

Title of report: Shirehall Phase 1 Refurbishment Work and Care Leavers Base

Decision maker: Cabinet Member Community Services and Assets

Decision date: Wednesday, 21 February 2024

Report by: Strategic Assets Delivery Director

Classification

Open

Decision type

Key

This is a key decision because it is likely to result 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.

This is a key decision because it 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) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

Central;

Purpose

To approve the allocation and expenditure of £3.1m approved in the capital programme to bring forward phase 1 of a proposed refurbishment programme for the Shirehall and to secure enhancements to the adjacent Care Leavers Base.

Recommendation(s)

- a) **To approve the expenditure of £3.0m for the purpose of bringing forward phase 1 of the refurbishment work proposed for the Shirehall building and £0.1m to secure improvements and enhancements to the existing Care Leavers Base, as approved in the current 2023/24 capital programme; and**
- b) **The Director for Resources and Assurance be authorised to take all operational decisions to deliver the projects described in (a) above and to spend within the budgets defined.**

Alternative options

1. Not to invest in refurbishment of the Shirehall. The building is in poor and worsening condition, and falls short of both the practical and statutory standards necessary for safe use and occupation. If no investment is made then the condition will continue to deteriorate and the eventual cost to remedy will be higher, while maintenance and upkeep costs will continue, but with no corresponding value from the built asset in use. The parallel project to install a new Library and Learning Centre in the Shirehall under the Stronger Towns grant programme would not be able to proceed, and the council would be seen as failing in its obligations as custodian of an important historic and listed building.
2. Not to invest in the improvements to the Care Leavers Base. This facility plays a key part in supporting the council's commitment to Corporate Parenting by supporting Care Leavers and is viewed as investment which will improve the offering for this important area of work.

Key considerations

3. The Shirehall is an iconic building situated in St Peter's Square in the heart of Hereford city centre. The Shirehall opened in 1817 as a home for the courts of justice in Hereford. Designed by Sir Robert Smirke, this Grade 2-star listed building occupies a significant place in Herefordshire's heritage and stands on a prominent site (the former gaol house) in the city centre. The Assembly Hall was added in 1862 at the rear of the building. The Shirehall itself has been identified as a key strategic site, needing investment to bring it back into use.
4. In June 2020, the Shirehall suffered a significant ceiling collapse in Courtroom 1. At this point, the property was taken out of use due to safety concerns since the form of roof construction seen in Courtroom 1 is repeated in Courtroom 2 and in the Assembly Hall. The HM Courts and Tribunals Service vacated the building at this stage and ceased the holding of court proceedings in Hereford.
5. A design development project was established mid-2021 to carry out the surveys and investigations necessary to understand the nature and extent of the issues, and the repair/refurbishment works necessary. Based on these investigations a multi-discipline team of specialists working with the Council's Property, PMO and Conservation teams developed the design specification and cost estimates to a RIBA stage 3 level of detail.
6. Capital funding for the refurbishment was not able to be allocated as part of the 2023/24 capital programme at the time, and a cabinet decision on 24/11/2022 placed the project on hold. Subject to funding and the decision-making process however there has remained an aspiration to bring the building back into use and to fulfil the council's duties as custodian of this landmark Grade II* listed building.

