

# Apply to the levelling up fund round 2

## Submission details

Submission reference	LUF20557
Created time	Wed, 10 Aug 2022 09:20
Signed-in user	43a4a3f4-63e9-4ca9-ad4a-0c08b3a25134

## What is the legal name of the lead applicant organisation?

Reading Borough Council

## Where is your bid being delivered?

England

## Select your local authority

Reading

## Enter the name of your bid

Culture and Community at Minster Quarter

Does your bid contain any projects previously submitted in round 1?

No

## Bid manager contact details

Full name	[REDACTED]
Position	Deputy Director Infrastructure, Economy and Capital Projects
Telephone number	[REDACTED]
Email address	[REDACTED]
Postal address	Civic Offices Bridge Street Reading Berkshire RG12LU

---

## Senior Responsible Officer contact details

Full name	[REDACTED]
Position	Executive Director for Economic Growth and Neighbourhood Services
Telephone number	[REDACTED]
Email address	[REDACTED]

---

## Chief Finance Officer contact details

Full name	[REDACTED]
Telephone number	[REDACTED]
Email address	[REDACTED]

---

## Local Authority Leader contact details

Full name	[REDACTED]
Position	Leader of the Council
Telephone number	[REDACTED]
Email address	[REDACTED]

---

## Enter the name of any consultancy companies involved in the preparation of the bid

Bradshaw Advisory  
ChamberlainWalker Economics  
Charcoal Blue (Theatre Consultancy)  
Barton Willmore (Architecture and Public Realm)  
Bristows Consulting (QS, PM)  
Hampshire County Council

---

## Enter the total grant requested from the Levelling Up Fund

£19164000

---

## Investment themes

Regeneration and town centre	25%
Cultural	75%
Transport	0%

---

## Which bid allowance are you using?

Full constituency allowance

---

## How many component projects are there in your bid?

2

---

## Are you submitting a joint bid?

No

---

## Grant value declaration

I am submitting a bid as a single applicant and can confirm that the bid overall does not exceed £20 million grant value

Tick to confirm

---

## Gateway criteria: costings, planning and defrayment

I confirm that some LUF grant funding will be defrayed in the 2022/23 financial year

Tick to confirm

---

Costings and Planning Workbook

LUF\_Package\_Bid\_Costings\_\_Planning\_Workbook\_V2.00 READING FINAL.xlsx

---

## Provide bid name

Culture and Community at Minster Quarter

---

## Provide a short description of your bid

The bid comprises two catalytic culture-led regeneration projects to boost pride, raise educational attainment, reduce anti-social behaviour and unlock land for housing:

'HexBox', as part of wider Hexagon Campus, will be created by extending The Hexagon Theatre with a new arts, community and performance space, accessible to schools and community groups, providing a focal point for new and existing communities and a platform for diverse programming.

'New' Reading Library - relocation of the current central library to Reading's Civic Offices - will inspire residents, boost literacy rates and create a hub for support services, while releasing land for new homes.

---

## Provide a more detailed overview of your bid proposal

Reading's economic success has been built on its retail offer and its status as a centre for employment with a large commuter catchment. However, trends accelerated by the pandemic means places like Reading need a new and compelling offer. Despite its economic success, Reading also experiences high levels of inequality - it has been described as the third most unequal town in Britain\* - highlighting the need for 'levelling up' at the local level.

[\*e.g. 'Centre for Cities' report in 2017 looked at the UK's largest city economies and Reading was joint third most unequal based on the Gini coefficient]

Reading's 2050 vision sees Reading as a City of Culture and Diversity and puts culture at the centre of the town's plans for regeneration.

This bid has a combined BCR of 2.3, has priority support from the local MP and widespread support from a number of local cultural and educational stakeholders (detailed in annex E). £3.1m of match funding (14%) will be contributed by Reading Borough Council.

#### HexBox

As part of wider plans for a revitalised Hexagon Campus we plan to extend The Hexagon Theatre with a new arts, performance and community hub, 'HexBox' that will be able to host a wide variety of performances - including live music - and provide a focus for the new community that will soon establish itself in the Minster Quarter.

Since the demolition of nearby Civic Offices, The Hexagon has become increasingly isolated. This new destination will create a cultural 'campus' improving the physical linkage between The Hexagon, surrounding developments and the new Central Library, helping regenerate brownfield land, boosting footfall, inspiring residents, supporting learning and skills and realising additional income streams, all whilst providing a spatial anchor for the community. It will also allow for a more diverse and varied programming to expand audience types.

#### Reading Library

Due to spatial shifts over time, Reading's 'Central' Library is no longer in the centre of the town and suffers from high rates of anti-social behaviour due to poor design choices made in the 1980s.

There are pockets of poor literacy in Reading which impacts social cohesion, access to the jobs market and isolation.

The LUF presents a major opportunity to solve these issues and create a cultural hub - adjacent to communities in the 10% most deprived in the country - by moving the library near to the Hexagon Campus and increasing its focus on digital skills (a 'digital first' library), events and learning.

By integrating the library within the existing Civic Offices we can also bring together services that target those in most need of support, improve the sustainability of public services and reduce greenhouse gas emissions while releasing much needed brownfield land for housing on the current library site.

#### Coherence

Both projects are within a 5-minute walk from one another and form key components of the Minister Quarter mixed-use redevelopment and the wider emerging Town Centre Strategy. Both projects have a cultural focus and both interventions will help to increase educational engagement and attainment.

Both projects will boost footfall levels and provide a strong amenity and lifestyle reason for living within or visiting the new development. Both projects offer the opportunity to 'design-out' anti-social behaviour which will boost pride and footfall - a quarter of residents did not feel safe and secure in town centre public spaces and cited 'security' as the second most important factor in feeling 'less proud' of the town. Both projects will help to increase community cohesion and integration.

---

## Provide a short description of the area where the investment will take place

Reading is a large town in Berkshire which is estimated to be home to 172,400 people (Census 2021). 7 miles to the south east is Wokingham, to the east central London is 37 miles away and Slough 16 miles. 6 miles to the north is Henley.

Despite an influx of investment and residents, Reading went backwards in the most recent Index of Multiple Deprivation (falling to the 141st most deprived). Five of the most deprived 10% of LSOAs are now located in Reading compared to just two in the previous IMD.

The two interventions both take place in Abbey Ward which partly covers the town centre. 25% of the ward identify as Asian/Asian British and the largest employment type is 'lower managerial and administrative'. 12% of the residents have no qualifications and home ownership levels are around 40% lower than the average for Reading as a whole.

Investment will take place at two locations (both sites are just a few minutes walk from each other):

1) the Hexagon Theatre, situated in the Minster Quarter, towards the South West of Central Reading, and;

2) the Civic Offices next to the Minster Quarter on Bridge street to create a New Central Library.

The Minster Quarter is situated on the edge of Reading's core retail area, providing easy access to both the Oracle Shopping Centre and Broad Street Mall. The Minster Quarter Outline Development Framework was approved by the council in December 2018 and the Local Plan (which includes the Minster Quarter) in November 2019.

The Civic Offices have been home to Reading Borough Council since 2014, and overlook the Oracle Shopping Centre. The current Central Library is located on Abbey Square on the eastern fringe of the town centre.

The Minster Quarter is set to play a key role in the regeneration of Reading's city centre. Its regeneration area includes land owned by Reading Borough Council (RBC), Thames Valley Police, The Broad Street Mall shopping centre, the Ministry of Justice. This land has development potential for 1,000-1,200 new homes, with Broad Street Mall already having consent for 440.

The Hexagon itself was built in 1977 and is a well-admired example of brutalist architecture. Whilst it has been a core part of Reading's cultural scene since it was built, after the demolition of the Civic Centre, the theatre has been left isolated in the city centre with little passing footfall.

Similarly, with the public library currently located far from the core of the city centre on Abbey Square, its potential contribution to the city centre is significantly limited.

---

### Optional Map Upload

Civic Offices and Hexagon.pdf

---

## Does your bid include any transport projects?

No

---

## Provide location information

### Location 1

---

Enter location postcode	RG1 7UA
Enter location grid reference	51.4540, -0.9776
Percentage of bid invested at the location	66%
Optional GIS file upload for the location	Civic Offices and Hexagon.pdf

---

### Location 2

---

Enter location postcode	RG1 2LU
Enter location grid reference	51.45310, -0.9735
Percentage of bid invested at the location	34%
Optional GIS file upload for the location	

---

## Select the constituencies covered in the bid

### Constituency 1

---

Constituency name	Reading East
Estimate the percentage of the bid invested in this constituency	100%

---

## Select the local authorities covered in the bid

### Local Authority 1

---

Local authority name	Reading
Estimate the percentage of the bid invested in this local authority	100%

---

## Sub-categories that are relevant to your investment

---

Select one or more regeneration sub-categories that are relevant to your investment	Civic Residential
Select one or more cultural sub-categories that are relevant to your investment	Arts and Culture Creative Industries Visitor Economy Heritage buildings and sites

---

**Provide details of any applications made to other funding schemes for this same bid that are currently pending an outcome**

No other funding applications have been made for the projects contained within this bid.

---

**Provide VAT number if applicable to your organisation**

200 1916 25

---

**Bidders are invited to outline how their bid will promote good community relations, help reduce disparities amongst different groups, or strengthen integration across the local community**

HexBox will create a focus for the new communities moving into the Minster Quarter, creating a place for people to meet, enjoy and participate in the performing arts, promoting good community relations in what will be a brand new community.  
HexBox will enable people with complex needs and disabilities access culture through its accessible design, complementing the Changing Place which will be installed in the main Hexagon.

Libraries are safe spaces for all providing free access to books, information, public services, wifi, digital devices, books and resources in a range of languages.

The new Reading Library will continue to offer free to access events and activities that reflect the diversity of Reading's communities to create connections and strengthen integration.

The new Reading Library will have a better digital offer supporting those who are digitally excluded with free wifi, equipped study spaces and loanable devices.

The library features space for community use which will promote good community relations and strengthen communities.

As a package they will bring together the existing and more deprived communities of south Reading and the new community at Minster Quarter.

---

**Is the support provided by a 'public authority' and does the support constitute a financial (or in kind) contribution such as a grant, loan or guarantee?**

No

---

**Does the support measure confer an economic advantage on one or more economic actors?**

No

---

**Provide further information supporting your answer**

All contractors, consultants and suppliers will be procured using one of the competitive procedures in the PCR 2015 or in accordance with the Applicant's internal Standing Orders (as applicable) and will be paid a market rate.

---

**Is the support measure specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services?**

No

**Provide further information supporting your answer**

The Project is not specific to any enterprise, sector, industry or region and does not benefit any particular contractor, consultant or supplier over any others in relation to the production of any goods or services.

The Applicant will pay market rates to all contractors, consultants and suppliers competitively procured to deliver goods or services in connection with the Project or the project activities.

**Does the support measure have the potential to cause a distortion in or harm to competition, trade or investment?**

No

**Provide further information supporting your answer**

All contractors, consultants and suppliers will be procured using one of the competitive procedures in the PCR 2015 or in accordance with the Applicant's internal Standing Orders (as applicable) and there is therefore no potential to cause a distortion in or harm to competition, trade or investment.

**Will you be disbursing the funds as a potential subsidy to third parties?**

No

**Has an MP given formal priority support for this bid?**

Yes

**Full name of MP**

Matt Rodda

**MP's constituency**

Reading East

**Upload pro forma 6**

LUF Round 2 Pro formas V6.1 Proforma 6 MP Support MR Cultural.pdf

**Describe what engagement you have undertaken with local relevant stakeholders. How has this informed your bid and what support do you have from them?**

Reading 2050 Vision – launched in 2017 and developed by ReadingUK, University of Reading and Barton Willmore this work engaged over 21,000 members of the community and 350 businesses. One of the 3 core themes is Reading as a City of Culture and Diversity.

Powered by People Strategy 2021-24 Reading's economic recovery and renewal strategy developed with key businesses and stakeholders includes engaging the arts and culture sector in strategies to reuse and regenerate space in the town centre as a key action.

In 2020, the Council commissioned the University of Reading to research the impact of Covid on the Reading Arts and Heritage Sector. 30 organisations, producers and artists were engaged, 41% selected, 'Loss of work space' as the biggest concern for the future and 42% selected, 'Venues for meeting (rehearsals, performance)' as critical for post covid recovery.



A 2021 public consultation on the Library service's strategic priorities surveyed over 1,200 users and non-users. People were asked their thoughts on a new central library. This highlighted a need for a central and accessible location; the promotion of reading and learning; refurbishment and modernisation.

To develop the emerging Town Centre Strategy, consultation (see annex F) with community organisations explored community perceptions of Reading town centre. There were 490 responses. The Town Centre Strategy's emerging themes include a great place to live for leisure and with a strong sense of identity, culture and heritage.

The Hexagon's regular audience surveys received between September 2020 and July 2022, received 7,906 responses. Audiences consistently feedback on the poor accessibility, poor quality public realm, poor wayfaring and the need for a new venue which complies with access legislation.

The Co-Chairs of the Reading Climate Change Partnership endorse the bid recognising its contribution to the wider decarbonisation and sustainable development aspirations of the town.

A Consultative Panel comprising senior representatives of partner organisations was established by the Council in 2021 to advise on Reading's bid for City Status.

The Panel has been consulted and letters of support received, including from the Vice-Chancellor of the University of Reading, the Chief Executive of the Thames Valley Berkshire Local Enterprise Partnership, and the Chief Executive of ACRE.

Brighter Futures for Children, who deliver the Elevate NEET programme from the town centre, and New Directions, Reading's Adult Community Learning College, are potential end users for Reading Library. Both are excited at the prospect of new community space in such an accessible, central location.

Connect Reading, a local organisation who broker relationships and resources between charities and businesses have been fully engaged through the process and will continue to link the projects through the third sector and business as they develop.

Adjacent landowners at the Police Station and Broad Street Mall have both provided letters of support (annex E), and been involved throughout, as have the owners of the student accommodation adjacent to the HexBox site.

LUF proposals have been shared publicly via social media and press in line with our comprehensive communications strategy and feedback will inform further design development.

---

## **Has your proposal faced any opposition?**

No opposition has been received for these proposals. Numerous letters of support for the proposals have been received from stakeholders across the arts, culture, retail and business sectors as well as from key partners demonstrating the level of support.

Feedback has been received from a handful of residents enquiring about disabled facilities and access. A full equalities impact assessment will be carried out for both projects which will highlight any impacts and identify mitigating actions.

As both projects develop, we will continue to engage with residents and customers via our regular communication channels in addition to the dedicated webpage and email addresses for the projects.

---

## **Do you have statutory responsibility for the delivery of all aspects of the bid?**

## **Provide evidence of the local challenges / barriers to growth and context that the bid is seeking to respond to**

### Deprivation and housing shortage

Reading is currently 141st most deprived out of 317 English local authorities on the DLUHC Index of Multiple Deprivation. There is clearly a shortage of housing - IMD 'barriers to housing' ranks Reading as 43rd most deprived. Crime is another key deprivation domain where it performs relatively poorly overall - 108th most deprived.

This masks pockets of severe overall deprivation: 5 of Reading's 97 Lower Super Output areas are in the bottom 10% of English LSOAs. Seven LSOAs are within 500 metres of the proposed investments: four in the bottom 30% of English LSOAs for overall deprivation; six in the bottom 20% for 'barriers to housing' and 'crime'; two in the bottom 10% of 'The living environment'.

On top of the housing shortage, the population of the local authority is set to increase by over 30,000 people by 2035 - the SHMA forecasts c.15,000 new homes need to be built by 2036.

### Constrained cultural scene

Culturally, there is strong unmet demand for live music, demonstrated by the popularity of The Hexagon's music programme at a larger scale and South Street Theatre's music programme at a smaller scale.

This unmet demand has been voiced by local music promoters such as Heavy Pop, who have experienced issues hosting bands in local venues. There is also unmet demand for hosting mid-scale comedy; both The Hexagon and South Street regularly sell out comedy.

Reading is known on the comedy circuit as having a friendly and accepting audience, meaning warm-ups are often hosted there. The second space at the Hex would enable comedy to grow in attendance and develop the venue as a platform for new / emerging comedy, plus the established household names.

### Poor social mobility

The local authority ranked 217 of 324 on the 2017 Social Mobility Index, struggling the most amongst its 'schools' indicators - ranked 303rd. Here, the city sees significant performance gaps when it comes to the proportion of school children eligible for free school meals, and in attainment 8 scores. The proposed intervention to the library will improve vital learning facilities and move them to a more accessible, inclusive location. The HexBox extension will support additional learning and development, providing space for community workshops and amateur performances

### Redevelopment challenges

Minster Quarter has a difficult large ugly brownfield site requiring wholesale redevelopment. There are viability issues regarding extraction of developer contributions for much-needed improvements to and greening of the public realm. The proposed investments will provide amenity value, boost land values, and improve this viability position.

This is a heritage / cultural bid to create a thriving cultural quarter and a hub for learning as part of Minster Quarter's wider regeneration. It responds to the housing shortage as part of a wider intervention by improving amenity and land values. If viable, the redevelopment site on the Minster Quarter has capacity for c1,500 homes and public realm improvement within high-density developments at the heart of town where homes are needed most. A further 46 new homes will be enabled in King Street by relocating the existing Reading library.

