

Title of report: **Student Accommodation in the City**

Decision maker: Cabinet Member Community Services and Assets

Decision Date: 29 February 2024

Report by: Director for Resources and Assurance

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

The purpose of this report is to outline and approve the next steps to procure and appoint a development partner to take Student Accommodation proposals up to and including Riba stage 3 , advise on future investment models and support in the creation of business cases for cabinet to gain authorisation to further advance the proposals on two sites in Hereford City – Edgar Street Stadium and College Road Campus.

Recommendation(s)

That:

- a) **The Cabinet Member for Community Services and Assets approves the spend of up to £253,679, using both 2023/24 and 2024/25 revenue budgets and reserves to be used to develop student accommodation across Hereford City, as detailed in the resources table in section 20;**
- b) **The Cabinet Member for Community Services and Assets authorises entering into contract up to the value of £200,000 with a development partner following a compliant tender process to prepare a full business case and to take both sites up to and including Riba Stage 3 so further governance decisions can be made in relation to developing student accommodation;**
- c) **The Cabinet Member for Community Services and Assets delegates all operational decisions to the Director of Resources and Assurance to complete the above recommendations**

Alternative options

1. Do Nothing: The council could decide to do nothing in terms of developing student accommodation on its key strategic sites in the City but this would not meet the vision as set out in the [County Plan 2020-2024](#) to encourage continuous investment in our local workforce and a culture of lifelong learning in our community. The council's [2023/24 Delivery plan](#) is committed to working with partners to increase workforce skills in the County to meet the needs of the economy. Additional student accommodation is critical to helping achieve this vision.

Key considerations

Introduction

2. Herefordshire Council is looking to procure and appoint a development partner to develop a business case and options appraisal for student accommodation on the College Road Campus site in the College Ward and Edgar Street Football Stadium in the Widemarsh Ward. Throughout the process, further governance will be required from Cabinet in terms of taking the proposals further than Riba stage 3. Regular briefings will be held with the portfolio holder for community and assets throughout the process to update on progress and plan for further governance decisions that will be expected around financing and construction procurement decisions.
3. The proposed procurement route will be a mini competition using the Pagabo framework. The council is asking for expressions of interest from development partners who are on the framework and those who are interested will be invited to tender in full via the framework. The role of the development partner will be to:
 - a. Assess existing site and feasibility outputs for completeness and suitability
 - b. To undertake to source/produce information to fill any gaps identified.
 - c. Develop both sites to a coherent RIBA Stage 3 status
 - d. Generate a robust construction cost on the scheme
 - e. Undertake full planning process to achieve a planning permission
 - f. Undertake Scope and price any site surveys and investigations needed to inform the works.
 - g. Technical project management, cost planning/estimating, risk management and design co-ordination throughout each stage.
 - h. To develop a business case to review development and financing options, to inform development, construction and the operating model for any future student accommodation on Edgar street and College Road Campus.
4. The appointment of a building contractor will occur after the above business case has been signed off and the investment model agreed. The council will not be commissioning a contractor during Riba stages 1-3 the sites will not proceed to Riba stage 4 without a further cabinet decision and investment model agreed.
5. Developing higher education provision is integral to transforming Herefordshire's economy as a whole. The county faces a number of significant economic challenges such as a very low wage economy (19% below average national weekly wage), low productivity (27% below national average Gross Value Added per head of population) and low annual growth (circa 1% per year). 36.4% of people are qualified to NVQ level 4 or above compared to a national average of 39.3%.

The county has an ageing population with 26% of people aged 65 or over, compared to a national average of 18%.

6. The lack of higher education opportunities drives younger people to leave the county to study elsewhere, with limited higher value employment opportunities to attract people to then return and/ or to live and work in Herefordshire. The Council is committed to working with its strategic partners who deliver Higher Education in the County effectively and also our Wye Valley NHS Trust colleagues to collectively attract more education, skills and employment into Herefordshire. The Council owns strategic sites in the City which could be transformed into student accommodation in partnership with potential developers.

College Road Campus Site

7. In February 2019, a desktop site appraisal was undertaken on the College Road Campus site and provided an initial review of the scope / potential for re-use and redevelopment of the site and general development potential. It concluded, it is clear from the planning policy context and designations that the site is sustainably located, (other than the presence of the listed building and some significant trees) subject to particular designations, and moreover is located within a predominantly residential area (albeit with other institution uses nearby).