7. The building has remained closed to use in the intervening period, with the exception of the CCTV control room and toilets which sit clear of the areas of safety concern elsewhere in the building. Emergency works have been carried out to the roof structures of Courtrooms 1 and 2 sufficient to allow removal of scaffold support put in place following the collapse, and the stability of the Assembly Hall roof has been monitored.
8. The design work and historic building assessment to date has confirmed that there is little likelihood of significantly altering the form and layout of the Shirehall building due to its fabric, structure and listing, however this does not stop the council from considering how the site might be effectively and efficiently used in broadly its current form.
9. During 2023 the HM Courts and Tribunal Service confirmed that following a review of its own property strategy it would not be seeking to return court proceedings to the Shirehall. With the areas of the building previously occupied by the Courts Service, as well as those areas rented by them on a regular basis returned to full control of the council, the future use potential of the building can be considered in a different light.
10. In June 2023 the council began a review of potential locations for the city Library, relocating away from the current Museum and Art Gallery site to make way for redevelopment of that building. The initial review identified Maylord Orchards and the Shirehall as the two most suitable options and further work was carried out to assess RIBA stage 2 design proposals and costings for the Shirehall option for comparison with similar work already carried out for Maylord Orchards.
11. A review of business cases for the two options led to a cabinet decision on 26/10/2023 that, subject to capital and grant funding allocation, the Shirehall be progressed as the preferred location for the new Library and Learning Centre (LLC) facility. The outline design proposal would see the LLC occupy the Assembly Hall and its ancillary spaces along with the lower ground floor level beneath, as well as the shared circulation spaces giving access through the wider building. The proposal to direct Stronger Towns funding towards creating a Shirehall-based LLC was ratified by the Stronger Towns board in January 2024.
12. This paper addresses the funding need for the wider phase 1 refurbishment of the building necessary to re-open the building safely and in compliance with statutory duties, and in doing so provide a suitable location into which the separately funded LLC fit-out can be housed. The £3m allocated within the capital programme supplements an existing £1.2m capital budget for improvements at the Shirehall, and does not include for any costs associated directly with the LLC proposal (i.e. works which would not be being considered were it not for the LLC fit-out) which will be funded from a different source.
13. Works proposed for phase 1 are focused on improvements to mechanical and electrical systems, building fabric, health and safety, accessibility and fire safety. Much of the refurbishment works in this phase will be unseen as they are to structure/ integrated systems, but are essential to the use of the building. Phase 1 works will broadly encompass:
 - a) Repair or replacement (as appropriate) of roof features and surfaces causing water ingress throughout the building.
 - b) Structural improvement to roof/ceiling structures identified as being in danger of failure.
 - c) Improved fire escape (including provision for disabled) from the Assembly Hall.
 - d) Repairs to defective above and below ground drainage.
 - e) New high-efficiency gas boilers.

- f) New more efficiently controllable heating distribution systems throughout.
 - g) Replacement electrical systems and wiring throughout the building.
 - h) Replacement fire alarm and emergency lighting systems.
 - i) Mechanical ventilation systems where needed to meet statutory minimums.
 - j) Improvements to accessibility into and around the building in line with Equality Act 2010 duties.
 - k) Basic reinstatement of Courtroom damage.
 - l) Relocation of CCTV Service to Maylord Orchards.
 - m) Remodelling to create a Care- Leavers Base in the adjacent annexe.
 - n) Pedestrianisation of the external apron approach to the main entrance.
14. A longer term strategy for the building, subject to future funding allocation and outside the scope of this report, would see future phases addressing refurbishment and upgrade of windows, LED lighting, solar photovoltaic systems, cosmetic repairs to external facades, appropriate heritage restoration works, remodelling of certain spaces for versatility of use and new floor, wall and ceiling finishes (where not addressed in phase 1).
15. Benefits associated with the proposed investment have been identified as:
- a) The building has a continuing maintenance cost annually while out of use, but with no return. The project will bring the building back into full productive use and allow it to be considered as an operational asset within the council's wider property strategy.
 - b) The increased efficiency of new boilers and heating distribution systems will have a financial benefit in reducing the energy costs associated with heating the building.
 - c) Improving the safety and accessibility of the building reduces the council's risk exposure in terms of its statutory responsibilities to staff, visitors and the general public.
 - d) While boarded up and with the condition deteriorating, the building risks being an eyesore in a key city centre location. Restoration can reverse this trend.
 - e) The project will support the council in meeting its duties as custodian of a landmark heritage building with listed status.
 - f) Subject to separate governance, the building when reinstated offers a space to support the Library and Learning Centre relocation through the Stronger Towns grant intervention.
 - g) A reinstated Shirehall provides the opportunity to combine council services and (using spaces for hire) linked community and third-sector groups in a common location.
 - h) Relocation of the CCTV operations to Maylord Orchard will allow the service to operate more efficiently and effectively from a more fit for purpose and consolidated base location.
 - i) Enhancement of the Care Leavers Base will provide a visually more aesthetic appearance for our young people as well as increased and much needed facilities. This current location is a crucial focus for young people and by creating a base, enables a wider professional skillset to be brought together to improve our corporate parenting

offer. Its position alongside Shirehall facilities also increases the facilities available to care colleagues.

