

**Hereford Stronger Towns Board Meeting  
Friday 1 September 2023 (8.30 am – 10.00 am),  
held at Hereford College of Arts and via Zoom  
Notes and Action Points**

<b>Chair:</b>	<b>Abigail Appleton</b>	AA	Principal, Hereford College of Arts
<b>Board Present:</b>	<b>Cat Hornsey</b>	CH	Councillor, Hereford City
	<b>Grace Joiner</b>	GJ	Youth Board Member
	<b>Frank Myers</b>	FM	Herefordshire Business Board/Marches LEP
	<b>James Newby</b>	JNe	Chief Officer, NMITE
	<b>Jesse Norman</b>	JNo	MP for Hereford and South Herefordshire
	<b>Ruth Parry</b>	RP	Director Operations & Marketing, Simple Design Works Ltd
	<b>Lauren Rogers</b>	LR	Rural Media Company
	<b>Paul Stevens</b>	PS	Hereford Business Improvement District
	<b>Julian Vaughan</b>	JV	Green Dragon Hotel, Hereford
<b>Other Attendees:</b>	<b>Ivan Annibal</b>	IA	Rose Regeneration (RR)
	<b>Christian Dangerfield</b>	CD	Rose Regeneration (RR)
	<b>Hilary Hall</b>	HH	Corporate Director Community, Hfds Council
	<b>Andrew Lovegrove</b>	AL	Chief Finance Officer, Herefordshire Council
	<b>Elizabeth Parbutt</b>	EP	Orphan's
<b>Apologies/Absent:</b>	<b>Graham Biggs</b>	GB	Councillor, Herefordshire Council
	<b>Judith Faux</b>	JF	Trustee, HVOSS
	<b>Joni Hughes</b>	JH	Portfolio Manager, Capital Development, HC
<b>Notes:</b>	<b>Jan Bailey</b>	JB	Herefordshire Business Board

**Summary of Actions**

Item	Notes	Action
4.1	Follow up outstanding Declarations of Interest.	RR
5.2.2	Proposal for commitment of remaining Programme Management Budget at October Board	RR
5.2.3	Present full reconciliation of Capacity Fund at October Board	RR
6.1.3	Circulate details of additional Library/Resource Centre tour dates	HH/RA
6.1.6	Add additional commentary to risk register	RR
7.2	Organise legacy planning workshop based on the ideas in CD's paper	RR
8.5	Discuss feasibility of Councillor 'tour' on 29 September.	CD/JH
9.1	Find out more about Public Arts Strategy and circulate details to Board Members	LR

Item	Notes	Action
1.	<b>Welcome and Apologies</b>	
1.1	The Chair welcomed everyone to the meeting. Apologies and absences are as noted above.	
2.	<b>Conflicts of Interest</b>	
	No new Declarations of Interest were declared.	

<b>3.</b>	<b>Minutes of the STF Board Meeting held on 4 August 2023</b>	
<b>3.1</b>	The Minutes of the Meeting held on Friday 4 August were approved subject to an amendment requested by JF to Minute 6.10 on the matched funding report.	
<b>4.</b>	<b>Matters Arising</b>	
<b>4.1</b>	Some Declarations of Interest are still outstanding. RR will follow up with the individual members concerned.	<b>RR</b>
<b>4.2</b>	Tours of the two possible Library/Resource Centre sites have taken place, with some new dates now being offered. The Chair encouraged all Board Members to attend as she said these are very useful to gain insight into the two options. AL added that he would be happy to discuss additional dates for Board members to tour if none of those currently offered are convenient.	
<b>4.3</b>	All other action items from the August Board meeting have either been dealt with, are in hand or will be covered in today's Agenda.	
<b>4.4</b>	There were no other matters arising.	
<b>5.</b>	<b>Progress Update</b>	
<b>5.1</b>	<b>Matched Funding</b>	
<b>5.1.1</b>	IA referred to the update on matched funding provided within the papers circulated in advance of today's meeting and included within Appendix A below.	
<b>5.1.2</b>	IA advised that the Matched Funding position is strong and resilient and shows a net increase when compared with the original Towns Fund bid position.	
<b>5.1.3</b>	Members welcomed this update and JNo commented that the additional matched funding achieved by the projects was a significant achievement.	
<b>5.2</b>	<b>Programme Management Budget</b>	
<b>5.2.1</b>	IA referred to the update on the Programme Management Budget provided within the papers circulated in advance of today's meeting and included within Appendix A below.	
<b>5.2.2</b>	IA advised that a sum of c£94K is currently uncommitted from the original 2% allocated to cover programme management costs. The Chair said that a proposal regarding how that budget could be committed over the next 18 months of #StrongerHereford would be brought to the next (October) Board meeting. She said she would welcome suggestions from Board members in advance of the meeting regarding how best for this money to be used.	<b>RR</b>
<b>5.2.3</b>	FM queried whether a full reconciliation of the Capacity Fund is available. IA replied that this had not been done, but RR will produce it in time for the next Board meeting.	<b>RR</b>
<b>6.</b>	<b>Current Programme Overview</b>	