Edgar Street Football Ground

8. The Council holds the freehold of the Edgar Street Football Ground site which is located in a key regeneration area of the city, adjacent to the highly successful £90 million Old Market retail development, circa 200m from the developing New Model in Technology and Engineering (NMiTE) Higher Education Institute, and a number of key development sites along the City Link Road (including a GP Hub, proposed transport hub, and student accommodation). The Edgar Street stadium is located circa 0.8km from the hospital which also has a high demand for key worker/ student accommodation.
9. The dilapidated nature of the stadium's Blackfriars Street stand is a significant blight to the regeneration of the northern area of the city. There has been redevelopment in the area around the football stadium. Due to health and safety restrictions the stand is currently unusable by the Football Club. As a result the council cannot lease the stand to the club and receives no income from the land. The need to improve the appearance of the site has now become clear.
10. The proposed approach is to redevelop the site with a use that offers student accommodation and is in keeping with the strategic long term priorities of the area. Bringing forward this project will deliver a valuable improvement while the overall masterplan for the development of sites across the city is further developed.
11. It is proposed that the project will replace the current unsafe and unsound stand with a facility that meets the basic needs of Hereford Football Club including the need to have a four sided ground. It will provide a safe and useable facility for Hereford Football Club which will be designed to enable student accommodation on the site.
12. In 2018 the council was advancing with proposals which were then paused by the new administration at the time. The current administration would like to revisit these proposals hence

Wider Context

13. [Cabinet](#) approved the 2050 Big Economic Plan in January 2023. This highlights Herefordshire's strong and growing educational and skills ecosystem and offer, including Herefordshire and Ludlow College, Hereford Sixth Form, Hereford College of Arts, the Royal National College for the Blind, Herefordshire and Worcestershire Group Training Association and NMITE. Developing

our education and learning offer at all levels, including schools, higher and further education, is essential to attract more people to live and work in the county.

14. [Cabinet](#) approved the draft City Centre Master Plan on the 2nd March 2023. Although these sites have not been included in the draft plan, the current portfolio holder for community and assets has provided a political steer to include these sites in the current strategic thinking which very much links to the plan in terms of key opportunities for Hereford. The city centre master plan describes the following opportunities:
- a) The growth and 'embedding' of NMITE and other learning institutions.
 - b) Diversifying uses in the city, including the 'experiential' offer of the city centre.
 - c) Opportunities for a higher-value visitor economy.
 - d) Tackling congestion by providing greater choice in transport options beyond the private car.
 - e) A strategic approach to building a higher-value knowledge economy, by clustering knowledge-based activities in appropriate parts of the city

By bringing forward proposals to develop student accommodation on both of these sites, the proposals will contribute to the above opportunities as the football stadium is 200 yards from the NMite main site and Herefordshire College of Arts is on the college road campus site.

15. The government is committed to supporting the development of the skills needed by an advanced economy by working with partners to widen access to higher skills development. In 2021 the government published a white paper [Skills for Jobs: Lifelong Learning for Opportunity and Growth](#) and the paper reports that there is a significant skills gap at higher technical levels. It explains that there are not enough technicians, engineers or health and social care professionals to meet the many vital challenges the country faces, from building a green economy to meeting the health and care needs of our ageing population. We believe that creating opportunity for student accommodation will provide safe living opportunities for students accessing education services in Herefordshire and beyond.

Demand Analysis

16. Wye Valley NHS Trust have ambitious plans to build a State Of The Art Education Centre for the Hereford community and beyond. They intend to bring educational provision and community support under one roof on a site adjacent to the County Hospital in the City. It is anticipated that this centre will provide resources that are needed for staff education as well as giving patients and carer's access to education and support. This in turn is expected to generate demand for student accommodation units.
17. Since 2021, medical students from Aston Medical School, University of Birmingham and Three Counties Medical School have attended specialist student placements in Hereford Hospital generating demand for student accommodation. The hospital continues to strengthen links with Birmingham City University, Coventry University, Worcester University and University of West England.
18. During consultation with the Wye Valley NHS Trust they are very supportive of our student accommodation proposals and would also like the council to consider key worker accommodation which has been noted.
19. It is anticipated that in the next five years there will be increased demand for education and training services, resulting in a workforce growth, as set out in the [NHS people Plan](#). Within Hereford's local area this is expected to result in:

- a) An increase from 42 to 66 Junior Foundation Doctors allocated to the trust
 - b) An increase in senior trainees from 54 to 68 over the next 3 years
 - c) An increase from 132 to 305 Medical Students allocation to the trust over the next 5 years
 - d) An expected increase in nursing placements
 - e) An expected increase in apprenticeships
20. NMITE University located in the Hereford City is on a successful growth journey. Student numbers are increasing year on year and the organisation is guaranteeing student accommodation for all new applicants in 2024. For the university to continue with these guarantees further development of student accommodation will be essential in the city to meet growing demand.
21. Hereford College of Arts also continues to grow its student numbers year on year especially around its Further Education offer. The college has recently expanded its offer to include new digital degrees and has been fortunate to modernise provision under the [Towns Investment Programme](#) creating a Flagship industry-standard teaching base at Hereford College of Arts focusing on film, animation, games design, augmented reality, interface design and more. The facility will create a new generation of digital talent. This is expected to increase demand for student accommodation through expanding the offer.

Community impact

9. The council's [County Plan 2020-2024](#) – Skill up – To Encourage continuous investment in our local workforce and a culture of lifelong learning in our community
10. The council's [2023/24 Delivery plan](#) is committed to working with partners to increase the Skills and Workforce in the County and to continue to support the development of skills provision to meet the needs of the economy.
11. The identified student accommodation sites are situated next to good transport links to facilitate access to Hereford City Centre. Both sites are next to good walking infrastructure.
12. The procurement exercise will explore options for social value and will see to maximise the potential to engage community networks. A key deliverable for this project will be maximising safe student accommodation opportunity for learners across the city.

