

## **PROJECT DOCUMENTATION**

### **FEASIBILITY BUSINESS CASE**

Peterchurch Primary - Replacement School

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## Feasibility Business Case History

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## **Stage 0 Business Case**

### **1. Purpose of Document**

This Feasibility Business Case contains information that describes the justification for continuing the development of a detailed Business Case for a replacement primary school at Peterchurch. The Business Case is to be submitted to the Children & Families Capital Programme Board and if accepted, a more detailed Business Case will be developed.

### **2. Objectives**

If the Business Case is approved then the project can move into the implementation phase and deliver the following:

- Ensure the council's estate is well maintained, safe and fit for purpose
- Reduce schools' revenue expenditure through more efficient buildings
- Extend the life cycle of the council's assets and protect / enhance their value
- Ensure that sufficient pupil places in suitable accommodation are available to meet demand in schools

The business case sets out the work required to replace the current primary school building at Peterchurch with new permanent build accommodation.

### **3. Background**

Herefordshire Council is responsible for maintaining all community and voluntary controlled schools located within Herefordshire. This equates to 44 establishments on 45 sites. Optimisation of the schools estate is the subject of the schools capital investment strategy which seeks to ensure that there are sufficient high quality learning environments, in good condition, permanent structure buildings that are of the size set out in the Government building specifications. This project supports the Corporate Plan priorities of 'Keeping children safe and giving them a great start in life' and 'To secure better services, quality of life and value for money'.

Peterchurch Primary School is a small community primary school maintained by Herefordshire Council in the village of Peterchurch, in the centre of the Golden Valley west of Hereford towards the Black Mountains and Welsh border. The village is the largest settlement in the valley and has a number of amenities including the primary and secondary schools, village hall, fire /police station, shop, and two pubs.

The school is located on the main road (B4348) and comprises various ages and types of buildings. These include the original Victorian school and headmaster's house; a conversion of a former village hall, some under-sized modern accommodation and some modular buildings.

The current school accommodation is not fit for purpose both in regard to its suitability as set out in DfE Building Bulletin 103 "Area Guidelines for Schools" and the condition of the buildings.

The condition issues include problematic roofs of both the Victorian building (loose slates) and the former village hall (asbestos), erratic and inefficient heating, and a range of other problems.

It is now subject to reactive repairs pending the confirmation of a suitable long term solution.

### **3.1. Project Drivers and High Level Issues**

The main 20<sup>th</sup> century school hall has an asbestos roof with multiple leaks and is a notably unattractive building. The condition of the pupil toilets are poor. Most of the spaces in the school are below the recommended area as set out on BB103 Area Guidelines for Schools. The modular classroom is perhaps the best of the current accommodation.

The swimming pool itself is a good facility, but its plastic roof is not in good condition. The school values the swimming pool very highly, and it is used by a number of other primary schools in the area.

An independent day nursery/preschool operates from the site. It owns its own modular building (which is in good condition). It works closely with the school.

Overall the impression of the school buildings is of a miss-match of different buildings, many of poor quality.

The developed area of the site – i.e. the buildings and hard surfaces is at the front. The school field is behind the school building. This is a pleasant area of green space, however the overhead power cables are a less attractive feature and limit the activities which can take place on the field to some extent.

The case for improving or replacing the building has been accepted for some time, however there has been discussion about the best way of doing this.

The main options for Peterchurch were:

- To do nothing (always a potential option)
- To acquire a new site adjacent to Fairfield High School and rebuild there
- To rebuild on the existing site

These options led to the commissioning of a report by BBLP on the highways and environmental implications of the proposals.

More recently the District Valuer was commissioned to provide valuations of the various piece of land involved in the options, whether land which would need to be purchased, or land which could be sold.

Options for replacing the Peterchurch buildings were investigated because the cost of repairs would be very high (>£1 million for the asbestos roof on the main building alone plus a further large sum to address other deficiencies) and would still leave the school with unsuitable premises in terms of room size and arrangement.

The attraction of the Fairfield relocation was that it would create a campus enabling some services to be shared between the two schools, and for the deficiency of playing field space at Fairfield to be addressed. There are attractions to campus arrangements where schools work more closely together. There were some environmental benefits which could be addressed if funding could be found to improve the poor access to Fairfield along narrow lanes, prone to flooding.

If Peterchurch Primary School were relocated to an adjacent site, then Fairfield might benefit from the environmental works that would have to be done as part of that project. This could include better traffic management around the nearby lanes, and works to reduce the impact of potential flooding. However this would entail substantial costs which would have to come from council funds – and could be supported by a capital receipt from the potential sale of the current Peterchurch school site. There was no strong support for this option from local stakeholders, and possibly active opposition from those who wish to retain the primary school “at the heart of the village”.

The option to rebuild on the current site would not create a primary secondary campus. There may be some technical challenges around managing a construction project on the site of a working school which might require decanting into temporary accommodation. We know from the experience at Colwall that this can be extremely expensive and consume considerable resources for which there is little to show at the end of the project. The presence of electrical power lines over the playing field constrains how the site might be reorganised. Notwithstanding these challenges, a rebuild on the current site is likely to be the simpler, less expensive project. It is reported that it is the preference of the parish council, who wish to see the school located in the centre of the village.

Doing “nothing” does not seem a prudent approach. Whilst the major condition issues could be addressed through maintenance interventions, these would still be expensive, and would leave the school with unsuitable accommodation, in which many rooms were below the recommended area, and the overall aesthetic of the school was unattractive. Some of the environmental issues might be addressed, but costs would quickly mount up to the point where they were not far short of a complete rebuild. Unless decision makers were determined to keep costs as low as possible, only addressing condition issues, with no attention to suitability this does not seem a good use of resources.

A feasibility study has recently been conducted by Hayhurst & Co who were appointed following a competitive tendering process, to identify possible options for the school in Peterchurch. These options included the minimalist of works to the school (renew and repair), significant refurbishment works (remodel and extend), and a new build. High level indicative and estimated costs of each of the options were provided. The costs were based on a mixture of lowest, mean average and highest rates derived from benchmark projects of a similar nature. As data obtained from benchmark projects is likely to represent the lowest priced competitive tender, 5% was added to allow budgets to reflect a realistic competitive tendering environment. These costs are based on a construction period from 2021 to 2022.

Council approved funding of £1m towards improvement works or new build at Peterchurch in December 2014 followed by a further £4.5m in December 2015 making a total of £5.5m available in the capital programme for a new build at Peterchurch. This funding was considered in line with new school building projects at the time. With inflation costs at approximately 6% per year, this would make this value the equivalent of approximately £8.5m in 2019 based on a construction period in 2021/2022.

### **3.2. High Level Metrics**

- Revenue cost savings per year for the school
- Reduced maintenance costs per year

## **4. Scope**

### **4.1. Included in Scope**

A replacement primary school for Peterchurch including all teaching and support spaces, including playground and playing field, necessary for it to function as a full one form entry school but with the provision of five classes initially. The facility will include for the provision of a nursery to accommodate the one currently on site and may include some work to the swimming pool to enable its continued use.

### **4.2. Not included in Scope**

- The re-provision or upgrading of the swimming pool facilities on site.
- Additional highways improvement works other than those required to enable access to and egress from the re-designed site.

## **5. Stakeholders**

- Head teacher of Peterchurch Primary School
- Chair of Governors at Peterchurch Primary School
- Parents/guardians of children at Peterchurch Primary School
- Peterchurch community
- Ward Councillors
- Children & Families Directorate
- Property Services
- Procurement
- Finance
- Health & Safety
- Legal

## 6. Dependencies

### 6.1. Initiatives which depend on this project are:

None

### 6.2. This project depends on:

- Appropriate levels of resource and expertise
- Contractor availability
- The required level of engagement from stakeholders

## 7. Benefits

The anticipated benefits of the proposed project are listed below:

### 7.1. Quantifiable

- Potential for reduced revenue costs to schools
- Fit for purpose teaching accommodation and associated infrastructure
- Reduction in reactive maintenance costs
- Improved Display Energy Certificate (DEC) rating for schools
- Compliance with government guidelines

### 7.2. Non-quantifiable

- Provision of new classrooms designed and built to modern standards and offering a high quality learning environment for children
- Provision of a playing field free from the risks of the overhead power cable, if this is to be re-routed underground
- Safer entry routes to and from the school building
- No potential to exposure from asbestos
- Risk mitigation

## 8. Contribution to Strategic Objectives

- To secure better services, quality of life and value for money  
Through minimising property costs and reducing the risk of service failure
- Keep children and young people safe and give them a great start in life  
Create permanent build accommodation that meets the governments building specifications



## **9. Potential Costs and Options for Project**

- Do nothing – Whilst the major condition issues could be addressed through maintenance interventions, these would still be expensive, and would leave the school with unsuitable accommodation, in which many rooms were below the recommended area, and the overall aesthetic of the school was unattractive. Some of the environmental issues might be addressed, but costs would quickly mount up to the point where they were not far short of a complete rebuild. Unless decision makers were determined to keep costs as low as possible, only addressing condition issues, with no attention to suitability this does not seem a good use of resources.
- Option 1 – Refurbish (renew and repair) the existing buildings. This option puts forward the lightest touch approach possible retaining as much of the existing school as possible whilst providing the required teaching and support spaces. Only the poorest quality spaces are demolished and the remaining existing building is repaired and refurbished. Existing traffic issues are addressed as far as possible without demolition of the school house and hall buildings. Whilst this option would improve the quality of the school accommodation and provide adequate teaching space to the majority of the building, it will not resolve all the existing building issues identified. The suitability of the school hall and the safeguarding issues associated with traffic will not be addressed. This option may be the cheapest to deliver however it would still require a high level of on-going maintenance and day-to-day operational costs.
- Option 2 – Renew (remodel and extend) the existing buildings. All the existing building issues would be addressed to some extent via this route but it is unlikely that they will all be resolved. It retains the parts of the school that are suitable for re-use and / or have been highlighted by planning as worthy of retaining. All other buildings will be demolished and a new extension constructed to house the required spaces. Additional parking and an improved drop-off and pedestrian access would be provided to the front of site. This option will not however resolve all the existing safeguarding issues associated with traffic to the front of site. It reuses some of the existing building although proposes extensive work to it which will incur a long construction programme, be costly and very disruptive to the school.
- Option 3 – Replace (rebuild) the existing building with a new build. This option puts forward a brand new school building to the rear of the site, demolishing the existing school in its entirety. It fully addresses the issues associated with on-site parking and drop off areas and is able to be constructed with the least disruption to the school. This will also provide the lowest on-going maintenance costs of the three options into the future.

## **10. Costs and Timescales to Develop the Full Business Case**

The full business case will be developed from existing staff resource in the Children & Families Education & Development team with support from other stakeholders. This will be developed prior to the project commencing at the start of the 2020/21 financial year.

## **11. Risks of not doing the Project**

Risks are potential threats that may occur but have not yet happened. Risk management will monitor the identified risks and take any remedial action should the risk happen.

**11.1. The key risks of not doing the project are:**

- Impact on service delivery
- Increased cost of maintenance
- Further deterioration of the buildings
- Potential for serious physical injury
- Potential for illness caused from environmental conditions imposed by buildings
- Children may have to be accommodated elsewhere or not be educated. There would be an increase in transport costs to accommodate children elsewhere
- Reputational risk

**11.2. The key project risks are:**

- Insufficient budget
- Insufficient resource
- Planning permission not obtained
- Disruption to school
- Contractor availability

## **12. Appendices**

### **Appendix 1 – Finance Template**

<b>Capital cost of project</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Future Years</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Design	1,169				1,169
Build	750	6,991			7,741
Fees	400	491			891
Contingency	350	702			1,052
<b>TOTAL</b>	<b>2,669</b>	<b>8,184</b>			<b>10,853</b>

<b>Funding streams</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Future Years</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Prudential borrowing		5,353			5,353
Prudential borrowing already secured in capital programme in prior years	2,669	2,831			5,500
<b>TOTAL</b>	<b>2,669</b>	<b>8,184</b>			<b>10,853</b>

<b>Revenue budget implications</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Future Years</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Reduction in annual energy costs					
Reduced maintenance costs for school					
<b>TOTAL</b>					

#### **Appendix 2 – Hayhurst & Co Feasibility Report**

#### **Appendix 3 – Equality and Diversity considerations**

To be developed as part of a more detailed business case.

#### **Appendix 4 – Privacy and information security considerations**

To be developed as part of a more detailed business case.

#### **Appendix 4 – Sustainability considerations**

To be developed as part of a more detailed business case.

## **PROJECT DOCUMENTATION**

### **BUSINESS CASE**

#### *Brookfield Special School Improvement Project*

Release: Draft

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Author:

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## Business Case History

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The final version of the document will be found on the council's project management system, Verto, within the Brookfield School listing.

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## **1. Purpose of Document**

On 6<sup>th</sup> December 2018, the procurement of a business case (phase 1 feasibility study) was approved, and recorded as an officer decision by the Director of Children and Families, its purpose being to explore options for the modification and improvement of the site and buildings at The Brookfield Special School.

Phase 1 of the project looked at feasibility for the site in two key areas:

1. To improve the compliance (and therefore the suitability) of the school with Government Building Bulletin 104, which describes the schedule of accommodation that is required for the provision of education for special needs pupils with social emotional and mental health needs.
2. To develop suitable accommodation on the main school site to enable the education of those pupils currently educated in a split site temporary building on Symonds Street.

This document provides an update on the results of phase 1 of the project. Based upon the outcome of phase 1, it also sets out the rationale for a capital funding request to council, in order to meet the funding gap apparent between the funds currently available, and the identified capital costs (including contractor costs, and client costs) associated with the next steps of the project.

## **2. Objectives**

1. To present the outcome of the phase 1 feasibility study to inform future decision making.
2. Based upon the above, to seek initial agreement for the overarching capital costs associated with the next steps of the project.

## **3. Background**

The Brookfield Special School educates pupils between 7 and 16 years old, with social emotional, mental health needs. It is the only school in Herefordshire with this designation. It is situated on a site running alongside Grandstand Road, and adjacent to the Hereford Racecourse.

Brookfield was a Herefordshire Council maintained school, but is now an academy school. The 1996 Education Act allows for the spending of council funds to effect improvements to academy schools.

The imperative to improve the suitability of the school site and buildings was recognised in 2015. At that time, no detailed work was completed in order to establish the feasibility of the proposed improvements, or the high level costs that may be incurred. Agreement was gained to place an indicative sum into the council capital programme, which would be serviced mainly by prudential borrowing, but also by a small element of anticipated grant funding. This total sum, minus the grant funding anticipated, has been carried forward ('re-profiled') to the present time.

In order to take forward the intention to future proof this key special school provision, it was recognised that a robust feasibility study was needed in order to examine the options available to achieve the required improvements, and to provide a rigorous rationale in the production of indicative high level costs for such options.

### **3.1. Project Drivers and High Level Issues**

- The Brookfield School currently serves the needs of some 80 pupils. These pupils all have an education health care plan (EHCP) describing their needs, and how these needs should be met. This is the only Herefordshire school designated to meet those social, emotional, mental health (SEMH) needs. If this school does not meet basic requirements, higher costs for education may need to be incurred by allocating spaces at settings outside Herefordshire.
- The current premises were built to accommodate approximately half this number of pupils, although the council has provided an extra primary phase classroom recently, to partially alleviate the unsuitability of the accommodation. The buildings are still not compliant with government guidance, and as a result, a cohort of pupils is currently 'housed' in a temporary classroom on Symonds Street, which is in very poor condition, and is inefficient to operate, as it is some way away from the main school site.
- None of the classrooms in the main school secondary phase building are compliant in size, and there are no dedicated spaces for the delivery of physical education, which is a statutory requirement, or therapy. In addition, there are no facilities for girls' hygiene. This year for the first time, the school has a girl on roll, and there may be more in the future.
- Capacity to meet the demand for SEMH pupil placements in Herefordshire is pressured, but by future proofing the Brookfield setting with a well thought through improvement programme, the council will ensure that in future SEN pupils with SEMH are accommodated in a high quality physical environment.

## **4. Phase One Outcomes**

The local authority undertook a procurement exercise to commission expert consultant advisors who would;

- a) Provide a range of feasible options to achieve the desired improvements to the school buildings, and
- b) Provide a breakdown of costs for each option.

### **4.1. Architecture and design consultancy support – outcome of feasibility**

The architectural design company appointed to conduct the feasibility study was Haverstock Associates.

The resulting report provides guidance in terms of the range of options possible on the Brookfield site, along with indicative costs for each element. The option that will achieve the priority improvements for the school, includes the following elements selected from the options presented;

- 1) An on-site new build small workshop with wet room and external horticulture area for the pupils currently accommodated off site in a temporary classroom on Symonds Street.
- 2) A small sports hall situated between the primary and secondary school buildings that will serve both phases.
- 3) The provision of two extra DfE compliant classrooms for the secondary age phase, by the creation of a mezzanine floor to the secondary phase dining room
- 4) The creation of girls toilet and hygiene facilities within the secondary block



- 5) The creation of an external fire escape from the first floor of the secondary block, and the upgrading of the two internal staircases to fire protected status.

Other options described within the report demonstrate that a complete new build school on the site would not be cost effective, and that the necessary improvements are achievable by a mixture of remodelling the current secondary building, and creating two new build components, one for sport and one for vocational education.

The works proposed in numbers 1 – 5 above, present the least costly option of those prepared by the feasibility study, but will still not be achievable within the budget currently available of £2.744m

The estimate for construction costs is based on various GIFA for all options. Costs are current day fixed price at 1st Quarter 2019 pricing levels. The costs include a design and construction contingency of 15%, and an inflation, professional fees and surveys contingency of 12.5%

The feasibility contractor has assumed a period of 12 months in order to develop the design, ready for tender in 1Q2020 and a mid-point of construction at 1Q21. Subject to the issue of a more detailed programme these values and subsequent costs will be revised. Due to the need to secure extra funding, the timeline assumed by Haverstock may be compromised.

A number of assumptions have been made in the costings which include the following:

- That there is no asbestos present within the building
- That there will be no overly restrictive planning conditions imposed upon the development
- That the project will be procured as a single stage tender and competitively tendered
- That some walls and facilities are retained within our 'Minor Remodelling - Level 1' allowances
- That the current building is in sound structural condition and that no major structural repairs will be required.
- That the tender inflation and mid-point inflation allowances are based upon RLF's assumptions for the project programme

In addition there are a number of exclusions identified within the report including:

- Removal of any unknown contaminated material, including asbestos
- Works in connection with abnormal ground or drainage conditions
- Land acquisitions costs and fees
- Services diversions or upgrades
- Unexploded ordinance survey
- Legal fees and funding costs
- Loose furniture and fittings
- Planning fees and charges
- Archaeological fees
- Value Added Tax
- Professional fees over and above the 12.5% allowance.
- Decant and move management fees
- Marketing costs or advertisement fees
- Rights of Light charges
- S106 fees

## **4.2. Financial modelling**

The total estimated cost of the construction work is based upon a start time for the project, of Q12020. This timeline may not be achievable, so a percentage increase for inflation has been added to the feasibility construction cost. In addition, in order to respond to the exclusions present in the feasibility report, percentage costs have been added to cover client contingency, furniture and ICT, fees (property services, project lead), legal fixed sum, and corporate project management fees. This brings forward a total estimated cost of £3.939m. The above assumed costs have been discussed with council property services and finance officers, and agreed at children and families capital programme board 23.09.19.

Detailed costs - In order to provide a more detailed estimate it is recommended by the feasibility study that the design brief for this school is further developed by the design team, the council and the school.

Procurement and commissioning of an external consultant to provide a costing review. (Blueschool recommendation 4). This cost check has been completed by Herefordshire council property services.