6.1	<b>Library/Resource Centre Project</b>	
6.1.2	The Chair invited HH to provide a progress update on the Library/Resource Centre project. She stressed that this was for information only and no judgement would be made on the business case.	
6.1.3	HH provided an overview of the significant work being undertaken to enable a full business case to be presented to Cabinet in October. She stressed the team's commitment to keeping the #StrongerHereford team updated and advised that two further tour dates (of both potential sites) had been added: 11 and 18 September at 10.00 am and 2.00 pm, at which Project Sponsors would also be welcomed. Further details will be circulated.	HH/RA
6.1.4	LR advised that Jonathon Cheznoy, Museums, Archives and Libraries Manager at Herefordshire Council, had been proactive in contacting the Herefordshire Cultural Partnership as they are seen as key stakeholders in the Library/ Resource Centre project. The Board welcomed this information and the ongoing consultation process with a wide range of stakeholders.	
6.1.5	Board members stressed the importance of any information being given about the Library/Resource Centre being consistent and ensuring that like was being compared with like in any comparisons. The Chair said that if any Board members had any outstanding questions about the project, she would be happy to forward to HH and Roger Allonby (RA) for clarification. HH also offered her email for direct questions.	
6.1.6	FM queried the current risk rating (Red) for the Library project in RR's report (attached at Appendix A below). Following discussion, it was agreed that the risk should remain as Red, but that commentary will be added to the register to articulate what this means. Importantly, that this does NOT mean that it isn't a deliverable project.  <b>Note: HH left the meeting after this discussion.</b>	RR
6.2	<b>Other Project Updates</b>	
6.2.1	IA referred members to the update provided in the papers circulated in advance of today's Board meeting, and included at Appendix A. In addition, he/CD advised: <ul style="list-style-type: none"> <li>• <b>School of Digital Futures:</b> the construction contract has now been awarded and work is in progress on site.</li> <li>• <b>Castle Green Project:</b> Positive, ongoing dialogue is being undertaken with Herefordshire Council regarding the future of the Bowling Club.</li> <li>• <b>Electric Buses:</b> Due to start running within the next 6-8 weeks. This is a great communications opportunity for #StrongerHereford.</li> <li>• <b>Encore:</b> Two potential new premises have been identified. Further briefings to follow.</li> <li>• <b>Southside:</b> Planning Application approved on 16 April and a large number of Expressions of Interest received from architects.</li> </ul>	