Community impact

16. Set around the focal point of the new Library and Learning Centre, a re-imagined Shirehall can become a central hub, able to host a complementary range of community-focused council services, third-sector activity, community skills development and cultural offerings.
17. Shirehall can become a destination building which will bring people to the city centre, supporting the local retail economy with footfall to the area and providing a venue for community skills development, along with the support for people to access it.
18. The proposal supports the vision set out within the Hereford County Plan to '*protect and promote our heritage, culture and natural beauty to enhance quality of life and support tourism*' and to '*support education and skills development*'.
19. Linked to the Hereford City Masterplan, a revitalised Shirehall would contribute to the objectives across Community and Culture, Economy and Opportunities and Places and Spaces; '*Celebrating and growing our best places, reinvigorating our less-loved ones, rediscovering our historic places, adapting places for the future and planning new places that excite us*'.
20. By virtue of its location the Shirehall is easily accessible for Herefordshire communities via multiple bus routes, a range of active travel cycling and walking routes and by car to numerous city centre car-parking facilities.
21. By investing in assets by means of improving building service installations, for instance replacing less efficient mechanical and electrical equipment and improving drainage installations, these proposals will contribute towards the delivery of the aims within the council's corporate plan to 'support improvement in the quality of the natural and built environment'.

Environmental Impact

22. This decision seeks to deliver the council's environmental policy and aligns to the following success measures in the County Plan:
 - a) Reduce the council's carbon emissions.
 - b) Work in partnership with others to reduce county carbon emissions.
 - c) Improve energy efficiency within council-owned assets.
 - d) Increase the number of short distance trips being done by sustainable modes of travel – walking, cycling, public transport.
23. The phase 1 works will include the replacement of existing heating plant with the latest technology high efficiency gas boilers, future-proofed as far as possible with a view to accepting greener gas supplies in future. New heating distribution systems will reduce wasteful heat loss, and more intelligent heating controls will allow heating to be used more efficiently in different spaces and at different times.

24. A substantial amount of lighting will be replaced with high efficiency Light Emitting Diodes (LED) fittings and intelligent controls as part of the joint Shirehall/Library works.
25. Opportunities to include improved insulation layers to the building fabric will be maximised where the work and listed building constraints allow (e.g. in roofs being repaired).
26. Whilst outside the scope of this report, the phase 1 work lays a foundation for further improvements to energy efficiency in future phases, including upgrades to windows, installation of solar photovoltaic panels and replacement of all light fittings and controls not included in phase 1 with LED.
27. The location of the building in relation to bus routes and active travel walk/cycle routes offers opportunities for visitors to choose alternatives to travel by car. For those who do travel by car, the proximity of the building to city-centre retail and other amenities provides opportunity for journeys to the Shirehall to be combined with travel to the city for other purposes.
28. The Council follows the internal document, Achieving Decarbonisation of the Corporate Estate Procedure and its Low Carbon Working Group to identify improvements to building service installations for instance replacing less efficient mechanical and electrical equipment for more efficient ones, introduce controls to better manage heating systems and the proposed replacement of end of life boilers will contribute towards the delivery of the aims within the council's corporate plan to 'support improvement in the quality of the natural and built environment' and 'to make best use of the resources available in order to meet the council's priorities' as well as improve the council's energy efficiency, reduce its carbon footprint, provide cost savings by reducing reactive repair works.
29. The development of this project has sought to minimise any adverse environmental impact and will actively seek opportunities to improve and enhance environmental performance