## **5. Scope**

### **5.1. Included in Scope**

- The project will include completing a detailed business case to determine the final approval (or otherwise) for the project.
- Design and build including an allowance for fixtures and fittings

### **5.2. Not included in Scope**

- Full cost of movable furniture and ICT, which will be met by the academy school

## **6. Stakeholders**

Project Sponsor – Director Children and Families

Lead Member – Lead Member Children and Families

Project Assurance – Senior Project Manager Corporate Services

Project Lead – Schools Capital Investment Advisor Children and Families

Finance Lead – Strategic Capital Finance Manager Corporate Services

Procurement Lead – Procurement Officer Corporate Services

Property Lead – Project Manager and Coordinator Economy and Place

Legal Lead – TBA

Brookfield School Head teacher

DfE contact reef Brookfield Academy

Note: section 151 officer and lead member have been consulted on the project.

## 7. Dependencies

- Agreed lease changes between Herefordshire Council and both the Brookfield School, and their co-tenants occupying the other half of the council building, Greyhound Rugby Club
- The agreement to a capital funding request that would cover the funding gap apparent between funds already in place (£2.744m) and the overall anticipated high level cost (£3.939m). Capital funding request of £1.195m (see Appendix 1 capital funding request Brookfield).

## 8. Benefits

The anticipated benefits of the proposed project are listed below:

- Ensuring greater compliance with the DfE building bulletins describing schedules of accommodation suitable for SEN children and young people
- Providing facilities for physical education, a key curriculum component that is severely restricted currently.
- Providing hygiene facilities and toilets for female pupils
- Enabling the school to operate on a single site, and decommissioning the use of a temporary mobile classroom currently sited on council land situated on Symonds Street.
- Provision of high quality vocational facilities for horticulture
- Controlling the costs of placements for pupils with an education health care plan for social emotional, mental health needs, by future proofing the Brookfield School as an 80 placement school in high quality buildings
- Revenue savings for the academy school by use of more energy efficient and ecologically sound materials.
- Future capital cost avoidance for both the school and Herefordshire Council
- Improving outcomes for children and young people with special educational needs

## 9. Contribution to Strategic Objectives

The council's corporate plan has four priorities. The improvement to Brookfield School supports two of these:

- Keep children and young people safe and give them a great start in life
- Secure better services, quality of life and value for money

The children and young people's directorate schools capital investment strategy itemises 10 principles. The Brookfield improvement project would align with principles 1, 2, 7, 8, 10 and 11.

[https://www.herefordshire.gov.uk/download/downloads/id/2934/schools\\_capital\\_investment\\_strategy.pdf](https://www.herefordshire.gov.uk/download/downloads/id/2934/schools_capital_investment_strategy.pdf)

## 10. Potential Costs and Options for Project

- Capital Costs
  - Estimated costs of remodel and new build improvements- £3.939m  
This could be financed through current prudential borrowing listed in the council capital programme of £1.895m, with the addition of the special provision government fund for SEN capital improvements of £0.849m (governance already in place to spend on Brookfield School), and the addition of a proposed capital funding request for £1.195m. See costs table below.
- One-off Revenue Costs
  - Professional fees for feasibility Study (£25k already met from cost centre C03495 )
  - Additional Revenue Costs if project proceeds after feasibility study (included in the above capital total)

Capital cost of project	2020/21	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
<i>Design &amp; Build Costs</i>	1,659	1,000			2,659
<i>Fees</i>	351	89			440
<i>Furniture &amp; IT</i>	0	150			150
<i>Contingency</i>	450	240			690
<b>TOTAL</b>	<b>2,500</b>	<b>1,439</b>			<b>3,939</b>

Funding streams	2020/21	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
<i>Special Provision Capital Fund</i>	849				849
<i>Prudential borrowing in capital programme</i>	1,651	244			1,895
<i>Further request for Council funding</i>		1,195			1,195
<b>TOTAL</b>	<b>2,500</b>	<b>1,439</b>			<b>3,939</b>

## 11. Risks of not doing the Project

### 11.1. The key risks of not doing the project are:

- Losing the opportunity to future proof the only Herefordshire school accommodating children and young people with an EHCP for SEMH, and by doing so ensure high quality accommodation.
- Planning permission on the split site element of the school on Symonds Street will lapse.
- Failure to release the site on Symonds Street for alternative council use.
- Incurring further capital costs in a piecemeal way, as accommodation pressures escalate
- Inability of the school to operate the full curriculum requirement
- Difficulty in sourcing placements may occur, in particular for girls with SEMH. This may lead to increased commissioning costs for Herefordshire and increased pressure on the high needs block (budget for placement of SEN pupils).
- 

### The key project risks are:

Risk	Mitigation
If lease changes are not negotiated by Herefordshire Council, only a much scaled down improvement will be possible that doesn't meet the key project priorities.	Legal advice to be sought, the project and redesign will not commence until this has been confirmed and will be monitored through the project board.
The indicative high level costs from the feasibility study, with the percentage uplift for client costs and other costs identified in the table of costs (appendix 1) exceed the current available budget.	To be confirmed by the procurement and commissioning of an external consultant to provide a costing review. (Blueschool recommendation 4)
The failure to secure a capital funding request that will meet the identified funding gap of £1.195m for the refurbishment costs and other identified costs, would result in a much scaled down improvement project that doesn't meet the key project priorities	The detailed business plan will not be put forward to cabinet until a prior council decision is made to approve funding identified as necessary in order to meet the project priorities.

## **PROJECT DOCUMENTATION**

## **OUTLINE BUSINESS CASE**

### *Technology Enabled Communities*

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## **1. Purpose of document**

Adult and communities directorate has ambitious plans to promote wellbeing, protect vulnerable people and manage future demand for formal adult care services, through new community partnerships. Our “Talk Community” programme is an all-encompassing approach to working with Herefordshire’s communities. This Outline Business Case describes the potential role for technology to support those partnerships.

## **2. Project aims and objectives**

Aim: Progressing to a proactive, personalised and predictive approach to technology enabled communities.

- To develop a proactive approach to technology enabled living, moving from a reactive ‘monitoring and response’ provision to the provision of technology enabled living that is personalised, proactive and predictive
- Enhance the use of existing technology within the home and within communities to support wellbeing
- Enabling self-care and wellness to enable people to take an active role in managing their wellbeing with positive lifestyle choices
- Reassurance to family, friends and carers and supporting independence for longer
- Keeping users engaged in their community, fostering social inclusion across the county

## **3. Background**

The directorate concluded a comprehensive review and redesign of adults social care pathways in 2017 and re-launched its services based around a model of strengths based social work practice. This approach;

- Focuses around the individual and their family/carers
- Begins with people’s interests, aptitudes and what they can do for themselves.
- Explores what the person could do with the right opportunities and support to maintain or increase their independence
- Identifies the current and potential role of the carer and their support needs
- Focuses on informal support and opportunities in the person’s local community in creating a support plan.
- Is supported by signposting and information services and a rich network of informal and volunteer based support throughout the county.

The strengths based approach contrasts with a traditional model of social work practice which is more focused on “deficits”; what people cannot do and the problems they have. This traditional approach tends to lead solely to offers of formal care.

However, whilst the directorate has achieved reductions in care there still remain opportunities to develop the use of technology to support the wellbeing of individuals and their communities. Adult Social care currently relies upon a reactive call monitoring service based on an event alert and emergency response. The council needs to move away from this traditional response model to a predictive and preventative support model based on stronger data metrics and information being sent out to the client or family so they manage their own wellbeing rather than waiting for something to go wrong.

Commissioners are looking at how it aligns its services to a streamlined proactive approach and needs to invest in this area to progress. This will require movement away from a linear model that treats the service user population as a homogeneous group receiving the same benefit to a new model that treats the user population as a diverse group, intensifying care for people with risks or vulnerability and avoiding excessive protection that can create dependency.

This event sits within the Communities & Practice Model work-stream as part of the development of the Talk Community initiative. It also links with the council's Digital Strategy, Technology Enabled Living Strategy and associated technology pilots currently underway.

#### Premise

Care and support services have been slow to take advantage of developments in digital technology despite the wider demand for it. Given the significant capability advantages that digital offers over analogue technology, the change to digital from analogue is a key driver for these services to use technology to make a greater difference to peoples' lives.

#### Challenges – Social Care & Well-being

Currently in Herefordshire, Technology Enabled Living is almost exclusively provided using traditional landline in the home technology which is based on analogue rather than digital technology. These lifelines will be effectively redundant when the switch to digital telephony from analogue telephony takes place and completed by 2025. There is therefore a timescale for the council to ensure that their services will work correctly in a digital-only environment. This switch is happening now: Some areas are already installing digital telephone systems.

#### Challenges - Technological

Broadband coverage in Herefordshire is currently only at 85% and is unreliable for a service that needs to be always on/always ready. Mobile telephony relies on a mobile signal which is not generally available in our rural county and when available may not have a signal strong enough to carry the required data. **56% of Herefordshire's telecare users do not use the internet at home (2019 survey).**

#### Outcomes – Technological

Alternative solutions to expensive broadband internet connections may be available in the form of lower cost Long Range Wide Area Network (LoRaWAN) – which can provide data connections via a series of

antennae. Typically, LoRa masts transmit 10 kilometres from mast to mast until they find a broadband/internet mast. The more open the landscape the farther the signal can travel. LoRaWAN is not an alternative to broadband but could be utilised by lifeline manufacturers to send data packets via servers that could then be passed through to family/responders/clinicians etc. without the need for a broadband connection in the home.

LoRaWAN carries small data packets – 50 bytes at a time – but they can be both ‘always on’ and carry data scheduled for a particular time - so a wide range of sensors can be linked to the network. This means that the network can carry alarm/events (falls/pendant alerts), and movement sensors etc. but also can also be used to send data on a regular basis (so for example health data metrics can be carried, as can temperature/humidity and environmental controls (doors/windows/lights). Pendants can have LORA enabled GPS capability – so one alarm sensor can be worn inside and outside the house.

### Outcomes – Social Care & Well being

The delivery of county wide digitally enabled information, advice and connectivity is critical to making full use of the possibilities provided through the Talk Community initiative.

Traditional analogue networks are limited to reactive protocols, which means that these networks are not capable of enabling the proactive monitoring of number of different devices, for example:

- Motion and pressure sensors to indicate functional independence
- Appliance usage to monitor nutrition and hydration
- Physical and virtual contact to monitor social isolation

The move from analogue to digital over the coming years should help Herefordshire Council to drive the direction of travel from ‘Monitor, Alert & Respond’ to ‘Connect, Predict & Prevent’. Whereas the data traffic in the current model almost exclusively comprises alerts raised in properties being sent inwards to a call handling centre, LoRaWAN has the potential to enable Herefordshire to move towards the model more prevalent in Europe; where call centres, clinicians, practitioners and the like send out targeted information, and data metrics to individuals, their families, and their sources of community support. In Spain, over 80% of the data traffic emanates outwards from the call centre in this way.

More intelligent proactive systems alongside a focus on people and process will enable Herefordshire Council to commission services that enable risks to be reduced through areas such as smart sensors, physiological measurements and lifestyle monitoring to enable proactive interventions based on more advanced data analytics.

### Outcomes – other (wider)

The development will align with the Herefordshire and Worcestershire STP Digital Strategy, and both the emerging Herefordshire Council Digital Plan and the Technology Enabled Living strategy to maximise digital technologies to support physical and mental health and wellbeing among the wider population and support staff to provide efficient and joined up care. There are associated positive outcomes relating to Community Safety including ‘Safer Streets’ and support to staff and volunteers who are lone working

### 3.1. Project Drivers and High Level Issues

- The national move from Analogue to mobile/Digital technologies now underway with a planned completion date of 2025
- Moving from reactive support to proactive support designed to prevent and manage demand (*Predict and Prevent* not simply *React and Respond*)
- In the delivery of social care reshaping social care delivery by moving from '*Just in Case*' support to '*Just Enough*' support

### 3.2. High Level Metrics

- The TECS Services association (TSA) quotes an average saving of 1.5 hours per week through using technologies in the assessment of care. Herefordshire Council commissions nearly 11,000 hours of care delivery per week to over 750 customers at any one time. Additionally around 550 people receive direct payments to purchase their own care. Using technologies in the assessment of care alone and thereby reducing care costs even by the average would reduce commissioned care costs and direct payment costs by around £250k per annum.
- Over 1,600 people currently use the council's telecare service which is provided through a flat rate charge and which is treated as an eligible expenditure for the financial assessment undertaken for charging for care. Around 70% of telecare service users do not receive care from the council and surveys have shown a willingness to pay for the peace of mind that telecare brings. Talk communities is a population wide programme and the technology work stream would support the whole population through the provision of targeted information and advice, personalised data metrics and support.

## 4. Scope

### 4.1. Included in Scope

- Re-design of the 24 hour call handling/monitoring service to a more proactive model of 'Predict and Prevent'. To include:
  - Support in emergency situations including social and health emergency situations
  - Extension of the environmental and personal sensors use for domestic and personal adverse events early detection (gas leaks, water, fire, falls, movement, medication, epilepsies crisis, enuresis, etc.) Safety/security sensors
  - Continuous remote monitoring to define activity patterns and increase predictive capabilities
  - Support in loneliness situations
  - Appointment Scheduling & Reminders
  - Follow up: proactivity
  - Advice and information
  - Prevention campaigns

- Support to carers
- Active and Healthy Ageing Promotion
- Mobile Telecare with geolocation.
- User's stratification and personalisation
- New model for operations management and service delivery.
- Continuous innovation

And potentially:

- Integration between telecare platforms and Electronic Health Records.
  - Definition of processes and protocols for integrated health and care pathways, transitional services and referral processes,
  - Remote tele-diagnostics, Remote tele/video consultation
  - Physical and functional Tele-rehabilitation
  - Cognitive Tele-stimulation
  - Clinical tele monitoring programs for people with chronic diseases.
  - Special protocols:
    - End of life telecare.
    - Abuse prevention.
    - Suicide prevention.
    - Contingency and major disasters management
- Long Range Wide Area Network (LoRaWAN) – which can provide data connections via a series of antennae at a lower cost than broadband and with easier access in rural areas.
- Outcomes of current technology pilots including:
- technology enabled wellbeing hubs
  - evidenced based reablement and assessments
  - falls prevention through predicting frailty and promoting self-care
  - falls prevention through falls recognition and analysis
- Emerging Digital Technologies

#### **4.2. Out of scope**

#### **4.3. Using the internet to communicate with the council**

### **5. Stakeholders**

Adults Capital Board

Prevention and support lead

Procurement

Finance

Herefordshire residents

Adults & Communities commissioners

Public Health

Health: WVT and CCG

Fastershire

Technology Providers (tbc)

Talk Community project lead

## **6. Constraints and dependencies**

### **6.1. Initiatives which depend on this project are:**

Engagement with communities

Outcomes of pilot technology projects

Future design of Technology Enabled Living service

This project depends on engagement from all areas of the council as well as the identified external stakeholders and partners

## **7. Budget provision**

The Capital budget

## **8. Estimated costs and assumptions**

An investment of £1.5m

- £300k for LoRaWAN network to complement broadband access and provide data metrics
- £1.2m for technologies within the home and wearable technologies, linking family, communities and professional staff to carry personalised and targeted information, advice, and data metrics to inform wellbeing & support self -management (tbc will require further development once pilots are complete)

## 9. Benefits

### 9.1. Cashable benefits

Technology Enabled Care (Telecare) in the home is a chargeable service at flat rate under the Care Act. The rate of charge will be a matter for further debate and public consultation when the service re-design is ready for offer.

### 9.2. Non-cashable benefits

Increased intelligence of technologies which improve the quality and efficiency of health and social care delivery to support people to maintain their well-being, maximise their independence and reduce their need for the delivery of intrusive care and support services.

This will be demonstrated though:

- Demand management in the medium to long term. Reducing overall frailty levels will help manage demand for social care.
- Reduction in the need for care packages: Studies show that widespread deployment of technologies can achieve significant financial savings in the provision of social care to older people. The scale of savings achievable in the event of full-scale implementation is likely to be in the range of 7-20% of total budget.( Investing to Safe: Assessing the Cost-Effectiveness of Telecare |(May 2012)
- Prevention of hospital admissions: Herefordshire's technology enabled falls responder service already demonstrates significantly lower costs per head of population in ambulance call-out and admissions to A&E than a neighbouring comparator council without such a service. Studies have shown that a fall leads on average to a 37% increase in social care costs. In Herefordshire reducing falls through a technology enabled Predict and Prevent approach to augment the current React and Respond approach could avoid an anticipated rise of £500k in annual adult social care costs alone.
- People generally remaining well, active and independent, in their own home, for longer
- People feel safe without removing their autonomy
- People are engaged and consulted in their own care requirements helping to direct and feedback on how they receive the care and support services.
- Vulnerable people making less use of formal care due to support by informal carers and community.
- Improvements to joined-up operational delivery between the council and NHS partners to enable people to stay well and live independently through shared leadership, investment and co-ordination.
- A reduced risk of re-admission to hospital.
- Improved knowledge about wellbeing, vulnerability and community capacity.

- Improved client/family/community carer satisfaction with the service provided by Herefordshire Council.
- A more targeted workforce
- Reducing the carbon footprint through less staff travel across all social care (and health) service delivery streams

## 10. High level timeline

Phase 1: Improving the digital network

Phase 2: Redesign the support and service model

Phase 3: implementation and new offer to residents

## 11. Risks

### 11.1. The key risks of not doing the project are:

- Potential increase in demand as ageing population grows and becomes unsustainable
- Fail to meet the digital switch over, therefore even the status quo will not work from 2025 onwards
- The risk of not going ahead with this shift in the delivery model of care and support is that Herefordshire will continue to provide only basic 'reactive' telecare solutions responding only when an emergency alert is raised. Adult social care will continue to be provided in 'traditional' ways that do not take advantage of the information that can be provided through technology and data metrics to enable people to manage their own well-being, and to contribute to, and benefit from their communities.
- Opportunities for efficiency savings in the delivery of social care and cost avoidance through demand management will be missed and the difficulties that people experience in accessing support due to the gaps in broadband and mobile telephony provision will remain.
- Failure to invest in the Talk Community technology work stream will mean missing the opportunity, identified within the draft TEL strategy to support people, professionals and the wider population across all four levels of service delivery: Reactive/alerting – Proactive – Preventative – Predictive leaving only reactive, alert-based telecare being provided.



**11.2. The key project risks are:**

- Redesign of service and support models do not make best use of the possibilities allowed through the use of digital technologies.

## **PROJECT DOCUMENTATION**

### **OUTLINE BUSINESS CASE**

#### ***Development of Super-Hubs***

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	Head of Integration and Partnerships		

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## **1. Purpose of document**

This outline business case sets out the justification for continuing the development of detailed business cases for Super-hubs. The Business Case is to be submitted to the Adults and Communities Capital Board and Communities Board and if accepted, more detailed business cases will be developed for the development project and for individual Super-Hub proposals

## **2. Project aims and objectives**

The project aims are to;

- Help transform community participation and access to services for some communities
- Address health inequalities for vulnerable people in areas of unmet need
- Stimulate enterprise, economic activity and social mobility in communities which are asset-poor and relatively deprived.

The specific objectives of the project include;

- To research, develop and test the concept of Super-hubs in Herefordshire, both in particular communities and as a replicable model.
- To establish in depth and sustainable community engagement and co-production in three priority areas, to inform and enable strategic developments including Super-hubs.
- To establish detailed, timed and costed plans for up to three new Super-hub venues in different locations in Herefordshire, with confirmed commitment to their operation from local people and key partners.
- To deliver approximately 2 built, completed and operational Super-hubs in different locations in Herefordshire.
- To provide tangible new community facilities reflecting local wishes and designed to help tackle health inequalities.
- To enable more people to launch micro/social enterprises, sustain self-employment and gain access to employment through provision of facilities and support.
- To enable people to take up social care, health and other public services close to home and services to operate more economically and sustainably in rural areas.
- To facilitate greater community participation and improved outcomes for vulnerable people and families in relation to education, employment, physical health, mental health, safeguarding, community safety.

### **3. Background**

Talk Community is the council's multi-faceted approach to the role of communities in local society and their relationship with the council. It recognises that communities play an increasingly important and routine role in public wellbeing, the local economy and protecting and supporting vulnerable people. Talk Community will help communities realise the solutions to key challenges at a local level. Its programme of work encompasses areas of core business such as public health, care/health integration and commissioning. There are also new bespoke programmes, including the creation of 50 Talk Community Hubs. These will be led by community volunteers and very different from Super-hubs.