<p><b>6.2.2</b></p> <p><b>6.2.3</b></p>	<ul style="list-style-type: none"> <li>• <b>Museum Project:</b> Council currently considering next steps with regard to the design and build contract.</li> </ul> <p>FM asked for clarification regarding #StrongerHereford branding on the electric buses. PS/CH said that the exact nature of this was currently under discussion but that it would be prominent. Further details to follow.</p> <p>With regard to reporting, the Chair advised that following discussions between RP and IA a new format would be introduced soon. In the meantime, IA referred members to the spreadsheet included within today's Board papers and included in Appendix A below. IA said that expenditure was broadly as would be expected at this stage of the project and that there are no major concerns. However, if any members have any specific queries or comments, these can be raised with JH.</p>	
<p><b>7.</b></p> <p><b>7.1</b></p> <p><b>7.2</b></p>	<p><b>Legacy Planning</b></p> <p>CD referred to the report he had written on Legacy Planning that had been circulated in advance of today's meeting and is included within Appendix A below. He said that since he had written the paper, he had been in discussion with Project Sponsors who were enthusiastic about developing a legacy for #StrongerHereford.</p> <p>Following discussion, the Board agreed with RR's recommendation: to develop a legacy workshop, facilitated by Rose Regeneration.</p>	<p><b>RR</b></p>
<p><b>8.</b></p> <p><b>8.1</b></p> <p><b>8.2</b></p> <p><b>8.3</b></p> <p><b>8.4</b></p> <p><b>8.5</b></p>	<p><b>Communications Update</b></p> <p>EP provided an update on communications activity undertaken in the past month. This included an overview of social media activity that shared project news and proactively created project 'spotlights'. This activity had resulted in a significant increase in level of engagement, particularly on Facebook, much of which was to do with Skatepark announcements.</p> <p>EP advised that the Chair had engaged with a Hereford Times reporter to discuss the #StrongerHereford portfolio and for him to visit particular project sites. This had resulted in some positive news coverage in the paper. PS suggested direct engagement with the Hereford Times Editor and EP agreed to invite him to future meetings/events.</p> <p>EP advised that a newsletter would be circulated soon and that the team is working on a social media campaign around the theme of 'Proud to be part of Stronger Hereford'.</p> <p>EP said that she was working on the content of the Councillors' Briefing (taking place on Wednesday 6 September) with the Chair/CD/LR. The Chair provided an overview of the content, which she said will include a section on the #StrongerHereford legacy.</p> <p>CD reminded members of the original intention to offer Councillors a tour of sites on 29 September, if there is sufficient interest. AL commented that the date may be too close to the briefing to organise, but that he saw this as part of the role of Accountable Body to organise these logistics. CD to liaise with JH to discuss further with the aim of clarifying the situation before the 6 September briefing.</p>	<p><b>CD/JH</b></p>

<p><b>9.</b></p> <p><b>9.1</b></p>	<p><b>Any Other Business</b></p> <p>LR advised that a Public Arts Strategy for Hereford City will soon be published. She will find out more information and circulate to the Board for information.</p>	<p>LR</p>
<p><b>10.</b></p>	<p><b>Date and Time of Next Meeting</b></p> <p><b>Friday 6 October, 8.30 – 10.00 am</b>  <b>Hybrid meeting: Hereford College of Arts (Venn’s Lane site) and via Zoom.</b></p>	

## **Appendix A – Board Papers**

### **6. Progress Update and Future Planning**

#### **6.1 Introduction**

This report provides a high-level overview of progress since the last Board meeting.

#### **6.2 Funding Agreement/PID Progress**

All funding agreements are now agreed.

The following PIDS have been approved:

- Castle Green
- Cycle Track
- Southside,
- NMITE,
- Meadow Arts,
- Digital Skills Centre
- Electric Buses

The following PIDS are currently being scheduled for consideration by the PDG and subsequent reporting to the Board:

- Wyeside,
- Digital Culture Hub
- Powerhouse,
- Encore,
- Museum,
- Greening the City,
- Library
- Skate Park (an update presentation was provided at the PDG on 25 July 2023)

#### **6.3 Matched Funding**

The following table sets out matched funding, showing the original position as set out in the TF bid and as currently constituted. There have been changes which are set out against each project but overall, no project is currently at risk as a consequence of matched funding challenges. The total matched funding has risen by £3.8 million which is a credit to the portfolio of projects and shows their resilience in a difficult inflationary environment. Only one project, the library, which is the subject of a potentially very significant re-orientation appears to have any significant risk of delivering the matched funding associated with it.

Project	Aug-23	TF Bid	Notes
Friends of Castle Green	0	0	No Change from bid
Cycle Track	825000	775000	Increase from bid due to cost rising
DCH	927678	550000	Increase from bid due to new purchase model
Electric Buses	418000	550000	Change in balance of funding once accurate price tendered
Encore	600000	600000	Project not started
Greening the City	0	0	No Change from bid
Library	4500000	4000000	Additional £500,000 agreed by Council in 2022, position now uncertain
Meadow Arts	48000	70000	Overall scale of bid reduced once final offer received from Government and match accordingly
Museum	13000000	10000000	Council contributed an additional £3m match
NMITE	670000	536000	Project costs had risen at FBC stage
Powerhouse	0	704000	Matched funding lost when relocated to Packers House as based on assumed remitting of service charge by council if Maylords was to be base
School of Digital Futures	360000	200000	FBC costing changes increase since bid
Skate Park	0	0	No Change from bid
Southside	1025300	613000	Addition of Sports England projection for football pitches
Wyeside	100000	112000	Matched funding linked to S Taylor time
<b>Total</b>	<b>22473978</b>	<b>18710000</b>	<b>£3,763,978 increase in matched funding</b>

#### 6.4 Programme Management Budget

The total Town Fund budget for all capital and revenue to its end date March 2025 is £22.4 million. 2% of that budget has been agreed to meet programme management costs. This equates to £448,000.