The 2021 resident's survey: only 46% of residents are satisfied with the Council's library services and 52% with its cultural services.

#### Crime / ASB

A 2021 residents survey (annex G) found the level of crime (and affordable housing) to be the factors most important in making a good place to live and in most need of improvement in the local area. Many public comments received as part of the public engagement refer to perception of safety at the Hexagon and the current Central Library site.

---

## **Explain why Government investment is needed (what is the market failure)**

Both the Library and the HexBox are examples of public goods. Public goods are not provided by the private sector because they would be unable to supply them for a profit. A public good is often under-provided in a free market because its characteristics of non-rivalry and non-excludability mean there is an incentive not to pay / to underpay. The two key interventions are fundamentally about improving learning and cultural public goods that are currently lacking in Reading. The proposed cultural and learning offer will generate positive externalities which private investment cannot take account of e.g. additional footfall will generate spending of up to circa £50 million in the town centre benefiting local businesses there.

More broadly, the two interventions serve to support the redevelopment of the poorly performing Minster Quarter. This redevelopment site suffers from a number of key public good and negative externality issues. Negative externalities occur when an activity imposes costs or produces benefits for economic agents not directly involved in the deal, the classic example being pollution.

A key issue to date with the Minster Quarter has been remediation - namely the lack of provision of functional, accessible, and safe pedestrian connectivity across the site (public good). The ground level of the site is two stories lower than the surrounding streets. These aspects also pertain to crime / ASB. The raised concrete podium structure that crosses the site to provide pedestrian access complicates redevelopment. RBC had previously tried marketing the site without success due to the site constraints described above proving market failure. RBC has since invested in bringing forward the site by the production and adoption of an SPD to de-risk planning and this has supported the successful Brownfield Land Release Fund application.

However, a still pervading market failure (public good and negative externality) is the lack of a high-quality public realm (public good), particularly given the site is adjacent to the historic conservation area (negative externality). This not only detracts from visitor numbers to the Hexagon Theatre but reduces the viability of new housing development and the provision in that of affordable homes. Through improvements to amenity our proposed LUF interventions can support / leverage private investment in the public realm and this market failure can be largely addressed with private money.

As a result of the site not being redeveloped it is also in danger of blighting and suppressing the economic performance of the surrounding area including the performance of the Broad Street Mall (in marked contrast to the thriving development around Reading Station, the Oracle Shopping Centre, and High Street).

Public sector decarbonisation programmes are able to make some progress with energy efficiency and renewable energy projects but deeper level decarbonisation to meet net zero remains a challenge. Decarbonisation of heating in particular is a challenge as the capital costs of the technology and running costs are so much higher than standard gas-powered plant due to the immature market in the UK and the differential in gas and electricity prices. Grant assistance can help to make investment in these technologies more achievable.

---

## Explain what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers

(1) HexBox: a new cultural and community extension to the current Hexagon Theatre, on the edge of the Minster Quarter, coupled with improved lighting and immediate-vicinity public realm works around the current building to improve public accessibility and 'design out' crime to make it more welcoming to visitors

(2) New Reading Library: a new 'digital first' central Library housed in the existing RBC Civic Office building adjacent to the Minster Quarter and just a 3-minute walk from the Hexagon Theatre. The existing library based on King Street (also in the town centre) will be closed, demolished and the site redeveloped as housing

The interventions will be an anchor in the redevelopment of the Minster Quarter as Reading's emerging cultural quarter. But to become Reading's cultural quarter, Minster Quarter needs to respond to the evidence around Reading's cultural needs. Arts Culture Heritage Current Status research in Reading during the pandemic showed that 42% of those surveyed around cultural needs selected new "Venues for meeting (rehearsals, performance)." The proposed extension building to the Hexagon theatre is about responding to these core needs.

Three different options were explored by RBC in developing proposals for the HexBox:

- (1) Reconfigure the existing building;
- (2) Locate a new theatre studio in an alternative location; and
- (3) A smaller capacity venue located next to the Hexagon theatre

Option (3) was selected on the basis that RBC wanted the new / improved offer to be located on the Minster Quarter co-located with the Hexagon itself to provide a cultural anchor. Option (2) was a more cost-effective and practical means than (1) of delivering a new state of the art venue which will complement rather than compete with the current Hexagon Theatre.

RBC commissioned HCC Property Services to review options to improve Reading Central Library. They considered:

1. Remain in existing building, part refurbished, part leased
2. Remain in existing building, fully refurbished
3. Locate the central library within the Town Hall
4. Locate the central library within the RBC Civic Office building
5. Identify alternative available accommodation

Option (4) was selected on the basis that (i) it offered a more central and accessible location than the existing library and circumvented issues with the old building's design, (ii) was readily available and (iii) and made use of underutilised space in the RBC Civic Office building and (iv) was the most sustainable in terms of ongoing operational costs.

A key reason for Minster Quarter's underperformance /underutilisation is that it of the (namely that to the south of Broad Street Shopping Mall) is a difficult and large brownfield site that requires wholesale redevelopment and public realm improvement. The challenge has been that such redevelopment entails significant site remediation costs – including those of raised concrete podium structures around the Hexagon building all developed during the 1970s.

RBC secured £2m from Brownfield Land Release Fund (BLRF) to remediate the area around the Hexagon including improving the condition of the ageing concrete superstructures. This is a key enabler in attracting private developer interest and the Council is going to market in August to find a development partner to deliver a scheme comprising c600 new homes with 30% affordable, following years of insufficient commercial interest because of a lack of development viability. The Minster Quarter Area Development Framework (2019) sets out detailed proposals for a high-density mixed use area within Reading's central core.

While the two interventions are primarily about addressing currently unmet

demand for cultural space (especially for live music) and improving library/learning facilities to help tackle the issue of social immobility and encourage participation in FE/HE, they will also support land and amenity values. This should enable RBC to extract/leverage in greater developer (Section 106) contributions from the proposed redevelopment of the surrounding council-owned land to mixed residential and retail use, in order to make much-needed wider improvements to the public realm there, including around the Hexagon Theatre itself.

The Broad Street Shopping Mall (a significant chunk of the Minster Quarter) continues to suffer low footfall in the aftermath of the pandemic and is dominated by lower end offerings. It is generally tired looking and perceived as 'down at heel'. By creating a draw, the interventions will support retail footfall to the Mall.

There are further challenges and barriers associated with the existing Central Library which suffers from anti-social behaviour and drug-taking both inside and outside the building. This issue is at least in part due to the building's poor design. In addition, much of the community and volunteering activity happens on upper floors with access often compromised by lift failures. The Library is in need of an overhaul and upgrading and so there is the opportunity to relocate it at the same time as addressing these ASB and accessibility issues. An equally important consideration in the Library's relocation, besides making it integral to the new cultural quarter, is in addressing Reading's housing shortage with the existing library site supporting up to 50 new homes following demolition.

Feedback from audience surveys identifies the immediate public realm around the Hexagon Theatre an ASB hotspot that feels unsafe and unwelcoming to theatre goers, especially at night, and this is likely putting visitors off. The Hexagon Theatre is a key heritage asset – it was designed by the same architect who designed the Royal Festival Hall. Immediate public realm improvements and wider area redevelopment will help address these issues, maximise use of the Hexagon theatre and support audience numbers.

---

#### Upload Option Assessment report (optional)

---

### How will you deliver the outputs and confirm how results are likely to flow from the interventions?

(1) The HexBox, new c.800m<sup>2</sup> studio extension to the Hexagon Theatre, in the Minster Quarter, with modern facilities for live music and comedy with audience capacity of 200. Includes immediate vicinity public realm improvements around the campus (wayfinding, signage, street lighting, access).

(2a) new c1770m<sup>2</sup> Reading Central Library, relocated from the current library building to the Civic Offices adjacent to the Minster Quarter, with modern facilities, upgraded equipment and enhanced digital connectivity, including 50 public computers with superfast broadband and workspaces.

(2b) Land for up to 50 homes (estimate 46) released by redevelopment of the existing library site and associated public realm improvements.

All buildings and land concerned are owned by Reading Borough Council, bypassing issues of property/land acquisition - though subject to planning permission (see 6.3.1).

Procurement for the projects will be managed by the Council project team in partnership with lead consultants for HexBox and library projects. RBC will procure, via framework, a specialist in delivering major capital projects with the arts and cultural sector. It is intended to use the Southern Construction Framework with full adherence to subsidy control.

Capital costs of outputs are £13.7m and £8.6m respectively, with £19.2m sought from LUF and £3.1m match-funding from the Council.

The 'Hex Box' facility will be run by the existing Hexagon Theatre team, part of the Council. Similarly, the existing library team will relocate.

The anticipated outcomes are:

(1) +200 cultural events held at the new HexBox; mainly live music and comedy and mix of professional and amateur performers

(2) +12,500 additional people annually going to see these cultural events

(3) +75,000 (at least) library visitors and learners

(4) +1 million visitors to the Minster Quarter with associated additional footfall in nearby shops including at Broad Street Mall

(5) improved perceptions of place of business, residents and visitors

(6) change in the health of residents (mental) via wellbeing effects of participating in culture and learning, and volunteering

The HexBox, will satisfy latent demand for live music and stand-up comedy venues. Evidence suggests a lack of these acting is a constraint on Reading's cultural scene.

Reading Library, will meet outcome 3 as a result of the enhanced offer, as well as it being in a more central and prominent location. Antisocial behaviour mitigate by putting people off visiting it, the degree to which this issue is addressed will also increase library users.

These two drivers will support footfall (4th outcome) on the Minster Quarter including at shops nearby; the Broad Street Mall is within a 5-minute walk of either intervention. This will support a change in consumer spending from up to +1m visitors – estimated at +£50m per annum.

Increased footfall on, and an enhanced experience of, those using the Minster Quarter will drive improvements of perceptions of place from residents and visitors (5th outcome).

To the degree the new library encourages new learning and academia of additional users, especially young people and school children, there should be an impact on those enrolling on FE/HE courses. HexBox will also support additional learning and development, providing space for community workshops and amateur performances. The Royal Philharmonic Orchestra are confident in expanding their ground-breaking and award-winning Community and Education programme, Resound, to further develop the Orchestra's residency in Reading

HexBox will deliver an additional 1,600 hours of volunteering opportunities resulting in positive wellbeing effects driving improvements in mental health of volunteers. Similar wellbeing / mental health effects will be driven by more residents accessing Reading's cultural scene.

---

**Theory of change upload  
(optional)**

Theory of Change FINAL.docx

---

## **Explain how the component projects in your package bid are aligned with each other and represent a coherent set of interventions**

The emerging Reading Town Centre Strategy (2021-50) targets investment into the public /cultural realm to create local pride, a destination and a platform for Reading as a future city.

The Minster Quarter Area Development Framework (2019) sets out more detailed proposals for a high density, mixed use area within Reading's Central Core.

The Hexagon Theatre extension and Central Library, while distinct projects,

are located together (each 2 ½ mins walk from Reading Minster) and will deliver key elements of these strategies.

(1) Enhancing existing public facilities and optimising their location in order to reclaim the town centre as a focal point for Reading's population, generating footfall to support the retail, night time and creative economies.

(2) Investing in culture to make the city attractive to residents, visitors and investors, supports the creative / visitor economy and the skills, education and wellbeing of residents.

(3) Creating a net zero development at the heart of the town.

(4) This location will also help level-up the most deprived wards just south of the town centre

(5) The Minster Quarter is earmarked to deliver over 1500 homes and this investment will support the placemaking and viability of this housing investment.

(6) Public Realm will be critical to both strategies and while it is not a significant part of this bid (due to S106 opportunities), these projects will anchor two critical public realm corridors:

- the elevated walkways between the Hexagon and the Minster; and
  - St Mary's Butts (between the library and the Minster) which is part of the Green and Blue Loop – a centrepiece of Reading's public realm investment.
- 

## **Set out how other public and private funding will be leveraged as part of the intervention**

Increased developer contributions via CIL and S106:

The redevelopment of the Minister Quarter (MQ) includes:

- Broad Street Mall, with 420 residential units above the shopping centre consented in 2018
- Thames Valley Police building / site, with 200+ homes to be consented
- RBC-owned land around the Hexagon Theatre

Public realm developer contribution for Broad Street Mall are c£1 million for 420 units. Current appraisals show £1.9 million across both schemes.

The wider MQ regeneration area has potential to deliver over 1,200 new homes and active ground floor and employment uses across three separate ownerships. Thames Valley Police have contracted to sell their land subject to planning for approximately 200 homes and Broad Street Mall shopping Centre has recently been sold to AEW Investments who intend to submit renewed proposals for their 420 unit consented scheme.

RBC will commence marketing of their land at MQ September 2022, announcing a preferred developer for their land in Summer 2023.

A modern cultural and events venue on the MQ, and new library adjacent to it, will act as anchors for the scheme and help drive value uplift to deliver them, further encouraging this public and private sector investment to happen across the MQ. They will act as a catalyst to the regeneration and create further developer, investor and occupier interest in the scheme ensuring that it becomes a renewed urban quarter and cultural hub of Reading with its own identity and unique mix of activities.

RBC estimates private developer contributions from the wider MQ regeneration - including public realm improvements in the order of £15m. If LUF interventions provide land value uplift of an illustrative 5% these contributions could be raised by £10 million in the negotiations.

Public funding for the arts and culture:

RBC secured grant of £1.7m from the National Lottery Heritage Fund towards a £3.1m project to conserve the Abbey. They leveraged a further £1.7m of external investment for arts and culture projects. The Abbey project led to the creation of the Abbey Quarter Business Improvement District, which invests in arts, culture & heritage projects as well as attracting inward investment.

This demonstrates RBC has a track record in leveraging additional public funding (along with the other grants info previously outlined).

With improved arts and culture infrastructure providing space, it's realistic to think that other cultural organisations in Reading could use in-kind match funding.

HexBox:

As part of the Hexagon Campus, the theatre is subject of a Cultural Development Fund bid for capital theatre improvements. Reading is fortunate to have numerous Arts organisations. Many have been successful in gaining Arts Council funding, and we will work with them to create joint bids. In addition, with the help of Connect Reading's brokerage, we anticipate match funding/sponsorship from local corporates.

Library:

We will maximise the strong collaborative relationship between RBC and the University of Reading. They are currently open to funding projects within the town which promote the Climate Stripes. We will seek to incorporate them into the build, through an art installation or similar.

Potential funding streams include National Lottery, Arts Council England (Reading is a place of strategic interest for ACE) project funding as well as the Libraries Investment Fund.

Decarbonisation

It is anticipated that an application to further extend the ground source heat pump network to cover other buildings and new development in the local area. The Council will apply to BEIS for Green Heat Network Fund to support this.

Further applications for the Public Sector Decarbonisation Scheme will follow to support decarbonisation of the Hexagon Theatre .

---

## **Explain how your bid aligns to and supports relevant local strategies and local objectives for investment, improving infrastructure and levelling up**

The most recent Strategic Housing Market Assessment indicates that Reading needs to build c15,000 new homes up to 2036. These needs are also reflected in the Local Plan (November 2019), which contains proposals for 7,600 new homes, 98,000 sq metres of office and retail space in the town centre. A core aim of the intervention is to increase the viability of the Minster Quarter's development site, releasing around 1,500 new homes, in addition to the up to 50 new homes which can be released by the move of the library from its current location.

Reading's Climate Emergency Strategy 2020-25 commits most new developments to reaching BREEAM 'Excellent' ratings and being net zero. The RIBA Stage 2 designs for these proposals will achieve those commitments. The development approach is consistent with the Thames Valley Berkshire delivery strategy and net zero taskforce recommendations as well as the national Net Zero Strategy.

Among the core goals and objectives of the Local Plan are:

"Make the most efficient use of Reading's limited land, particularly previously developed land, to ensure that as many new homes as possible are delivered to meet identified needs, particularly needs for affordable housing;"

"Offer outstanding cultural opportunities, which are based on multiculturalism, local heritage and high quality, modern arts, leisure and visitor facilities;"



Also from the local plan, policies CC7, which aims to create safer and more accessible environments across the city, and CR4, with its aims to focus on the development of leisure, culture and tourism assets in the core of the town, both have clear relevance to the investments here.

Reading's emerging 2021-2050 Town Centre Strategy specifically sets out ambitions for the town to further develop 'a strong sense of identity, culture and heritage'. The Hexagon is a well recognised part of that culture and heritage along with the essential Central Library. The strategy also aims to boost the draw of the city's visitor economy, drawing in a greater number of visitors all year round, not just during the Reading Festival weekend, something an improved theatre offer can play a key role in.

The city's 'Reading 2050' vision has three main objectives, one of which is for Reading to become a 'City of culture and diversity.' To achieve this goal, the strategy proposes the refurbishment of existing heritage assets for both preservation and for temporary innovative uses, as well as to broaden the degree of education and training on offer in the city. The extension of the Hexagon and its potential offer for youth groups, as well as improved and more accessible library facilities can play key roles in this aim.