Whilst there is a varied history of community development in Herefordshire, in some areas it has proved difficult to mobilise community activity, participation and leadership. These localities are often where people are relatively deprived and health inequalities are most pronounced. Whereas vulnerability among older adults especially is seen throughout the county, the children and families most in need or at risk are frequently found in certain areas, coinciding with relative deprivation.

Areas of higher need and inequality are also often those with limited local assets including buildings, sometimes because existing sites and facilities are not fully developed, realised or utilised. There are vacant sites and buildings ripe for redevelopment in a number of key locations in Herefordshire, potentially in or adjacent to priority areas, such as in Bromyard, parts of Leominster, Ross on Wye, the Golden Valley and the South Wye area of Hereford.

The Super-hubs project will contribute across a number of priorities in the current corporate plan and has even greater relevance and potential impact in the context of emerging new priorities. It will contribute substantially to general public wellbeing, including enabling people to live safe, active and fulfilling lives. There will be a significant focus on children and families, promoting a good start in life and active participation in their communities. The project will also have tangible impact on economic development and improved social mobility, along with environmental sustainability.

#### **3.1. Project Drivers and High Level Issues**

The main project drivers are;

- There is a rapidly increasing role for communities and informal groups and volunteers in meeting the vulnerability and wellbeing needs of local people, reflecting the changing role and reduced resources of local authorities and the rich resource of people and assets in Herefordshire's communities.
- The need of children and young people in Herefordshire for formal care and safeguarding continue to exceed national rates. In order to significantly reduce the number of families

in crisis and young people becoming looked after, greater preventative work, early help and participation within communities are all required.

- The rural dispersed nature of Herefordshire's population, limited infrastructure and older age profile present challenges to local people in accessing the support they need close to where they live or work. New facilities and models of delivery are needed to bring services and support closer and transform participation and engagement in community life.
- Herefordshire has a substantially low wage economy and associated challenges to social mobility. Many services and resources have had little impact in areas of higher deprivation and unmet need.
- Herefordshire has a wide range of sites and buildings in public ownership with potential for redevelopment or new uses. Herefordshire also has a number of examples of community asset transfer and there are sites in community ownership offering potential.

Some key issues for the project to address are;

- Extended, meaningful and sustained community engagement and co-production are essential in any new investment or development such as Super-hubs, especially in communities where there are few assets and challenges to reaching some population groups and cohorts.
- Capital building projects offer potential risks of delay and escalating cost so that high quality feasibility, scoping and project management work are required to support effective delivery.
- The idea of super-hubs engages the roles of all directorates and multiple services across the council, along with other agencies, both prompting and requiring excellent partnership working.
- Typically, refurbishment, conversion or extension of existing public sector buildings is proportionately more expensive than building new on a clear site.
- Multiple and potentially competing uses and requirements of a building provide challenges to design and consultation in a project of this kind.

### **3.2. High Level Metrics**

The project is expected to deliver two new super-hubs and establish a model and process which can be replicated to achieve further hubs in other locations. Further scoping and development work is required to identify relevant metrics in appropriate detail around what super-hubs will offer.

- 3 locations in Herefordshire will be the focus for potential hubs on the basis of their relative deprivation.
- Leominster, in particular Ridgemoor LSOA has the highest income deprivation in Herefordshire with 38% of children and 34% of adults living with income deprivation, poor living conditions and other factors. This also reflects a younger than average age structure for the community.
- South Wye in Hereford is an area of general income deprivation with a much younger age structure than the county as a whole.
- Both South Wye and Ridgemoor in Leominster are among the 20% most deprived localities in the UK.
- These areas along with smaller localities within Kingstone, Wigmore and Clehonger generate disproportionate levels of safeguarding, youth offending and family support need, along with anti-social behaviour. Detailed metrics will be part of next phase scoping.

## **4. Scope**

### **4.1. Included in Scope**

The following will be in scope;

Site finding and developing site options with one public estate process and other partners

Extended and in depth consultation with local communities adopting a Design Council approach

Feasibility studies and options processes for potential sites including market engagement

Negotiation of pre application and full planning processes including any conservation and heritage considerations

Liaison for legal processes for acquisition and/or resolution of interests for sites as required

Site clearing and remedial or preparatory works

Service and place making specifications for the use of hubs

Project management for the building development and equipping of Hubs

Procurement of building and development works

Communications and marketing for launch of super-Hubs



#### **4.2. Out of scope**

- Development or implementation of Talk Community Hubs
- Direct funding or commissioning of services to run or operate from the Super-hubs
- The arrangements for or costs of the running of Super-hubs once completed.
- Legal and surveying work associated with site acquisition and resolution of interests.
- The work of regulatory services in relation to planning applications and processes.

### **5. Stakeholders**

There are multiple external stakeholders in the development of Super-hubs;

Local people, families, volunteers and community leaders in catchment areas of potential hubs

Parish councils

Local council members

Voluntary, community and faith organisations

Primary care networks (PCNs)

Taurus GP Federation

NHS Herefordshire and Worcestershire CCG

Wye Valley NHS Trust

2gether NHS Foundation Trust

West Mercia Police and Hereford and Worcester Fire and Rescue Service

Local grant giving and development trusts

Major local stockholding social housing providers

In addition, internal council stakeholders include;

Public health, strategic housing, planning, legal services and property services.

Children and families social care, family support and early help services, library services

Engagement and consultation will be through a dedicated process working in depth with local communities, utilising Design Council principles. Engagement with parish councils will be directly and through twice yearly Parish Summits. Engagement will also take place through.

One Herefordshire Talk Community Board

Talk Community Think-tank

Healthwatch

Wider directorate consultation and engagement projects

The project sponsor will be the Director of Adults and Communities

## **Constraints and dependencies**

### **5.1. Initiatives which depend on this project are:**

There are no specific planned projects or services which depend on this development. However, there are various projects and council strategies which will be advanced by development of super-Hubs. These include Talk Community generally, the Early Help strategy, economic development and community safety strategies and development of libraries, museums and archives. The project may also have a beneficial impact on projects under the auspices of the Herefordshire One Public Estate.

### **5.2. This project depends on:**

There are no projects whose implementation could specifically hinder development of this project. However, there is some mutual dependency and benefit between the project and the wider Talk Community initiative. This would include Talk Community Hubs, alignment and joint working with Primary Care Networks, the Technology Enabled Living Strategy and public health initiatives.

The project does depend on engagement from council and external stakeholders as described above.

## **6. Budget provision**

The budget to deliver this project is drawn from provisional allocations of capital and revenue spending, as follows;

£2m capital allocation to support the development and building of approximately 2 Hubs

£0.2m revenue allocation to enable project scoping, development and management and engagement and consultation

## 7. Estimated costs and assumptions

The focus of the project is the development and delivery of two Super-hub venues in different locations, with some possibility that a third could also be delivered. A number of different sites will be considered and scoped for potential suitability. Sites might require clearance and new build or renovation, extension, reconfiguration. These different approaches potentially involve very different cost profiles. Planning and environmental factors can also influence cost and timescales significantly.

### Capital costs

Initial costs per building	£150K
(Detailed feasibility, survey/fees, cost modelling)	
Cost for two buildings	£300k
Cost of building hub (new build)	£750k
Cost of building (conversion/refurbishment)	£900k
Contingency	£ 50k
Total	£2m

Cost modelling for building works will start from the following standards;

£1,200 psm for new build                      £1,400 psm for conversions or refurbishment

### Revenue Costs

These will be primarily staff related costs of salaries or fees and distributed over a two year period to early 2022.

Project Management	£100k
Engagement and consultation	£ 75k
Other staffing and fees	£ 25k
Total	£200k

## 8. Benefits

The anticipated benefits of the proposed project are listed below:

### 8.1. Cashable benefits

It is expected that over a period of three to ten years, Super-hubs will deliver some cashable benefits in relation to;

Reduced demand for community health services and some acute hospital services

Reduced demand for adult social care services

Reduced numbers of children and young people becoming looked after

However, it is not possible to estimate the value or specific timing of these benefits at this stage of the project development.

## **8.2. Non-cashable benefits**

The wide ranging non-cashable from this initiative include;

- Local people being more physically active and living healthier lifestyles
- Local people gaining access to local and public sector services earlier and preventing social and health care need
- More people participating actively and meaningfully in their local communities
- Growth in social enterprise and wider businesses in local areas
- Improved access to employment including sustainable self-employment in hub areas
- Improved access to public and alternative transport models in local areas
- People having a greater sense of engagement, involvement and pride in their local area.
- People from hard to reach or vulnerable groups feeling safer in their local community.

## **9. High level timeline**

December 2019 to May 2020

Project governance	stakeholder engagement	Design council approach
Site finding	Pre-app advice	project scoping/options
Legal searches etc.	Consultation events	

April to September 2020

Detailed feasibility work	Further planning work	Continuing in depth engagement
Conservation & environment	Site negotiation	Partnership work
Site clearance	Governance	

October 2020 to April 2021

Detailed planning permission	Continuing consultation	Completing feasibility work
------------------------------	-------------------------	-----------------------------

Final site decisions	revised project planning	Finalise budgeting
Conclude planning	Development work	Procurement of building works

May 2021 to March 2022

Building works	Project management	Continuing consultation
Stakeholder work	Income development	Operational planning
Final project delivery		

## 10. Risks

### 10.1. The key risks of not doing the project are:

- Loss of opportunity to address health inequality and wider needs in areas of deprivation
- Continuing existing levels of children and families need in key areas
- Failure to realise potential new and economic use of key council land sites
- Delayed or disrupted extension of integration and joint working between community health and social care services
- Slower development of alternative transport and energy developments in some key areas
- Continuing risks to and limited support for social enterprise and social mobility in some key areas.
- Slower development or more limited impact of wider Talk Community initiative

### 10.2. The key project risks are:

- Lack of engagement or participation from local communities. This will be mitigated by the planned in depth consultation and engagement, utilising Design Council approaches.
- Lack of joined up approaches with key stakeholder agencies. This is mitigated by the One Herefordshire Talk Community Board, the Herefordshire One estate approach and wider joined up working within the council and with external partners.
- Problems identifying or agreeing viable sites for Super-hubs. There is significant existing knowledge and information sharing across the system which will help mitigate this, including within the council and through the one estate approach.
- Delays and additional costs arising from the planning process, including around environment and conservation/heritage issues. Challenges in this respect are anticipated in the project phasing and the proposed continual review and revision of project planning and budget.

- Changing plans and specifications for building projects, leading to delay and increased cost. This will be addressed through robust project management and stakeholder engagement, along with appropriately cost modelling.

## **PROJECT DOCUMENTATION**

## **OUTLINE BUSINESS CASE**

*Widemarsh Centre Discovery Garden*

Release: Draft/Final

Date: 25.9.19

Author

Document Number: 1

## Document History

### Document Location

The source of the document will be found at

*g:HSC/LibrariesMuseumArchive/E&CShared/FILING/filesystem/Community Services/children centres*

### Revision History

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25.9.19	First draft	
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	Strategic Capital Finance Manager	30 <sup>th</sup> September	2



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## **1. Purpose of document**

To outline the business case for the Widemarsh Centre Discovery Garden. This project is to commission the design and build of a discovery garden primarily for children and families using Widemarsh children centre (but could also be open to other groups and schools). The garden will be designed to create a low maintenance space that can be basically managed under the existing provider agreement whilst designing a play and learning space that creates a greater understanding of the natural environment, fruit and vegetable growing and tree planting.

## **2. Project aims and objectives**

The links to the draft corporate plan:

- Ensure all children are healthy, safe and inspired to achieve
- Create environments that make wellbeing inevitable
- Protect the county's biodiversity, value nature and uphold environmental standards

The specific project aims are to:

- Learning for children and their families of the natural environment & give opportunity to positive risk taking.
- Skills in growing fruit and vegetables from a young age including understanding where food comes from
- Low maintenance design to keep costs to a minimum
- Engagement of children and families in the design of outside space
- Maximise the asset owned by Herefordshire Council to create additional use, generation of income and utilisation by the community.

## **3. Background**

Based on a cabinet decision report on the x October 2017 a programme of changes took place within children centres. This involved some of the facilities where appropriate being operated by nurseries or schools, maximising the facilities to create an income, but also investing in centres which were being retained by the council recognising their value to their users and the wider community.

The programme included investment in Widemarsh Children Centre and during the course of that work it was clear the outside space needed improvement to ensure its benefit to the users and potential users.

The space would benefit from a redesign to create a low maintenance outside area, creating zones of discovery.

This project will support children's development and coming together of families, including a growing area. In effect extending the children centre outside and therefore understanding the natural environment.

The project would also include some planting to support understanding of eco-factors.

Please see above links to the draft corporate plan.

### 3.1. Project Drivers and High Level Issues

The site is in the council's ownership as part of the children centre, which it has been agreed as part of the cabinet decision in 2017, to retain. The site is ideally situated as an extension to the children centre as an outside space.

The current outside space needs redesign to create a low maintenance site and meeting the needs of the children centre users.

As part of the outside maintenance agreement there is allowance for works, but this is mainly based on "cutting back" which is not suitable based on the current layout.

With a fresh start volunteers would be able to provide supplementary maintenance – seeing generations and different family members coming together to support the discovery garden.

A relatively small amount of investment could make a big difference to this site and extend the learning of children using the centre and school visits.

### 3.2. High Level Metrics

- Design and new garden in place
- Number and profile of users
- Number of volunteers

## 4. Scope

### 4.1. Included in Scope

- Design of the discovery garden
- Project management
- Works and planting

### 4.2. Out of scope

- Internal resource as part lead
- Project work to involve local community
- Works to the green house in a state of disrepair (to be part of property maintenance work)

## 5. Stakeholders

Please see below stakeholder matrix:

Role	Who
Project sponsor	Natalia Silver Assistant Director Corporate Support
Operational Delivery	Sue Eales, Children Centre Services Manager

Internal advisors	Commercial team, property services, etc.
Input into design	Users of the children centre
Design	Commissioned through procurement
Builder	Commissioned through procurement
Future maintenance	Volunteers and children centre users

## 6. Constraints and dependencies

### 6.1. Initiatives which depend on this project are:

This project can operate independently with no dependencies on other projects. The repairs to the green house are separate to be part of property services works.

### 6.2. This project depends on:

The project will depend on management and delivery resource from Children Centre Services and some element of property services, procurement and legal advice.

## 7. Budget provision

The majority of the funds to come from Herefordshire Council with some potential for sponsorship.

## 8. Estimated costs and assumptions

The fee is a good estimate, however the cost of the works will be based on a tender process.

## 9. Benefits

### 9.1. Cashable benefits

- Low maintenance cost and cost avoidance for property services having to do major work on the site.

### 9.2. Non-cashable benefits

- Learning for children and their families
- Involvement of volunteers and create opportunity to build a community of interest
- Environmental benefits
- Would look to procure services locally to support the local economy.
- Could we offer an opportunity to children / students to be involved in the design

## 10. High level timeline

1. Engaged with children centre users on what they would like from a discovery garden (March 2020)
2. Agree procurement document for tender (Feb 2020)

3. Engagement with local suppliers – potential open competition (April 2020)
4. Closing date for submissions (May 2020)
5. Start works (August 2020)
6. Major works complete works (November 2020)
7. Finalise works during the year (Feb 2021)

## 11. Risks

### 11.1. The key risks of not doing the project are:

- Underutilised space operated by Herefordshire Council for the use of children
- Health and safety issues in the current space could lead to the complete closure
- Continued decline of the site

### 11.2. The key project risks are:

- *Timescale as works need to take place in the summer*
- *Not enough budget – this will only be known at tender stage*

## 12. Appendices

### Appendix 1 – Costing breakdown

Capital cost of project	2020/21
	£000
Design fee and project delivery	20
Construction, building and planting	60
<b>TOTAL</b>	<b>80</b>

Funding streams	2020/21
	£000
<i>Potential sponsorship</i>	5
<i>Herefordshire Council capital</i>	75
<b>TOTAL</b>	<b>80</b>

## **PROJECT DOCUMENTATION**

## **OUTLINE BUSINESS CASE**

### *Care home/extra care development*

Release: Draft/Final

Date: 30 September 2019

Author: Laura Tyler Head of Care Commissioning

Document Number:

**Document History**

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## **1. Purpose of document**

This business case aims to scope the potential for the council to develop either its own care home and/or an extra care type scheme.

Many councils are now considering or are developing their own schemes and bringing services in house for a multitude of reasons but mainly due to the lack of provision or high costed placements.

Adult social care commissioners also see these potential developments as an opportunity to enter the care market and support all clients including those self-funding their care.

This business case outlines a proposal for the local authority to scope and potentially build and develop its own care home and or extra care scheme which will be purpose built and sympathetically designed for people with dementia.

The council needs to do a comprehensive analysis and options appraisal to inform a decision on a detailed return on investment proposal.

Development and project management costs are only indicative figures at this stage based on research and information gathered to date and therefore should only be used as an illustrative cost at this stage. The purpose of this document is to raise this option and for it to enhance further works and discussion on whether the council should proceed with any developments.

## **2. Project aims and objectives**

**Aim:** To scope the potential development of a large 60 -70 bedded care home and or extra to meet the needs of those with the most complex need, offering choice into the market to meet longer term accommodation needs.

**Objectives:**

- Increased bed capacity in the market to support complex care needs
- Reduction in the need for care home bed provision through additional extra care beds
- Reduction in out of county placements
- Reduction in DTOC
- Reduction in spend on care home placements
- Return on capital investment
- Lead in the market for the use of innovative technology

### 3. Background

Adult social care over the previous 5 years has managed demand and along with its aim has supported and will continue to support people to remain at home for as long as possible.

The strategic focus will always be that home is best, however for many reasons this is not always possible and alternative accommodation provision maybe required.

The council has a duty to ensure it meets eligible needs and develop the market to enable it to be a strong resilient market providing choice and quality under the Care Act 2014.

Herefordshire has a high number of self-funders within the market which can create a challenge to purchase placements or find suitable accommodation in county. Self-funders will pay a higher rate for care and therefore will have more choice, this enables Providers being able to choose who they accept as within their homes.

Adult social care spend for care home placements was in the region of £24m in 2018/19. The council operates a 'usual price' for Older Persons placements. A proportion of placements are above this rate and sometimes people are placed out of county to meet need.

Increasingly other local authorities are either considering, or are now developing their own provision and taking services back in house to varying extents as it is recognised that the market is not meeting the needs of its most vulnerable clients and in particular those who need adult social care funded placements.

Commissioners would request that the council supports the concept of developing and owning either a care home and or extra care scheme. Further work is needed to consider a full cost benefit analysis and potential options for service delivery in the future. This would include a request for revenue to commission market specialists who could develop an options appraisal for potential commercial opportunities if the council were to proceed with any significant capital investment.

#### **Current context:**

- By 2039 it is estimated that counties 85 years and older will grow by 140%. There is recognition that the system is near a 'tipping point' and there is now a need to reconsider if the use of direct public sector provision for meeting the highest end of needs of older people's care would be the most viable model in the near future. The proposal is for the Council to develop additional and affordable nursing home capacity of around 60 beds and or a care home targeted to those areas of the county where supply is weakest and the rise in costs of new placements most pronounced. This could either be an external care provider or a Council owned Local Authority Trading Company (LATC). The site would be developed to offer a high-quality care environment maximising the use of advances in technology to support the needs of residents.
- Currently 85 care homes are in county registered with the CQC, of these 21 are Medium/Major regional providers. The Council/CCG hold individual contracts under the joint Agreement (Unified Contract) with 300 care homes which will include out of county homes.
- The Council currently supports 864 older people to meet their assessed eligible social care needs in a care home: 60% are in a residential home and 40% in a nursing home.