Environmental Impact

13. This decision / proposal seeks to deliver the council's [environmental policy commitments](#) and aligns to the following success measures in the [County Plan 2020-2024](#).
- Work in partnership with others to reduce county carbon emissions
 - Improve energy efficiency of homes and build standards for new housing
 - Increase the number of short distance trips being done by sustainable modes of travel – walking, cycling, public transport

Equality duty

14. 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.
15. 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.
16. Any new-build accommodation will comply with our own Equality Policy whereby we will work with user groups to ensure that the design improves access for all. And, in all our proposals, we will aim for the highest level of accessibility.
17. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes.
18. Once we have appointed a development partner, the plan is to produce an equalities impact assessment that includes looking at student support services, allocations, sharing of information, under 18's and family accommodation, mental health, physical access and cultural diversity. This piece of work will be done jointly with the development partner as part of the stages of development.

Resource implications

19. The following table outlines the expected expenditure on the project in the next two years. The funding stream is revenue and there is a current balance of £53,679 in reserves, full council approved the budget of £100,000 in 2024/25 at the Council meeting on 9 February 2024. Therefore a total budget of £253,679 will be earmarked for the development of student accommodation in the City. Any underspend in 2023/24 will be added to the reserve to spend in 2024/25.

Revenue	2023/24	2024/25	Total
Development Partner costs up to Riba stage 4		£200,000	£200,000
<i>Survey Work</i>		£30,000	£30,000
<i>Legal Costs</i>		£10,000	£10,000
<i>PMO</i>	£2,500	£2,500	£5,000
<i>Contingency</i>		£8,679	£8,679
TOTAL	£2,500	£251,179	£253,679

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2023/24	2024/25	Total
Feasibility Revenue Budget	£100,000	£100,000	£200,000
Feasibility Revenue Reserve		£53,679	£53,679
TOTAL	£100,000	£153,679	£253,679

Legal implications

20. The outputs produced by the development partner will need to be considered at that time and legal advice provided as part of the future decision making
21. The further decision making will most likely require a decision by cabinet but this will depend on the nature of the scheme and the degree of council resources required to implement. This would include commitments such as the value of land assets utilised or guarantees. .
22. Any scheme must include land value evaluate the full cost to the council to determine if we receive best value under our duty under the Local Government Act 1999. The council will need to set out its analysis and conclusion on achieving best consideration for disposals associated with the proposals as part of feasibility assessments; or the case for disposal at less than best consideration pursuant to The General Disposal Consent (England) 2003. Disposal includes where we do not receive the full rental or value for the land.
23. In addition, where council land is utilised and the council does not receive full monetary consideration (such as at a lower rent or land let/disposed at less than best consideration) or guarantees are provided by the Council (such as rental guarantees) then the council will need to consider the application of the Subsidy Control Act 2022 and where necessary, publish details of any subsidy

Risk management

24. In this stage of the project the following risks have been identified.

Risk / opportunity	Mitigation
County Plan 2020-2024 – If these strategic sites are not evaluated for potential development the council will be at risk of not achieving its ambitions around skill up and asset development as set out in the County Plan 2020-2024	To mitigate this risk the council is proposing to carry out robust feasibility work and look to seek planning permission on both these strategic sites for development.

25. If this decision report is authorised and the council procures and appoints a development partner a detailed risk report will be part of the project development on both sites and shared in any future decision reports relating to this project.

Consultees

26. Key consultation that has taken place is detailed in table below

Consultee	Detail	Date
Cabinet Member for Community Services and Assets	Cllr Bramer is in full support of onboarding a development partner to evaluate both these strategic sites with the view to building student accommodation	16 th November 2023
Hereford Football Club Chairman	The football club is in support of evaluating these sites further and progressing the scheme as detailed in key considerations.	5 th December 2023
Herefordshire College of Arts - Principal	In support of looking at early feasibility on the College Road Campus Site	22 nd February 2024
One Herefordshire Estates and Infrastructure Group Meeting	In support of the current proposal and would like to be included throughout the process	23 rd February 2024

27. Further consultation is planned with the key stakeholders once the development partner is procured. The below table details key stakeholders but not limited to.

Organisation	Role
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NMITE University	Principal
Herefordshire College of Arts	Principal
Hereford Football Club	Chairman
Hereford Old Market Development	Centre Manager
NHS Wye Valley Trust	Strategic Director
OPE Herefordshire Estates Board	Partnership Board

Appendices

None

Background papers

None

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published		
Governance	John Coleman	Date 26/02/2024
Finance	Wendy Pickering	Date 26/02/2024
Legal	Sean O'Connor	Date 20/02/2024
Communications	Luenne Featherstone	Date 14/02/2024
Equality Duty	Harriet Yellin	Date 19/02/2024
Procurement	Carrie Deeley	Date 19/02/2024
Risk	Kevin Lloyd	Date 18/02/2024

Approved by	Andrew Lovegrove, Director for Resources and Assurance	Date 27/02/2024
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Glossary

Riba

Royal Institute of British Architects