet the requirements of the Government's green boost, therefore the full cost of the Shirehall project were not included in the Shirehall business case. The refurbishment work to the Shirehall is clearly a dependency but the FBC is about placing the library and the learning centre into the allotted space within the Shirehall just as the business case for Maylord Orchards was about placing it, into that allotted space.</p> <p>The full sunk cost of the Maylords Orchard’s project remains confidential at this stage due to the ongoing negotiations with contractors. Whilst there is acknowledgement there will be some cost in respect of Maylord Orchards, this Cabinet takes a strategic view point and that value for money means using resources effectively and efficiently, and safeguarding the Council’s assets in their entirety. Thus, in respect of the sunk costs which are undesirable the right decision will provide us with a world class library.</p> <p>The original £3.5m library budget was funded from £3m from the Stronger Towns fund and £0.5m from Hereford Council capital receipts reserve. However, Stronger Towns top sliced £60k to pay for management costs of the project so that the final award was actually £2,439,633.</p> <p>Therefore, it has been assumed that the future budget of Shirehall Library will be £3.005m and this will be funded from the remaining capital funding - i.e. £3.5m, less £434.3k prior spend and the £60.4k top slice. This funding will support all of the works necessary to open the library service provision.</p>		
Recommendation 2.	Publish the full breakdown of the £4.2 million cost of the Phase 1 refurbishment of Shirehall.		
Executive Response	<p>The full breakdown of the £4.2 million cost of the Phase 1 refurbishment of Shirehall are:</p> <table border="1" data-bbox="360 1469 1563 1511"> <tr> <td>Build Works</td> <td>£2.079m</td> </tr> </table>	Build Works	£2.079m
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	<table border="1"> <tr> <td>Design and Preliminaries</td> <td>£682k</td> </tr> <tr> <td>Inflation</td> <td>£113k</td> </tr> <tr> <td>Fee, Risk, Contingencies</td> <td>£1.178m</td> </tr> <tr> <td>On costs/ Allowances</td> <td>£140k</td> </tr> <tr> <td>Total</td> <td>£4.194m</td> </tr> </table>	Design and Preliminaries	£682k	Inflation	£113k	Fee, Risk, Contingencies	£1.178m	On costs/ Allowances	£140k	Total	£4.194m
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	Confirmed that no further level of detail would be provided to prevent weakening the future competitive process.										
Recommendation 3.	Publish the estimated costs of phases 2-5 of Shirehall refurbishment.										
Executive Response	The continued phased refurbishment project of Shirehall does not form part of the Shirehall Full Business Case and has not been agreed. The phase 1 refurbishment work will bring the whole building back into use.										
Recommendation 4.	Recalculate the BCR of the Shirehall proposal, to include the cancellation costs of the Maylord Orchards and the £4.2m Phase 1 refurbishment costs required to make the library viable.										
Executive Response	<p>All Herefordshire Stronger Towns Fund projects are independently modelled and analysed as part of a Benefit Cost Ratio exercise by Rose Regeneration. This methodology has been considered and agreed by Chamberlain Walker working on behalf of Central Government. To allow a fair comparison with Maylord Orchards, the new Shirehall full business case (FBC) was independently analysed by Rose Regeneration using this same Government model. This is an independent process with no council involvement.</p> <p>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). The economic modelling includes a number of monetised benefits, consistent with Government guidance. These included regeneration benefits, social benefit skills, enterprise and tourism (cultural benefits).</p> <p>The additionality factor in the BCR calculation is 66% as stated on page 47 of the FBC. The additionality factor figure of 0.65 in Table 18 was written in error but the calculation has been made using the correct additionality factor of 66%. (It is also noted that this same error exists within the Maylord Orchard FBC).</p> <p>The methodology used in the BCR calculation for Shirehall FBC is wholly consistent with all Towns Fund projects. Rose Regeneration confirmed that no extraneous costs, for example building repair costs or purchase costs, were used in the Maylord Orchards FBC calculation or any of the other 15 Towns Fund projects, so are immaterial to the overall calculation and should <i>not</i> be included.</p> <p>Therefore the Maylords Orchards BCR did not include the cost of £4.147m to purchase the lease for Maylords Orchards and therefore in maintaining a level playing field, Cabinet will be recalculating the BCR.</p>										

Recommendation 5.	Include full costs of operating Shirehall in the revenue budget to enable a comparison between both business cases.