- In 2018/19 the annual spend for residential care was £17.9m and nursing care £8.1m. The council operates a 'usual price' for Older Persons placements. However, there is pressure from care homes on the bed rates.
- Getting people into a care home at a reasonable cost can be extremely difficult and takes officers a lot of time to negotiating. This can result in delays from Hospital, residents being placed in out of county homes and inevitable fee disputes with care homes.
- Whilst commissioners continue to do a lot of work with the market, the high self-funding market puts additional pressure on social care with self-funders paying much higher rates.
- At the present time 11% of placements are in homes outside of the county, this can, however, be for many reasons.
- Every month on average 30 new placements are made into care home settings and on average 30 placements end, with the number of people supported remaining broadly static. The average length of stay is 1.7 years in residential care and 1.6 years in nursing care.
- There are 85 private sector registered care homes in Herefordshire providing a total of 2,060 beds, just over a third of all care homes (36%) are located in the Hereford & surrounding area, just under a quarter (23%) are located in each of the north and south Herefordshire areas and just under a fifth were located in the east Herefordshire area.
- The CQC rates 15.5% of Herefordshire residential and nursing homes as 'requires improvement' or 'inadequate'. This is in comparison to a West Midlands figure of 20% and a national figure of 18%.
- It is expected that future demand will see an increase in the base number of people by 26% over the next 10 years, an increase of 314 people, indicating a rise in the demand for care homes, more specifically complex care nursing homes. With the increased focus of health and social care policy to support people to remain as independent as possible in their own homes, this means that care homes are now usually only utilised for those with the very highest needs, including dementia, frailty and often a complex set of co-morbidities.
- Securing placements at the usual price; securing in county complex care; workforce issues (recruitment & retention) particularly nursing staff; high number of self-funders helping to drive up placement costs and reducing negotiating opportunities. Viability and sustainability of small care homes are also a concern with a high proportion of small to medium homes which are not purpose built.
- Work continues to progress Hillside into a potential 25 bedded care home, however it is recognised that this is a small home and any scope for additional beds on the site is limited.

#### **Extra care**

- A range of accommodation is required to meet the needs of the counties ageing population

- Extra care schemes can offer an environment where people can remain independent whilst having the security of support on site and their own 'front door'.
- The council has 3 versions of extra care schemes including Rose Gardens, Leadon Bank (owned by the council and leased on long term contract to Shaw) and Henfford Gardens.
- The council has another two versions of extra schemes within planning which will increase the number of available units to 180 over the next 10 years so this will need to be taken into account in any further analysis of need.
- Current services are being utilised and capacity is generally used.
- The scheme could also support not just an ageing cohort but potentially people with a learning disability where we know they could live independently and your 'own front door' is the preferred model of delivery.

### **3.1. High Level Metrics**

Adult social care pays a significant amount of its budget on care home placement and increasingly the market responds with increasingly costly placements. Adult social has a duty to meet eligible needs and to manage the market effectively.

- Predicted 140% increase of those aged 85 and above over the next 20 years
- Increasing number of out of county placements
- High cost or failure from market to support individuals with complex needs
- High number of self-funders in the market
- Delayed Transfer Of Care (DTC)
- Increased capacity in the care market with specific a purpose built building
- Improved value for money compared to spot purchased placements
- Increased use of technology and innovation to support people and reduce the need for workforce
- Upskilling the workforce and leading by example to ensure innovation, quality and dignity.

## **4. Scope**

### **4.1. Included in Scope:**

- Current care home market
- Potential demand on services
- Buildings owned by the council
- Sites currently owned by the council
- Opportunities to buy existing buildings
- Current extra care models
- Other commissioning and contractual options

#### **4.2. Out of scope**

- The council will not run the services

### **5. Stakeholders**

- Commercial/consultants
- Adults Capital Board
- Procurement
- Finance
- Herefordshire residents
- Adult social care commissioners
- Public Health
- Health Wye Valley Trust
- Herefordshire and Worcestershire CCG
- Providers

### **6. Constraints and dependencies**

#### **6.1. Initiatives which depend on this project are:**

- **Hillside development**

#### **6.2. This project depends on:**

- Commercial feasibility report
- Agreement to capital investment
- Political support to develop in house services

*Does this project depend on engagement from certain areas of the Council or external stakeholders or partners?*

Providers, cabinet members, property services, health, CCG and finance

### **7. Budget provision**

Revenue will be required to commission commercial consultants to produce a fully costed options appraisal for the council before a final business case is submitted.

## **8. Estimated costs and assumptions**

### **9. Please note this is just an estimated figure.**

A previous extra care scheme cost in the region £14m for 91 units 10 years ago.

Commercial estimates for the development of a care home are said to be in the region of £110k per bed therefore a 60 bedded unit could cost in the region of £6.6m which is line with other similar scale builds in other local authority areas. However this does not include potential land purchase, site clearance, fixture and fittings and project management costs associated and any of costs associated with its development and any start-up costs.

Therefore the request, if the principle of scoping the options are supported, is to mark a potential £14m with the expected total cost to come under this figure.

## **10. Benefits**

*The anticipated benefits of the proposed project are listed below:*

### **10.1. Cashable benefits**

- Reduced placement cost
- Reduced need for care home placements
- Income from placements including those who self-fund their care

### **10.2. Non-cashable benefits**

- Reduced delays in hospital
- Increased capacity within the market
- Able to meet the needs of residents

## **11. High level timeline**

*Detail planned stages for the project and anticipated major deliverables at each stage*

Until the final options are considered it will be undertaken in 3 phases:

Phase 1: Commission specialist commercial consultants to scope options and develop a comprehensive feasibility paper with detailed costed options by December 2019 (subject to agreement on spend).

Phase 2: Develop full business case by April 2020

Phase 3: Initiate development 2020/21

## **12. Risks**

*Risks are potential threats that may occur but have not yet happened. Risk management will monitor the identified risks and take any remedial action should the risk happen.*

### **12.1. The key risks of not doing the project are:**

- *Potential increase in demand as ageing population grows and becomes unsustainable*
- *Current care homes being sold and old buildings not fit for purpose*
- *Needs not being met*
- *Reduced capacity in the market*
- *Limited choice of accommodation*

### **12.2. The key project risks are:**

- *Resource to progress the project(s)*
- *No revenue to commission Commercial consultants to do a detailed options appraisal to inform final proposal*

## **PROJECT DOCUMENTATION**

### **OUTLINE BUSINESS CASE**

*Affordable Housing*

*Bringing Empty Properties back in to use*

Release: Draft/Final

Date: 01.10.19

Author:

Document Number: 1



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## **1. Purpose of document**

To outline the business case for capital funding to assist in bringing empty properties back in to use in Herefordshire. The Empty Property Officer has limited powers unless legal action is taken, however a small amount of funding could encourage a property owner to release their property which would assist in providing temporary accommodation to meet the needs of homeless families.

## **2. Project aims and objectives**

The links to the draft corporate plan:

- Get the right mix of houses for our communities
- Create environments that make wellbeing inevitable
- Encourage younger people to build their lives here
- Invest public money wherever possible

The specific project aims are to:

- Bring empty properties back in to use with a focus on long term empty properties
- Increase available housing for local people
- Reduced spend of the Housing Prevention fund
- Reduce reliance on Bed & Breakfast as temporary accommodation
- Community regeneration – improves community wellbeing and pride
- Reduce complaints received by the Environmental Health team
- To discourage anti-social behaviour and crime

## **3. Background**

Following a number of complaints received about abandoned and empty properties in Herefordshire the Council Tax department have provided revenue funding to recruit a full time Empty Property and Development Officer. The officer will provide advice to owners on how to sell, rent, repair or convert the property to another use but has very limited powers unless the legal route is pursued. Capital funding could be used to upgrade a property and take ownership of it to be used as temporary accommodation for a set period of time.

Empty homes are not only a wasted resource, they can also cause nuisance and environmental problems. Empty homes can be a focus for increased levels of crime, vandalism, anti-social behaviour and drug-abuse. They can also represent a potential housing resource that may be currently underutilised. Bringing empty homes back into use can help address a number of housing and social issues by increasing supply in areas where there are housing shortages and pressures and where this is an opportunity to link suitable empty homes with housing need.

It is essential that all Local Authorities have effective measures in place to deal with these issues and comprehensive empty homes strategies which contribute towards local strategic planning.

Empty Properties can also have a damaging effect on the local community and economy and can have significant impacts on the owners.

- Loss of income from rent or a capital sum from a sale, as well as costs for Council Tax, insurance and maintenance.
- Empty properties are more at risk of vandalism or fire and therefore cost more to insure.
- They pose a threat to adjoining properties through damp or infestation.
- Empty homes in disrepair can reduce the value of surrounding properties by up to 18%

To help address the growing problem grant could be used to assist with:

- Properties that are currently empty
- Properties that need to be brought back to the repairing standard
- Properties that need Electrical Rewiring/Upgrade
- Properties that need Window Replacement
- Properties that need Heating or a Heating Upgrade from Night Storage Heaters
- Properties that need a Boiler Installation

The grant would not be available for cosmetic work including new kitchens, bathroom suites, and floor coverings.

### **3.1. Project Drivers and High Level Issues**

Strategic Housing has a statutory duty to keep the condition of housing stock in the county under review and identify any actions that may need to be undertaken.

- 286 Long term empty property as of September 2019 (where the property has been empty for six months or longer)
- 35 properties empty in Hereford city
- The use of Bed & Breakfast use has increased

## **4. Scope**

### **4.1. Included in Scope**

- Opportunity to increase housing supply
- Regeneration of communities
- Reduction of prevention fund

### **4.2. Out of scope**

- The council do not own any of the properties

Please see below stakeholder matrix:

- Property Services

- Finance
- Herefordshire residents
- Strategic Housing
- Housing Solutions
- Housing Associations
- Environmental Health

## **5. Constraints and dependencies**

### **5.1. Initiatives which depend on this project are:**

This project can operate independently with no dependencies on other projects.

### **5.2. This project depends on:**

The project will depend on the co-operation of the general public

## **6. Budget provision**

The majority of the funds to come from Herefordshire Council with some potential for match funding bids.

## **7. Estimated costs and assumptions**

A grant level could be set per bedroom of the Empty Property, research shows that an average of £7,500 per bedroom is an acceptable level to get owners into discussions with Local Authorities.

## **8. Benefits**

### **8.1. Cashable benefits**

- Reduced Prevention fund spend
- Reduced need for temporary accommodation/ Bed & Breakfast

### **8.2. Non-cashable benefits**

- Ability to reduce housing duty
- Increased housing supply
- Able to meet the needs of local residents

## 9. High level timeline

8. Recruit Empty Property Officer (December 2019)
9. Council Tax records accessed and owners written to (Jan 2020)
10. Empty Property Strategy drafted (March 2020)
11. Empty Property Strategy implemented (June 2020)
12. Continual discussion with property owners (ongoing)

## 10. Risks

### 10.1. The key risks of not doing the project are:

- Area regeneration could be affected
- Increased levels of anti-social behaviour
- Encourage squatting

### 10.2. The key project risks are:

- *If the Empty Property Officer is successful then not enough budget – this will only be known once monitoring processes are put into place*

## 11. Appendices

### Appendix 1 – Costing breakdown

Capital cost of project	2020/21	21/22	22/23
	£000		
Herefordshire Council Capital - EP Grants	200	300	300
<b>TOTAL</b>	<b>200</b>	<b>300</b>	<b>300</b>
<b>Overall Total</b>	<b>800,000</b>		

## **PROJECT DOCUMENTATION**

## **OUTLINE BUSINESS CASE**

### *EDRMS Storage*

Release: Draft/~~Final~~

Date: 27<sup>th</sup> September 2019

Author:

Document Number: N/A

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	Head of Systems Delivery	27-09-2019	1.0
	Head of Architecture and Infrastructure		
	Business and Corporate Application Manager		
	Assistant Director Corporate Support		



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## **1. Purpose of document**

This outline business case contains information that describes the justification for continuing the development of a detailed business case for the Corporate EDRMS Storage Replacement project. The Business Case is to be submitted to the Capital Board and if accepted, a more detailed business case will be developed.

## **2. Project aims and objectives**

The aim and objective of this project is to replace the existing EDRMS Data Storage with a supported and current solution which can support the needs of the Council in the medium term in line with the Herefordshire Council Digital Strategy 2018-23.

The replacement solution will need to be supported by the vendor so that any vulnerabilities can be mitigated in line with National Cyber Security Centre (NCSC) guidance for Public Sector Organisations maintaining bulk citizen data.

This will allow the Council to further develop its Digital delivery of wider services in support of future demand for electronic records, whilst maintaining the Confidentiality, Integrity and Availability of any stored citizen data in line with the guidance set out by the Information Commissioners Office (ICO).

Furthermore, by using current technologies and the built in functionality to access both local and cloud storage, this will also facilitate the move towards the 'Public Cloud First' model whilst still ensuring that the investment in 'on premises' data centres made in 2016 is still realised. Again in line with the Herefordshire Council Digital Strategy 2018-23.

<https://www.gov.uk/guidance/government-cloud-first-policy>

The replacement solution must also have the ability to migrate from the existing storage 'built in', without the need to engage with costly data migration specialists or a reliance on 3<sup>rd</sup> party line of business support companies which could impact the project delivery both in terms of cost and time (specialist availability).

### 3. Background

Herefordshire Council invested in an 'object based' storage solution called EMC Centera in 2011 in support of its move to key line of business applications to support primary areas of the business.

Object based storage is particularly suited to document storage and is a more cost effective solution than traditional enterprise Data Storage solutions such as Storage Area Networks (SAN) which utilise very expensive storage media (i.e. Solid State Disks).

This has been developed over time and the Council now stores data from the following systems on this solution through integration with the Corporate EDRMS System 'Wisdom':

- Archived email
- Civica
- Mosaic
- SharePoint

As development of the Centera product ended in March 2018, Hoople IT are no longer able to get software support and currently the solution only has hardware support for failed components.

Additionally, as this is a proprietary 'black box' technology, Hoople do not have any expertise in respect of troubleshooting the product.

This means that should there be any issues with the software element of the solution there is no route available to get help to resolve which places the Council at risk.

A further consideration is in respect of any emerging threats associated with vulnerabilities within the software itself. As the manufacturer no longer supports or develops the software, no mitigation will be provided by them should an exploit become known thus leaving the solution at risk should this occur. This does not support the guidance provided by the NCSC in respect of Public Sector Organisations and the storing of bulk citizen data.

This has been identified under the Innovation and efficiency section of Herefordshire Council's Digital Strategy 2018-23.

Therefore, there is a requirement to replace the EMC Centera storage solution to support future demand for electronic records and programme of back scanning to store documents, as well as build additional storage capacity to support increasing demand for Microsoft SharePoint solution and other emerging electronic document and record requirements.

### 3.1. Project Drivers and High Level Issues

Continued use and reliance on an environment which is not supported from a software perspective by the vendor. The current Centera platform went end of support March 31st, 2018 and there will be no further software updates.

Additionally, there is no knowledge within IT to support the software element of the current product which means that, if a catastrophic failure of the underlying operating system/software was to occur, then there could be substantial loss of Council data.

This impacts the Confidentiality, Integrity and Availability of key citizen information at risk which in turn would impact the Council's ability to provide key services.

This places the Council at risk of reputational damage as well as the potential for fines from the ICO if data loss did occur.

The National Cyber Security Centre (NCSC) public sector guidance on protecting bulk personal data also states that the Council has an obligation to ensure that

*"No unsupported software is present in your service and its underlying infrastructure".*

*"Software that is no longer supported will not receive security patches in the event that vulnerabilities become known. This means it will likely be difficult, or impossible, to mitigate any issues that are found.*

*We recommend that no 'out of support' software be used across your entire software stack for the components protecting the data. This recommendation applies to operating systems, infrastructure firmware and software packages on devices that handle or protect the data in question."*

As the system is unsupported, this means that IT services cannot meet this obligation.

Additionally, this will allow the Council to further develop its Digital delivery of wider services in support of future demand for electronic records, as well as facilitating the move towards the 'Public Cloud First' model whilst still ensuring that the investment in 'on premises' data centres made in 2016 is still realised, in line with both the Herefordshire Council Digital Strategy 2018-23 and Government Cloud First policy.

### 3.2. High Level Metrics

Not Applicable

## **4. Scope**

### **4.1. Included in Scope**

- Installation of new object based storage equipment in Plough Lane and HARC data centres
- Configuration and Connectivity/integration into the existing Herefordshire Council infrastructure.
- Implementation of monitoring and 'Standard Operating Procedures' – Bringing into Business as Usual.
- Training engineering staff on the equipment.
- API integration for Herefordshire Council line of business systems???
- Initial 25TB of storage migration from supplier to define process to be managed by Hoople
- Completion of Data Migration from Hoople
- Decommission/Disposal of EMC Centera

### **4.2. Out of scope**

- Any integrations outside of the existing Line of Business Application mix
- Any unknown issue/incompatibility encountered during the migration (£50k contingency included in cost profile for this).

## **5. Stakeholders**

Natalia Silver Assistant Director Corporate as the IT client.

## **6. Constraints and dependencies**

### **6.1. Initiatives which depend on this project are:**

- Future Development of SharePoint.
- Future Development of Citizen Access via Council Website.
- Future PSN Accreditation.
- Future expanded use of digital document and record management in support of agile working and paperless initiatives.

**6.2. This project depends on:**

None

**7. Budget provision**

There is no IT budget available to fund this.

**8. Estimated costs and assumptions**

<b>Capital cost of project</b>	<b>2020/21</b>	<b>Total</b>
Equipment, Supplier Installation and 5 Years Support.	<b>£240,000</b>	<b>£240,000</b>
Hoople Support – Commissioning into exiting environment, Integration to Line of Business Systems and migration of data to new data storage system.	<b>£50,000</b>	<b>£50,000</b>
3 <sup>rd</sup> Party Application Suppliers – Integration Support Contingency	<b>£40,000</b>	<b>£40,000</b>
Project Contingency	<b>£50,000</b>	<b>£50,000</b>
<b>TOTAL</b>		<b>£380,000</b>

<b>Revenue budget implications</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Future Years</b>	<b>Total</b>
<i>Ongoing support assuming 20% of Equipment Cost – Year 6,7&amp;8 2025/26 Onwards</i>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£48,000</b>	<b>£48,000</b>
<i>Current Solution Support Costs</i>	<b>(£10,000)</b>	<b>(£10,000)</b>	<b>(£10,000)</b>	<b>(£10,000)</b>	<b>(£10,000)</b>
<b>TOTAL</b>					<b>£38,000</b>

## 9. Benefits

The anticipated benefits of the proposed project are listed below:

### 9.1. Cashable benefits

There are no cashable benefits.

### 9.2. Non-cashable benefits

- Removal of unsupported equipment in line with NCSC & ICO Guidelines.
- Removal of Risks associated with loss of CIA (Confidentiality, Integrity & Availability) in respect of Councils Data as outlined in Section 11 'Risks'.
- Ability to develop Councils Document and Records management using current/modern protocols.
- Full realisation of investment made in local Data Centre infrastructure in 2016.
- Enablement of move to 'Public Cloud First' by use of technology which is local and cloud storage aware.

## 10. High level timeline

Procurement, Implementation and Migration are all to take place within the 2020/21 Financial Year.

## 11. Risks

Risks are potential threats that may occur but have not yet happened. Risk management will monitor the identified risks and take any remedial action should the risk happen.

The key risks of not doing the project are:

### 11.1. The key risks of not doing the project are:

- Data Breach – Confidentiality
  - If a vulnerability is exploited due to emerging software security flaws.
- Data Corruption – Integrity
  - If malware infects the storage system due to a vulnerability in the software.
- Data Loss - Availability
  - If the service becomes unavailable due to an issue with the underlying operating system or software, this would affect the ability of the Council to deliver its service supporting Herefordshire's most vulnerable citizens.
- Financial Penalties from the ICO
- Reputational Damage

- PSN Certification
- No further development – Inability to develop further services on the existing solution.

**11.2. The key project risks are:**

- Funding.
- Price increases as a result of currency fluctuation and Brexit.
- Availability of 3<sup>rd</sup> party supplier resource to carry out any integration work.
- Hoople resource/other competing projects or initiatives.
- Time
  - Time to deliver the project within the anticipated timeline
  - Risk of exposure increases in respect of the current solution as time passes either in respect of a decision to proceed, identification of funding source or emerging vulnerabilities/cyber security exploits.