Reading's Cultural Strategy (annex H) specifically identifies the Hexagon as a locally and regionally important asset that can help drive economic growth and inclusion. It also sets out strategic priorities that 'Culture is crucial to the economic wellbeing of any destination' and to 'Develop the cultural infrastructure to meet growth demands and opportunities' both of which are supported by this bid.

---

## **Explain how the bid aligns to and supports the UK Government policy objectives**

The bid is strongly aligned to the objectives of the government's levelling-up agenda. With its focus on the development of the Minster Quarter's cultural assets, the scheme meets Levelling Up White Paper mission to increase pride in place:

"By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between top performing and other areas closing."

In addition, by increasing the value of future developments in the Minster Quarter area the proposed scheme will help to push forward the current proposed housing development in the area, as well as spurring further investment, aiding in the government reaching its goals around housing:

"By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government's ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas."

Looking more broadly at the policies published by specific departments, we see that the Department for Education has a priority outcome to: "Support the most disadvantaged and vulnerable children and young people through high-quality local services so that no one is left behind." Through both the installation of the Hexagon's new studio and the more central location of and developments to the public library, Reading's disadvantaged children and young people will see an increase in the degree of cultural and educational experiences they have access to.

While the DCMS has priority outcomes to: "Grow and evolve our sectors domestically and globally, in particular those sectors most affected by COVID-19, including culture, sport, civil society, and the creative industries." As well as to "Enhance the cohesiveness of our communities and nations including through major events and ceremonial occasions, and reduce inequalities of participation in society, particularly among young people." Refurbishments to the Hexagon as well as the installation of its new studio will increase both the quality of the visitor experience at the theatre, increase the variety of events on

offer, as well as increasing the capacity to hold events put on by members of the local community.

The bid aligns with the Government's Net Zero strategy as the Hexagon and Central Library are both some of the highest energy consumers within RBC's estate with both buildings currently heated using gas. The proposed plans and decarbonisation strategy will considerably improve the thermal performance of the buildings and see them reach a BREEAM 'Excellent' rating.

---

## Alignment and support for existing investments

<b>Where applicable explain how the bid complements or aligns to and supports existing and/or planned investments in the same locality</b>	The Council is rolling out Changing Places toilets in both the Civic Offices and The Hexagon Theatre with recently secured grant.
--	---

---

## Confirm which Levelling Up White Paper Missions your project contributes to

<b>Select Levelling Up White Paper Missions (p.120-21)</b>	Living Standards Digital Connectivity Education Skills Wellbeing Pride in Place Housing Crime
--	--

---

<b>Write a short sentence to demonstrate how your bid contributes to the Mission(s)</b>	Living Standards - increased footfall and diversification of the town centre will lead to higher spend in the town, creating new jobs, boosting spending and reducing deprivation.  Digital Connectivity - the new Central Library will provide free ultra-fast internet access to users.  Education - improved library facilities will be made use of by local schools, enhancing local learning, whilst new local skills providers, located at the Hex can provide a greater degree of extra-curricular activities for local students.  Skills - the new cultural and community hub at the Hex will be used by local skills providers including the Royal Philharmonic.  Wellbeing - both projects are highly visible and have an impact on how 'happy' people feel in the town which has well understood impacts on wellbeing.  Pride in Place - both projects are highly visible and centrally located but are currently having negative pride impacts.  Housing - releasing the central library site for up to 50 new homes, 30% of which will be affordable  Crime - increased activity in the these areas of the town and design interventions will help to deter and reduce crime.
---	--

---

## Provide up to date evidence to demonstrate the scale and significance of local problems and issues

Inequality and social mobility  
Reading is the 141st most deprived of 317 local authorities on the Index of Multiple Deprivation, however this overall 'mid ranking' hides pockets of

serious deprivation and inequality.

The city displays a notable north-south deprivation divide, with areas north of the Thames largely ranked among the top 50% least deprived areas in England and those South and West of the town centre - next to the area of intervention - largely ranked among the top 50% most deprived. These pockets of deprivation in the South of the city are largely driven by poor access to housing, education and crime rates, with 60% of Reading's LSOAs in the 20% worst performing areas for housing, 20% of the city's LSOAs are in the 20% worst performing areas for education and 14% in the 20% worst performing areas for crime.

Reading ranked 217 of 324 on the 2017 Social Mobility Index, struggling the most amongst its 'schools' indicators, for which it ranked 303rd. Here, the city sees significant performance gaps when it comes to the proportion of its school children eligible for free school meals, as well as in Attainment 8 scores.

#### Housing

Reading ranks as the 43rd most deprived local authority in England when it comes to the Barriers to Housing domain of the IMD, with 9 of its LSOAs falling in the bottom 10% (up from just 1 LSOA in the 2015 IMD). The median house price in Reading in the 12 months up to September 2021 was £322,500, compared to £240,000 across England. Not only are median prices significantly higher, they increased by around 70% in the 10 years running up to September 2021, compared to a 45% increase across England. The Strategic Housing Market Assessment forecasts c.15,000 new homes need to be built by 2036 to meet demand.

#### Untapped potential and outdated facilities

Footfall in the city has been hit particularly hard by the pandemic with, as of May 2022, the Centre for Cities footfall recovery tracker marked out Reading as among the 10 worst performing cities in the country, with footfall at 84% of its pre-pandemic levels.

As the city and its arts and heritage sector recovers from the impact of the pandemic, a number of concerns were raised by local organisations. In a survey carried out by the University of Reading, 41% of sector groups in the city noted a 'loss of working space' as their biggest concern for the future, whilst 42% noted 'venues for meeting (rehearsals, performance)' as the most important thing for recovery. In addition, in surveys carried out between September 2020 and July 2022 visitors to the Hexagon have consistently noted poor accessibility, poor quality public realm, poor wayfaring as key issues affecting their experience of the theatre.

Assessments of the current public library highlighted poor building conditions and incoherent design, poor lighting and air conditioning, as well as regular instances of antisocial behaviour. Further, in a survey of 1,200 users and non-users of the library service, feedback consistently highlighted a demand for a more central and accessible location; the promotion of reading and learning throughout people's lives; the library being much valued but now looking tired and in need of refurbishment and modernisation.

---

## **Demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues**

The problem/diagnostics analysis undertaken for this bid utilises robust HMG data - mainly from the Office for National Statistics - as well as and Reading Borough Council official data:

Deprivation levels. English Indices of Deprivation, Department for Levelling-Up, Housing and Communities (DLUHC), 2019. These are National Statistics accredited. Lower super output area (LSOA) data are used to calculate local authority level IMD metrics.

-Social mobility. The Social Mobility Commission's 2017 Social Mobility Index. Local authority data are used to benchmark Reading on the prospects of

disadvantaged young people growing up in their areas.

Local house prices. Office for National Statistics' Median house prices for administrative geographies: HPSSA dataset, year to September 2021. Local authority and national level data are used for the median house prices and their growth rates in Reading.

Visit Britain's GB Tourism Survey local authority and county data. The survey is carried out monthly, with around 100,000 people contacted per year. Careful sampling and weighting methodologies are applied to ensure a minimisation of bias and maximisation of replicability, consistency and reliability.

Footfall and pandemic recovery. The Centre for Cities' High Street Recovery Tracker (2022) was used to illustrate the need for an extra push with regards to boosting footfall. The tracker brings together data updated monthly from Beauclair, which publishes anonymous offline credit card spending figures and Locomizer, which publishes anonymised mobile phone GPS data. This allows for incredibly current and localised assessments of footfall and consumer spending behaviours, whilst still maintaining significant sample sizes.

Concerns of local cultural groups. Figures are drawn from a council commissioned survey, undertaken by the University of Reading, into the impact of Covid on the Arts and Heritage Sector in Reading. 30 local organisations, producers and artists were engaged.

Library conditions. Information regarding the current condition of the Central Library was drawn from the council-commissioned Reading Central Library Relocation Scoping Report, provided in March 2022 by Hampshire County Council's in-house property services firm, HCC Property Services.

Library service perceptions. Evidence was drawn from a 2021 large-scale public consultation on the strategic priorities for the library service. Over 1,200 users and non-users of the service were engaged to inform the strategic priorities for the library service.

---

## **Demonstrate that the data and evidence supplied is appropriate to the area of influence of the interventions**

The immediate area of influence is the Minster Quarter and Bridge Street, with these immediate impacts liable to spill over into the wider city centre area. This immediate area of influence and the wider city centre area are all located within Abbey Ward.

The interventions are designed primarily to increase the cultural and community offer of the Hexagon Theatre and its surrounding area, boosting both the usage of the theatre and the library, increasing footfall in the Minster Quarter and Bridge Street and the catalysing of housing development in the city centre.

The immediate impacts of increased footfall in the minster quarter will be felt in LSOAs Reading 011J, 011H and 011F, which are respectively home to the Hexagon, Civic Offices and Broad Street Mall. Increased footfall will itself have impacts on the wider Abbey Ward. By increasing the potential for both the Hexagon and library to provide cultural and educational services and experiences, impacts will be felt across the borough. Similarly, in releasing a significant number of potential housing units, as well as catalysing future housing developments in the city, the intervention is also likely to play a role in reducing pressures on housing and house prices across Reading.

With this in mind, a large proportion of supplied data has been focussed on the Reading borough as a whole, reflecting the broad area the intervention is likely to affect. Other figures have been supplied for Abbey ward or LSOAs containing or just adjacent to the Hexagon and Civic Offices.

---

## Provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems

The proposal is designed to address problems of:

- Thriving but constrained cultural scene
- Minster Quarter under-utilised and in need of redevelopment
- Minster Quarter a concrete jungle from the 1970s with empty / demolished buildings
- Tired public realm - including Broad Street Mall in Minster Quarter - with low end retail and lack of green space
- Poor social mobility - Reading 217 / 324 LAs
- Overall deprivation in the town centre highly driven by barriers to housing
- Low residential density of town centre – largely below 2,500 per km<sup>2</sup>
- Pockets of ASB around Hexagon Theatre (feels unwelcome at night) and existing library
- Proximate pockets of severe deprivation around intervention sites

Reading has a thriving local music scene, with a reputation for fostering indie talent that goes on to gain a national profile. Reading has a high profile internationally due to the annual music festival. It also hosts numerous smaller festivals; Readipop, Are You Listening, Craft Theory and Double Dot Bash. The local venues that support this scene currently are late night bars, community centres and halls, but there isn't currently a venue able to host an audience of c300, that is fully equipped and accessible.

The proposed Hexagon Theatre Studio will provide a cultural space for strong unmet demand for live music filling a gap in the market and increase the number of visitors at cultural venues, as well as the number of cultural events and audience numbers at them. It will provide nearly 800m<sup>2</sup> of new performance space, should see an uplift in audience numbers for live music and stand up comedy of around 12,500 people annually.

The improved cultural facilities and programme, and immediate vicinity public realm improvements, should improve perceptions in the place.

The proposed new Reading Central Library will provide the latest modern studying and learning facilities at a more central location than the existing, with a focus on digital skills, events and learning.

It is estimated that the new library - with c1,400m<sup>2</sup> of space for reading and learning - will see visitor numbers increased by 200,000 to 350,000, compared to around 125,000 visitors to the existing (uplift of 75,000 to 225,000). New/relocated libraries drive footfall, and can see doubling (e.g. Manchester/Lichfield) or trebling (e.g. Slough) of visitor numbers due to the better offering.

DCMS cites 225 million library visits to libraries in 2015 in England, or 4.1 visits per capita. There's a paucity of recent/reliable data but the long term trend has been declining visits - extrapolation using CPIFA data implies 3.2 visits per capita in 2022. This suggests 550,000 visits to Reading's libraries if on a par with the estimated national average (population 174,200 x 3.2). Reading has 7 libraries but Central Library accounts for 60% of visitors, and with the proposed new library increasing its opening hours this could rise to 75% of visitors, suggesting a range of 330,000 to 412,500 visits to the new library is plausible.

More visitors should support additional learning - there is an established link between increased reading activity and literacy and gaining five good GCSEs, in turn linked to participation in higher education, enrollment in FE/HE.

The existing library site will be demolished to make way for 46 homes to help address Reading's housing shortage.

The Minster Quarter is an area around 8 hectares. It should be a prime location in the town, given its central location and proximity to Reading Railway Station. Yet it is underperforming and underutilised because of a lack of investment, legacy issues and site redevelopment constraints. The council-owned land where the Hexagon theatre is situated - around 2.7 Hectares, or a third of the Minster Quarter – is empty or demolished buildings, including the

former civic offices and Thames Valley Police HQ. A recent award of Brownfield Land Release Funding is tackling the site's remediation obstacles and a private developer is negotiating with Reading Borough Council to deliver a first phase of redevelopment including mixed-use housing (high-density).

The Hex Campus and New Reading Central Library will add amenity value, support land prices and redevelopment viability. This will help the Council extract greater section 106 / CIL contributions from developers redeveloping the Minster Quarter for significant public realm improvements including green space and tree planting, delivering these through private investment leverage.

A regenerative effect is associated with these investments – capitalised in residential house prices. Valued at £1.1bn in 2022/23 prices (based on VOA data / 500m catchment), just 2.5% uplift generates benefits of £26.8m. The total commercial uplift is £38.6m, i.e. an increase of 5.7% on £0.67bn, consistent with an additional £52m spending p.a.

The pocket of ASB and drug-taking at the existing library - at the front and rear of the building - is partly due to the building's poor design (ad hoc / piecemeal alterations, no coherent arrangement, poor lighting, poor public presentation - unwelcoming dark and recessed entrance). The relocation to the new building in a different part of town, and designed to modern standards, will address these issues.

---

## **Describe the robustness of the analysis and evidence supplied such as the forecasting assumptions, methodology and model outputs**

There is uncertainty around the extra library visits (75,000 to 225,000) and this will obviously have a significant impact on learning / wellbeing effects and the consequential footfall to the Minster Quarter (subsequent analysis is based cautiously on the lower end estimate of 75,000 additional visits.. There are three reasons to think that there will be significantly increased user numbers of the new Library compared to the existing (i) a more central location than the existing library (ii) significantly upgraded facilities and (iii) reduced ASB in the vicinity than at the current site.

There is evidence of strong demand to suggest that the Hexagon Theatre Studio space will be well-utilised and that a figure close to the 12,500 audience uplift could be achieved.

Both sets of figures have been supplied by Reading Borough Council, based on their business plans.

This in turn suggests that the modelled uplift in footfall - should these venues be successful - will be achieved directly as a result of visitors to / users of these venues will be in the order of at least 200,000 p.a. Taking account of other uses and visitors drawn in by the enhanced Minster Quarter, this could be closer to 1m pa. This is equivalent to a 5% uplift in baseline footfall in the town centre (23m per annum in 2019 according to the BID survey)

It also in turn suggests that there will be a land value uplift effect for both domestic properties (increased amenity value) and non-domestic (increased footfall / trade) effect but the magnitude of this is clearly uncertain.

2.5% land value uplift for residential has been modelled aligned with Amion research for DLUHC for this scale of investment.

5.7% land value uplift for commercial has been estimated by applying 7.5% to cinemas, theatres, hotels, pubs & wine bars, restaurants & cafes, hotels, small shops; 5% to holiday sites, large shops, offices, other leisure, other shops; and 2.5% to sports centres, showrooms, workshops in the vicinity. These rates align with AMION research, for DLUHC and HCA, into placemaking effects for this scale of investment

Given uncertainty around these estimates, we have triangulated with an alternative approach based on average spending. Evidence suggests average shopper town centre spend of around

£50/head(<https://www.statista.com/statistics/412509/shopping-spend-by-location-great-britain-uk>) - which means an increase in annual footfall of 1m equates to around £50m spending. This is consistent with the commercial land value uplift of £38.6m (on the basis of average yield 6.7% Yield and assuming 5% share of turnover going to landlords after employment costs, intermediate consumption etc).

---

## **Explain how the economic costs of the bid have been calculated, including the whole life costs**

The financial costs of the project are £22.3m. This includes:

- Hexagon Campus £13.7m, of which LUF (£12.56m) and Council (£1.14m)
- Reading Central Library, £8.6m of which LUF (£6.6m) and Council (£2m)

The investment does not involve any repayable loans, s106/contributions, or other economic transfers.

£22.3m (nominal) financial costs have been adjusted as follows:

- Converted to 2022/23 values using GDP deflator
- Discounted using the “social time preference rate” of 3.5% (as per Green Book)
- Adjusted for Optimism Bias (detailed further below).

NPV of public sector costs including Optimism Bias £22.65m.

See annex D - Table – Calculation of public sector costs, Hexagon Campus

See annex D - Table – Calculation of public sector costs, Reading Central Library

Optimism Bias has been applied to the public sector financial costs at 14%. This is based on the upper bound 24% OB for Standard Buildings, with mitigations summarised in the tables below. Both projects have been classified as ‘standard’ rather than ‘non-standard’ as they “do not involve special design considerations due to space constraints, complicated site characteristics, specialist innovative buildings or unusual output specifications.”

See annex D Table – Optimism Bias mitigations for the proposed investments

Mitigations were reviewed for each site separately, with negligible differences between them. Mitigation scored as: fully mitigated (100%), high (75%), medium (50%), low mitigation (25%), no mitigation (0%) – for each contributory factor. For brevity contributory factors have been summarised by broad categories in the table above.