To date the following amount has been spent and committed in principle to fees associated with the delivery of secretariat function:

From	To	Amount
May-21	Jun-22	£99,666.58
Aug-22	Aug-23	£91,999.92
Sep-23	Mar-25	£145,666.54
<b>Total</b>		<b>£337,333.04</b>

This leaves a balance of £110,666.96

A communications contract worth £14,037 has been committed to Orphans and in addition to this a small sum of less than £3,000 has been committed to webhosting and other consumables, the final amount for this will be reported at the Board.

In essence the amount remaining which is currently uncommitted on a rounded basis is £93,629.

## 7. Current Programme Overview

### 7.1 Introduction

This report provides an overview on progress since the last board meeting. A brief commentary on a project by project basis is provided in the report below. The highest level risks are set out in table form immediately below.

### 7.2 Top Risks

Project	Town Fund	Match	Total	Risk Rating	Challenge	Current Position
<b>Maylords Library and Learning Resource Centre</b>	3.1	4	7.1		This project is the subject of a detailed options appraisal and could move to a different location with issues to resolve in relation to abortive costs, changed matched funding and output/outcome issues.	The Board and DLUHC/BEIS are fully sighted on the options appraisal and the preferred option – still to be formally ratified of a move to the Shirehall building . Once the position is finalised should a proposed move be the outcome a full Project Adjustment Request will be required.
<b>Encore Music Hub</b>	0.21	0.6	0.810		FBC has now been approved but needs detailed implementation scrutiny.	This project has withdrawn from the Town Hall initiative which was its preferred option for a base – it has two options for relocation which are still in the appraisal stage.
<b>Digital Culture Hub</b>	1.201	0.928	2.129		The development of a funding agreement to reflect the now agreed change from rent to purchase. It is also important	On 5 June the Government Town Fund Board identified that a Project Adjustment Form was required for this project. This was drafted and has been agreed through written



					for a PID to be presented to the PDG and Board.	procedures with the Board.
<b>Southside</b>	3.656	1.025	4.269		Significant programme management requirements on multiple fronts. PDG is providing ongoing support.	The PID updating progress has been reviewed and supported by the PDG and is attached for Board approval.
<b>River Wye Infrastructure</b>	1.035	0.112	1.147		There are clear cost pressures for this project, support for the programme management is being provided by Herefordshire Council.	This project is now in train with programme management support. Generating a full understanding of the strategy for managing the value engineering activities planned in relation to this project is a priority and this will be addressed through a presentation of the PID at a future PDG meeting. In the meantime the secretariat continues to actively support the development of this project.

### 7.3 Project Progress

#### Skills Foundry

#### Southside

This project is proceeding to schedule and the PID was approved by the Board at its last meeting.

#### Digital Culture Hub

The Project Adjustment Request for this project has now been agreed by written Board procedures and positively noted by the Government Office staff. A Funding Agreement is in place and the next stage is to produce a PID for consideration by the Board.

### **HCA School of Creative Digital Futures**

The PID for this project has been considered in detail and approved by the Board. The contract to begin construction works is now live and the project will have completed its capital stage by March 2024.

### **NMITE Future of Work**

The PID for the project has now been approved by the Board. The secretariat has been in discussion with the project about it: seeking to convert a modest proportion of its capital expenditure into revenue, about the practicalities of classification in terms of revenue and capital expenditure and about the scale of programme management costs which are eligible within the technical rules of the Town Fund. We are still to finalise the discussions around these issues and anticipate formally feeding back (in conjunction with the council as the accountable body) on these issues once they have been formally lodged with the secretariat in terms of detail.

### **Access and Greening**

#### **River Wye Infrastructure**

The next substantive discussion in relation to this project will follow the presentation of its PID to the PDG which is currently being scheduled.

#### **Greening the City**

There has been no significant change in relation to this project since the last meeting on 4 August.

#### **Meadow Arts**

The second installation by artists Mathew Cornford and John Beck is now underway. This provides an excellent opportunity to promote Stronger Hereford more widely and discussions are ongoing with Meadow Arts on how best to maximise this opportunity. This project will be able to commercially commit its expenditure to meet its funding profile. The PID for this project was agreed at the Board meeting on 7 July and the project is running successfully to profile.