## **PROJECT DOCUMENTATION**

## **FEASIBILITY BUSINESS CASE**

### *Hereford Transport Package*

Release: Final

Date: 3 October 2019

Author:

Document Number:

# Feasibility Business Case History

## Document Location

This document is only valid on the day it was printed.

The source of the document will be found at

## Revision History

Date of this revision: 3 October 2019

Date of next revision:

Revision date	Previous revision date	Summary of Changes	Changes marked

## Approvals

This document requires the following approvals.

Name	Signature	Title	Date of Issue	Version

## Distribution

This document has been distributed to

Name	Title	Date of Issue	Version	Status

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## Stage 0 Business Case

### 1. Purpose of Document

This Feasibility Business Case contains information that describes the justification for continuing the development of Department for Transport (DfT) outline Business Case for Hereford Transport Package (HTP) project from the Strategic Outline Business Case (SOBC) which is published on the council's website and can be viewed by following the link below:

[https://www.herefordshire.gov.uk/download/downloads/id/13069/hereford\\_transport\\_package\\_strategic\\_outline\\_business\\_case.pdf](https://www.herefordshire.gov.uk/download/downloads/id/13069/hereford_transport_package_strategic_outline_business_case.pdf)

This Feasibility Business Case is to be submitted to the Capital Strategy Board and if accepted, a more detailed outline Business Case will be developed.

### 2. Objectives

If the business case is approved then the project can continue subject to appropriate governance in 2020/2021 and project development can continue to a revised programme should the project continue following the proposed review of the bypass. Detailed design of the bypass could continue with a further consultation to enable a planning application submission. Approved funding will also enable support for landowners who are impacted by the scheme to be provided including land acquisition (if required), subject to appropriate governance decisions. Development of the active travel measures which would accompany the bypass would also continue based on February / March 2019 consultation feedback. Approval of this feasibility business case will also enable development of external funding bids if required.

### 3. Background

#### 3.1 Project Drivers and High Level Issues

The Hereford Transport Package includes the proposed Hereford Bypass and a package of walking, cycling, bus and public realm schemes. It is a key infrastructure project that will:

- Improve local and regional connectivity by providing an alternative route to the existing A49 through the city
- Encourage new business and job creation by making Hereford a more attractive place to locate with improved road connections and more reliable journey times
- Enable the delivery of future housing and educational development, attracting people to live and study in the city
- Reduce the impact of accidents and breakdowns on the city's roads by providing an alternative crossing for the River Wye
- Reduce the impacts of transport on air quality and noise within the city, and improve road safety
- Encourage healthy lifestyles by improving public spaces and encouraging more people to walk and cycle

The Hereford Transport Package, is identified as a priority within the council's current Economic Vision, Local Plan Core Strategy (LPCS) and Local Transport Plan (LTP) and also within the Marches Strategic Economic Plan and Midlands Connect regional transport strategy.

### 3.2 High Level Metrics

#### Scheme History:

Cabinet Decision Report – 16 June 2016

On 16 June 2016 cabinet approved that work commence to develop the Hereford relief road (Hereford bypass) in support of proposals within the adopted Core Strategy.

In taking this decision cabinet approved the recommendation that:

**authority be delegated to the assistant director environment and place to take all operational actions necessary to progress the Hereford bypass to route selection within the resources (including external funding) available**

At that time the costs of this development work were being sought through a bid for funds under the DfT's Large Local Majors Transport Fund, summarised in the table below. The aim of the fund is to provide funding for large, transformative, local schemes that are too big to be taken forward within Local Growth Deal allocations and might not otherwise be funded.

A total of £2.65m was being sought from the DfT to develop the business case for Hereford bypass and complementary measures with a local contribution of £0.6m.

It was acknowledged in the decision report that if funding was not awarded through the Department for Transport Large Local Majors fund consideration would need to be given to allocate further local revenue funding and once a route for the scheme had been selected to include the scheme in future revisions of the capital programme.

	2016/17 £m	2017/18 £m	TOTAL £m
Funding sought from DfT large local majors fund	1.95	0.70	2.65
Local funding	0.30	0.30	0.60
<b>TOTAL</b>	<b>2.25</b>	<b>1.00</b>	<b>3.25</b>

The 2016/2017 & 2017/2018 revenue funding set out within this report would deliver:

- Assessment of the Core Strategy Corridor to consider a long list of possible route for the bypass.
- Detailed technical assessment of a long list of 24 possible routes using a range of assessment criteria to enable a short list to be recommended.
- Production of a Corridor Assessment Framework document and associated reports to support shortlist recommendation.
- Detailed consultation on bypass long list and possible complimentary active travel measure which would form the Hereford Transport Package.
- Analysis of consultation feedback in a detailed consultation report to support cabinet decision.
- Commencement of development of outline business case for the HTP including traffic surveys and

modelling work to support economic assessment of the scheme in future years

#### Cabinet Decision Report – 18 January 2018

On 18 January 2018 cabinet considered a report which set out the technical route assessment work (including public consultation) which had progressed subsequent to the June 2016 cabinet decision. This report summarised the assessment of 24 possible routes for the bypass and feedback to the consultation about the scheme which had taken in place April / May 2017. The report recommended a shortlist of seven possible bypass routes for further development and consultation along with a package of measures which would be delivered alongside a bypass. This would enable a preferred package to be developed.

In taking this decision cabinet authorised the then assistant director of environment and place to continue development and technical work to inform a decision to select a preferred route for the bypass.

Within the resource implications section of the January 2018 report the revenue spend in 2016/17 was confirmed as £1.4m and forecast revenue spend in 2017/2018 was forecast as £1.612m giving a total forecast revenue spend of £3.012m. As the Large Local Major bid to DfT referred to as a funding source in the report to cabinet in June 2016 had not been successful this report confirmed the funding of the revenue spend was from an external grant of £590K from Highways England, an external grant of £150K from Midlands Connects and a mix of council revenue and reserve budget. The full detail of this can be seen in paragraphs 33-36 of the January 2018 report.

The 2017/2018 and 2018/2019 revenue funding set out within this report enabled delivery of:

- Detailed technical assessment of a short list of 7 possible routes using a range of assessment criteria to enable a preferred route for the bypass to be recommended.
- Production of a suite of documents to support preferred route selection decision as follows:

Stage 2 Scheme Assessment Report

Stage 2 Environmental Assessment Report

Route Selection Report

Preferred Route Report

- Detailed consultation on seven possible routes for the bypass and further detail of the possible complimentary active travel measure which would form the Hereford Transport Package.
- Analysis of consultation feedback in a detailed Sage 2 consultation report to support cabinet decision.
- Continued development of outline business case for the HTP including traffic modelling work to support economic assessment of the scheme in future years to enable external bids for funding to be developed

Capital spend in 2017/2018 was forecast as £500K and capital spend in 2018/2019 was forecast as £2.45m to confirm a preferred route and to develop a planning application for the scheme. It was intended that this capital cost was to be funded from the council's corporately funded prudential borrowing as the project was included in the proposed capital programme to be approved by Council 26 January 2018.

#### Cabinet Decision Report – 27 July 2018

On 27 July 2018 cabinet considered a report which set out the technical route assessment work (including public consultation) which had progressed following the selection of a shortlist of seven possible routes in the January 2018 cabinet report. This report summarised the assessment of each of the seven routes for the bypass and feedback to the consultation about the scheme which has taken in place February and March 2018. The report recommended that having due regard to this technical work (set out in a suite of documents appended to the cabinet report) and consultation feedback the red route be approved as the preferred route for further scheme development and consultation along with recommended active travel measures prior to submission for planning and any other permissions.

In taking this decision cabinet authorised the then director for economy, communities and corporate to take all necessary steps to progress detailed design and consultation with a maximum cost of £2.45m.

Within the resource implications section of this July report the estimated capital cost of the bypass based on the level of design detail set out in the Stage 2 Scheme assessment report appended to the cabinet report was set out in paragraph 88 for each of the seven possible route.

The estimated capital cost of the red route is shown as £153m and a comparison of this to bypass costs set out in the SOBC was detailed in paragraph 90.

In paragraph 93 of the July cabinet paper the revenue spend to the end of May 2018 was confirmed as £4.037m. This was the revenue cost of the technical work of both the long list and shortlist of possible routes and consultation required to enable a preferred route to be selected which is set out in more detail above.

The final revenue expenditure position (from 2014/2015 to July 2018) is £5.11m. This has been funded as follows:

Highways England	£590K
Midlands Connect	£300K
HC Revenue Budgets & Reserves	£4.22m

Paragraph 94 confirmed that approval of £2.960m capital budget for 2018/2019 and set out that would fund detailed design and consultation of the preferred route and package in year. This capital funding is delivering:

- Detailed topographical and ground investigations to progress the detailed design of the red route.
- Commencement of detailed design of earthworks, structures, pavements construction, footways, signals, street lighting and junctions along the red route
- Continuation of ecological surveys to enable the impact of the scheme to be determined and to inform mitigation measures design
- Continuation of traffic modelling to inform noise and air quality mitigation measures
- Consultation in early 2019 on the possible complementary improvement schemes to support package development
- Continued development of the outline business case for the scheme and preparation of appropriate funding applications.

Paragraph 96 of the July 2018 cabinet sets out progressing the scheme further in 2019/2020 would be the subject of applications for funding and would need to be considered in the annual review of the capital programme however no estimated annual budgets beyond 2018/2019 were presented.

Following the selection of a preferred route and a more detailed programme for the preparation of the planning application for the scheme and the required consultation has been developed and forms the basis of the request for capital funding in 2019/2020.

Capital funding of £3.5m in 2019/2020 would deliver:

- Completion of detailed design of the bypass to a standard for a planning application
- Continuation of ecological surveys to inform the design of the scheme and the development of the planning application
- Continuation of traffic modelling to inform noise and air quality mitigation measures to inform the design of the scheme and the development of the planning application
- Preparation of a suite of planning documents for the scheme
- Consultation with landowners to inform scheme design and planning documents for the scheme
- Engagement with planning authority to support submission of planning application
- Analysis of January / February consultation to enable development of HTP package of measures
- Consultation in late Summer / Autumn 2019 on the bypass detail and planning application
- Submission of planning application
- Continued development of the outline business case for the scheme and preparation of appropriate funding applications.

In summary the following costs were presented in the feasibility business case in January 2019 and these costs are associated with the optioneering work and route development undertaken and planned design work to inform a planning application is as follows:

Activity		Revenue / Capital	Cost
Route optioneering to develop and consult on a long list and subsequent short list of possible bypass routes.	From 2014/2015 to July 2018	Revenue	£5.11m
Progression of detailed design and consultation of preferred route and package measures development.	August 2018 – end March 2019	Capital	£2.960m
Detailed design and consultation of the preferred route and planning application development. Business Case and funding application development Package measures development and consultation	April 2019 – March 2020	Capital	£3.5m
Detailed design and consultation of the	April 2020 – March 2021	Capital	£2.750m



preferred route and planning application development to a revised programme should the project continue following the proposed review of the bypass. Business Case and funding application development Package measures development and consultation. Estimated land acquisition if required should the scheme progress or not.			
Estimated land acquisition if required should the scheme progress or not.	April 2021 – March 2022	Capital	£0.625m
Estimated land acquisition if required should the scheme progress or not.	April 2022 – March 2023	Capital	£0.625m

#### Cabinet Member decision 9 August 2019

The activities set out above for 2019/20 did not progress as initially anticipated in feasibility business case January 2019 as the new administration took time to understand this scheme. The Cabinet Member for Infrastructure and transport took a decision in August 2019 to review both the Hereford bypass and Southern Link Road schemes as follows:

All work on the Southern Link Road be paused, a review of the project to determine next steps be undertaken, and work on the South Wye Transport Package active travel measures be continued;  
All work on the Hereford by-pass be paused, a review of the project to determine next steps be undertaken, and work on the Hereford Transport Package active travel measures be continued; and  
The acting director for economy and place be authorised to take all operational decisions necessary to scope the review work for both road schemes within a budget of £50k (Southern Link Road) and £70k (Hereford By-pass) to inform a further decision in this calendar/financial year.

This decision was called in and reviewed by General Scrutiny committee on Monday 9 September and a report setting out the cabinet member's response to scrutiny is due to be published shortly.

This application is being made to cover costs should the bypass progress following the review and includes cost for a revised programme in 2020/21 and possible land acquisition costs.

Should the bypass programme be further impacted it is possible land costs will be incurred in any case.

## **4. Scope**

### **4.1. Included in Scope**

This business case is requesting a further £2.75m to enable further development work to progress the package in 2020/2021 should the scheme progress including continuing detailed design and consultation of the bypass, developing a planning application and outline business case for the bypass and to enable support to be provided to those affected by the scheme including land acquisition if possible. This funding will also enable the development of a package of walking, cycling, public transport and public realm improvement schemes which will enable detailed design and consultation. This is set out in detail above.

BBLP and their sub-consultants WSP professional services costs associated with this project are procured through the council's Public Realm contract and form part of the council's annual plan. This contract was awarded to BBLP following a competitive OJEU procurement process in 2012/2013 and design professional services are within the scope of this contract and annual fee proposals are reviewed and monitored regularly.

Appropriate internal staff costs associated with this project are capitalised and are included within the costs above but are not broken down.

### **4.2. Not included in Scope**

Estimated project development costs in future years from 2021 for the HTP are not included in this bid.

Information of these future costs for bypass and the walking, cycling, public transport and public space improvements were set out in the July 2018 cabinet report. These costs will be updated further following public consultation and detailed design and set out in future project decision reports, outline and full business case documents for the project.

## **5. Stakeholders**

The SOBC sets out key stakeholders within the strategic case section of the document and this has been developed into a comprehensive stakeholder group for this project following a number of consultation events and can be seen in the most recent consultation report by following the link below:

<http://councillors.herefordshire.gov.uk/documents/s50058868/Appendix%201%20-%20Phase%202%20Consultation%20Report.pdf>

## **6. Dependencies**

### **6.1. Initiatives which depend on this project are:**

The delivery of the Hereford Transport Package enables the delivery of the planned housing and employment growth set out in the Councils local plan core strategy and will support the delivery of the new NMITE University. The scheme will also deliver regional benefits which supports its inclusion in the Marches LEP SEP.

## **6.2. This project depends on:**

The delivery of the HTP complements the delivery of the SWTP and the HCCTP and the southern bypass junction connects with the Southern Link Road western junction. Once complete a further link from the A49 to the A4103 route can be considered for delivery. Further inter-dependencies are set out in section SC7 of the SOBC.

## **7. Benefits**

The anticipated benefits of the Hereford Transport Package project are set out in the Economic case section (EC2) of the SOBC and these have been further developed for consultations and are listed below:

The HTP will:

- Facilitate economic growth by reducing peak hour journey times.
- Encourage sustainable development by creating attractive alternatives to shorter car journeys
- Provide network resilience by reducing the impact of accidents and breakdowns and maintenance work on the city's main road network
- Encourage healthier lifestyles by providing facilities for walking and cycling
- Improve air quality and reduce noise
- Reduce severance by improving connections for pedestrians and cyclists
- Improve safety for all road users

### **7.1. Quantifiable**

A benefits cost ratio for the bypass was assessed as part of the SOBC and is set out in the economic case section of the report. A BCR of 10.5 for the bypass route calculated in accordance with Department for Transport criteria is well above the value of 2 which DfT consider represents high value for money. The BCR will be recalculated in the Outline Business Case and subsequent Full Business Case for the scheme based on revised scheme cost estimate to ensure continued value for money as the detail of the scheme is developed and delivery of the scheme proceeds.

### **7.2. Non-Quantifiable**

The wider economic benefits which the HTP will deliver are set out in the economic case (EC3) of the SOBC which details the job creation which will be delivered by the scheme. The Environmental impacts and benefits of the scheme are set out in section EC4 of the SOBC and the social benefits are detailed in EC5.

An initial assessment of impacts and benefits is set out in an AST within the SOBC. At that stage this was based primarily on qualitative work. A full AST will be completed in line with DfT criteria in the Outline Business case for the scheme.

Within the management case section (MC4) of the SOBC a benefits realisation strategy is set out with a monitoring and evaluation strategy outlined in MC5. These will be developed further in the outline and full business case documents for the project.

## 8. Potential Costs and Options for Project

The current estimated outturn cost of the HTP project is £186m which comprises an estimated cost of £153m for the Hereford bypass and an indicative cost of £29m for walking, cycling, bus and public realm improvements.

A comparison of the current estimated cost compared to the original SOBC was set out in paragraph 90 of the Hereford Transport Package report presented to cabinet in July 2018 as follows:

Package Element	Estimated Total Cost (£) – Current year Prices (2014)	Estimated Total Cost (£) – Current year Prices (2018)
Western Relief Road (excluding Southern Link & with Risk adjusted)	£136,270,000	£153,000,000 (subject to selection of red route as preferred bypass route )
Public realm, active mode and traffic management scheme for existing route of A49	£10,000,000	To be updated as active travel measures are further developed
Public realm, active mode and traffic management scheme for radial A routes within urban area	£10,000,000	To be updated as active travel measures are further developed
Urban traffic control system including local management centre	£5,000,000	To be updated as active travel measures are further developed
20 mph schemes for residential areas	£2,000,000	To be updated as active travel measures are further developed
City wide active travel mode projects	£2,000,000	To be updated as active travel measures are further developed

These costs will be updated in the DfT outline and full business case documents as the project is delivered to ensure that the benefits of the scheme and value for money is demonstrated at the appropriate points for decision making.

Section SC8 of the SOBC confirms that a full Option Assessment Report (OAR) was prepared in 2003 identifying key problems and those options best placed to mitigate problems and meet objectives. This work indicated that a package of multi modal measures was required and this is detailed within this section of the SOBC. The OAR has been supplemented by a number of update reports which are detailed in this section of the SOBC report and an updated OAR will be developed for the Outline Business Case.

## 9. Costs and Timescales to Develop the Full Business Case

The cost of producing a HTP outline business case to DCO in March 2021 with the associated traffic modelling is estimated at approximately £200k and is included within the capital costs presented within this report. This cost would be funded from current 2019/2020 & 2020/2021 capital budget if approved. The programme for the development of the DfT outline business case would be developed should the scheme progress following the proposed bypass review.

<b>Capital cost of project</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Future Years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Scheme design, consultation, planning, legal agreements, and professional fees (including procurement)</i>	1,350				1,350
<i>Possible Land Costs</i>	1,130	560	560		2,250
<b>TOTAL</b>	<b>2,480</b>	<b>560</b>	<b>560</b>		<b>3,600</b>

<b>Funding streams</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Future Years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Capital Programme</i>	2,480	560	560		3,600
<b>TOTAL</b>					

<b>Revenue budget implications</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Future Years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>note any impact on revenue budget, good or bad</i>					
<b>TOTAL</b>					

## 10. Risks of not doing the Project

Section SC3 of the SOBC details the consequences of failing to implement the scheme and lists the following:

- Market failure – congestion on the existing trunk road and key junctions will hold back housing and employment growth.
- Worsening car use for short trips – more car use and lower accessibility to sustainable modes of travel.
- Extended social deprivation – areas of Hereford become isolated and deprived.
- Resilience of network decreases – single river crossing failure increasing network failure risk
- City centre damage – through traffic continues to travel through city impacting on environment and communities.

## **PROJECT DOCUMENTATION**

## **OUTLINE BUSINESS CASE**

### *Corporate Fleet Procurement – Facilities Management Van*

Release: Draft/Final

Date: 20.09.2019

Author:

Document Number: v1

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## **1. Purpose of document**

This Feasibility Business Case contains information that outlines and highlights the physical and operational issues regarding the Facilities Management (FM) van which is the final corporate vehicle requiring replacement.

## **2. Project aims and objectives**

This is an extension to the fleet project that seeks to replace the existing and ageing corporate vehicle fleet with a new, efficient and fit for purpose vehicle to ensure the resilient delivery of statutory services.