Procurement – design teams have been involved from an early stage and there is sufficient lead-in time for pre-tender engagement with potential contractors. The risk of poor contractor capabilities is considered only medium risk. Contractors have not yet been unconditionally appointed and will be procured on the basis of a thorough assessment of tenders taking into account key factors such as track record. Building contracts will be specified to ensure performance risks can be managed effectively by experienced project managers. The impact of construction market pressures and volatility is considered and its impact reflected

Project Specific – Medium level of mitigation applied reflecting design complexity and degree of innovation.

Client Specific – Medium level of risk applied. Reading Borough Council has robust management practices and risks and costs will be reviewed regularly. The work done to prepare this LUF application forms the basis for a strong business case – though some issues still to be addressed for the Full Business Case.

Environment – public relations and site-specific issues are considered low

impact and low risk. Early designs and cost plans are informed by surveys. However, the designs are currently at an early stage (RIBA Stage 1).

External Influences – The Risk Registers include consideration of external matters (e.g. impact of statutory controls, legislation and impact of Covid restrictions) and the impact is reflected.

See annex D uploaded with Theory of Change

---

## Describe how the economic benefits have been estimated

Wellbeing from use

Hexagon Extension (HexBox)

- Additional visitors to the theatre based on projections for the proposed studio space (an additional 12,150 people attending / participating per annum.
- Value of engagement “all audience arts” per person per annum £1,123 from Fujiwara et al 2014 (£935 in 2014 uprated to 2022/23 using GDP deflator)
- Average frequency per annum 17.5 (Fujiwara suggests a 15-20)
- Value per activity / visit = £1,123 / 17.5 = £64
- Multiply £64 by the uplift in people attending / participating.
- Equals £0.78m pa

Library

- Assumed 75,000 additional visits each year (low end of projected range).
- Evidence from the Taking Part survey (frequency of attendance) used to convert visits into numbers of people using the library. 57% of additional visits are by regular library users (people attending at least once a week).
- $(57\% \times 75,000) / 52 = 820$  regular users.
- Value per person / year = £1,498 (based on Fujiwara et al 2014).
- Multiply 820 by £1,498 = £1.23m pa

Volunteering (Hexagon only)

The economic benefits of volunteering have been estimated as follows:

- Two volunteers per event, 4 hours/pp.
- Additional 20 events per annum (based on projections for the new studio space).
- This means an additional 160 volunteering hours.
- Hourly rate of £16.91 (ONS assumption of £14.43 in 2015, uprated to 2022/23 using GDP deflator).
- Economic value of volunteering per annum = 160 hours x £16.91 = £2.7K pa

The wellbeing benefits of volunteering have been estimated as follows:

- 160 volunteering hours.
- Regular volunteers are assumed to give 100 hours (based on various sources including ONS and NCVO). Regular volunteers therefore 1.6.
- Wellbeing benefits per (regular) volunteer £16,783 (based on Fujiwara et al 2013, £13,500 in 2011, uprated to 2022/24 using GDP deflator).
- Benefit = 26.9K pa
- Combined total £29.6K pa

Wider land value uplift – domestic (properties within a 500m radius of the investment sites)

There is anticipated to be a regenerative effect associated with the investments – capitalised in residential house prices. With residential property prices valued at £1.1bn in 2022/23 prices (based on VOA data / 500m catchment), just 2.5% uplift (aligned with AMION research for DLUCH) generates benefits of £26.8m.

As this benefit is estimated for both investments combined, we apportion the £26.8m to each project based on size of investment.

Wider land value uplift – non-domestic (properties within a 500m radius of the investment sites)



Estimated by applying percentage uplifts to property values:

- High 7.5% (cinemas, theatres, hotels, pubs & wine bars, restaurants & cafes, hotels, small shops)
- Medium 5% (holiday sites, large shops, offices, other leisure, other shops)
- Low 2.5% (sports centres, showrooms, workshops)
- Zero (all other non-domestic property such as parking and non-commercial uses)

These rates align with AMION research, for DLUHC and HCA, into placemaking effects.

Property values are calculated from VOA rateable values, capitalised by yield assumptions for the various property types (informed by the 2022 Knight Frank investment yield guide).

-Non-domestic property has a rateable value of £45m in 2022/23 prices (within the 500m catchment).

-The estimated capital value is £0.67bn – so overall yield 6.7%.

-The total uplift is £38.6m, i.e. an increase of 5.7% on £0.67bn, produced by place-making effects as a result of investment in the Hex and complementary library relocation (within the wider context of Minster Quarter regeneration).

To triangulate this figure we also worked out the total likely spending associated with additional visitors. An assumed 5% of turnover available for rent increases (the remainder going to employee wages etc), capitalised with yield 6.7% from above.

#### Crime

The economic benefits of reduced crime have been estimated as follows:

- Annual crime incidents within 500m catchment 2,662 (from Police UK)
- Crime reduced by 1% as a result of investment / regeneration
- Economic and social cost of crime, per incident price £2,906 (£2,518 in 2016/17 uprated to 2022/23 using GDP deflator)

Total £0.08m pa

Land value uplift – vacated library site

-The vacated library site is 0.092 Ha.

-According to DLUHC/VOA Land value estimates for policy appraisal 2019, residential land is worth £6.8m / Ha (2016 values uprated to 2022/23 by 5% per annum). The current value of the site is approximately zero given its current use less demolition, site clearance and other costs.

-These land values are based on 35 dwellings per hectare, whereas the vacated library site has potential for much higher density (given its central location). The site could accommodate around 46 dwellings – equivalent to a density of 500/Ha.

-Therefore, LUV calculated as:  $(500/35) * £6.8m * 0.092Ha = £8.9m$

Non-use value

-A SIMETRICA-Jacobs report found that, across four regional theatres, non-visitor willingness to pay (2020 prices) to support the running of a theatre they have not visited was £5.01 on average as an annual increase in household tax over either a 3–5-year time horizon, with a lower bound of £4.32.

-Uprated to 2022/23 prices, the figures are £5.16 (average) and £4.45 (lower bound).

-In the baseline we assume the non-use value per household is £4.45, rising to £5.16 with investment. We also assume an increase in the catchment area for benefits – beyond the Borough's household population (in line with the increase in audience numbers).

-135,332 households x £5.16 minus 65,511 x £4.45 = £0.41m pa.

Distributional

Small area income estimates are provided by ONS. The data is available for weekly gross, net and net-equivalised income and are effectively mean values but do not provide sufficient distributional information to allow definition of area quintiles.

MSOA income data for 2015/16, allied to MSOA population estimates, has been used to construct population-weighted average incomes by LA. The ratio of England to LA incomes is raised to a power of 1.3 – as per Green Book – to produce distributional weights as follows:

- Before Housing Costs (0.86)
- After Housing Costs (0.93)

A weighting effect of 0.9 has been applied across all benefits. We have included this negative distributional effect to demonstrate the investments remain value for money. However, it is important to note this is probably very conservative – based on average household incomes rather than the incomes of beneficiaries. As a public service the library will disproportionately benefit lower income households; whilst the additional Hex space will enable greater outreach to more deprived communities.

---

## Provide a summary of the overall Value for Money of the proposal

A number of additional assumptions have been made to estimate the benefits described in answer to the previous question:

- Timing and persistence of benefits
- Additionality
- Discounting

The table below summarises timing and persistence of benefits plus additionality assumptions. The Green Book discount rate (Social Time Preference Rate) of 3.5% has been used to convert benefits into Net Present Value terms.

In general:

- Benefits start in 2025/26 (upon completion of works)
- Benefits last for 10 years, which is conservative given the life of the assets is much longer
- Exceptions are capitalised value uplifts in 2025/26; non-use value 5 years in line with the literature.
- Distributional impact calculated on the basis of all the other benefits.

Table – additional assumptions made to estimate the NPV of Benefits (see annex D)

The table below (see annex D) summarises all the costs and benefits

Table – summary of costs and benefits (see annex D)

Both investments have a BCR greater than 2 – ‘initial’ and ‘adjusted’. Adjusted BCRs include distributional benefits, initial BCRs do not. As noted earlier, the negative distributional impacts have been included to show the BCRs are robust to their inclusion – but the negative impact is probably overstated, given it is based on average incomes rather than the incomes of likely users.

Overall the investments, both individually and collectively, represent value for money – with BCRs in the high category (i.e. >2). This is before any consideration of non-monetised benefits – outlined in 5.4.2.

---

Upload explanatory note (optional)

Annex D - Supporting tables and diagrams.docx

---

## Have you estimated a Benefit Cost Ratio (BCR)?

Yes

---

## Estimated Benefit Cost Ratios

Initial BCR 2.52

Adjusted BCR 2.27

---

## **Describe the non-monetised impacts the bid will have and provide a summary of how these have been assessed**

**Regeneration.** The Minster Quarter (MQ) has suffered from a lack of investment over many years. LUF-funded projects will begin to reverse the decline, as part of a wider regeneration strategy that includes the planned construction of c1,200 new homes, helping Reading to grow further whilst extending opportunities to currently left-behind households.

The projects are located in key gateways to Reading, so investment will help to improve visitors' experience and residents' opinion of the town including a greater 'pride of place'.

**Local spending/jobs.** An expanded events programme at the Hexagon Campus, along with new library, will attract residents into the MQ, as well as visitors from further afield. LUF investment will also improve the reputation of the MQ and Reading more generally, for leisure and culture helping to attract new creative artists, programmes and related business investment.

**Learning and skills.** Both investments will help to expand opportunities for learning and skills development particularly for younger age groups and people in poorer communities (where low skills are a barrier to workforce participation or cause of low wages).

There is compelling evidence that library usage is linked to reading levels among children and young people, and that library usage and reading, in turn, are important factors in literacy skill levels and general educational attainment. Some research also suggests that the quality of public library space supports educational attainment. See for example: Arts Council England (2014) report

The HexBox will support additional learning and development, providing space for community workshops and amateur performances. The Reading Philharmonic Orchestra has indicated expansion of their education programme.

**Digital inclusion.** Studies demonstrate a high level of available ICT provision across public library networks, as well as the high usage of this provision by users and the role they play in increasing digital inclusion. Evidence shows library ICT provision is frequently used by visitors to gain information important to everyday life, including education, work and social networks. In addition, recent studies highlight the personal benefits of digital inclusion by increasing employability, in addition to the cost savings to the state through services increasingly being provided online under the 'digital by default' agenda.

**Community wellbeing.** Improvements to the Hexagon have been identified as a local need, reflective of the aspirations of the local community. Investment will increase the sense of pride felt by residents in MQ and Reading. It will also increase social interaction (both projects providing valuable public space and facilities). Greater participation in cultural events will help to address health, particularly mental health issues, within communities.

**Covid-19 recovery.** Covid-19 has badly affected cultural facilities with key facilities such as the Hexagon and Central Library disproportionately affected. Investment, with an enhanced theatre offer and measures to keep attendees in the local area, will support recovery of the town's cultural sector. The investments will also provide vital public spaces and cultural services providing community resilience to future pandemics.

**Environmental benefits.** The projects will make efficient use of existing buildings and improve their overall environmental performance:

Reduced Carbon Emissions.

The Council holds consumption data and has feasibility studies for the technology options at the Hexagon and Civic Offices. Green Book analysis shows positive lifetime benefits associated with the introduction of the measures included in this bid including GHG emissions and air quality.

Feasibility work for decarbonisation of the existing footprint of the Hexagon which will also benefit from shared investment in heat pumps outlined a carbon emissions saving of 43% or 144 tonnes per annum. This excludes proposals to improve lighting to LEDs which represents a large proportion of the electrical load at the site. The HexBox will add 1,158m<sup>2</sup> to the building (taking account of remodelled parts of the existing structure). Using benchmark data for similar build structures to the one proposed, it is anticipated that the additional carbon emissions would be 14 tonnes CO<sub>2</sub> p.a.). (\*office LETI standard).

This means that the total CO<sub>2</sub> emissions, taking account of the additional footprint of the new build element and the retrofitted upgraded current Hexagon would be 167 tonnes CO<sub>2</sub> p.a. reducing further with LED lighting upgrades which are in design and dropping in the future as the electricity grid carbon reduces through CDF. This compares to 306 tonnes CO<sub>2</sub> p.a. for the existing hexagon. It is estimated that the emissions by 2030 will be better than 50 tonnes CO<sub>2</sub> p.a for the whole theatre complex.

Further benefits associated with new environmentally-sustainable homes to be built on the vacated library site; and reduced travel distances because, with an enhanced local cultural offer, local residents will be less inclined to travel further afield.

---

## **Provide an assessment of the risks and uncertainties that could affect the overall Value for Money of the bid**

Sensitivity analysis has been undertaken with reference to scenario testing; and “switching values” under which costs increase/ benefits decrease so as for the proposal to represent “poor” Value for Money (BCR < 1). The scenarios are designed to test key benefits and assumptions and the robustness of value for money (in terms of the resulting BCR) in response to changes in these.

Table – Sensitivity analysis scenarios (base scenario = adjusted BCR) - see annex D

Under the base (central) scenario, both investments are “High” VfM with BCRs greater than 2.0. Under various scenarios the BCRs remain either high, medium or acceptable. In other words the VfM of the LUF bid is highly robust to changes in key assumptions and exclusion or reduction in key benefits.

In addition, in order for the combined proposal to be “poor” VfM, costs would need to more than double, or benefits to almost halve.

Table – Switching values to reach “poor” VfM i.e. BCR<1 - see annex D

---

## **Upload an Appraisal Summary Table to enable a full range of impacts to be considered**

### **Appraisal Summary Table 1**

Upload appraisal summary table

Appraisal Summary Table.docx

---

## **Additional evidence for economic case**

None selected

---

## Confirm the total value of your bid

Total value of bid £22300000

---

## Confirm the value of the capital grant you are requesting from LUF

Value of capital grant £19164000

---

## Confirm the value of match funding secured

£3136000

---

Evidence of match funding (optional) Annex I - Director of Finance match funding confirmation.docx

---

## Where match funding is still to be secured please set out details below

N/A

---

## Land contribution

If you are intending to make a land contribution (via the use of existing owned land), provide further details below N/A

---

Upload letter from an independent valuer

---

## Confirm if your budget includes unrecoverable VAT costs and describe what these are, providing further details below

Our budget contains no unrecoverable VAT.

---

## Describe what benchmarking or research activity you have undertaken to help you determine the costs you have proposed in your budget

Cost estimates for the two projects have been produced by specialist cost consultants. The table below provides an overview of the main items (with both projects presented on a consistent basis for ease of comparison.

Table - breakdown of construction costs (see annex D)  
HexBox

Bristow Consulting are experts in the arts and cultural sector. Key points:

-The works include the new studio theatre (HexBox) and allowance for wider

decarbonising works plus other abnormal costs. The abnormal costs include structural works to the podium, sprinkler installation, upgrading the existing electrical supply and interface works to the existing theatre.

-The new studio theatre has been benchmarked against 10 similar projects to identify the average cost.

-The costing assumes £5,857/m<sup>2</sup> (or £32,406 per seat). This is close to the benchmark sample median of £5,808/m<sup>2</sup> (or £36,885 per seat). The proposal is therefore soundly based on comparable projects.

-The decarbonising works are based on quotations obtained by the Reading Borough Council from a range of suppliers; and estimates made by appointed energy and carbon reduction experts/consultants.

-In addition to margins and contingencies outlined in answer to 6.1.7, further cost allowances have been made for furniture, equipment etc.

-Specific estimates for Studio Theatre Seating, Stage Engineering, Stage Lighting and Audio Visual have been prepared by theatre specialists, Charcoalblue.

The summary of the benchmarking analysis is found in annex D.  
Library

Costs have been prepared by HCC Quantity Surveyors. Because this is a more standard construction project than the theatre, Building Cost Information Service benchmarking data was used to establish costs for the high level feasibility design. Costs are based on the current BCIS All-in Tender Price Index (14th June 2022). Inflation has been allowed for up to the 3rd quarter 2023.

Costs are based on the assumption of procurement based on a full traditional design with selected elements of contractor design portions. Allowances have been made for phased / sectional working, but not for out of hours or other restricted working.

Benchmarking includes BCIS price analysis and other recent similar work, such as Bennet Road Relocation for Reading Borough Council which includes new build, refurbishment and museum relocation works.

Exclusions are legal fees, finance costs, VAT, planning and building regulation fees, other local authority charges and fees, Section 106/278 agreement costs, out of hours working, temporary accommodation, unforeseen and or poor ground condition, including any contaminated land. No allowance for asbestos removal due to age of building. No commercial kitchen and or appliances have been allowed for.

Provisional allowances have been made for the following specific project costs;  
-General survey and client direct costs at £80,000  
-Furniture moves and relocation costs at £120,000  
-Loose FF&E (amount to be retained and reused TBC) at £420,000  
-RBC ICT Equipment; complete including migration at £215,000

Move costs associated with the development are again based on recent actual costs incurred including HCC relocation of 300 staff from office building in Eastleigh in 2020/21.