Equality duty

30. 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.
31. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.
 32. Accessibility and the requirements of the Equality Act 2010 have been a central element of Shirehall design development to date. The age of the building and the way its construction has

evolved provides some challenging multi-level arrangements worthy of full consideration. A new access lift will be provided at the main entrance, whilst internally, to complement the existing passenger lift, a new platform lift will be installed within the proposed library area. Future phases propose a further two platform lifts as newly refurbished areas are brought into full use. All lifts will be of a type capable of being accessed and operated independently by users. In addition, phase 1 will include a new accessible WC on the entry level. The assembly hall, as part of a new fire escape arrangement, will incorporate a defined disabled refuge with communication panel, providing for an improved evacuation strategy for disabled users. Further opportunities for improvement will be explored by the design team using best practice design guidance through the next stages of design, including consultation with local accessibility user groups where appropriate.

Resource implications

33. A capital allocation of £3m within the Council's 2023/24 capital programme was approved by Full Council on 8 December 2023 for the phase 1 refurbishment of Shirehall, along with £100K for the improvements to the Care Leavers Base. The £3m Shirehall allocation will supplement the remaining balance of existing approved capital budgets from the Estates Capital Programme totalling £1,201,848.
34. The refurbishment project will be delivered in tandem with the fit-out of the Library and Learning Centre to maximise efficiency and economies of scale. The project will be delivered by the Property Services and Programme Management Office teams working in partnership. Project management costs will be funded from the capital budget, and allowance for this has been included.
35. All costs associated with the fit-out of the new Library and Learning Centre, including any wider building costs made necessary by the need to accommodate this new facility in the Shirehall, will be met from a separate budget and are outside the scope of this report.
36. The commissioning of professional consultancy support, construction contractors and any other procurements necessary will be undertaken in line with the Council's contract procedure rules with support from the Commercial Services team.
37. Costs for the running of the Shirehall are accounted for by the existing revenue budget which continues whether or not the building is occupied. There are no additional revenue costs associated with the work to the Care Leavers Base.
38. Any additional revenue costs for the enhanced Library and Learning Centre have been accounted for in the business case and budget-setting for that element of the project.

Capital cost of project	2024/25	2025/26	2026/27	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
Design & Build Cost – Shirehall	900	1,800	155	0	2,855
Support Staff & Project Management	67	53	25	0	145
Care Leavers Base	100	0	0	0	100
TOTAL	1,067	1,853	180	0	3,100

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2024/25	2025/26	2026/27	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
–Corporate Funded Borrowing	67	753	180	0	1,00
Capital Receipts Reserve	1,000	1,100	0	0	2,100
TOTAL	1,067	1,853	180	0	3,100

Legal implications

39. The council has a number of legal statutory obligations to maintain its properties to a safe standard of repair that makes it necessary to undertake regular improvements of council owned or operated properties. These obligations include the Health and Safety at Work Act 1974, the Building Act 1984, the Equality Act 2010 and other related legislation.
40. All works and services will be procured in accordance with the council's contract procedure rules.