## **3. Background**

In 2018 the Energy & Active Travel team applied for capital to replace the corporate fleet of vehicles. This exercise has run successfully with all of the vehicles on order from suppliers. At the time of this exercise Facilities Management did not require a replacement vehicle as the van they used was deemed fit for purpose for future years however during this year it suffered catastrophic failure leaving the team without a van. This left FM in a position where they are borrowing a van from BBLP whilst arranging an expensive lease vehicle. They are also waiting for a used van to become available from another team which was replacing it with a new vehicle under the corporate fleet procurement exercise. This would leave facilities management with a used vehicle which as it ages will become more expensive to maintain with more down time.

### **3.1. Project Drivers and High Level Issues**

Facilities Management were not provisioned in the original exercise was because they had a good condition, working van but due to unforeseen circumstances it was unable to be repaired after breaking down. This leaves them without a current vehicle and considering utilising expensive lease options until a used van is available from the current fleet. This will therefore leave facilities management with a used corporate vehicle that as time goes on will become expensive to maintain with more down time.

#### Supporting teams delivering corporate priorities

- Facilities Management support all services across the council deliver vital services to the residents of the county.
- A new vehicle will improve service delivery with better resilience.

#### Support the growth of our economy

- Council savings in relation to current fleet commitments (budget and pressures) will enable re-allocation of funds to support priorities including the local economy.

## Secure better services, quality of life and value for money

- Reduced vehicle maintenance costs
- Improved Service Delivery & reliability
- Reduced carbon emissions
- Reduced fuel costs
- Improved public relations

### **3.2. High Level Metrics**

*If possible include figures pertaining to this area of business.*

## **4. Scope**

### **4.1. Included in Scope**

<b>Inclusions</b>	<b>Cost</b>
	<b>£000</b>
FORD TRANSIT CUSTOM 340 L1 DIESEL FWD	<b>16.9</b>
Delivery costs	<b>0.53</b>
Tax & Registration	<b>0.32</b>
Inflation at 2%	<b>0.35</b>
Contingency 5%	<b>0.89</b>
<b>TOTAL</b>	<b>19</b>

### **4.2. Out of scope**

Section 4.1 is comprehensive, the purpose of this bid is to replace a single vehicle for Facilities Management that would complete the refresh of the fleet. No other vehicles are included in this exercise as they have been procured under the previous capital bid.

## **Stakeholders**

Facilities management have been involved in the drafting of the Capital Funding Request and importantly in the choice of vehicle which has been specified by FM to meet their needs (see table above).

## **5. Constraints and dependencies**

### **5.1. Initiatives which depend on this project are:**

- Facilities Management support all services across the council to deliver vital services to the residents of the county. It is key that FM are able to carry out their work efficiently without impedance and unnecessary budget burden in the form of vehicle breakdown and repair or lease.

## **5.2. This project depends on:**

- The requested capital available to replace the corporate fleet.
- An officer decision report will be required for this project to proceed with procurement and draw down the requested capital.
- The Energy & Active Travel team will work with the Commercial team on the procurement of the new vehicle utilising the Crown Commercial Services procurement framework as per the previous fleet procurement exercise.

## **6. Budget provision**

### Maintenance savings

- Since the previous capital application was made additional fleet vehicles have been purchased (with governance) from the same budget, further reducing our annual maintenance costs, estimated at around £3,000 p/a (including the proposed facilities management van) which will cover the repayments of the capital for this vehicle.
- As the new vehicle fleet will require significantly less annual maintenance, especially in the first three years where warranties will cover this, this saving has been estimated and will support the annual capital repayments.
- This is currently and conservatively been estimated/profiled as follows:
  - Year 1 £3.3k
  - Year 2 £3.3k
  - Year 3 £3.3k
  - Year 4-6 £9k
- This is currently being refined as part of the annual planning process
- Note that there is currently a £1k shortfall in the outline business case, this £1k can be budget managed within the maintenance contract with BBLP. All repayments will be met.

## **7. Estimated costs and assumptions**

Capital cost of project	2020/21	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
FORD TRANSIT CUSTOM 340 L1 DIESEL FWD	16.9	0	0	0	16.9
Delivery costs	0.53	0	0	0	0.53
Tax & Registration	0.32	0	0	0	0.32
Inflation at 2%	0.35	0	0	0	0.35
Contingency 5%	0.89	0	0	0	0.89
<b>TOTAL</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>

## 8. Benefits

Revenue budget implications	2020/21	2021/22	2022/23	Future Years	Total
<i>RCCO – calculated over 6year borrowing profile</i>	3.33	3.33	3.33	10	20
<i>Estimated reduction in fuel costs</i>	-0.5	-0.5	-0.5	-1.5	-3
<i>Estimated reduction in annual maintenance costs</i>	-3.3	-3.3	-3.3	-9	-19
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>

### 8.1. Cashable benefits

The cashable benefits come from the reduction in annual maintenance costs associated with the additional vehicles replaced under the current fleet procurement as well as the replacement of the facilities management van. *See table above.*

### 8.2. Non-cashable benefits

The non-cashable benefits of the FM van include:

- Continued and efficient service delivery supporting all teams across the council to deliver key services
- Fuel savings from a more fuel efficient vehicle (financial and environmental savings)
- CO<sub>2</sub> and NO<sub>x</sub> reduction (less polluting emissions from the newer vehicle)

## 9. High level timeline

### Timescales:

- Oct 19
  - Capital bid submission
- Nov/Dec 19
  - Develop procurement spec and detailed business case
- Mar 20
  - Successful capital bid
  - Decision report and governance
- April – 20
  - Procurement Exercise
- May - 20
  - Contract Award
- July - 20
  - Receipt of vehicle

## 10. Risks

*Risks are potential threats that may occur but have not yet happened. Risk management will monitor the identified risks and take any remedial action should the risk happen.*

### 10.1. The key risks of not doing the project are:

- Decreasing service quality and service failure.
- The HC fleet maintenance costs will increase, placing increased pressure on the centralised budget within the public realm contract.
- Higher fuel costs and higher CO2 and NOx emissions of older vehicles.
- Increasing costs of FM being forced to take out expensive lease vehicles as and when their used vehicle fails.
- As the vehicle ages, without replacement this will likely increase vehicle down time as it will require more frequent maintenance.

### 10.2. The key project risks are:

- Not securing the required capital allocation
- Inflationary price increases next financial year, although this has been included at an estimated 2% within the business case.
- A contingency budget allocation of 5% has also been included within the business case to mitigate against any unforeseen risks.

## 11. Appendix - Costing Breakdown

<b>Capital cost of project</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Future Years</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
FORD TRANSIT CUSTOM 340 L1 DIESEL FWD	16.9	0	0	0	16.9
Delivery costs	0.53	0	0	0	0.53
Tax & Registration	0.32	0	0	0	0.32
Inflation at 2%	0.35	0	0	0	0.35
Contingency 5%	0.89	0	0	0	0.89
<b>TOTAL</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>
<b>Funding streams</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Future Years</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<i>Capital Programme</i>	19	0	0	0	19
<b>TOTAL</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>
<b>Revenue budget implications</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Future Years</b>	<b>Total</b>
<i>RCCO – calculated over 6year borrowing profile</i>	3.33	3.33	3.33	10	20
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<i>Estimated reduction in annual maintenance costs</i>	-3.3	-3.3	-3.3	-9	-19
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>

## **PROJECT DOCUMENTATION**

### **OUTLINE BUSINESS CASE**

#### *Employment Land and Business Accommodation*

Release: Draft

Date:

Author:

Document Number:



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## **1. Purpose of document**

*This outline business case contains information that describes the justification for continuing the development of a detailed business case for Employment Land and Business Accommodation project. The Business Case is to be submitted to the Management Board and if accepted, a more detailed business case will be developed.*

## **2. Project aims and objectives**

*The aim of the project is to ensure that over the period of this administration there is a ready supply of serviced and available employment land within Herefordshire and that the council offers a range of business accommodation to support business growth.*

*The objectives of the project are split into two phases, phase one objectives are to:*

- 1. Investigate the potential acquisition of the remaining employment land at Leominster Enterprise Park from the private sector landowner. (Business case if suitable)*
- 2. Establish an evidence base and feasibility studies (demand studies, business case, masterplan, planning application) to bring forward a second phase of land at the Ross Enterprise Park.*
- 3. Develop business cases for the construction of business accommodation at:*
  - a. Ross Enterprise Park phase one*
  - b. Hereford Enterprise Zone*
  - c. College Road campus, Hereford*

*Phase two objectives are to:*

- 4. Undertake construction of new employment land and business accommodation at the sites mentioned above.*

*The project will result in:*

- 5.1 acres of employment land being acquired at Leominster Enterprise Park for development / sale by the council.*
- 2,000 sqm of business accommodation being constructed at Hereford Enterprise Zone.*
- 1,000 sqm of business accommodation being constructed at Ross Enterprise Park.*
- A Phase Two of Ross Enterprise Park being constructed and an estimated 15 acres of employment land being made available for acquisition by private sector businesses.*

## **3. Background**

*The project will support the delivery of the corporate plan objective to “support the growth of our economy”, specifically:*

*“Make the best use of existing land and identify new opportunities to enable businesses to stay, and expand and for new businesses to locate to the area”.*

*The project will secure the supply of employment land within the county so that inward investment and growing local businesses have the space required to construct their own bespoke accommodation and facilitate their company growth facilitate new employment creation. The construction of new business accommodation (including business incubation facilities) will provide the required space for new and growing businesses wanting to lease suitable accommodation. Both elements of the project will lead to the creation of stronger local businesses, enhanced local supply chains, and new jobs.*

### **3.1. Project Drivers and High Level Issues**

*The Local Plan allocates a supply of Employment land across Herefordshire with varying sized allocations in the city and market towns to meet the expected demand generated within those communities. Although allocations have been made within the Plan the actual delivery of Employment land has been more problematic.*

*Evidence suggests that businesses will continue their growth regardless of the availability of land or units, if suitable accommodation cannot be found locally there is a significant risk that a business will investigate and take options outside of the county. Consequently*

*Individual businesses continue to look at their expansion options and in many cases a business will extend on their current site or building where possible. This represents a small scale, ad hoc approach to the supply of employment land.*

*Conversely outside of the Hereford Enterprise Zone there has been no new employment land brought forward to the market within the last 5 years. Indeed there has been a loss of employment land due to the pressure from retail, leisure and residential uses. This has constrained the employment land market outside of south Hereford and inhibited company growth and employment creation.*

*The council are looking to address this issue through bringing forward the Ross Enterprise Park which will open up supply for the south of the county in the medium term. The continued provision of land at the Hereford Enterprise Zone will provide supply for Hereford for the next 3 to 5 years but is not a long term solution. There is limited ability to expand the existing Rotherwas estate to bring forward more supply, options need to be considered for the provision of more employment land around Hereford.*

## **4. Scope**

### **4.1. Included in Scope**

*Phase one scope relates to the provision of the necessary feasibility studies, business case development and evidence base required to inform the delivery of Phase two. This will include:*

- QS and valuation support*
- Legal support*
- Market assessment reports*
- Scheme master planning / design*

- *Business case development*
- *Architectural and other technical input into building designs*
- *Planning application development and submission*
- *Project management*

*The scope of Phase two will be dependent on the outcome of the Phase one work.*

#### **4.2. Out of scope**

*This section could change and/ become more detailed when preparing the Business Case.*

### **5. Stakeholders**

*The project will be included within the project management governance of the Economic Development programme board, chaired by the Interim Director for Economy and Place. The sponsor for the project will be the Head of Economic Development and the technical lead will be the Economic Development Manager.*

*The principle stakeholders are the council Cabinet. Cabinet have broadly indicated their support to the development of additional business accommodation and are interested in options for the delivery of the existing employment land allocations. Their views on the scope and scale of investment in employment land and business accommodation will be sought at an early stage of the project most likely through a workshop session.*

*The Hereford Enterprise Zone board are a key stakeholder for the provision of business accommodation at the Enterprise Zone. The Board will have a view on the proposed target sector, design and layout, environmental standards etc. and will have significant input into these and other parameters.*

*Businesses will be engaged through market demand assessments which will establish the level of land and accommodation demand, location, quality, and services required by the business community.*

### **6. Constraints and dependencies**

#### **6.1. Initiatives which depend on this project are:**

*There are no existing or future projects which will need this work to happen in order to progress.*

#### **6.2. This project depends on:**

*The first phase of this project will be the undertaking of detailed feasibility works to bring forward the employment sites and business accommodation. Undertaking this work will inform the business case for delivery of phase two which is the physical construction of new employment sites and new business accommodation.*

*The continuation of the delivery of the Ross Enterprise Park Phase one which is currently being designed and costed with an aim to be starting construction works in financial year 2020/21. This project will provide elements of the road and drainage infrastructure required to deliver Phase two of the Enterprise Park.*

*Business accommodation works that may be delivered at the Hereford Enterprise Zone are dependent on the continued investment in the infrastructure to bring forward land at Hereford Enterprise Zone. This investment has been previously approved via the Cabinet Member decision to undertake Enterprise Zone Capital Interventions Phase 5.*

## **7. Budget provision**

*The project will deliver capital assets for the council and budget is therefore the budget source is considered to be the capital programme. It is expected that any employment land acquired will either be sold for a capital receipt or be a location for business accommodation which will realise a revenue return. There is the possibility of securing external resources via the Marches LEP to undertake elements of the programme. This will be factored into the business case development.*

## **8. Estimated costs and assumptions**

*Options for the various schemes are not currently known, these will need to be fully investigated via phase one in particular to help support acquisitions and inform accommodation design.*

*The council has recently (within the last five years) undertaken two commercial developments at the Hereford Enterprise Zone providing commercial and office accommodation. Costs for these schemes were in the region of £1,580 to £1,785 per sqm of development (including fees). These previous schemes will help form initial estimates for the build costs. The council may be in the position to utilise the designs for these buildings as a “template” for commercial units elsewhere in the county which would potentially reduce design and other fees.*

*For the purposes of this document it has been assumed that a 1,000 sqm commercial development will be recommended for the Ross Enterprise Park Phase one development and a 2,000 sqm commercial development will be recommended for the Hereford Enterprise Zone. In addition a 15% inflationary uplift has been applied to the previous build figures to reflect the time since construction of the previous units.*

*For the purposes of purchase of the remaining land at Leominster Enterprise Park a figure of £225k per acre has been applied. This figure has been achieved at Hereford Enterprise Zone and reflects a degree of hope value on the part of the existing landowners. The total site area at Leominster Enterprise Park is estimated to be 5.1 acres, this is based on the agent’s sale particulars.*

## **9. Benefits**

*The anticipated benefits of the proposed project are listed below:*

### **9.1. Cashable benefits**

*The project will deliver capital assets either in the form of employment land or commercial buildings, the exact scope and scale of the asset will depend on the business case development for each element of the project.*

*Any business accommodation (in the form of commercial buildings or business incubation space) will realise a rental income which will be built into the business case and used to offset capital borrowing costs.*

*The provision of additional business accommodation will generate new Business Rates, the exact rate return will depend on the size and use of the commercial building(s).*

Non-cashable benefits

*The projects will facilitate a wider economic growth agenda specifically in the private sector. This will be realised in the form of;*

- *The creation of new private sector job opportunities. It is possible that these opportunities will be focused in higher skills and higher wage sectors.*
- *Businesses assisted to grow and become more resilient. Herefordshire has higher than average business survival rates, the project will enable businesses to invest in their own company growth.*

## **10. Risks**

### **10.1. The key risks of not doing the project are:**

- *Lack of supply of employment land and business accommodation within the county leading to limitations on local company growth and the prospect of companies moving their business outside of the county with subsequent job losses and lower business rate income.*

### **10.2. The key project risks are:**

- *Lower than anticipated market demand which impacts on the business case specifically the repayment profile for the capital borrowing.*
- *Project costs increase which adversely impacts on the business case.*

## **PROJECT DOCUMENTATION**

## **OUTLINE BUSINESS CASE**

*High Streets Heritage Action Zone – Leominster Conservation Area*

Release: Draft/Final

Date: 10<sup>th</sup> September 2019

Author:

Document Number:



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## **1. Purpose of document**

This outline business case contains information that describes the justification for continuing the development of a detailed business case for High Streets Heritage Action Zone – Leominster Conservation Area project. The Business Case is to be submitted to the Capital Strategy Board and if accepted, a more detailed Business Case will be developed.

## **2. Project aims and objectives**

If the Business case is approved then the project, subject to approval from Heritage England to progress a full application to the High Streets Heritage Action Zone (HSHAZ) the project can move into the implementation phase to deliver the following project:

An expression of interest (EOI) has been submitted to the HSHAZ programme being managed by Heritage England for work to support historic high streets.

The project for Leominster would focus on the Leominster Conservation Area which covers the town centre area.

The vision for Leominster is that it will be one of the country's more sustainable towns, vibrant and bustling with a prosperous and unpolluted environment that encourages visitors and residents to engage with the town's unique heritage and local talent.

Investment would improve the High Street's aesthetic appeal and to slow and halt any further deterioration of Leominster's heritage buildings, town-scape and green and open spaces. There are over 200 designated heritage assets in the proposed HAZ area, these are a key component of the visual attractiveness and character of the town centre and their protection and reinstatement is important and should be supported.

The HSHAZ scheme would include a premises renovation fund, to assist with the works required to conserve retail spaces in buildings of historical significance, while enhancing the visual appeal of the street scape.

Improvements will be made to the highway and street scene, with a particular emphasis on those factors identified as having the largest impact on the extent of footfall and the desirability of premises for take up by businesses (Public Realm Review, Balfour Beatty 2017). These include: a consistent streetscape that encourages visitors to explore the town centre, improvement of carriageways and footways to improve the pedestrian experience, and installation of high quality street furniture.

Leominster town centre is predominantly flat and very accessible from the four main car parks serving the town centre. Resurfacing pavements in key thoroughfares would help to improve the accessibility of the town centre and create a safer and more attractive pedestrian environment. These measures would be supported by traffic management measures – such as developing controlled parking zones, traffic calming/shared space in the town centre, and traffic routing to discourage heavy vehicles from areas of high pedestrian traffic. Additional investment in the town's CCTV infrastructure would also help to maintain a safe environment, particularly for those attending events or accessing the night-time economy.

Resurfacing of the highway will use heritage-sensitive materials that can be easily repaired without detracting from the aesthetic appeal of the town centre, including the use of locally sourced natural stone paving. Additional street furniture will be designed in collaboration with local artists, to connect with the town's history while also celebrating local talent and creating a distinctive sense of place.

The infrastructure in Corn Square will be enhanced, to include Wi-Fi and electricity access points – expanding the options for both events and markets. Electricity access and the installation of improved lighting provision will allow for evening events, which will help to stimulate the town's night-time economy. These include music concerts, theatre performances, and open air cinema screenings.

The scheme will include an initiative to promote new uses for empty shops, while also providing an outlet for the display of local artists, artisans and producers.

Quality retail as well as value for money is key to underpinning the future vitality and viability of Leominster Town Centre. The HSHAZ scheme will provide additional support for retailers through marketing, training and provision of free WIFI within the town centre.

### **3. Background**

Leominster town centre has received no significant investment towards public realm or transport improvements in recent years but the Leominster Area Neighbourhood Plan identifies a number of objectives and possible actions.

Corn Square in particular has the potential to be the jewel in Leominster's crown, as a high quality and improved central space with direct links to the green space at The Grange. The square currently hosts community events, along with a weekly market and monthly farmer's markets. There is scope to expand both market offers, however the lack of Wi-Fi in the area prevents market traders from taking electronic card payments – limiting their customer base and reducing the attractiveness of the market for stall holders. Leominster has a rich base of local food producers who are not adequately served by the current market offer. Sales of local produce in the Tourist Information Centre and the success of the annual food fayre demonstrate an appetite for goods of this sort. The range of events held in the square are similarly limited by a lack of suitable infrastructure, including electricity access, together with traffic management issues, poor surfacing and uneven paving.