The scope of these items are to be reviewed and defined in the next stage of design works.

---

## **Provide information on margins and contingencies that have been allowed for and the rationale behind them**

The table in annex D summarises the margins and contingencies for both projects on a consistent basis.

The main elements are:

Risk. NRM 1 defines risk allowance as “the amount added to the base cost estimate for items that cannot be precisely predicted to arrive at the cost limit.” At the time of writing, current market conditions make predicting near to medium term economic metrics very uncertain.

Risk allowance includes:

Client Design Risk. To address any deficiencies in the current design allowances. As the cost plans are based on feasibility designs, there will be a number of design challenges to overcome that may require the current allowances to be exceeded.

-Expressed as % of: the sum of build costs, other allowances/abnormals, contractor preliminaries, overheads & profit)

-Hex (5.5%).

-Library (10.0%).

Client Construction Contingency. Part of the main contract works to address on site variations arising from the works. This percentage will be adjusted as the design progresses based on the perceived risk of the construction works that may be present.

-Expressed as % of: the sum of build costs, other allowances/abnormals, contractor preliminaries, overheads & profit, design risk)

-Hex (6.0%).

-Library (6.8%).

Global project contingency. Covers some of the NRM risk items under Employer Risk and Employer Other risks that may be incurred.

-Expressed as % of: all other costs including adjustment for inflation

-Hex (10.1%).

-Library (2.3%).

The Hex global contingency is substantially higher though this is partly balanced by smaller allowances made for design and construction contingency. Overall, the combined contingency allowance (design + construction + global) is 16% of total project costs; compared to 12% of total project costs for the library. This reflects the overall higher risks associated with the Hex project.

Inflation.

-Hex (10%). The inflation assumption is currently above BCIS forecast indices. Based on BCIS forecast Tender Price Inflation (TPI) indices, tender inflation between 3Q22 and 1Q24 is forecasted to be approximately 4.6%. Construction Cost inflation from 1Q24 up to midpoint of construction is currently forecasted to be 1.33%. This totals approximately 6% for inflation. Given the upward cost pressures in the current market on cost of materials, freight, haulage, and labour compounded by the war in Ukraine, we have increased the allowance to 10% to provide additional resilience within the budget to cope with further cost increases. We consider this is a prudent approach to risk management which is aligned with the feedback we are experiencing from the tendering market at the moment based on schemes of similar size and complexity within the arts and cultural sector.

-Library (8%). Inflation is based on the BCIS all in tender price index as of 14th June 2022. Percentage calculation is based on 1Q22 at 349 index points. The tender has been uplifted to 3Q23, which is the anticipated quarter for starting works on site which has 377 index points.  $(377 - 349) / 349 = 8.02\%$ . The BCIS is an industry recognised standard for benchmarking inflation

Professional fees

-Hex (23.1%). This appears high but includes a number of additional professional services specific to the project (i.e. beyond the usual architectural, structural engineering, service engineering, cost consultancy and contract management services). The allowance includes, for example, specialist acoustic and theatre consultancy services.

## Describe the main financial risks and how they will be mitigated

Inflation. Extreme market volatility, affecting both availability of materials and cost of materials. Allowance has been made for current indices as set out in the BCIS all in tender price index. Between March 2022 and June 2022, indices for 3Q22 have increased from 372 to 377.

Material availability and lead time leading to delay in procurement and longer programme. Review design proposals to ensure materials are available and long time materials are factored into the critical path of the programme. Alternatives should be sought if additional costs arise.

Unknown abnormals, particularly structural stability adding extension to existing building and adapting existing service requirements. Design surveys to be carried out early to obtain best value management and ability to factor into the programme at an early stage. Risk sums have been allowed for in proposals to address abnormals.

Value management will be undertaken at an early stage of the design process to ensure the objectives are met to the correct cost and timescale. Should costs exceed all risk allocations, and value engineering options exhausted, this will be addressed by reporting the issue through the councils Capital Budget Monitoring process, options that could be explored include examining if other funding sources were available to meet any shortfall, either externally or from existing internal sources. If no other funding was forthcoming then other schemes within the wider capital programme could be examined as to whether funding could be diverted from those schemes. If no other avenues of funding were forthcoming, subject to further approvals, additional borrowing by the council could be undertaken. This would have a revenue impact to RBC budgets which would be examined and dealt with as part of the approvals process.

Main financial risks - also see risk-register

Levelling up funding approval not forthcoming - fees incurred by Reading Borough Council to date are abortive.

Mitigation: continual liaison with key stakeholders and continual review of emerging guidance on funding compliance.

Impact on supply and prices due to geopolitical instability - pressure on budgets with value-engineering required.

Mitigation: materials pricing will be monitored and UK-sourcing maximised.

Wage inflation above allowances - status of the construction market creates higher than expected tender price inflation prior to Reading Borough Council letting the main contract for the works.

Mitigation: a suitably qualified quantity surveyor will be appointed and asked to report regularly on status of the market and the impact this might have on the project.

Tender returns exceed set budget - pressure on budgets with value-engineering required.

Mitigation: a suitably quantity surveyor will be appointed and asked to carry out regular cost checks and pre-tender estimate prior to commencing procurement activities.

Client changes after design fix - pressure on budgets with value engineering required.

Mitigation: strict change control procedures will be introduced, including sign-



off at the project board.

Insolvency of key subcontractor / suppliers - delays to programme / cost push.

Mitigation: their financial stability will be monitored monthly. Large items of plant / equipment will be sourced directly.

COVID19 - delays to programme / cost push.

Mitigation: Government guidelines will be monitored closely and adhered to. We will ensure the supply chain has appropriate contingency plans in place.

---

Upload risk register

Annex L - LUF 2 - Risk Template 14-7-22.xlsx

---

**If you are intending to award a share of your LUF grant to a partner via a contract or sub-grant, please advise below**

N/A

---

**What legal / governance structure do you intend to put in place with any bid partners who have a financial interest in the project?**

N/A

---

**Summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted**

Client team – structure / responsibilities

All procurement for the projects will be managed by the Reading Borough Council Project Team with the lead consultants and advisers for the Hexagon and the Library projects. The projects are in close proximity, serving the same ends (building cultural amenity in Reading City centre), but are distinct with different risks associated with them. The intended general approach to procurement is set out below but there will be project specific elements..

The lead consultants will include Employers' Agent and Design Guardian roles during the procurement and construction phase. This will provide intelligence and continuity from involvement in the earlier design stages. Details of the internal and external project teams are set out in Q 6.2.2 and 6.3.4.

Key Contracts

-Design and Build contract for HexBox - Hexagon Studio-Theatre  
-Design and Build contract for Reading Library

Procurement approaches / policy

RBC policy – All procurements are subject to the Reading Council's Contract Procedure Rules (CPRs), which form part of the overall regulatory framework of the Council as set out in the Constitution. The CPRs are the standing orders setting out how the Council enters into contracts, as required by the Local Government Act 1972. The rules and procurement strategy:

-provide a basis for true and fair competition in contracts, by providing clear and auditable procedures;

-promote Best Value and to consider the Public Services (Social Value) Act 2013 and the Public Sector Equality Duty;

-dove-tail with the Public Contract Regulations 2015 to ensure the Council

adheres to its legal commitments.

Southern Construction Framework (SCF) – It is intended to use the SCF to procure the works for both projects. This is a mature framework nearing its 5th generation and Reading Borough Council has extensive experience of using it. It is favoured as they deliver an effective, collaborative construction procurement vehicle for all public authorities in the South of England.

SCF suppliers have experience in delivering complex performing arts and public sector buildings both new build and refurbishment, which adds strength to this procurement route. Contractor's such as ISG, Kier, Mace, Mace, Morgan Sindall, Wates and Willmott Dixon are represented and all have relevant project experience.

Both Traditional and Design and Build procurement options have been explored through the SCF to test cost and deliverability.

-A single stage approach has been discounted due to the increased risk of cost variations which, in the current construction and supply chain market, need to be minimised. The resource required to fully scope the brief is also not considered viable given the current available resource.

-A construction management contract approach has been discounted at this stage as this provides insufficient flexibility to improve the buildability of the design and manage price and value variations again in the context of a relatively volatile supply chain market.

A Two Stage Design & Build procurement for each project is the most likely outcome. Initial market intel from the appointed Cost Consultants suggests that for works of this nature, which require experienced contractors to deliver, two-stage is preferred. It allows the contractor to assist in developing the detailed design whilst finalising sub-contract tendering under a Pre-Construction Services Agreement prior to entering into a formal building contract once a contract sum has been agreed. The 2 stage procurement includes open book pricing with contract formation when certainty has been achieved.

Zero Carbon and Social Value – All SCF suppliers are signatories of:

-the Gangmasters and Labour Abuse Authority (GLAA) Construction Protocol;

-charters on fair payment, social legacy, health and safety, sustainability, and aftercare;

-the CCDB Carbon code. SCF promotes the use of its Carbon baseline tool for minimising carbon emissions, life cycle cost analysis and NACF (National Association Construction Frameworks) carbon KPIs (Key Performance Indicators) to ensure the best outcomes are delivered.

As part of SCF's local supply chain portal local SMEs and micro businesses are encouraged to contribute to the project through the Work Radar scheme; and third sector/ Voluntary, Community and Social Enterprise organisations are identified using the SCF social partnership portal.

Reading Borough Council has a Carbon Plan (2020–2025) which sets out the Council's pathway to achieve net zero. Alongside capital schemes and projects with objectives to decarbonise the Council's own scope 1 and 2 emissions, procurement processes set out in the Social Value policy provide a number of key Themes Outcomes and Measures (TOMs) which will enable the reduction of supply chain based greenhouse gas emissions and wider social economic policy measures which support an inclusive low carbon carbon economy. The TOMs in the framework adopted include a suite of measures that support the Borough's response to the Climate Emergency.

Pre-market engagement (see Q 6.2.4 for more detail on this)

Contractors will be selected from the SCF through an ITT process. Early approaches will mean access to specialist supply chains earlier to ensure the best outcomes regarding value for money, efficiency of design, materials and labour availability and real-time market intelligence.

SCF's robust governance and data capture ensures the project will be

demonstrably value for money, the Cost Time Benefit form captures value added in pre-construction, benchmarking exercises can be carried out to demonstrate quality of delivery against framework/industry benchmarks.

SCF suppliers provide a high level of early support including pre-procurement; and SCF will facilitate bidder information days, budgetary and programme advice and specialist supplier input all before the main competition is commenced, allowing a higher quality of competition based on more relevant information. All suppliers are invited to give anonymous feedback on the project information during the shortlisting phase that can be incorporated into the pre-construction process.

#### Procurement Route

The proposed Design and Build route for the construction and fit out contract is a 2 stage procurement from the Southern Construction Framework. Main contractors bid competitively at ITT, refined at call-off, and all package costs are monitored through the Local Supply Chain Portal and scrutinised through the project governance set up for the projects together with its consultants and advisers in accordance with best practice.

The early engagement of the two stage process will enable an integrated team approach from the start meaning access to specialist supply chain earlier to ensure the best outcomes regarding value for money, efficiency of design, materials and labour availability and real-time market intelligence (Market Intelligence - SCF ([scfconstruct.org.uk](http://scfconstruct.org.uk)))

The SCF two-stage process includes access to the local supply chain portal, where Expressions of Interest can be issued, a much wider more resilient supply chain can be invited, and the tendering activity can be monitored for quality and transparency in real time directly by the Client.

SCF is compliant with both the Government Construction Playbook and the Framework Selection Guide.

#### Hexagon specific issues

The existing Hexagon Theatre and new Studio Theatre site is located on a constrained site and therefore site set up, logistics and just in time delivery will be imperative. The main theatre building will be occupied at all times during construction, and it is anticipated that matinee performances will continue weekly. In addition to ensuring disruption to day to day theatre operations is minimised, it will be important to ensure public access is maintained at all times throughout the works, in addition to the surrounding public realm area. The contractors approach will be tested during the mini-competition and refined during the pre-construction stage with specialist advice on logistics and efficiency. We anticipate a Construction Management Plan will be developed early on in consultation with the appropriate stakeholders and included as part of the Planning Application.

Fit out experience will be required. Capability statements for suppliers on the framework will be provided as part of the ITT procurement process detailing relevant experience and capability.

#### Management of contracts (see Q 6.2.4 for more detail)

The SCF is a managed, two-stage open book only framework providing end-to-end project support, best-in-class contractors and a robust pre-construction process designed to drive the best outcomes and demonstrable cost/time predictability, evidenced by data (detail contained in the attached PDF (annex M)).

#### Risk Allocation

Risk allocation (between client and contractor) will be determined on a case-by-case basis through the procurement process. Risk allocation will be on the basis that risk is allocated to the party (client or contractor) best able to manage it - in order to deliver best Value for Money. A risk allocation matrix will be drawn up (with reference to the attached programme risk register) for each tender so that there is absolute clarity for tenderers; and so that tender prices accurately reflect the balance of risks allocated to the contractor. Pre-tender market engagement will help to inform the appropriate allocation of risks, along with advice from Procurement, Legal and Financial teams within the Council (all signatories to the Council's procurement gateway process). Risk allocation

will be reflected in the form of contract. This approach reflects the Government's Construction Playbook, which advises that the approach to risk should be subject to extensive scrutiny before formally going to market; and that contract terms, including risk allocation, liabilities, payment and incentive structure, and contract management processes align with the relationship and outcomes the client wishes to achieve.

---

## **Who will lead on the procurement and contractor management on this bid and explain what expertise and skills do they have in managing procurements and contracts of this nature?**

Project Procurement will be managed by Reading Borough Council Project Board supported by the appointed lead consultant(s) and advisers – see Q 6.3.4 for more detail.

The Reading Borough Council Project team

Programme Director and Programme Management Office (PMO), Emma Gee. Emma is Deputy Director for Infrastructure, Economy and Capital projects and has experience of successful bids to Levelling Up in Round 1 as well as Town Deal delivery. As SRO, Emma has also overseen capital project delivery (including procurement) at the restoration of the Carriageworks in Swindon, numerous public realm schemes and residential and commercial projects.

Project Directors

-Charan Dillon, Assistant Director Property and Asset Management. Charan is RICS accredited with 15 years experience of delivering capital projects including the Curve, a £20m project that delivered cultural, community, educational space and theatre provision for Slough, followed by the Council's new head office in 2019.

-Donna Pentalow, Assistant Director Culture. Donna is currently SRO responsible for overseeing the £40M programme to deliver 2 new and 2 refurbished leisure centres in Reading.

-Andy Lockwood, Client Project Manager. Andy has over 20yrs experience in client side project management construction projects including procurement and leading projects in excess of £40m in contracts.

-Henry Swan, Assistant Direct Procurement and Contracts. Henry has 20 years' experience working for contractors as Head or Director of Procurement. In the Public Sector responsible for Essex CC Building Schools for the Future (phase 1 £150 million), Head of Procurement for Kent CC was responsible for procurement of capital and development projects of more than £100 million/annum. LGA Construction specialist Board member as the procurement specialist representing the LGA Procurement National Advisory Group

Lead consultant role – Reading Library

The lead consultant responsible for project management, cost consultant, employers agent and overseeing the procurement of all contracts is the Reading Hampshire Property Partnership Limited (RHPP). Procurement support for the use of the SCF Framework will be provided by Hants County Council (HCC) who, together with Devon County Council founded the Framework 14 years ago. There is a team within HCC Property Services dedicated to delivering the SCF Construction, Property, and Facilities contracts.

The Partnership will also be responsible for the detailed design of the Civic Office building extension to house the new Library (the Partnership designed the original Civic Office building and therefore have detailed knowledge of the structure where the new Library will be located).

This company was formed in 2014 and enables Reading Borough Council access to the additional capacity.

Lead consultant role – HexBox Studio Theatre

RBC will procure, via framework, a specialist in delivering major capital projects within the arts and cultural sector. The appointed team will provide a combined Project Management/ Cost Consultant/ Employers Agent role on the project to enable streamlined communications, project governance, procurement, and cost management.

The project would be led by a senior Director with experience of delivering similar projects.

---

## **Are you intending to outsource or sub-contract any other work on this bid to third parties?**

See previous answers (formerly Q 6.2.1 and 6.2.2 of original application guidance form) for details of sub-contracting approach for a) lead consultants to support on project management, procurement, employer agent etc and b) design and build contracts for the works themselves.

---

## **How will you engage with key suppliers to effectively manage their contracts so that they deliver your desired outcomes**

Primary responsibility for managing suppliers will rest with the lead consultants (HexBox Team, and HCC) alongside Reading Borough Council Project Board. Managing contractor risks starts before procurement.

Ensuring a proper competitive process

This is particularly important at present, given the nature of the construction market right now. Going through the established Southern Construction Framework (SCF) helps to mitigate risks.

-SCF Property Asset Consultancy highlights marketplace risks and shortages, as well as bringing the latest technological opportunities into consideration. SCF operates regular market intelligence research at a regional and national level to support advice to clients.

-SCF also has a supply chain portal (LSC) and all project opportunities are detailed there and through Contracts Finder for the wider supply chain to see, and express interest at their discretion. Key supply chain contractors are appointed as part of every SCF project procurement strategy. Trades are identified and appointed on similar terms to the main contractor.