#### **Castle Green Pavilion**

This project is proceeding professionally to budget and schedule. There have been some concerns that the letting of a catering concession as a component within the search for a new operator of the bowling green adjacent to the facility could have a negative impact on

the catering plans for this project. That issue has now been logged with Herefordshire Council who own the bowling green and they are reviewing their disposal plans to take account of the issue. Friends of Castle Green are putting an asset transfer request to the Council connected with the Bowling Green and further progress with this will be reported to the Board in due course.

## **Cultural Assets**

### **Maylords Library and Learning Resource Centre**

The outcome of the options appraisal for the future location of the library has proposed moving it from Maylords to Shirehall. A full business case is being prepared and will be considered by the Herefordshire Council Cabinet in October 2023. As part of the final decision making process the Maylords option will remain on the table as a viable alternative to the Shirehall. The Towns Fund Board received a presentation at its last full meeting and then considered the plans for the way forward post the outcome of the options appraisal at an Extraordinary Meeting on 12 July. The Council have been asked to provide a verbal update on progress at the Board meeting (1 September). If a move is finally decided upon a detailed PAR will need to be prepared covering all the key issues associated with the proposed move – including quality of proposal in terms of the robustness of the FBC, outputs, outcomes, costs (it is not proposed to allocate any additional TF resources to the project) and matched funding.

### **Powerhouse**

The agreement of the PAR for this project means that it can now proceed as planned and at this stage there is no substantive progress to report.

### **Encore Music Hub**

This project has withdrawn from the Town Hall initiative which was its preferred option for a base – it is now actively considering two locations both of which it is not in a position due to commercial confidentiality to disclose at this stage.

## **Individual Projects**

### **Marches Experience**

It has now been confirmed that the full funding package for this project is in place with the wonderful news that a £5 million grant from HLF has been approved. This will enable the facility to become a world class part of the tourism offer in the City and more widely. The link to the HLF press release about the project is attached here:

<https://www.heritagefund.org.uk/projects/hereford-museum-and-art-gallery-revamp-receives-ps5m-national-lottery-funding-boost>

### **Electric Buses**

Government office have confirmed that there is no need for a PAR in relation to the three recent asks for this project which can now proceed with the next stage of its implementation namely:

- Transfer of £60,000 of surplus capital to NMITE in return for £60,000 of revenue from them to the Electric Buses
- Confirmation that staff training (4% of the tender price from Yeomans) can be capitalised and paid up front
- Confirmation that depot rental (11% of the tender price from Yeomans) can be capitalised and paid up front

It is anticipated that the bus service itself will be operational from September 2023.

### **Extreme Sports Hub**

The cycle track is now close to completion and it is anticipated that it will be able to open in the early autumn with the official opening now scheduled for 29 September. The Planning permission for the Skate Park was approved in July 2023 and the construction of the new facilities is now in train. The build is anticipated to be completed within 6 months maximum.

#### 7.4. Programme Level Risk Register

The cross cutting risk register is attached below for discussion and updating post the Board.

Risk	Likelihood	Impact	Mitigating Actions/Actions Required	Latest Position – September 2023
Achieving Matched Funding Totals	Medium	High	It is clear that due to project design changes arising from the FBC development process that there is a need to value engineer projects as a result of inflationary pressures. This may knock on in terms of matched funding contributions. We are alive to this issue and we have been involved in detailed project by project risk rating to understand and plan mitigations at the level of individual project development.	A changing pattern of matched funding has emerged as the Funding Agreements were firmed up. Considerable additional matched funding has been identified in conjunction with the Museum project. Overall the level of programme wide matched funding is in excess of the amount initially cited in the bid. The potential relocation of the Library project which has a match of £4 million associated with the building may be an issue when the PAR associated with the project is submitted. We now however have a letter from Government allowing us scope to authorise variances up to a margin of 30% and overall if this funding is lost, with the Museum increase it will still leave us within the new tolerances allowed.
Completion of Project Initiation Documents	Medium	Medium	Close liaison and clear indication of requirements with each individual project and then consideration at PDG	The first tranche of PID presentations has been completed with the outstanding PIDS for; the Museum, Greening the City, Skate Park, Wyeside, Digital Culture Hub, Powerhouse, Encore, and Library still to be considered.
Programme Level Inflation Cost Pressures	High	High	This is a material risk. We are already involved in value engineering discussion with projects on an individual basis as the	This is a significant but manageable risk. Preceding elements of this report set out how we have been managing the process as does the