Executive Response	<p>An operational revenue budget currently exists for Shirehall. Whilst it is true to say that the use of the site is limited at this time, some aspects would show very little variance - for example, the main building is currently heated via a single pipe system meaning the heating is either on or off. To ensure that the building does not deteriorate, and in recognition that an area is still manned 24/7, the heating is turned on in line with the normal operational cycle. We would look to see a reduction in future heating costs as part of the decarbonisation works.</p> <p>The revenue budget table set out in the Cabinet report covers Library Service costs associated with the HLLC occupying either site. If all operational costs were to be factored into the Shirehall FBC, then further work would need to be undertaken for both business cases as the FBC's for either location have never included the wider asset costs so in that respect, they are both actually equitable.</p> <p>For clarity, the £42k figure shown in the proposed Service revenue budget to occupy Maylord Orchards is to cover off payment of non-domestic rates. The row heading says 'rent/ rates' and, as Scrutiny pointed out, no rental was intended to be charged if the HLLC occupies Maylord Orchards. However, all operational costs for occupation of Maylord Orchards need to be budgeted for as these are new costs to the Council.</p>
c Recommendation 6.	Ensure that the Shirehall risk matrix include detailed mitigation of listed risks.
Executive Response	<p>There is sufficient mitigation in terms of specialist contractor requirements or volatile construction market. It is accepted as a risk but the risk is low. The mitigation is that the project team will work with the Council's commercial services team and appointed contractor consultant to understand the market for such contractors. This is a relatively small area of risk that isn't covered by the everyday works, and large companies (who usually manage such contracts) are aware to look out for in this type of building but this will be covered by the Council's commercial services team.</p>
Recommendation 7.	Ensure that the risk relating to the £4.2m additional cost is included in the risk matrix.
Executive Response	The recommendation is noted and a response will be provided within 2 months.
Recommendation 8.	Remove the recommendation to cancel Maylord Orchards project at this stage
Executive Response	This is accepted by Cabinet and will remove recommendation (d) from the Cabinet report.

Recommendation 9.	Clarify anticipated commercial revenue from events
Executive Response	The recommendation is noted and a response will be provided within 2 months.
Recommendation 10.	Ensure that the business case makes sure that the proposed library is a welcoming space for all users regardless of their accessibility needs.
Executive Response	It is the intention to make any and all of our buildings as accessible as possible. The decoration and internal design would make sure the space that the public will see is welcoming, as we would in any of our public buildings.
Recommendation 11.	Reconsider how the project can maximise carbon reduction e.g. through insulation and glazing in line with the council's net zero commitment.
Executive Response	Where possible we will make sure that our buildings meet all of our commitments. With net zero commitments we do have to realise that some buildings, especially those built over 200 years ago, are in themselves an icon and the extent of their iconic status is because of their quirkiness in regard to glazing and certain aspects of their design that were never intended to be altered to modern requirements. There is no reason to say don't do it, but (in the Cabinet member's opinion) should be minimalistic rather than maximum. Where there are certain things that cannot be done, there lots of other initiatives or alterations to the building that can be made to improve this situation. The building to this Council is unique and iconic, and in the rest of the country there are thousands of such buildings which have been very sympathetically brought into the 21 st century and we are sure the Shirehall will fulfil that as well.
Recommendation 12.	Include and identify the cost of measures to improve pedestrian accessibility to the site.
Executive Response	<p>The question regarding access (crossing the road with the bus station in front of the Shirehall) has been addressed within the Hereford Master Plan. Confirmed that pedestrianisation of the area outside the Shirehall would be improved. But these things are not vitally necessary in the first year or two of doing the installation and in the time it takes to make the changes to the Shirehall, pedestrianisation could be one of the things that was finished.</p> <p>Noted that access to the Shirehall via St Peter's Square from High Town was improved following St Owen's Street cycling street works carried out under the previous administration. With the courtesy crossing through and from the island, there are also dropped curbs allowing for northern access to the Shire hall. There have been no injuries or accidents reported in the last 10 years.</p>