-A key strategy will be pre-engagement with potential contractors through a series of supplier engagement sessions. These events will set out the details of the projects and are an opportunity to test with the contractors the proposed procurement approach, which is likely to typically relate to a design and build approach, and an outline programme for the pre-contract and post contract stages.

-Having received this feedback from the supplier pre-engagement, this will then inform both the expression of interest and invitation to tender stages.

-SCF records all added value realised through pre-construction work. In this way the effectiveness of the pre-construction is monitored and on average, this equates to a 10% cost reduction.

-SCF has an extensive cost database (of over £6bn of construction work) and whole life costing is an integral part of the two stage procurement process and provides a reliable insight into what projects should cost.

Pre-appointment

The procurement process is the first stage in managing supplier risk by ensuring that all bidders are robust and have a good track record. This will be achieved by:

- using an established procurement frameworks such as SCF where those on the framework all have an established track record;

- undertaking basic checks on annual accounts and on Dun and Bradstreet etc;

- researching current and previous work

- SCF tenders include a requirement for AC / DC Gold standard for contractors and consultants. SCF retains the right to suspend contractors who cannot meet the financial standing requirement set at the pre-qual stage.

On appointment

The exact form of contracts will vary depending on type. However, options to manage risks include:

- parent company guarantees;

- requiring all competitive tenders of the supply chain to be open book (this is a requirement in the SCF) allowing them to be vetted for financial stability, quality, performance etc. to mitigate supply chain risks;

- requiring an insurance-backed Performance Bond where there are concerns in the market-place generally, or with a specific contractor's financial standing and ability to complete the contracted works.

Overseeing the contracts

The forms of contract will vary depending on circumstances, however:

- The SCF process is based on a two-stage open book, and projects are de-risked during pre-construction, and contractors are assured that their margins will not be eroded through unforeseen events or issues during construction.

- The pre-construction elements of contracts are based on clear deliverables for a clear fee which have been laid out in the SCF tender. This minimises risks to both clients and contractors as long as the process is understood and followed.

- There will be an overall Project Delivery Plan set up, which will be used by all Parties as a live document and will identify all the relevant information on the project and the various processes and stages that need to be followed and dealt with to ensure that the project progresses successfully

- As part of this, a detailed risk management strategy will be in place to identify key risks, the owners of each of the risks based on who is best placed to manage these and the actions to either eliminate the risk or mitigate the impact of these. This will also assist in identifying suitable contingency / risk allowances in the budget.

Throughout the works there will be weekly reports to the Project Manager and Project Team, the Pand monthly reports to the Project Board who will monitor progress.

Quality Assurance: Gateway Reviews will be used throughout the project

Each Gateway follows a standard format and an independent Gateway Facilitator is used. Gateway reviews provide a quality assurance framework for the management of projects to ensure:

- That the overall aim and objectives of a project will be successfully achieved (e.g. delivery of the brief on time, on cost, on quality).

- That the project is progressed in an efficient manner, avoiding abortive work.

- Risks to the project's aims are identified and managed and that the project team is fully aligned before moving to the next stage.

- Gateway reports are written on behalf of the whole project team, including the

Client, for presenting to the Facilitator as their collaborative view of the state of the project.

-Reports should be authored by the Project Lead in conjunction with the Client's representative and the Project QS. The final report should be checked and edited by the Senior Manager.

-All observations and advice raised by the Gateway Facilitator at the Gateways will be considered, outcomes jointly agreed and actioned.

See 'Gateway table' in annex D.

---

## Set out how you plan to deliver the bid

Key Gateway Milestones, Durations & Dependencies:

Hex (complete stage gate by)

- Appoint / Mobilise Professional Team (Nov 2023)
- RIBA 2 Design Complete (Feb 2023)
- RIBA 3 Design Complete - submit planning application (May 2023)
- Planning Permission obtained (Sept 2023 - there are no PACs in Aug)
- RIBA 4 Design Complete + Procurement (Dec 2023)
- Select contractor for Second Stage Tender (May 2023)
- Start on Site (Jan 2024)
- Completion (Dec 2024)
- Client Fit Out & Soft Opening (Jan 2025)

Library (complete stage gate by)

- Appoint / Mobilise Professional Team (Dec 2022)
- RIBA 2 Design Complete (Feb 2023)
- RIBA 3 Design Complete - submit planning application (May 2023)
- Planning Permission obtained (Sept 2023 - there are no PACs in Aug)
- RIBA 4 Design Complete + Procurement (Sept 2023)
- Select contractor for Second Stage Tender (Dec 2023)
- Start on Site (Jan 2024)
- Completion (Jan 2025)
- Client Fit Out & Soft Opening (Feb 2025)

The projects will be delivered by multidisciplinary project teams, procured immediately on contract award, managed by a Lead Consultant. Roles and Responsibilities of the core delivery team are outlined below:

Disciplines [Roles and Responsibilities]

-Client / Project Director (RBC) [Bid delivery]

-Client Side Project Manager (key end user client - Library / Hexagon Senior Managers) [Coordination of multidisciplinary team; Project execution Plan; QA; Project Objectives; KPIs; Project risks; Stakeholder management; Project delivery]

-Project Management & Employers Agent Services [Implementation of Project Execution Plans with dashboard reporting to review progress; Implementing Project Governance; Management of the Design Team and management of their deliverables including stakeholder consultation; Employers Agent Services during pre-construction and construction phases; Assist in management of the procurement process; Management of development budget; Supporting the Client to ensure the design is aligned with the brief and business case]

-Cost Management [Cost management pre- and construction phases; Market testing; Validation of procurement strategy and supporting the management of the procurement process; Implementation of procurement strategy; Undertake value for money assessment; Advise on market influences; Value management to deliver commercial viability and success]

-Architect, Lead Designer & Principal Designer [Architect and Lead designer responsible for ensuring full coordination of the design; Principal Designer duties under CDM; Coordinate stakeholder engagement sessions]

-Structural Engineer [Structural engineering - building and surrounds including podium access from Queens Walk; Below ground drainage; Carpark loadings event vehicles]

-Services Engineering [Mechanical and electrical systems design; Lift specification]

-Sustainability [Set sustainability targets and carbon reduction strategy for the project and monitor KPIs to ensure targets are being met or exceeded]

-Theatre Consultancy [Prepare theatre technical and performance systems design, including theatre planning, stage engineering, stage lighting, audio visual and building wide paging systems]

-Breeam Consultant [Pre-construction design and construction Breeam assessments]

-Transport consultant [Input into design & access statement and if needed for car park / vehicle movement tracking]

-Landscape architect & / Ecologist [Input into design / access statement and subsequent design outputs]

-Acoustic Consultant [Specification of acoustic design based on establishment of acoustic performance criteria of all spaces]

Key Roles - also see 6.3.4 and 6.3.5 for more detail

Commercialisation Board – Programme Board for Levelling Up and other capital projects. The board will act as a decision-making body and will meet bimonthly and as required at key project gateways to sign off progress against brief and build contracts.

Project Board (being the “Project Team” as referred to in this application) – Will report to the Commercialisation Board. It will meet fortnightly and ensure all interdependent workstreams, including disposal and redevelopment of the Central Library site, customer services and civic centre offices moves as well as the coordination of development schemes at Minster Quarter and HexBox are considered comprehensively. Project Board members include key corporate centre functions including finance, procurement, legal communications and planning, building control and transport where required.

Project Delivery Team (External) – as per the table above professional services will be procured to manage day to day delivery.

#### Assurance

This delivery approach is in line with the ‘3 lines’ model. Assurance is secured through the various levels of reporting to Boards from management, internal audit and others. Management of the contractor and consultant teams by the Lead Consultant provides valuable assurance on planned, actual, and forecast outcomes on risk, and on risk management by drawing upon the expertise of the wider Project Team. Those with supporting roles provide additional assurance on risk-related matters.

#### Meetings & Reporting

A key document will be the Project Execution Plan (‘PEP’), which will detail the approach as well as project objectives and the means by which they will be delivered.

PEP will be an evolving document which identifies responsibilities and coordinates various actions and procedures. The PEP will be regularly updated by the Project Manager and will provide clear lines of communication.

The Project Manager will produce regular reports including:

-financial forecasts to monitor and control project costs

-project performance and labour organisation

-work packages to ensure the scope of work is clearly defined and understood

#### Consents



-Planning applications for the development will be developed as part of the early design Gateways to ensure timely application ahead of start on site date. The land and buildings for both projects are in the ownership of RBC and the schemes are compliant with Local Plan policies and supported by the recently adopted Minster Quarter Framework plan which has Supplementary Planning document status. In addition, conversations with the LPA have been ongoing since project inception with pre application discussions informing the design.

-Building Control: The lead consultant and appointed contractors will be expected to work closely with RBC to ensure that appropriate building control consents are in place.

#### Dependencies

The Library relocation project will be phased to ensure continuity of public facing services. As such, as an initial phase, it is required to carry out internal relocations within the building to create space for the new reception area at ground floor. It is proposed these internal relocations are carried out in February and March 2023, as indicated on the project programme.

The HexBox programme has been planned to minimise downtime to programming, specifically avoiding peak demand showtimes such as Christmas. The site will also need to be managed to allow for ongoing servicing of the main theatre.

#### Programme

The outline programme milestones below assume a concurrent activity for the delivery of all activities up to contract award – the programme contingency on both projects is such that there would be opportunity to re-sequence key activities of design and procurement to maintain overall programme milestones if required – giving confidence of the ability to deliver the scheme for the fund longstop.

#### Managing Delivery Partners & Communication Strategy

The Project Board will receive reports on stakeholder management. The Council's communications manager will sit on the Project Board and coordinate the preparation of the Communications Strategy element of the Project Execution Plan for both projects covering key stakeholders, channels and frequency of communication.

#### Engagement of Occupiers

The Project Director for the Civic Offices element will coordinate the HCC team the internal moves required to facilitate the relocation of the Central Library service to the Civic Offices and the construction of the new entrance to the building.

The construction of the Hexbox will involve the key end user Hexagon Senior Manager throughout the design and build process to ensure there is minimal impact on the main Hexagon activities during the construction phase of the works.

---

## **Demonstrate that some bid activity can be delivered in 2022-23**

The project programme shows that significant progress will need to be underway in 2022/23 if key project milestones are to be met.

Work packages underway this financial year include

- Procurement of both the Professional Team and the 2 stage design and build contracts
- Surveys and Investigations
- RIBA stage 2 designs and the start of RIBA stage 3
- internal relocations within the current civic building to create space for the new reception area at ground floor.

The spend profile (as provided by cost consultants HCC for the Library and Bristow for Hexbox) shows total expenditure in 2022/23 is £1,387,739 of which £1,275,452 is LUF Grant and £112,287 is match funding. The spend profile is

considered realistic - giving sufficient time for procurement of the design team, surveys etc - to enable progress by the end of the current financial year.

Further details contained in Tables C P1 and C P2 of the Costings and Planning Workbook,

In addition, the Library relocation project will be phased in order to ensure continuity of public facing services. As such, as an initial phase, internal relocations within the building will be undertaken to create space for the new reception area at ground floor. It is proposed these internal relocations are carried out in February and March 2023, as indicated on the project programme.

---

## **Risk Management: Set out your detailed risk assessment**

A detailed risk register is attached which has been drafted in accordance with RBC Risk Policy. The Risk Register is divided into three worksheets including Strategic Risk for the Project Team, together with site and delivery risks for both the Hexbox and relocated library. The risks are also grouped by stage and risk category.

The Strategic Risk Register set out the risks associated with establishing the project team, creating the right governance structure, procurement of consultants and contractors and wider economic and financial risks. It is important that the project team manages these risks in the first instance and the overall governance and management of the programme will help ensure the delivery of each of the projects. The project team will ensure the right tender documentation is produced for both consultant and contracting tenders and will involve utilising staff with the right technical and procurement experience to manage this process.

The strategic risk register also takes into consideration wider economic and supply chain risks and impact on costs and timescales from Covid, Brexit and Ukraine which are clearly outside the project teams control but need to be carefully monitored and reported on back to the project group, senior officers and members.

A summary of the key strategic and project risks are set out below:

Strategic Risks:

- (1) Procurement Delivery to be carried out properly: To be managed by advisory teams with experience in each type of procurement required.
- (2) Procurement Strategy: To be agreed from outset with RBC Legal and Procurement Teams involved
- (3) Procurement Challenge: Use Framework policies and process to be followed and managed by framework representative/manager to mitigate risks
- (4) Limited resources in the RBC Planning Team: Ensure early engagement and pre-app stage. Ensure planning docs prepared as efficiently as possible
- (5) Governance: Governance established from outset. Management team properly resourced. Communication Strategy to be agreed. Project and programme to be established.

Hexagon Project Risks

- (1) Need to mobilise the project team quickly after funding award: Ensure draft procurement docs ready for tender prior to award. Ensure procurement route / framework agreed with RBC Procurement from outset
- (2) Key elements of design data not yet explored e.g. abnormals: Instruct consultant team to review as soon as possible
- (3) Scope creep of Queens walk structural impact to deliver main access may

increase costs to resolve: Instruct consultant team to review as soon as possible.

(4) Cooperation with surrounding developers and landowners: Establish cooperation agreement with adjoining landowners and developers.

(5) Legal. Rights to light: RBC owns much of the site. Review Report on Title and Legal Advisors to update when appointed. Refer to report on title and design out areas of concern to avoid conflict and delays

#### Library Project Risks

(1) Risk Planning related costs impact on budget more than anticipated: Ensure Planning Pre-App meetings well coordinated

(2) Risk of inappropriate procurement route being adopted, which could lead to the appointment of the 'wrong' contractor for the project, with potential impacts on cost, time and quality: Undertake procurement workshop to understand employer's risk profile. Review advantages of Employer developing design to Stage 4 to include as Draft CPs within tender documents. Understand risks of 2 Stage Procurement.

(3) Cost increases due to late changes: Ensure design team properly resourced and supported at early stages of project and governance in place to manage senior officers / councillors

(4) Obstruction found during groundworks process: Review technical requirements of the programme prior to progressing designs to the next stage. Include desktop and intrusive ground condition surveys to assess risks.

(5) Failure to dispose of existing Library Building to generate capital receipt: RBC to seek commercial appraisals to confirm likely sale price.

1. procuring Hex prof team in time to mobilise quickly on funding award
2. planning approval – limited resource within planning team to provide pre-app advice / review planning appln– mitigate via pay for planning support
3. delay in funding award but with same end date – march 2025 – squeeze on programme
4. construction inflation – very hard to predict and may vary above current predictions – if increases significantly post funding award – seek additional capital funding
5. For hex – some key elements of design data not yet explored eg. abnormal element of cost plan may need beefing up ie Geotech, structural, power (sub-station upgrade) – you would normally carry out pre-con investigations – risk timing of these would impact on existing Hex bookings
6. Hex – scope creep of Queens walk structural impact to deliver main access may increase costs to resolve
7. Library – coordination of interim moves / impact on civic offices existing functions (incl political spaces) detract aim to deliver to tight timeframe - Charan to champion
8. Both sites – ability to meet consequential improvement elements without impacting on existing users
9. Both sites – real risk of not achieving Breeam excellent rating within cost plan / time which is key planning requirement..
10. Both sites – no mention of s106/ 278 costs from planning – unknown cost as not done a pre-app to seek this out – thus RBC will be liable for this funding as not clarified in funding costs..

Smaller risk – Hex – transport planning requirement for additional staff / visitor parking – need clear transport statement at pre-app to mitigate

---

## **Provide details of your core project team and provide evidence of their track record and experience of delivering schemes of this nature**

The Council project team will own and drive the project forward, including:

- Chairing and running Programme Board (Commercialisation Board) which

includes S151 officer [and Monitoring Officer] .

- Reporting progress and issues to Council leadership
- Running the Programme Management Office
- Bringing all council services together to deliver the project
- Procuring and managing professional services and contractors

Project Sponsor – Frances Martin is Executive Director for Economic Growth and Neighbourhood Services. RBC Policy Committee delegates authority to Frances to deliver the project within approved parameters. Frances chairs Commercialisation Board which has ultimate responsibility for project performance. Frances also chairs the Minister Quarter Board responsible for the appointment of a development partner for Reading's flagship regeneration project that sits alongside LUF projects.

Frances has delivered:

- £9m Highways investment programme over 3 years
- £40m Bennett Road refurbishment including museum stores
- £14m build of new offices, HWRC and fleet workshop (as SRO)
- £15m Sea City Museum - both at Southampton City Council..

Programme Director and Programme Management Office (PMO) – Emma Gee is Deputy Director for Infrastructure, Economy and Capital projects and has experience of successful bids to Levelling Up in Round 1 as well as Town Deal delivery. She is familiar with reporting mechanisms and monitoring and evaluation requirements and will be supported by a PMO officer who will administer and coordinate the package of projects internally at RBC.

As SRO, Emma has also overseen capital project delivery for

- restoration of the £15m Carriageworks in Swindon, delivering a business incubator and new university satellite
- town centre public realm schemes £13m
- residential and commercial projects £40m

Emma provides overall strategic direction to the Project Team, and will be nominated officer reporting back to DLUHC.