			PISs progress to enable us to mitigate this in relation to individual projects.	project by project narrative which precedes it. Inflation is high but gradually settling out at a more manageable level. The most recent review of matched funding has highlighted that with the exception of the Library where the change of location introduces major complexity, all projects are still viable and able to manage their matched funding requirements.
Programme Governance Failures	Low	High	We have the operation of the Board and its assurance framework including the PDG under constant review and the Chair has been interviewing individual members to understand their perspectives in relation to these challenges. We have also recently agreed a new financial reporting process to enable us to manage the challenges linked to this issue.	The current Chair has reviewed the governance status of the programme and positive new governance arrangements have been agreed.
Achieving Target Spend	Medium	Medium	We have identified the relative risks on a project by project basis, individual mitigations measures at the level of specific projects are in place and further intelligence is collected on a real time basis through our engagement with each project as the TF secretariat. There is scope for some projects to offset an under commitment of others by increasing their spend and we are currently investigating this position.	The Funding Agreements ensure there is clarity on timescales and activities associated with the spend profile for each project. We also have to manage the distinction between the amount of spend profiled by DLUHC and from a programme management perspective. Our intelligence from the individual project discussions enabled us to meet our commitment targets for 2022/23. Our submission of the quarterly return in June 2023 indicated that we are on profile but we did raise the issue of inflation as a potential challenge.

Programme Management Capacity	Low	High	The team has a good level of dedicated staff with additional capacity. There is scope to seek support from partners to mitigate unforeseen capacity challenges.	The Board approved a strategy for the extension of the programme management arrangements at its meeting in August 2023 and we have no major disquiet in relation to the implementation of this aspect of the work of the programme at this stage.
Achieving Overall Programme Outputs	Medium	High	The programme management role followed by the team provides good scope to identify early and then intervene to manage and mitigate risks as identified.	Two projects: Southside and Wyeside have delivery challenges, with ongoing support in place. The Library relocation if decided upon will introduce an additional element of challenge into the programme. A reduced portfolio of outputs could arise. The secretariat is keeping this situation under careful review and will maintain a detailed overview of progress in conjunction with the Project Delivery Group.
Achieving Programme Spend Within Annual Profiled Phases	Low	Low	There is a danger in view of the inflationary pressures faced by the programme and in terms of limited supplier availability in some cases that achieving spend on planned time may be difficult.	The latest delegation of authority to manage spend variance up to 30% at the Board without recourse to PARs is very helpful in giving us the capacity to manage this challenge in part at least ourselves. The Funding Agreements have in each case considered this challenge. Where it occurs unexpectedly a project change form will need to be submitted to Government. With all the Funding Agreements confirmed with projects we believe we have a robust level of intelligence and understanding in relation to the programme and that at this stage it is straightforwardly manageable.

Meeting Evaluation Requirements	Low	Medium	There is a requirement to evaluate the impact of the programmes in the town, we are yet to put the arrangements in place to collect the evidence and programme the evaluation. We have significant experience of these actions in other settings and are beginning to make preparations for the meeting of this obligation once the current stage of the Funding Agreement process is completed.	We currently have no evidence to suggest that this will be a performance issue.
Individual Project Failure	Medium	Medium	There will inevitably be some challenges which occur in terms of project delivery. Through the Funding Agreement process these we have a clear overview of these challenges and we will be able to keep on top of them through the project implementation process. Depending on the scale of the project and its relative importance to the programme (we have individual risk registers for each project) we will be able to put mitigations in place or escalate the solution to the issue to a discussion with DLUHC using as appropriate project variation forms rescheduling timescales and outputs.	We have identified the relative vulnerability of each project to inflation in this report. More widely we have a risk register for each individual project. We have the following projects under close scrutiny: Wyeside, Encore Music Hub and Southside. None of the projects have yet failed and we are confident that with our ongoing support they will be able to continue successfully. The proposed relocation of the Library to a location other than Maylords may introduce additional risks to the programme should it proceed, particularly in terms of abortive costs. We have this issue under close review and it is too early to make any firm assumptions about its implications at this stage.