Leominster is currently not making the most of the rich heritage that exists in the heart of its high street. Many of the buildings in the town centre are of significant historical and architectural interest. Currently this heritage remains largely hidden, with visitors unable to engage with the stories that lie behind each shop front.

Similarly, Leominster's cultural offer is not currently being fully utilised. Leominster has a wealth of local talent – artists and performers, who lack opportunities in the centre of town to promote their skills. In 2018 Leominster Town Council opened a gallery space within the Council Offices in Corn Square. This space is already oversubscribed, with bookings taken 12 months in advance. The Mapping Leominster's Youth Report (2018) found that there is demand amongst young people for a centrally located space for music events and film screenings. Leominster's community wellbeing statistics (see annexes) demonstrate a considerable interest in culture, heritage and leisure – with a score of 70 (national average is 52)

There is significant potential to increase footfall within the town centre. The current population of Leominster is 12,200 (ONS estimate 2017) and the town is a primary location for food shopping for residents as well as education, retail and services for a wide area Herefordshire and parts of Shropshire and Worcestershire. The range of home to work distances shows that Leominster attracts from a wide catchment area, the majority of people travelling into the town for work travel by car. Leominster is a key tourist destination and served by the A44 and A49 which are important regional routes for freight, commercial and tourism traffic, there is also a mainline train station. In the Herefordshire Core Strategy Leominster is identified as suitable for growth.

Leominster already has some of the basic infrastructure required to support additional visitors and higher footfall levels. There are four public toilet facilities within easy walk of the town centre, two of which are due to be renovated by Leominster Town Council within the next 2 years. There are four car parks near the town centre with on street parking on Broad Street and other streets in the centre. Records show that 75% of stays are for up to two hours, 16% all day. There is considerable scope here to increase the length of the average stay, thereby increasing the average visitor spend. However this will require the high street offer to be appealing, diverse, and accessible for all users. Despite being home to the headquarters of several county-wide disability support organisations, Leominster remains one of the least accessible high streets in the county.

### 3.1. Project Drivers and High Level Issues

Leominster town centre has received no significant investment towards public realm or transport improvements in recent years but the Leominster Area Neighbourhood Plan identifies a number of objectives and possible actions.

The HSHAZ programme is an opportunity to raise funds to deliver the project for Leominster covering the Leominster Conservation Area which covers the town centre area.

The HSHAZ programme is a place-based scheme designed to secure lasting improvements to our historic high streets and the communities who use them. We will use this funding to work with partners to champion and revive the high street, changing perceptions of heritage and high streets. The scheme will support sustainable economic and cultural growth on and around high streets and restore and enhance local historic character, making the high street an attractive, engaging and vibrant place for people to live, work and play. HSHAZ will do this through physical works to buildings, including repair, reinstatement of lost features and conversion to new uses including residential. HSHAZ will improve shared spaces, enacting the lessons learnt in streets for all, creating cultural opportunities through our learning about the history of the high street and its importance to local communities. Critically, local communities will have a key role in deciding what works they want to see happening on their high street and what sort of place they want it to be.

### 3.2. High Level Metrics

Capital cost of project	2020/21	2021/22	2022/23	2023/24	Total
	£000	£000	£000	£000	£000
Capital Expenditure	237.5	1425	1425	712.5	3800
<b>TOTAL</b>	<b>237.5</b>	<b>1425</b>	<b>1425</b>	<b>712.5</b>	<b>3800</b>

<b>Funding streams</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
High Streets Heritage Action Zone Programme	125	750	750	375	2000
Herefordshire Council Match	112.5	675	675	337.5	1800
<b>TOTAL</b>	<b>237.5</b>	<b>1425</b>	<b>1425</b>	<b>712.5</b>	<b>3800</b>

## 4. Scope

### 4.1. Included in Scope

Some effort will be needed to develop the project to delivery but if invited to develop a full programme design there will be guidance and support available (from Heritage England) to help develop the project.

Estimated project costs are included in this request and outlined above.

### 4.2. Out of scope

Costs submitted are estimated at this point in time and will be developed should the project be invited to develop a full programme. Out of scope costs will be identified.

## 5. Stakeholders

Key groups listed below. This is not a complete list and a stakeholder engagement strategy would be developed should the scheme progress.

The project will be managed by a steering group, made up of representatives from key departments within Herefordshire Council and Leominster Town Council, these will include:

Herefordshire Council: HSHAZ Project Officer, Economic Development Officer, Head of Economic Development, Engineering Manager (Transport and Access Service), Building Conservation Officer, Planning Officer, Lawyer, Planning and Highways Procurement Officer, Strategic Finance Manager.

Leominster Town Council: Town Clerk, Projects and Grants Officer, Mayor.

Any specialist consultants contracted to advise on the project (e.g. in conservation) and Heritage England

There is broad support for the application to the HSHAZ fund, led by Herefordshire Council with the full support of Leominster Town Council. The town council has been working with local partners to confirm their support and 87 letters of support have been received from market traders, retailers, professional services and community groups in support of the EOI.

## 6. Constraints and dependencies

### 6.1. Initiatives which depend on this project are:

This project could lead to further regeneration projects in Leominster of the highways, public realm and town centre buildings associated with the aspirations of the Leominster Area Plan and the Public Realm Review by Balfour Beatty (2017).

### 6.2. This project depends on:

The project will only go ahead with the support of the HSHAZ funding.

We heard from Heritage England on Friday 13<sup>th</sup> September that our proposal has been successful and have been offered in principle an agreement for a HSHAZ, subject to the successful completion of the Programme Design.

Heritage England will work with us through the Programme Design stage to identify what this means in practice. The final decision as to the level of funding provided to each HSHAZ, and the associated spend profile, will be taken as part of the process to agree the Programme Design, which should be completed by January 2020. Guidance on preparing the Programme Design will be available shortly.

There is potential to receive £2m in grant funding from the HSHAZ which would need to be match funded locally to develop a project valued at up to £4m.

The development of the project will involve key stakeholder groups and their input will shape the proposals developed.

A FTE Project Officer role will be created for the project, initially to help develop the project and then to lead on delivery of the HSHAZ project in Leominster.

The Project Officer will be employed by Herefordshire Town Council and work in close collaboration with Leominster Town Council and a project steering group made up of representatives from key departments within Herefordshire Council, Leominster Town Council and local stakeholder groups

The EOI proposes that the project will be managed by a steering group, made up of representatives from key departments within Herefordshire Council and Leominster Town Council.

## 7. Budget provision

<b>Capital cost of project</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Capital Expenditure	237.5	1425	1425	712.5	3800
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<b>Funding streams</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Total</b>
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There is potential to receive £2m in grant funding from the HSHAZ which would need to be match funded locally to develop a project valued at £4m.

## **8. Estimated costs and assumptions**

The costs of the project outlined in the EOI breaks estimates the funding requirements is as follows with the anticipation of recouping match from other sources of funding such as grant applicant match funding:

High Street Heritage Action Zone	£2m
Herefordshire Council match	£1.8m
Other funding match	£0.2m

To reduce the impact on capital borrowing there is an expectation that grant applicants will contribute an element of match funding.

Additional match would be provided from Herefordshire Council to support the project through officer support such Economic Development Officer, Engineering Manager (Transport and Access Service), Building Conservation Officer, Planning Officer, Lawyer, Planning and Highways Procurement Officer, Strategic Finance Manager.

Match from Leominster Town Council would include support from Town Clerk, Projects and Grants Officer, Mayor.

## **9. Benefits**

The anticipated benefits of the proposed project are listed below:

### **9.1. Cashable benefits**

### **9.2. Non-cashable benefits**

The HSHAZ project for Leominster Conservation Area will respond to issues identified in the Leominster Area Plan and the Public Realm Review by Balfour Beatty (2017) and improve the town centre area.

The project will help achieve the vision for Leominster is that it will be one of the country's more sustainable towns, vibrant and bustling with a prosperous and unpolluted environment.

Refurbishment of Leominster town centre supports the corporate policy to support the growth of the local economy.



## **10. High level timeline**

Results of the EOI are due in autumn 2019 at which point successful applicants will be invited to develop a full Programme Design.

The project must be capable of delivery (scheme completion) in four years (April 2020 to March 2024).

## **11. Risks**

### **11.1. The key risks of not doing the project are:**

- The EOI assessment process is competitive and an unsuccessful EOI would mean that there is not sufficient funding to deliver the project as proposed.
- Not progressing the project will reduce the investment in Leominster town centre which is not consistent with the council's corporate policy to support local economy and growth.

### **11.2. The key project risks are:**

- The project will only be able to go ahead if awarded funding from the HSHAZ programme.

## **PROJECT DOCUMENTATION**

## **OUTLINE BUSINESS CASE**

# **Investment in Infrastructure Assets**

Release: Draft/Final

Date: 30/9/2019

Author:

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## **1. Purpose of document**

This outline business case contains information that describes the justification for continuing the development of a detailed business case for investment in infrastructure assets. The Business Case is to be submitted to the Management Board and General Scrutiny and if accepted, a more detailed business case will be developed.

## **2. Project aims and objectives**

The aim of the project is to provide sustained investment and support an ongoing programme of works targeted investment in the asset to manage and to minimise decline before larger more costly repairs are required.

The project is the amalgamation of a number of pressures for the service, the investment will address in part and will be prioritised for the full business case. The project will look to apportion funds to invest in areas subject to initial bids such as Winter Fleet, Bridge and Embankment Works, Vehicle Restraint Barriers, Network safety, Footway Improvements, Playgrounds, PRow Bridge Repairs, Drainage, Network Investment, etc. The prioritisation will be undertaken prior to the full business case being submitted to enable a detailed submission.

Public places should be safe and enjoyable for all to use responsibly. Public places should also remain safe through all seasons of the year. The infrastructure that is vital to a functioning county should be resilient to the impact of weather and climate.

The highway asset should provide a network that facilitates the efficient and safe movement of people and goods whilst protecting the quality of life within communities.

Optimal asset management will enable this vital asset to be maintained for least whole life cost and with a lowest possible carbon footprint.

## **3. Background**

The corporate plan sets out the ambition for Herefordshire in supporting the Community, Economy and Environment.

The project will continue the sustained investment in the network and support the council's corporate plan. The project will enable the asset to be maintained to the appropriate level providing a safe and usable network for communities and businesses. Public places will be safe and enjoyable for all to use responsibly.

The project will also minimise the impact of investment on the environment by using appropriate materials and methods such as lower temperature asphalts and protect the environment by ensuring drainage is sufficient to minimise the risk of pollutants and contamination.

### **3.1. Project Drivers and High Level Issues**

The network is valued with a replacement cost of c£3.8 billion with an estimated backlog of maintenance value of c£87.8m.

The council has implemented the Highway Asset Management Strategy which has the following components:

1. Major Investment
2. Sustained Investment
3. Reduce the need for reactive temporary pothole repairs
4. Shift our routine resources further towards preventative activities.
5. Provide the support that enables routine maintenance work to be delivered locally.

The aim of the strategy will reduce the cost of repairs such as potholes, reduce the whole life cost of maintenance and prevent over 386,000 potholes the 34 year lifecycle of our roads.

The project enables the strategy to be implemented and has the potential to secure further investment in the network through the Local Highway Maintenance Challenge Fund.

Capital maintenance grants from central government are composed of three components, they are:

- The Formula Grant Allocation;
- The Incentive Fund;
- The Challenge Fund.

The formula grant allocation is largely dependent on the extent of the asset. This element was increased in 2014, but we will see it decline over time.

The shortfall in the decline in the formula allocation will (largely) be taken up by the Incentive Fund. This element will be awarded on the basis of each highway authority's proven ability as an efficient and effective asset manager.

There are 3 bands of performance, band 1 will only receive 90% of its allocation under this fund in 2016/17 and see this diminish to 0% by 2020/21, band 2 will receive 100% of its allocation under this fund in 2016/17 and see this diminish to 30% by 2020/21; and band 3 will receive 100% funding throughout.

As a result of Herefordshire's exemplary approach to the development and deployment of asset management we anticipate attaining and sustaining band 3 status.

The final element is the challenge fund, this is a bid process we have attracted an additional £5m of investment through this element to date and further opportunity exists re this fund in this and the next financial year. A bid to the Challenge fund has been submitted, this will be match funded with c£1m which has been identified and approved for investment this financial year.

Revenue funding has been reduced and this has been enabled through a combination of delivery efficiencies and the reduction in demand for revenue based safety repairs as a consequence of major capital investment in accordance with our asset management strategy. As sustained capital investment will curtail an escalation in revenue demand.

Lifecycle planning analysis suggests that sustained additional investment is required to optimise the maintenance regime and minimise whole life costs.

### 3.2. High Level Metrics

Capital cost of project	2020/21	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
<i>Investment in Infrastructure Assets</i>	2,000	0	0	0	2,000
<b>TOTAL</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000</b>

Funding streams	2020/21	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
Corporately Funded Borrowing	2,000	0	0	0	2,000
<b>TOTAL</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000</b>

## 4. Scope

### 4.1. Included in Scope

The project scope is to invest in the highway network and fleet asset to support communities and businesses. The funding will invest in the network identified through the councils Asset Management Plan.

### 4.2. Out of scope

The project is to invest in the existing network and does not include new infrastructure.

## 5. Stakeholders

The Assistant Director of Highways and Transport is the project sponsor who will be accountable for the operational decisions.

The key stakeholders will be the local members, parish and town councils which will be engaged through delivery through the Public Realm contract Annual and Foreword Plan. The additional investment will

deliver a better environment and improved connectivity for the communities and a more efficient network which will support the economy and accessibility.

## **6. Constraints and dependencies**

This project is not dependent on existing or future projects, this supports the challenge fund bid to the government. The project will support the local communities and businesses who will be engaged through the Public Realm contract annual and forward plan.

## **7. Budget provision**

The budget is required through council investment which will assist in securing external funding central government.

## **8. Estimated costs and assumptions**

The network has an estimated circa £87.8m maintenance deficit, this is based on survey data of the network. The project will deliver schemes which will be subject to audit and review as part of the Public Realm contract.

## **9. Benefits**

The benefit of the project will be the improvement in the network condition, the reduced backlog in the defects affecting the asset the improved accessibility and enjoyment of the public. The scheme will increase the resilience of the council's network which in turn will support the economy and accessibility for the people of Herefordshire.

### **9.1. Cashable benefits**

Reduce reactive maintenance cost and increase the life of the asset, there will also be reduced risk of claims to the council in relation accidents. The network will also be safer with a reduced risk of road traffic collisions which in turn reduce the cost to the community in respect to our partners such as police, fire, ambulance and the health service, it is estimated that an RTC = £98,232 average. (Based on DfT figures)

### **9.2. Non-cashable benefits**

Improved accessibility and enjoyment for local and visitor population.

## **10. High level timeline**

The delivery will be in the 2020/21 Annual Plan.



## **11. Risks**

### **11.1. The key risks of not doing the project are:**

The key risk is the increased backlog of defects in the network and the potential for negative reputation and risk of insurance claims and possibly roads closed due to safety concern.

### **11.2. The key project risks are:**

There are no significant risks in delivery of the project, resourcing and delivery will be managed through the public Realm Contract.

## **PROJECT DOCUMENTATION**

### **OUTLINE BUSINESS CASE**

#### **Strangford Welfare Facilities**

Release: Draft

Date: 28<sup>th</sup> June 2019

Author:

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## **1. Purpose of document**

The project is to provide welfare facilities for Officers working on a somewhat remote closed landfill site. The case for undertaking these works is to ensure the Organisation is compliant with The Workplace (Health, Safety and Welfare) Regulations 1992 and The Equality Act (2010) in providing suitable worker facilities for and making reasonable adjustment for an Officer with identified needs and to ensure general accordance with the Health and Safety Approved Code of Practice note 211:

### **Remote workplaces and temporary work sites**

203 For remote workplaces without running water or a nearby sewer, provide enough water in containers for washing, or other means of maintaining personal hygiene, and enough chemical toilets. As far as possible, avoid chemical toilets that have to be emptied manually. If chemical toilets must be used, provide a suitable deodorising agent and ensure they are emptied and recharged at suitable intervals.

204 For temporary work sites, regulation 3(2) requires duty holders to provide suitable and sufficient toilets and washing facilities, so far as reasonably practicable. In other cases, mobile facilities should be provided wherever possible. These should, if possible, include flushing toilets and running water for washing and meet the other requirements of this Code.

## **2. Project aims and objectives**

The overall aim is to ensure Officers have access to welfare facilities when on site. This can be most reasonably achieved by installing a solar powered, self-contained unit on site with toilet and water for washing.

## **3. Background**

An Officer referred themselves to Occupational Health following a medical diagnosis. The outcome of this assessment is that reasonable adjustment should be considered given they can spend more than 4 or 5 hours at a time on site with toilet facilities some 10 to 15 minutes' drive away.

It is also apparent that the Organisation should perhaps be providing water (as per (1) above) whether or not the reasonable adjustment came about. Whilst a tap on site is available, it is just that, a tap in a field.

The proposal is to provide a self-contained welfare unit on site. This leads in to the Organisational priorities of the Health and Safety of Residents, which we could consider the Officers to be and an ability to provide an improved service given the ability to work more effectively and safely on site.

### **3.1. Project Drivers and High Level Issues**

The primary driver is the welfare of Officers and accordance with Health and Safety requirements.

### **3.2. High Level Metrics**

The project is likely to be in the region of £20-25k.

## **4. Scope**

### **4.1. Included in Scope**

The project will include purchase, delivery and installation of a welfare unit. Additional maintenance costs will be provided through the existing revenue budget.

### **4.2. Out of scope**

Ongoing maintenance costs are not part of the project.

## **5. Stakeholders**

Officers will be the key stakeholders in the project with the Health and Safety team, together with Human Resources likely to continue to be important contributors. Facilities Management may wish to provide an input given the site is one owned and operated by the Organisation. It is likely purchase and installation will be carried out through Property Services or H&S with BBLP undertaking any groundworks or pre-installation works required on site.

## **6. Constraints and dependencies**

### **6.1. Initiatives which depend on this project are:**

None although continued works on the landfill will need to be reconsidered if it is not to progress.

### **6.2. This project depends on:**

Officers may opt to change working patterns and restrict activity on site if not delivered in a timely manner.

BBLP, H&S, property and HR will likely be involved to a greater or lesser extent. Together with potential input from Trades Unions and employees.

## **7. Budget provision**

The Project will require corporate funding.

## **8. Estimated costs and assumptions**

Various iterations of units have been considered together with comparative benefits of either rental or purchase and solar or generator power with each element discussed below.

### **Rental or Hire:**

We have compared two solar units on hire cost and purchase cost.

The solar loo has a purchase cost of £14,995 with a hire cost of £85 per week. If we consider the toilet is to be on site permanently and won't need replacing for, say as an absolute minimum, 5 years. The hire cost

would come out at £22,100<sup>1</sup> plus any maintenance cost associated with this option needing funding through the revenue budget. Purchase would represent a saving of £7,105 over that 5 year period.

Moving on to the N solar loo at £11,500, the hire cost of £300 per week is soon outweighed by the purchase. Using the same principle as the solar loo, the cost would be £15,600 over just one year. As such, these haven't been extrapolated to the full minimum lifetime. If hired, this would be an unbudgeted annual commitment from revenue for the site.

<sup>1.</sup> £85 x 52 (weeks per year) x 5 (minimum lifespan in years) = £22,100

### **Power options:**

Solar is the preferred option with it being as minimal maintenance when compared to a generator. Alongside this, we would not need to consider the security of storing fuel on site or need to understand the type of generator. The use of renewable energy to power the unit is also a CO2 saving, in contrast to the generator. Alongside the benefits of solar, given it's to be located on a closed landfill site, a generator which accorded and was certified for use on such a site would be required to mitigate potential risks from ground gases.

Hire of either solar or generator are comparable although broad ranging. With solar hire £85-£300/week and generator £70-c£185/week. The upper scale for the generator type includes a mess facility, however, this is not an essential requirement of the project. As such, there seems little benefit in considering hire of the generator type any further. As a point of note, purchase costs have not been provided but can be sourced if required.