Risk management

41. The following risks and mitigations have been taken into account when considering the spend of the capital budget:

Risk / opportunity	Mitigation
<p>Financial: the age and condition of the building means a high risk of uncovering previously unknown defects once work starts and hidden elements of the structure are exposed. Listed building constraints may mean higher cost repairs than might be expected in a more standard building, with less scope for value engineering to omit or reduce the specification of work.</p>	<p>Significant survey works have been undertaken to identify areas of concern, as far as the limits on damaging the historic fabric allow. A substantial risk contingency has been allowed, more than double what might be considered for a more standard building.</p>
<p>Financial/Reputational: construction markets remain volatile, with rising material and labour costs and high interest rates on borrowing. Construction costs therefore continue to be elevated and unpredictable. High instances of contractor insolvency in this unstable environment and the speed with which costs have swung upwards in recent times are also influencing contractor's attitude to risk, reflected in tender bids with high risk allowances or decisions not to tender. There is a risk that RIBA stage 2 cost estimates are not reflected in market reality at the time of contractor procurement, or that no bids are forthcoming. This may be exacerbated by the specialist heritage nature of these works, which further limits the pool of suitable contractors.</p>	<p>Cost estimates produced by specialist construction cost consultants, but also challenged against commercial realities.</p> <p>A substantial risk contingency has been allowed, more than double what might be considered for a more standard building.</p> <p>Procurement strategy to be robustly considered with support from industry consultants and the Commercial Services team to ensure a best-value route is selected.</p> <p>Ongoing support and advice from industry specialist consultants.</p>
<p>Financial: timescales for the project development stage dictated that the business case cost estimates be based on a RIBA stage 2 level of design development (as compared to the preferred RIBA stage 3 level of detail). Risk that detailed design development through RIBA stages 3 & 4 results in increased estimates.</p>	<p>Tight control over further design stages and scope.</p> <p>A substantial risk contingency has been allowed, more than double what might be considered for a more standard building.</p> <p>Reference was made during the estimate stage to the previous RIBA stage 3 work carried out, albeit that it was to a different brief/scope.</p>
<p>Financial/Reputational: the holistic strategy for the building over the long term is based on multiple phases of work, with only the first phase being within scope of this budget. The ultimate aspirations for the building are dependent on future funding for subsequent phases which may not be available.</p>	<p>Continued close engagement with stakeholders over future plans and funding opportunities, taking the opportunity to produce more focused cost estimates during Phase 1 for later phases.</p>

42. Risks will be monitored and managed at service level. The projects will be supported by the PMO team with risks and issues tracked and managed via the council's project management

framework and the Verto system, alongside the project governance of the project/programme delivery board structure.

Consultees

43. Regarding the holistic proposals for the Shirehall, extensive consultation has been carried out, recognising throughout the interdependencies between the refurbishment proposal and the use profiles linked to the inclusion of the Library and Learning Centre sub-project.
44. A series of site visits and building tours were hosted, giving all council members, representatives of the Stronger Towns Board and other stakeholders the opportunity to see the building first hand, hear about the unfolding scope and strategy and offer feedback.
45. As part of the process for considering the Library and Learning Centre as a focal point of the future use strategy for the building, consultation was carried out with a range of organisations including:
 - a) Council Library management team and staff
 - b) Hereford City Council
 - c) Hereford BID.
 - d) NMITE
 - e) Joint Action for Herefordshire Libraries
 - f) Herefordshire Cultural Partnership.
 - g) Council service representatives from Talk Community Health and Wellbeing, Public Health, and Post-16 Learning.
 - h) Department for Digital, Culture, Media and Sport.
46. The council's conservation officer has been consulted at every stage of the proposals so far, and a representative of Historic England was invited to the building for a tour and commentary on the council's aspirations for the building.
47. Political Group Consultation was held on 8 February 2024. There was broad support expressed for the Care Leavers Base proposal, and for the aims of bringing the Shirehall back into productive use. A Liberal Democrat representative raised a concern over the effect of future phases of the broader Shirehall strategy (beyond phase 1) on the council's Medium Term Financial Strategy, particularly in the context of known budget pressures. It was noted in subsequent discussion that the phase 1 scope can stand alone as a project to halt the decline of the building and facilitate the establishment of the new Library and Learning Centre. Progression to future phases, though desirable as a strategy for the building, is not a commitment necessary for the successful completion of phase 1. Future phases will be subject to review within the Medium Term Financial Strategy and as part of future standalone bids for inclusion in the capital programme.

Appendices

None.

Background papers

None identified.

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published

Governance	John Coleman	Date 06/02/2024
Finance	Karen Morris	Date 30/01/2024
Legal	Sean O'Connor	Date 02/02/2024
Communications	Michala Lee	Date 29/01/2024
Equality Duty	Harriet Yellin	Date 02/02/2024
Procurement	Lee Robertson	Date 29/01/2024
Risk	Kevin Lloyd	Date 29/01/2024

Approved by Claire Porter; Director Governance & Law **Date** 09/02/2024

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