Multiple Project Failure	Low	High	This is a relatively low risk because of the comprehensive and varied spread of projects across the programme both thematically and in terms of delivery organisations. Should it occur we will, through monitoring be able to plan amelioration as it gathers pace so that the implications are fully understood and reported before they reach an unmanageable stage.	There is no evidence to suggest that this is an issue at this stage of progress towards the establishment of individual funding agreements. We are however exercising a careful overview of vulnerabilities at a programme level as 50% of the total TF portfolio involves projects at different levels of delivery challenge.
Subsidy Control Challenges	Low	High	Relatively few of the projects have a subsidy control component. We are planning a desk review of the relative challenge associated with each project where required and will have mitigations pre-planned should any challenges arise.	We are yet to schedule this detailed desk review and it will be initiated once the final funding agreements are in place.

### 7.5. Budget

The Period 4 (July) position in relation to the programme is set out below. There has been no new spend on council projects between periods 3 and 4:

Project	Total TF Allocation	Spend 21-23	23-24 Spend P1-4	Total Spend to Date	Total to Spend	23-24 Profile Spend	Spend and Profile to Mar 24	Total Committed 22-23	Remaining to Commit	Spend to date vs Spend and Profile to Mar 24	Remaining to Commit vs Total	Remaining to Spend vs Total
Castle Green Pavilion	1,568,252	137,800	295,583	433,383	1,134,869	1,005,290	1,438,673	1,294,608	273,644	30%	17%	72%
Cycle Track	690,263	325,616	266,842	592,458	97,805	0	690,263	690,263	0	86%	0%	14%
Digital Culture Hub	1,201,322	52,092	1,338	53,430	1,147,892	573,015	626,445	44,858	1,156,464	9%	96%	96%
Electric Buses	1,708,993	85,250	0	85,250	1,623,743	703,703	788,953	1,068,350	640,643	11%	37%	95%
Encore Music Hub	201,058	0	0	0	201,058	201,058	201,058	0	201,058	0%	100%	100%
Future of Work	2,337,291	27,363	13,048	40,411	2,296,881	1,317,135	1,357,546	24,054	2,313,237	3%	99%	98%
Greening the City	411,164	80,685		80,685	330,479	0	411,164	411,164	0	20%	0%	80%
HCA School of Digital Futures	653,439	0	0	0	653,439	452,381	452,381	35,000	618,439	0%	95%	100%
Marches Experience	5,026,450	1,404,051	0	1,404,051	3,622,399	2,010,580	3,414,631	2,010,580	3,015,870	41%	60%	72%
Maylords Library	3,015,870	328,917	0	328,917	2,686,953	879,842	1,208,759	2,137,289	878,581	27%	29%	89%
Meadow Arts	90,476	18,000	25,242	43,242	47,234	0	90,476	20,050	70,426	48%	78%	52%
Powerhouse	301,587	19,050	0	19,050	282,537	0	301,587	38,097	263,490	6%	87%	94%
Skate Park	500,000	0	30,000	30,000	470,000	0	500,000	19,050	480,950	6%	96%	94%
Southside	3,656,155	154,919	39,099	194,018	3,462,137	2,659,325	2,853,343	490,000	3,166,155	7%	87%	95%
Wyeside	1,035,875	34,017	112,813	146,830	889,045	517,937	664,767	166,862	869,013	22%	84%	86%
Total *	22,398,195	2,667,761	783,965	3,451,726	18,946,469	9,739,300	13,191,026	6,165,175	16,233,020	26%	72%	85%

\* inc programme management (2%)

A spreadsheet setting more detail on payments is attached as an appendix with this report, including detailed individual project transactions.

## 7.6 Secretariat Process Reset

The paper in relation to this process was agreed with a few minor changes at the last Board meeting. These include a decision not to proceed to six weekly meetings at this stage. It was also agreed that the approach to the development and costs associated with additional independent governance support would be reviewed at a later date.

## 8. Legacy Planning

### 8.1 Background

On 21st June 2023, Frank Myers and Christian Dangerfield attended the Government's Levelling Up conference in Manchester. The conference was very well-attended with representation from all Levelling Up programmes (LUF, Free Ports, Heritage Action Zones, Cultural Recovery Fund, STF) and from the majority of towns in the Stronger Towns Fund programme.

Presentations, panel discussions and one-on-one networking made it very clear that many towns are now committing significant time and resources to building on the transformational impact of investment from the STF programme and to creating a long-term, self-sustaining legacy of development and growth - in other words, delivering on the Government's original agenda.