Project Directors

- Charan Dillon Assistant Director Property and Asset Management. Charan is RICS accredited with 15 years experience of delivering capital projects including the Curve, a £20m project that delivered cultural, community, educational space and theatre provision for Slough, followed by the Council's new head office in 2019.
  - Donna Pentalow Assistant Director Culture. Donna is currently SRO responsible for overseeing the £40M programme to deliver two new and two refurbished leisure centres in Reading.
- Donna and Charan ensure that all work streams on which the projects have a dependency are aligned with the objectives and resolve any conflicts which might result in non-delivery of outcomes or delay/cost to programme.

Client Side Project Manager – Andy Lockwood has over 20yrs experience in client side PM of construction projects , project managing in excess of £40M in contracts. Currently responsible for managing the professional team delivering 2 new leisure centres in Reading.

Previous track record includes

- senior PM in the team delivering a £60m school expansion programme across the primary school estate;
- £7m HLF-funded conservation projects at Forbury Gardens and Abbey Ruins;
- Lottery funded refurbishment of a library.

Andy has overall responsibility for the client side PM of the professional team to deliver the projects.

Reading Hampshire Property Partnership

The Hampshire County Council team has led on design and costing of Reading Library. The same team designed the Civic Office building in 2015, where the new library will be located. Key people

- Design Lead / Employers Agent: Andrew Pritchard
- Procurement lead: Adam Sanford

- Cost Management lead: Matthew Lay
- HCC support lead: Tim Martienssen
- A specialist library Interior Designer will be procured directly by RBC to oversee the fit out and coordination of the library interior element of the project.

The HCC team is currently delivering £78m of capital projects including new schools, school extensions, extra care housing, community centres, office refurbishment with an extensive track record in delivery of a wide range of capital projects.

Examples of other projects:

- Winchester Discovery Centre (£7.25m)
- Barton Farm Academy (£10.4m)
- Basingstoke Fire Station (£5.8m)
- Park Community School (£17m)
- Havant Public Service Plaza (£9.7m)

For HexBox, RBC will procure a professional team. This will include a lead consultant for project management/ Employers Agent, and cost management roles working alongside a design team with specialist knowledge and experience in delivering theatre construction projects supported by experienced structural and service engineers. The design team will be novated to the contractor under a design and build contract for continuity of design RIBA stages 4 onwards. Employers Agent and cost management roles will be retained on the client side of the professional team to manage the main contractor delivery to time and budget.

## **Set out what governance procedures will be put in place to manage the grant and project**

Governance - See diagram annex D.

### **Project Governance**

Governance of the project will be provided by the Council's established Commercialisation Programme Board, which is attended by the Council's s 151 Officer, Programme Sponsor, Programme Director, Project Management Officer (PMO) officer and Senior Responsible Officer (SRO). Providing onward reporting to the cross-party Civic Board (comprising Council members) and the Council's Policy Committee.

The role of the Commercialisation Board, (the Programme Board for Levelling Up) is to oversee the initiation and delivery of a portfolio of projects, tracking the delivery to timetable of intended social and economic benefits, operational efficiencies and maximisation of value.

The Board will ensure clear project definition including scope and cost and ensure that robust and effective controls are in place to aid the delivery and monitoring of schemes, in context with the Council's Medium-Term Financial Strategy (MTFS) and any conditions of the LUF grant.

The Programme Sponsor will carry financial delegation appropriate to the project to enable swift decision making, in consultation and agreement with the regular qualified attendees. Secretariat is provided to the board meeting to ensure decisions and actions are accurately recorded.

The Programme Board will meet bi-monthly, underpinned by a monthly project delivery board, who are supported by a weekly Project Team.

The project will be managed and reported to Prince 2 project management methodologies, ensuring objectives are clearly defined and achieved within agreed time, cost, and quality constraints and value for money considerations. Robust project management will permit effective board oversight and allow early identification of risks and slippage and their mitigation.

The SRO will provide the Project Team with leadership and direction, ensuring that governance of the project is understood at all levels, including any

appointed contractors.

#### Financial Controls

On award, the grant will be allocated a budget code within the Council's financial management system.

The Chief Finance Officer will be given authorised spending budgets from the award subject to their role on the project and as delegated by the Policy Committee.

Robust controls are in place to track spending and ensure that purchase order approval can only be obtained from those authorised. The approving officer will make appropriate checks to ensure expenditure is coded correctly to aid budget monitoring and enable effective audit.

The Council operates a strict purchase to pay policy, no payment will be made from the account unless the received invoice quotes a valid purchase order number, and the purchase order has been appropriately receipted to show goods/services have been received to the Council's satisfaction.

#### Counter fraud, corruption, and anti-bribery, including procedures to avoid Conflict of Interests

The Council's \*Anti-fraud and corruption policy, conceived in context with anti-corruption legislation, including but not limited to the Bribery Act 2010, the Fraud Act 2006. In meeting the Council's responsibilities relating to fraud and corruption, the Council is committed to an effective anti-fraud and corruption policy designed to: -encourage prevention; promote detection; enable effective investigation where suspected fraud or corruption has occurred; and prosecute offenders where appropriate; [with associated training].

The Council requires its appointed contractors to have the same robust controls in place and confirmation of arrangements is required as part of procurement pre-qualification processes.

#### Procedures to avoid Conflicts of Interest

The \*Council's policy on the code of conduct for its employees adheres to the seven principles of the Localism Act. These will be upheld, promoted and supported by the Board amongst its members, Council Officers, Councillors and in dealing with the award and project.

#### Cyber security, and data management

All Council officers are required to undertake mandatory annual \*Cyber Security & Data Management training. Compliance with this mandate is monitored by the Council's monitoring officer). Officers who fail to complete the training have their access rights removed until such time as training is evidenced as having been completed.

The Council requires its appointed contractors to have the same robust controls in place and confirmation of arrangements is sought as part of procurement pre-qualification processes.

Code of conduct setting standards for ethical and professional behaviour  
The Council has an adopted Code of Conduct, that ensures that the Council maintains a deserved reputation for the high standards of its activities and the integrity of its employees at all levels. The Council considers any breach of this code to be a disciplinary matter.

The Council requires its appointed contractors to have the same robust controls in place and confirmation of arrangements is sought as part of procurement pre-qualification processes.

\*Full copies of all policies and training documents can be provided on request.

---

## **If applicable, explain how you will cover the operational costs for the day-to-day management of the new asset / facility once it is complete to ensure project benefits are realised**

The current Central Library is funded through existing Council budgets which will continue at the new site. The civic has revenue funded budgets and resources centrally managed by the Facilities Service/Corporate Landlord.

The current property running costs of the existing Central library is £246k pa including business rates, cleaning, utilities and staffing. The new library will result in operational saving of £246k (made up from business rates, utilities etc). This saving will be offset by loss of rental income (which will be recoverable elsewhere within the council's portfolio) increased opening hours and thus staff costs as well as the need for offsite storage resulting in a net position that is neutral to the Council.

### **Library Programme**

With regard to the library space, the existing programmed events would continue, with regular story and rhymetimes expanded, a better offer for local self-run groups and a better space for volunteer led groups. These would be enhanced by additional performances and talks from local and national individuals and groups. Libraries are a key space in the Arts Council England 'Let's Create' Strategy and Central library in the existing location is generally unable to accommodate touring productions due to restrictions in space, layout and technology.

### **The HexBox**

The HexBox is co-located with an existing and successfully operated venue. The new space has been designed to host a busy and varied events programme, with a full flexible space that meets current unmet demand in Reading and has high levels of accessibility. The events programme will include lucrative and popular strands such as live music, comedy and theatre, whilst being suitable for a balance of community events. The space will be programmed by an established team who understand the market and audience and have a good relationship with promoters and local groups. Using financial modelling based on the existing events programme and experience in operating other venues in Reading, we are confident the operational costs will be met by primary and secondary income generated by the new space.

Primary income will be ticket income and venue hire from events programme, with secondary income generated from booking fees, bar and café income and memberships/donations.

The operating model, with event staff shared across both venues, and programming and marketing carried out using existing budgets and existing staffing, means that the operational costs and day-to-day maintenance of the new space will be funded by income. The benefit to having established box office systems, Point of Sales systems for the catering offer, and an established, high traffic website – [whatsonreading.com](http://whatsonreading.com) – mean the programme can go on sale in advance of the venue opening, and ticket sales will be able to grow prior to launch.

Ongoing maintenance and servicing will be carried out by the Council's maintenance and compliance partners through existing contracts. The operational staff that are based in the Hexagon will also manage the HexBox, meaning that Health and Safety, maintenance, Fire Risk Assessments and statutory compliance are managed by an experienced team of venue managers and facilities teams.

See Annex D for

Table – Primary and Secondary Income Projection

Table – HexBox expenditure and income in the first two years of operation

The Hex Box Business Plan is appended and sets out the venue's

- Cultural Mission Statement
- Audience Engagement Plan
- Activity Plan

- Funding
- Operational Costs
- Programming

Upload further information (optional)

HexBox Business Plan .docx

## Set out proportionate plans for monitoring and evaluation

The aims of the bid level ME are to:

- assess how well the projects were delivered as intended, covering specification/time-scales/budget
- evidence base how far the bid's stated outcome-based objectives were achieved and how far they can be attributed to the interventions
- establish whether the interventions were good value for money

These provide accountability/learning functions.

The key evaluation learning questions:

Delivery of outputs / process evaluation (relevant linked LUF standard outputs emboldened):

- Was the [Hex Box] and its immediate public realm improvements delivered as intended (covering spec, timescale, budget)?

Community space / cultural space created or improved / public realm created or improved

- Was the new Reading Central Library moved and upgraded / delivered as intended? (covering spec, timescale, budget)?

Public amenities/facilities created, improved or relocated, Floor Space rationalised, New public WiFi hotspots installed, Educational space created or improved

- How many new homes have been permissioned/built on the old library site?

How much land on the site do they account for?

New or improved residential units, land rehabilitated

The other general delivery questions proposed are:

- Are there any differences between the outputs delivered and the intended standard outputs described in this application (covering spec, timescale, budget)?
- What were the reasons for these differences?
- How well were stakeholders managed/engaged (including communications) throughout the delivery process
- How well were risks identified (recorded/reported), assessed and managed during the project?

● What are the key lessons learned from delivery of the project?

Realisation of outcomes / impact evaluation (relevant linked LUF standard outcomes emboldened):

- How many additional cultural events - e.g. live music performances - have taken place at the HexBox? How many were accessible (e.g. signed/audio-described)?

Change in the number of cultural events

- How do the numbers of visitors to (i) the HexBox and (ii) the new Reading Central Library compare to the numbers projected
- How do audience numbers to the HexBox compare to the numbers projected



in  
the business plan?

- Have audience numbers at the original Hexagon Theatre increased compared to before the investment (i.e. due to spill-over effects of the HexBox)

Change in the number of visitors to cultural events, Change in the audience numbers for cultural events

- Has footfall or car park usage on Broad Street Mall increased compared to before the investment (i.e. as a result of more visitors to the [Hex Box] and/or [Reading Library])

Change in footfall

- Has enrolment at the New Directions College increased since the new library opened? If so, by how much?

- How many NEETs have used the Urban Room collaboration (UoR and BFC) at the new Reading Central library, how many have gone on to enrol on FE/HE courses?

Change in students enrolling in / completing FE and HE courses

- Do local residents feel a greater sense of pride in their town centre than they did before 2022/23 and why?

- What are resident's satisfaction levels with (i) cultural services and (ii) library services?

- Do resident's feel that Reading's cultural offer been improved as a result of the [Hex box] and the new [Reading Library] opening?

Change in perceptions of place

- Do businesses in the Minster Quarter (including shops in Broad Street Mall) feel

more optimistic about their future than before the investment?

- Have rateable values in the Minster Quarter increased more than in wider areas?

- Have residential property prices in the Minster Quarter increased more than in wider areas?

Change in business investment / business sentiment

Key components/deliverables:

- An individual process evaluation covering the two interventions to establish how well they were each delivered, by answering the process evaluation questions above

- An overall impact evaluation to assess whether the projects' outcome-based objectives have been achieved and degree to which they are attributable to the intervention, answering the impact evaluation questions above

- A report answering the process questions delivered within one year of practical completion - envisaged as Spring 2025

- An interim impact report answering the impact questions, delivered after three years of operation of the buildings and a final impact report doing the same after five years

A pre-intervention baseline (counterfactual) 'snapshot' will be established consisting of:

- Footfall, sales and vacancies at the Broad Street shopping mall (data already collected)

- Students enrolling at New Directions College and/or a selection of FE/HE establishments in Reading (data already collected / obtainable)

- Audience numbers at the current Hexagon Theatre (data already collected)
- Visitor numbers to the existing Reading central library and Readings other libraries (data already collected)

- Perceptions in place – commissioned residents survey (pre-investment)

- Business / business sentiment – commissioned business survey (pre-investment)

- Rateable values on the Minster Quarter (data already collected)

These 'snapshot' data will also be collected post-intervention, where applicable – upon re-opening of the intervention buildings following their practical completion, and supplemented by new data streams covering visitor / audience numbers to the HexBox and new Reading Library.

The post-intervention data described will be contrasted to the pre-intervention (baseline) data to pick up any significant changes. A difference in difference evaluation will be commissioned to build an evidence base around attrition - at least for residential house prices and/or rateable values.

#### Governance Arrangements

RBC will establish a LUF ME Board to meet quarterly in the pre-delivery / 2-year delivery / 5-year post-delivery phases. It will have responsibility for monitoring progress (delivery), outcomes reporting and commission / sign off of research to support the evaluation process.

It is proposed that RBC will designate a 'lead ME officer' or engage a consultant to lead on the ME including liaison with the DLUHC ME team.

The LUF ME will form part of the reporting to the Commercialisation Board and be led by the Programme Management Office. A M&E Project Board could notionally comprise:

- RBC LUF Programme Director
- Programme Management Officer
- 1 x additional RBC - for example, an arts and heritage officer
- 2 x members of the local community (residents of MQ)
- 2 x members of the arts and cultural community
- 2 x members from the wider business community, including at least 1 from retail
- 1 Hexagon representative
- 1 Reading Library representative

RBC will allocate up to £90,000 spread over 8 years (£11,250 p.a.) for ME.

Illustrative budget and funding sources :

- £60,000 for lead ME officer 0.2 FTE p.a. over 8 years delivered through existing

budgets in PMO and Data Intelligence and Policy

- up to £30,000 to commission 6 x annual surveys / opinion polls (1 pre-intervention) of residents and businesses covering perceptions and business sentiment. This may be reduced through utilisation of existing mechanisms such

as Residents surveys, service area surveys and ongoing dialogue with organisations such as Reading Economy and Destination Agency (REDA) who deliver economic development, business support and inward investment for Reading.

In addition, there may be scope through the Council's strong partnership with University of Reading to undertake an interim and final impact evaluation of data collated through PHD thesis or similar. Similar collaborations have occurred previously in development of Reading 2050 vision and hosting of Urban Rooms to understand community needs and responses to strategy, policy and services.

---

## Senior Responsible Owner Declaration

Upload pro forma 7 - Senior Responsible Owner Declaration

LUF Round 2 Pro formas V6.1 Proforma 7 SRO Signatory.pdf

---

## Chief Finance Officer Declaration

Upload pro forma 8 - Chief Finance Officer Declaration

LUF Round 2 Pro formas V6.1 Proforma 8 s151.docx

---

## Publishing

URL of website where this bid will be published [www.reading.gov.uk](http://www.reading.gov.uk)

---

## Additional attachments

### Additional file attachment 1

Upload attachment [Annex E - Letters of Support.pdf](#)

---

### Additional file attachment 2

Upload attachment [Annex F - TCS results and key themes 21 October 2021.docx.pdf](#)

---

### Additional file attachment 3

Upload attachment [Annex G - Annual residents survey 2021 summary.pdf](#)

---

### Additional file attachment 4

Upload attachment [Annex H - Culture-and-Heritage-Strategy.pdf](#)

---

### Additional file attachment 5

Upload attachment [Annex J - 220711 - Levelling Up bids minute.docx](#)

---

### Additional file attachment 6

Upload attachment [Annex M - SCF Benefits Overview.pdf](#)

---

### Additional file attachment 7

Upload attachment [Annex N - Delivery Plan.pdf](#)

---

### Additional file attachment 8

Upload attachment [Annex O Feasibility Study-Reading Library Relocation FINAL.pdf](#)

---

### Additional file attachment 9

Upload attachment [Annex Q The Hexagon - Studio Feasibility Study.pdf](#)

---

## Project 1 Name

HexBox

---

## Provide a short description of this project

'HexBox', as part of the wider Hexagon Campus at Minster Quarter, will be created by extending the regionally significant but ageing Hexagon Theatre

with a new arts, community and performance space accommodating up to 200 people and capable of expanding and diversifying programming by local artists as well as fulfilling an unmet need for a dedicated live music venue for Reading. The venue will also be accessible to schools and community groups and providing a focal point for new and existing communities in pursuit of Reading 2050 vision for the town to be a place of culture and diversity.