### 8.2 Developing a Town Fund Legacy in Hereford

By the end of March 2025, Hereford will have received a £40 million match-funded makeover, delivering closely-targeted investment into the four critical areas identified in our original Town Investment Plan (TIP):

1. **Skills development:** deliver a highly skilled workforce
2. **Tourism:** build a highly distinctive heritage and visitor offer
3. **Connectivity:** investment in sustainable low-carbon transport
4. **Wider economic benefit:** support the sustainability and economic development of the county

While this investment is obviously very welcome, it will not, by itself, reverse the impact of long-term underinvestment in Herefordshire. The Herefordshire 2030 Group estimates that we need to attract inward investment of £200-250 million p.a. in every one of the next ten years (vs. the historic run rate of around £100 million p.a.), in order to close the county's wage gap with the rest of the UK. Hereford's Towns Fund programme will, however, deliver some critical infrastructure on which to build a legacy of long-term inward investment.

### 8.3 Creating a Skills Development Legacy

The TIP recognised that only with sustained upskilling will Herefordshire be able to meet current skills requirements, attract sustained inward investment and deliver the high-value jobs needed to close the county's wage gap.

Towns Fund investment in the Digital Creative Futures Hub, Digital Culture Hub, Future Skills Hub and Southside project is designed to create an integrated and potentially transformational **Skills Foundry**, as a key Legacy project.

The original funding award and subsequent discussions with Government officials recognise that the **Skills Foundry** has the potential to develop a highly distinctive national model for skills development, particularly for rural communities which are largely reliant on SMEs and new business startups as the main driver of economic development and growth.

There has been some initial discussion about what the **Skills Foundry** might look like and what it might deliver. To be consistent with the vision articulated in the TIP, this now needs to translate into the development of a highly motivated and empowered agent of transformational change, led by the business community for the business community, working with partners such as HWGTA and Landau and sitting at the heart of a revitalised Herefordshire business development ecosystem.

### 8.4 Creating a Visitor Economy Legacy

The visitor economy of Herefordshire - and of Hereford in particular - has dramatically underperformed the British tourism sector for many years. Our most recent (2020) STEAM report values the county's visitor economy at £571 million. If we had kept up with the 5-8% annual growth rate in the golden period in British tourism which began in around 2005, our tourism sector would likely be worth more than £1 billion p.a today.

The TIP aimed to address this underperformance head-on.

Towns Fund investment and match-funding in Hereford's visitor economy (Museum, Wyeside, Castle Green Pavilion, Cycle Track, Skatepark and, arguably, Southside) amounts to approximately £26 million. This placemaking investment not only makes Hereford a more attractive place to visit but also a more attractive place to live, to work, to study and to invest.

By March 2025, Hereford will have some world-class tourism infrastructure with which to create a highly distinctive visitor offer and to compete aggressively for visitor spend.

The Town Fund Board has an opportunity to mobilise these new assets within a coherent and integrated strategy in collaboration with Herefordshire's recently-launched Destination BID, creating a long-term legacy of transformation.

### 8.5 Creating a Connectivity Legacy

The creation of a 3-vehicle Zipper electric bus fleet delivers on the promise of sustainable low-carbon transport and creates a base on which to transform Hereford into a 21st century human-centred city which celebrates our rural identity and which embraces the opportunities of green technology.

There are further opportunities within the Hereford Town Fund project long-list to develop a SMART-city legacy in Hereford.

If it develops according to the TIP's original vision, the Skills Foundry will establish social and economic connectivity between South Wye and the rest of the city and create a skills development pipeline for some of the most deprived postcodes in the UK.

### **8.6 Creating a county-wide Economic Legacy**

The Hereford Town Investment Plan identifies clearly that Hereford City and the Enterprise Zone are the main drivers of Herefordshire's economy.

There are numerous opportunities to develop legacy linkages between the 15 projects in the Hereford Town Fund programme and the market towns and wider county.

### **8.7 Conclusion**

Based on conversations with all project sponsors and numerous stakeholders in Hereford, Rose Regeneration has established that:

1. there is a strong appetite for the development of an integrated programme of events and festivals in Hereford which will celebrate and amplify the impact of the Towns Fund programme throughout 2025.
2. there is universal agreement on the ground that the available timeline (18 months) is limited and that detailed planning needs to start asap.

### **8.8 Recommendation**

Development of a Legacy workshop facilitated by Rose Regeneration.

Christian Dangerfield  
21 August 2023