---

## **Provide a more detailed overview of the project**

As part of wider plans for a revitalised Hexagon Campus we plan to extend The Hexagon Theatre with a new arts, performance and community hub - 'HexBox' - that will be able to host a wide variety of performances - including live music - and provide a focus for the new community that will soon establish itself in the Minster Quarter.

Since the demolition of nearby Civic Offices, The Hexagon has become increasingly isolated and experienced falling passing footfall. This new destination will create a cultural 'campus' improving the physical linkage between The Hexagon and surrounding developments, helping regenerate brownfield land, boosting footfall, inspiring residents, supporting learning and skills and realising additional income streams, all whilst providing a spatial anchor and focal point for the community. It will also allow for a more diverse and varied programme to expand the audience to include younger people, those with children, households of lower incomes and those who are more ethnically diverse.

The project is just a 5 minute walk away from the proposed new site of the library, with both projects forming key components of the Minister Quarter mixed-use redevelopment and the wider emerging Town Centre Strategy.

Both the Hex Box and New Central Library will have similar effects and focusses, including:

- Increase educational engagement and attainment.
  - Boosting footfall in the town centre and increasing incentives to live nearby.
  - Offering the opportunity to 'design-out' anti-social behaviour.
  - Enhancing local pride, with more locals engaging with facilities and feeling safer and more secure.
- 

## **Provide a short description of the area where the investment will take place for this project**

The investment will take place in Reading's Minster Quarter. The Minster Quarter is situated on the edge of Reading's core retail area, providing easy access to both the Oracle Shopping Centre and Broad Street Mall. The site bounds the historic Castle Street and St Mary's Butts, which formed part of the old Saxon centre of Reading. The area is home, alongside the Hexagon, to the Penta Hotel, student housing and the Magistrates Courts, along with individual retail and food and beverage establishments. The Minster Quarter Outline Development Framework was approved by the council in December 2018 and the Local Plan (which includes the Minster Quarter) in November 2019.

The Hexagon itself, located in the North-West corner of the quarter, was built in 1977 and having retained many of its original features is a well-admired example of brutalist architecture. Whilst it has been a core part of Reading's cultural scene since it was built, after the demolition of the Civic Centre, the theatre has been left isolated in the city centre, with little drawing passing footfall towards it along Dusseldorf Way.

---

## **Further location details for this project**

**Project location 1**

---

Postcode	RG1 7UA
Grid reference	51.4540, -0.9776
Upload GIS/map file (optional)	Civic Offices and Hexagon.pdf
% of project investment in this location	66%

---

**Select the constituencies covered by this project****Project constituency 1**

---

Select constituency	Reading East
Estimate the percentage of this package project invested in this constituency	100%

---

**Select the local authorities / NI councils covered by this project****Project local authority 1**

---

Select local authority	Reading
Estimate the percentage of this package project invested in this Local Authority	100%

---

**What is the total grant requested from LUF for this project?**

£12564000

---

**What is the proportion of funding requested for each of the Fund's three investment themes?**

---

Regeneration and Town Centre	25%
Cultural	75%
Transport	0%

---

**Confirm the value of match funding secured for the component project**

£1136000

---

## Provide details of all the sources of match funding within your bid for this component project

N/A

---

### Value for money

Wellbeing from use

- Projected additional 12,150 people attending / participating per annum.
- Value of engagement per person per annum £1,123 and average visit frequency of 17.5 pa from Fujiwara et al 2014 (2014 values updated to 2022/23 using GDP deflator)
- Value per visit = £64
- £64 \* 12,150 new visits pa = £0.78m pa.

Volunteering

The economic benefits of volunteering have been estimated as follows:

- Two volunteers per event, 4 hours/pp.
- Projected 20 additional events per annum.
- Hourly rate of £16.91 (ONS assumption of £14.43 in 2015, updated to 2022/23 using GDP deflator).
- Economic value of volunteering per annum = £2.7K pa

The wellbeing benefits of volunteering:

- 160 volunteering hours.
- Regular volunteers are assumed to give 100 hours (based on sources including ONS and NCVO). Regular volunteers therefore 1.6.
- Wellbeing benefits per (regular) volunteer £16,783 (based on Fujiwara et al 2013, £13,500 in 2011, using GDP deflator).
- Benefit = 26.9K pa

Combined total £29.6K pa

Wider land value uplift – domestic (properties within a 500m radius of the investment sites)

The Hexagon Theatre and New Central Library will be in very close proximity; their impacts on land values is likely to be complementary. It is thus inappropriate to attempt to calculate the impact of one project alone and therefore numbers presented here are for the impacts of both projects on land values.

With residential property prices valued at £1.1bn in 2022/23 prices (based on VOA data / 500m catchment), just 2.5% uplift (aligned with AMION research for DLUHC) generates benefits of £26.8m.

Wider land value uplift – non-domestic (properties within a 500m radius of the investment sites)

Estimated by applying percentage uplifts to property values:

- High 7.5% (cinemas, theatres, hotels, pubs & wine bars, restaurants & cafes, hotels, small shops)
- Medium 5% (holiday sites, large shops, offices, other leisure, other shops)
- Low 2.5% (sports centres, showrooms, workshops)
- Zero (all other non-domestic property such as parking and non-commercial uses)

These rates align with AMION research, for DLUHC and HCA, into placemaking effects.

Property values calculated from VOA rateable values, capitalised by yield assumptions for the various property types.

- Non-domestic property has a rateable value of £45m in 2022/23 prices (within the 500m catchment).
- The estimated capital value is £0.67bn – so overall yield 6.7%.
- The total uplift is £38.6m, i.e. an increase of 5.7% on £0.67bn.

Non-use value

● A SIMETRICA-Jacobs report found that non-visitor willingness to pay (2020 prices) to support the running of a theatre was £5.01 on average with a lower bound of £4.32.

- 2022/23 prices: £5.16 (average) and £4.45 (lower bound).
- In the baseline we assume the non-use value per household is £4.45, rising to £5.16 with investment. We also assume an increase in the catchment area for benefits in line with the increase in audience numbers.

- 135,332 households x £5.16 minus 65,511 x £4.45 = £0.41m pa.
-

## BCR and value assessment

If it is not possible to provide an overall BCR for your package bid, explain why below

See 5.5

---

### Benefit Cost Ratios

Initial BCR	2.4
-------------	-----

Adjusted BCR	2.2
--------------	-----

---

### Non-monetised benefits for this project

#### Regeneration

The Minster Quarter has suffered from a lack of investment over many years. The LUF-funded projects will begin to reverse the decline, as part of a wider regeneration strategy that includes the planned construction of 1,500 new homes. LUF investment will provide further impetus to the regeneration of Minster Quarter, helping Reading to grow further whilst extending opportunities to currently left-behind households.

#### Image

The projects are located in key gateways to Reading, so investment will help to improve visitors' experience and residents' opinion of the town - including a greater sense of 'pride of place'.

#### Learning and skills

The HexBox will support additional learning and development, e.g. it will provide space for community workshops and amateur performances. The Reading Philharmonic Orchestra has indicated the potential to expand their education programme with the facility.

#### Community wellbeing

Improvements to the Hexagon have been identified as a local need, reflective of the aspirations of the local community. Investment will increase the sense of pride felt by residents in Minster Quarter and Reading. It will also increase social interaction (with both projects being providing valuable public space and facilities). Greater participation in cultural events will help to address health, particularly mental health issues, within communities.

#### Covid-19 recovery

Covid-19 has badly affected cultural facilities. Key facilities such as the Hexagon have been disproportionately affected over the last couple of years. Investment, with an enhanced theatre offer and measures to keep attendees in the local area, will support the recovery of the town's cultural sector.

---

### Does this project include plans for some LUF grant expenditure in 2022-23?

Yes

---

### Could this project be delivered as a standalone project?

Yes - the project could be delivered as a standalone project

---

## Demonstrate that activity for this project can be delivered in 2022-23

The HexBox can be delivered as a standalone project but both projects have a symbiotic relationship and should be delivered together (taking account of contractor phasing requirements) to maximise benefits.

Work packages underway this financial year include

- Procurement of both the Professional Team and the 2 stage design and build contracts
  - Surveys and Investigations
  - RIBA stage 2 designs and the start of RIBA stage 3
- 

## Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

None. The site is entirely within Reading Borough Council's control.

Upload content documents (optional)

---

## Outstanding statutory powers/consents

Full planning permission. Planning pre-application discussions have taken place and the proposals are Local Plan policy compliant confirming the principle of this use, in this location is acceptable in principle subject to detailed matters of design. Ongoing dialogue with Planning will be a priority.

---

## Project 2 Name

Reading Library

---

## Provide a short description of this project

'New' Reading Library - relocation of the current ageing and not fit for purpose central library to Reading's Civic Offices, a few minutes walk to the Hexagon Campus - will inspire residents, boost literacy rates and create a hub for support services, whilst releasing the current library site for new homes. Represents a focus on learning, enjoyment, social inclusion and well being as well as digital inclusion and furthering residents life chances and enjoyment of culture.

---

## Provide a more detailed overview of the project

Due to spatial shifts over time, Reading's 'Central' Library is no longer in the centre of the town and suffers from high rates of anti-social behaviour due to poor design choices made in the 1980s.

This presents a major opportunity to solve these issues and create a cultural hub - adjacent to communities in the 10% most deprived in the country - by moving the library near to the Hexagon Campus and increasing its focus on



digital skills (a 'digital first' library), events and learning.

By integrating the library within the existing Civic Offices we can also bring together services that target those in most need of support, improve the sustainability of public services by reducing running costs and greenhouse gas emissions at the same time as releasing much needed brownfield land for housing on the current library site. In addition to this, the relocation offers a much-needed opportunity to improve library facilities and to provide a 'digital-first' library service .

There are pockets of poor literacy in Reading which impacts social cohesion, access to the jobs market and isolation. The single most powerful weapon the council has against poor literacy - and the later life problems this can bring – is a centrally located and accessible library service, tasked with supporting early intervention – with the new central library as its flagship.

The current Civic Offices underwent a major retrofit and decarbonisation programme as part of the 2014 refurbishment including a large solar panel system on the roof.

---

## **Provide a short description of the area where the investment will take place for this project**

The investment will take place adjacent to Reading's Minster Quarter in the council's Civic Offices. The Minster Quarter is situated on the edge of Reading's core retail area, providing easy access to both the Oracle Shopping Centre and Broad Street Mall both of which will benefit from additional patronage to the library. The site bounds the historic Castle Street and St Mary's Butts, which formed part of the old Saxon centre of Reading.

The area is home, alongside the Hexagon, to the Penta Hotel, student housing and the Magistrates Courts, along with individual retail and food and beverage establishments. The Minster Quarter Outline Development Framework was approved by the council in December 2018 and the Local Plan (which includes the Minster Quarter) in November 2019.

The Civic Offices have been home to Reading Borough Council since 2014, and overlook the Oracle Shopping Centre. The current Central Library is located on Abbey Square on the eastern fringe of the town centre.

---

## **Further location details for this project**

### **Project location 1**

<b>Postcode</b>	RG1 2LU
<b>Grid reference</b>	51.45310, -0.9735
<b>Upload GIS/map file (optional)</b>	Civic Offices and Hexagon.pdf
<b>% of project investment in this location</b>	34%

---

## **Select the constituencies covered by this project**

### **Project constituency 1**

<b>Select constituency</b>	Reading East
<b>Estimate the percentage of</b>	100%

this package project invested  
in this constituency

---

## Select the local authorities / NI councils covered by this project

### Project local authority 1

---

Select local authority                      Reading

---

Estimate the percentage of  
this package project invested  
in this Local Authority

---

## What is the total grant requested from LUF for this project?

£6600000

---

## What is the proportion of funding requested for each of the Fund's three investment themes?

Regeneration and Town  
Centre    25%

---

Cultural    75%

---

Transport    0%

---

## Confirm the value of match funding secured for the component project

£2000000

---

## Provide details of all the sources of match funding within your bid for this component project

All match funding for this bid component will come from Reading Borough Council. £2m will be contributed to this project.

---

## Value for money

Wellbeing from use

- Assumed 75,000 additional visits each year (low end of projected range).
- Evidence from the Taking Part survey (frequency of attendance) used to convert visits into numbers of people using the library. 57% of additional visits are by regular library users (people attending at least once a week).
- $(57\% \times 75,000) / 52 = 820$  regular users.
- Value per person / year = £1,498 (based on Fujiwara et al 2014).
- Multiply 820 by £1,498 = £1.23m pa

Wider land value uplift – domestic (properties within a 500m radius of the

investment sites)

Given that both the Hexagon Theatre and New Central Library will be in such close proximity to one another, their impacts on land values is likely to be complementary. It is thus inappropriate to attempt to calculate the impact of one project alone and therefore numbers presented here are for the impacts of both projects on land values.

With residential property prices valued at £1.1bn in 2022/23 prices (based on VOA data / 500m catchment), just 2.5% uplift (aligned with AMION research for DLUCH) generates benefits of £26.8m.

Wider land value uplift – non-domestic (properties within a 500m radius of the investment sites)

Estimated by applying percentage uplifts to property values:

- High 7.5% (cinemas, theatres, hotels, pubs & wine bars, restaurants & cafes, hotels, small shops)
- Medium 5% (holiday sites, large shops, offices, other leisure, other shops)
- Low 2.5% (sports centres, showrooms, workshops)
- Zero (all other non-domestic property such as parking and non-commercial uses)

These rates align with AMION research, for DLUHC and HCA, into placemaking effects.

Property values are calculated from VOA rateable values, capitalised by yield assumptions for the various property types.

- Non-domestic property has a rateable value of £45m in 2022/23 prices (within the 500m catchment).

- The estimated capital value is £0.67bn – so overall yield 6.7%.

- The total uplift is £38.6m, i.e. an increase of 5.7% on £0.67bn.

Land value uplift – vacated library site

- The vacated library site is 0.092 Ha.

- According to DLUCH/VOA Land value estimates for policy appraisal 2019, residential land is worth £6.8m / Ha (2016 values uprated to 2022/23 by 5% v per annum). The current value of the site is approximately zero given its current

use less demolition, site clearance and other costs.

- These land values are based on 35 dwellings/Ha, whereas the vacated library

site has potential for much higher density (given its central location). The site could accommodate around 46 dwellings – equivalent to a density of 500/Ha.

- Therefore, LUV calculated as:  $(500/35) * £6.8m * 0.092Ha = £8.9m$

Crime

- Annual crime incidents within 500m catchment 2,662 (from Police UK)

- Crime reduced by 1% as a result of investment / regeneration

- Economic and social cost of crime, per incident price £2,906 (£2,518 in 2016/17

uprated to 2022/23 using GDP deflator)

Total £0.08m pa

---

## BCR and value assessment

If it is not possible to provide an overall BCR for your package bid, explain why below

N/A

---

## Benefit Cost Ratios

Initial BCR

2.7

---

## Non-monetised benefits for this project

### Regeneration

The Minster Quarter has suffered from a lack of investment over many years. The LUF-funded projects will begin to reverse the decline, as part of a wider regeneration strategy that includes the planned construction of 1,500 new homes. LUF investment will provide further impetus to the regeneration of Minster Quarter, helping Reading to grow further whilst extending opportunities to currently left-behind households.

Image. The project is located in a key gateway to Reading, so investment will help to improve visitors' experience and residents' opinion of the town - including a greater sense of 'pride of place'.

### Learning and skills

There is compelling evidence that library usage is linked to reading levels among children and young people, and that library usage and reading, in turn, are important factors in literacy skill levels and general educational attainment. Some research also suggests that the quality of public library space supports educational attainment.

### Digital inclusion

Studies demonstrate a high level of available ICT provision across the public library networks, as well as the high usage of this provision by library users and the role libraries thus play in increasing digital inclusion. Evidence also shows that library ICT provision is frequently used by visitors to gain information important to their everyday life, including education, work and social networks. In addition, several recent studies highlight the personal benefits of digital inclusion by increasing employability, in addition to the cost savings to the state through services increasingly being provided online under the 'digital by default' agenda.

---

## Does this project include plans for some LUF grant expenditure in 2022-23?

Yes

---

## Could this project be delivered as a standalone project?

Yes - the project could be delivered as a standalone project

---

## Demonstrate that activity for this project can be delivered in 2022-23

Read in conjunction with previous question on stand alone project - It can be delivered as a standalone project but both projects have a symbiotic relationship and should be delivered together (taking account of contractor phasing requirements) to maximise benefits.

Work packages underway this financial year include

- Procurement of both the Professional Team and the 2 stage design and build contracts
  - Surveys and Investigations
  - RIBA stage 2 designs and the start of RIBA stage 3
  - internal relocations within the current civic building to create space for the new reception area at ground floor.
-

## Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

none

---

Upload content documents (optional)

---

## Outstanding statutory powers/consents

Full planning permission. Pre application discussions have been ongoing throughout the design and development of the bid. The library project will require a change of use at the Civic Offices but it is in line with Local Plan policies and acceptable in principle to the LPA as are efforts to decarbonise the building in pursuit of our progressive sustainability policies. In addition, no concerns have been raised in relation to the design at this stage.

---