With the above in mind it is considered a solar unit should be the preferred option.

### **Maintenance costs:**

These haven't been included as I believe them to be optional and it is likely any basic cleaning will be carried out by officers when on site. If additional cleaning or maintenance is required, it would likely only be very occasional and be funded through the existing revenue budget.

### **Delivery costs:**

Whilst we currently have costs only for the solar loo, it wouldn't be unreasonable to anticipate similar costs for all at around £295.

### **Groundworks and site preparation:**

We have obtained a budget cost of £2k from BBLP to prepare the site and provide pillar supports together with steps for access. The pillar supports are included to allow for airflow beneath the unit and obviate any risk of gas ingress.

### **Ongoing costs for waste disposal:**

The costs for emptying the unit will be absorbed within the revenue budget for leachate disposal at the site through our current suppliers.

9.

## 10. Benefits

### 10.1. Cashable benefits

10.2. Increased efficiency and use of officer time allowing more on site work and less travelling.

### 10.3. Non-cashable benefits

Accordance with H&S guidance and The Equality Act (2010) and The Workplace (Health, Safety and Welfare) Regulations 1992.

### 10.4. High level timeline

This is a small project likely to be delivered in the following stages and within the next 12 months:

Chose unit and order from supplier.

Enabling works on site and construction of pad/pillars (BBLP)

Delivery to site and commission

Routine maintenance (BBLP or Others)

## 11. Risks

### 11.1. The key risks of not doing the project are:

Potential Organisational non-compliance with H&S guidance and the Equality Act and resultant litigation.

### 11.2. The key project risks are:

A small but ongoing unbudgeted annual maintenance cost.

## 12. Appendices

**Appendix 1 – *Feasibility report (if feasibility study undertaken) - NOT UNDERTAKEN.***

**Appendix 2 – Costing Breakdown**

**Quotes copied below, as included in the main text of the Outline Business Case. This gives an idea of the costs of the units. The excluding install and enabling costs and uplift.**



Option	Description	Purchase Cost	Hire Cost (per week)	Maintenance Cost (per visit)	Delivery Cost
Solar Loo	Portable solar powered toilet with hot hand wash facility	£14,995	£85	£75	£295
N Solar Loo	Portable solar powered toilet with hot hand wash facility	£11,500	£300 (includes maintenance)	£120 (if unit is purchased)	TBC
Groundhog Welfare Unit	Generator powered, W/C cold wash, mess room that has hot wash microwave and kettle	-	£184.89	-	-
Portable Loo	Generator powered toilet with hot hand wash facility	-	£70/80	-	-

Note:

1. We are advised that maintenance would be on an 'as needed' basis due to the infrequent use of the facility. This is something discussed in more detail above.
  
2. Please bear in mind that actual costs will be slightly higher as BBLP will need to add their uplift to any official quote. Costs for the welfare unit and generator powered hot wash toilet will be higher as we don't currently have costs from BBLP for maintenance (if required) and delivery.

**PROJECT DOCUMENTATION**

**FEASIBILITY BUSINESS CASE**

*Passenger Transport Fleet Procurement*

<b>Release</b>	
<b>Date</b>	
<b>Author</b>	
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# Feasibility Business Case History

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## Stage 0 Business Case

### 1. Purpose of Document

This Feasibility Business Case contains information that outlines the potential opportunities, financial implications, and risks of purchasing vehicles to be operated on contracted and commercial passenger transport services. The proposal has been developed to:

- improve quality of passenger transport services and to encourage greater patronage and reduce reliance on private car transport;
- green the fleet to support the climate emergency agenda; and
- reduce revenue burden on base budgets noting a significant pressure in relation to SEND transport and pressures relating to the application of the Public Service Vehicles Accessibility Regulations (PSVAR).

### 2. Objectives

The options set out in this proposal seek to achieve a number of important objectives:

- Service quality improvement: reduce the risk of service disruption by vehicle break downs, significant improvement in the image of passenger transport in the county to encourage patronage;
- Base budget support: reduce revenue costs on contracted and subsidised transport services, mitigate future year revenue pressures;
- Environmental improvement/climate emergency: reduce environmental impact through fuel efficiency and reduced CO2 emissions
- Value for money and longer term planning: develop a financially sustainable vehicle replacement cycle
- Compliance with regulations and equalities act responsibilities: make available accessible vehicles that meet the requirements of the Public Service Vehicle Accessibility Regulations (PSVAR), allowing the council to continue to charge fares to college, and vacant seat payment scheme students

### 3. Background

Passenger transport service include both statutory and discretionary services with an overall gross expenditure of £9m/ year. This comprises:

- £1.45m public bus (£725k net, income from BSOG, school transport budget and cross border contributions)
- £4.6m mainstream school and college transport (£2.9m net with £1.4m income from post 16, £300k vacant seats)
- £1.6m SEND transport

- £1.25m concessionary travel
- £100k operational support (issuing passes, real time system support, travel line support)

The service is experiencing significant budget pressure due to increasing demand for SEND transport and reduced income from the introduction of the Public Service Vehicle Accessibility Regulations (PSVAR).

1. SEN transport has seen increasing demand since 2015, with the current cost of providing the service in the 2019/20 academic year forecast to be £1.58m, a forecast pressure of £408k.
2. On 1<sup>st</sup> January 2020 the final stage of the PSVAR come in to force which means that all coaches carrying fare paying passengers will need to be accessible vehicles. The implications being that without fleet upgrades the council would no longer be able to carry fare paying passengers on school and college transport. This could create an additional funding pressure through lost income of up to £326k per year (other activities are currently underway to reduce this pressure).

This capital bid seeks corporate capital borrowing funding to purchase passenger transport vehicles (buses and minibuses) to be placed on contracted services. This will:

- help address these pressures by reducing contract costs
- significantly improve services for bus passengers and students, and
- make a contribution to the council's objective of reducing CO2 emissions and improve air quality

The proposal includes several options relating to specific service types which have varying benefits in relation to these positive outcomes.

### 3.1. Project Drivers and High Level Issues

By utilising capital funding to purchase and supply vehicles, with ongoing maintenance included, the council will be able to secure contracts with operators at a lower cost level than those currently held. In addition new fleet will provide a better user experience for the passengers, will improve reliability and will have environmental benefits through lower emissions. The impact of these could be improved further by the purchase of electric vehicles.

The following table shows the number of in scope vehicles being utilised on passenger transport services and the revenue cost to each service (this excludes taxi and rail based transport provision).

Service	Minibus	Coach/Bus	Revenue Cost
Subsidised public transport	0	20	£1.45m
Mainstream school & college transport	35	40	£2.37m
SEN transport	15	0	£0.51m
Hereford city commercial bus network	0	20	£0*

*\*the bus network operated in Hereford is not funded by the council and is operated commercially by a bus operator.*

The forecast revenue pressures of £734k which is around 17% of spend on the in scope contracts. An estimate of the contract savings which would be achieved by supplying new vehicles with reduced maintenance costs is around 20%. This is based on knowledge of the typical commercial overheads associated with vehicle depreciation and maintenance. Soft market testing would be undertaken to clarify the likely revenue savings relative to anticipated pressures.

The purchase of 10 low floor accessible buses to be placed on the 10 services most affected by the introduction of PSVAR would in itself allow the council to maintain existing revenue from these services addressing a pressure of £300k which would result from lost income. There would be further savings on top of this from anticipated reductions in contract costs.

To achieve the greatest environmental benefits from this scheme electric minibuses and coaches could be considered. These do have obvious benefits in terms of lower admissions, however this would need to be considered against the substantially higher purchase costs, and ongoing cost of replacing the batteries.

## **4. Scope**

### **4.1. Included in Scope**

Purchase of up to 130 new commercial vehicles to be placed on contracted out bus and school transport services, and on Hereford city commercial services.

### **4.2. Not included in Scope**

- School transport provided by private hire/taxi – a large amount of SEND work is undertaken by private taxi. These are not included in this proposals as this fleet will be extensively employed for other work which does not require council support.
- Commercial bus services not operating exclusively in Hereford.

## **5. Stakeholders**

- Bus users
- School and college students using provided educational transport
- Bus and minibus operators
- Schools and colleges

## **6. Dependencies**

### **6.1. Services which depend on these vehicles are:**

- Subsidised public bus services which provide approximately 800,000 journeys per annum;
- Hereford city commercial bus services which provide approximately 720,000 journeys per annum;
- Mainstream school and college transport which provides approximately 660,000 journeys per annum from vehicles in scope of this proposal;

- SEN school transport which provides approximately 70,000 journeys per annum from vehicles in scope of this proposal;
- 120 schools and colleges who's students are transported on these vehicles; and
- 40 Commercial transport operators who hold contracts to provide these services.

## 6.2. This project depends on:

- The requested capital being available to purchase vehicles;
- Further scoping work to define the project objectives, and deliverables;
- An officer decision report will be required for this project to develop a procurement strategy, proceed with procurement and draw down the requested capital; and
- The Passenger Transport team will work with the Commercial team on the procurement strategy and the procurement of the new fleet vehicles, and with other stakeholders to further define the project.

## 7. Benefits

*The anticipated benefits of the proposed project are listed below:*

### 7.1. Quantifiable

- Reduction in contracting revenue costs for passenger transport services

Service type:	Contract savings (Annual)
Bus fleet (subsidised network)	£290k (20% of current costs)
SEND fleet	£102k (20% of current costs)
Mainstream school/college fleet	£474k (20% of current costs)
Hereford commercial bus fleet	£0k (potential for indirect savings)

- Compliance with the PSVAR regulations leading to the retention of current income levels
- Increased bus use leading to a reduction in congestion (only bus usage quantifiable)

### 7.2. Non-quantifiable

- Improved customer satisfaction and public relations - service users and the wider Herefordshire public will have confidence that Herefordshire Council is committed to providing the best service possible to students and public bus users
- Reduction in service disruptions caused by vehicle breakdowns and downtimes for repairs
- Reduction in carbon emissions across all services from more fuel efficient and/or electric vehicles
- Possible increase in commercial services as operators make use of new vehicles outside of contracted work.



## 8. Contribution to Strategic Objectives

<p>Enable residents to live safe, healthy and independent lives</p>	<p>Improved service delivery and better resilience for school, college and public transport enabling parents and bus passengers to work and contribute to the Herefordshire economy</p> <p>Enable better access to services for residents with mobility problems through the increased availability of low floor accessible buses</p>
<p>Keep children and young people safe and give them a great start in life</p>	<p>Improved service delivery and better resilience for school and college transport enabling children to access education and develop skills for the future.</p>
<p>Support the growth of our economy</p>	<p>Improving the passenger transport fleet will help Increase bus patronage which will help reduce congestion and support economic activity in Hereford and market towns.</p> <p>Without this capital investment it is possible that service revenue pressures would need to be funded by cutting bus services. This would have the opposite effect of reducing access for commuters, encouraging more car use and increasing congestion which would not support economic growth.</p>
<p>Secure better services, quality of life and value for money</p>	<p>Reduced contracting revenue costs</p> <p>Improved Service Delivery</p> <p>Reduced carbon emissions</p> <p>Reduced congestion</p>

## 9. Potential Costs and Options for Project

### Potential options

The council has access to national vehicle procurement frameworks which can offer strong rates for purchasing vehicles especially when ordered in bulk.

There are various vehicle types that could be considered, these include standard vehicles, hybrid vehicles, or fully electric. This proposal has provided options based on the service type and a comparison for each between a standard vehicle and an electric vehicle costing. An option for upgrading the commercial bus fleet in Hereford is included which is based solely on electric vehicles and the greater benefits this might deliver in terms of the council's response to the climate emergency.

Option	Number of vehicles	Standard Vehicles		Total	Option	Electric Vehicles		Total
		Minibus	Bus/Coach			Minibus	Bus/Coach	
1	Public bus services	0	20	20	2	0	20	20
3	School and college transport	35	40	75	4	35	40	75
5	SEN transport	15	0	15	6	15	0	15
	Hereford city commercial bus network	0	0	0	7	0	20	20
	<b>TOTAL</b>	<b>50</b>	<b>60</b>	<b>110</b>		<b>50</b>	<b>80</b>	<b>130</b>

Option	Purchase cost of vehicles	Standard Vehicles		Total	Option	Electric Vehicles		Total
		Minibus	Bus/Coach			Minibus	Bus/Coach	
1	Public bus services	0	£4.5m	£4.5m	2	0	£8.5m	£8.5m
3	School and college transport	£2.1m	£9m	£11.1m	4	£3.5m	£17m	£20.5m
5	SEN transport	£0.9m	0	£0.9m	6	£1.5m	0	£1.5m
	Hereford city commercial bus network	0	0	0	7	0	£8.5m	£8.5m
	<b>TOTAL</b>	<b>£3m</b>	<b>£13.5m</b>	<b>£16.5m</b>		<b>£5m</b>	<b>£34m</b>	<b>£39m</b>

The purchase costs quoted are estimates at this stage and would be subject to further project scoping and a procurement process. An allowance has been made for ongoing maintenance costs, and an estimate for infrastructure required to operate electric buses (such as charging facilities).

An assessment of the benefits against the objectives for each option has been made and is detailed in the table below.

**LOW** = Low benefit score 1, **MED** = Medium benefit score 2, **HIGH** = High benefit score 3

Option	Service type	Fuel	Service Quality	Budget Support	ENV	VFM	Score
1	Public bus services	Diesel	HIGH	MED	MED	HIGH	10
2	Public bus services	Electric	HIGH	MED	HIGH	LOW	9
3	School and college transport	Diesel	HIGH	HIGH	MED	HIGH	11
4	School and college transport	Electric	HIGH	HIGH	HIGH	LOW	10
5	SEN transport	Diesel	HIGH	MED	MED	HIGH	10
6	SEN transport	Electric	HIGH	MED	HIGH	LOW	9
7	Hereford city commercial bus network	Electric	HIGH	LOW	HIGH	LOW	8

Points to note from assessment:

- Electric buses can deliver up to 30% lower emissions than Euro 6 diesel buses
- Technology used in electric buses is early stage and problems with batteries are being encountered, as well as limited range of around 70 miles
- The range of electric minibuses available is extremely limited and again the technology is early stage
- Placing purchased buses on the commercial bus network (options 7), would require significant additional project development to take into account anti-competition and procurement rules as contracts for this work are not held by the council. An operating franchise would possibly need to be set up which would take significantly more work than placing buses on the subsidised bus network which is already under the jurisdiction of the council.
- There is no financial payback from option 7 as these are commercially operated with all revenue going to the operator. The council does not currently make payment, or receive income from these services.

## 10. Costs and Timescales to Develop the Full Business Case

Costs: Officer time, professional consultancy support up to £50k to assist with procurement process

Timescales:

<b>Nov/Dec 19</b>	Develop procurement spec and detailed business case
<b>Mar 20</b>	Successful capital bid
<b>Mar 20</b>	Decision report
<b>April/May 20</b>	Procurement process
<b>Late 2020/early 2021</b>	Contract Award
<b>From April 2021</b>	Receipt of vehicles – dependant on number and type ordered

## 11. Risks of not doing the Project

The key risks of not doing the project are:

- Additional options would need to be considered to address budget pressure including cuts in bus service subsidy and support for community transport
- Income would be lost on school/college transport services which would not become PSVAR compliant adding additional budget pressure
- passenger transport services would continue to be operated by older, less efficient vehicles which do not present an attractive image to help increase patronage or retain existing users

- whilst passenger transport is generally less polluting than private car use an upgraded fleet with more efficient diesel or hybrid/electric vehicles will make a much greater contribution to carbon reduction and improved service quality

**The key project risks are:**

- Not securing the required capital allocation
- Vehicle purchase costs inflationary price increases, especially in light of the planned EU Exit
- Operational service changes that will change the required fleet
- Ongoing costs of replacing batteries on electric buses. As the technology is new to the market the cost of replacing buses is high and the life span is being seen to be shorter than expected.
- Identifying and implementing a compliant procurement process to upgrade vehicle fleet on commercially operated network having regard to competition rules, state aid etc.

## **PROJECT DOCUMENTATION**

### **FEASIBILITY BUSINESS CASE**

#### **Super cycle highway and active travel measures**

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## Stage 0 Business Case

### 1. Purpose of Document

This Feasibility Business Case contains information that describes the justification for setting up a project to deliver a wide programme of active travel measures in Hereford and a county wide network of active travel routes covering the city, market towns and long distance rural links between them. The Business Case is to be submitted to the Capital Strategy Board and if accepted, a more detailed Business Case will be developed.

### 2. Objectives

If the Business Case is approved then the project can be set up and a detailed Business Case can be developed and deliver the following:

- Detailed design of schemes already identified under existing transport packages.
- Consultation with Stakeholders on schemes as they are developed
- Development of a detailed business case as the project progresses
- Recommendations and programming for detailed design and delivery
- Feasibility of additional schemes, and
- Incorporation of these new schemes into the project programme

### 3. Background

A range of cycle schemes are proposed as part of our current transport packages for South Wye and Hereford City. Cycling is promoted as a sustainable travel mode and we have recently launched the Beryl Bikes scheme in Hereford. The Local Transport Plan (LTP) Strategy document sets out our overall approach to promoting active travel as an alternative, especially to short distance car journeys [https://www.herefordshire.gov.uk/download/downloads/id/2912/local\\_transport\\_plan\\_2016-2031\\_strategy.pdf](https://www.herefordshire.gov.uk/download/downloads/id/2912/local_transport_plan_2016-2031_strategy.pdf)

The delivery of these packages is largely supported by capital funding.

This project would enable the active travel measures developed, proposed and consulted upon in the current transport packages to proceed even as the road elements of these packages are reviewed.

In addition, we have sought £3.7m from Highways England through a bid to their Designated Funds Cycling, Safety and Integration programme. This is specifically for a package of cycling and walking measures to improve access within the city, along the A49 trunk road corridor. The trunk road bisects the city from north to south and runs immediately to the west of the city centre resulting in severance for cyclists and pedestrians impacting our ability to increase local journeys by these sustainable modes.



Highways England have indicated they are supportive in principle of this bid but require further confirmation of the detail of some of the elements of the bid. If successful the funding would become available in their RIS2 funding period which covers the years 2020 to 2025.

The promotion of sustainable travel through the ‘choose how you move’ campaign [https://www.herefordshire.gov.uk/info/200136/travel\\_and\\_transport/544/choose\\_how\\_you\\_move](https://www.herefordshire.gov.uk/info/200136/travel_and_transport/544/choose_how_you_move) is funded through the awarded of £1.5M from the Government’s Sustainable Travel Access Fund.

We also have a rural cycle network map showing existing and aspirational county wide cycle routes here: [https://www.herefordshire.gov.uk/download/downloads/id/2530/rural\\_cycling\\_map.pdf](https://www.herefordshire.gov.uk/download/downloads/id/2530/rural_cycling_map.pdf)

Under its Paths for Everyone banner, Sustrans are in the process of reviewing the National Cycle Network to establish a minimum standard of route and deliver over 50 activation projects by 2023 to improve the network. We are already on the local regional steering group.

These improvements would be delivered through the review and development of our transport strategy and the commissioning of a series of transport packages. Revenue budget would be required to develop the strategy and sustain investment in the promotion of the super cycle highway beyond the availability of the funds received through the Designated Fund and the Sustainable Travel Access Fund.

Further external funding opportunities would be identified and bids developed. This project will also confirm our commitment to promoting active travel measures within the county which will attract and provide matched funding for external funding opportunities. Capital will be required to deliver the identified network improvements as described below.

### 3.1. Project Drivers and High Level Issues

The project meets the following strategic objectives

	Yes (strongly supports)	No	Someway towards
Wellbeing (all ages)	Y – Promotes and enables healthy lifestyles. Improves air quality		
Children and young people	Y – Helps provide a safe environment		
Environment and sustainability	Y – Reduces carbon emissions, promotes access to the rural environment.		
Promoting social mobility	Y – encourages and enables low cost travel choices for all		
Financial sustainability			Y – supports growth in tourism and other sectors

The identified network if delivered would provide attractive alternatives to car use across the county, improve health by encouraging active travel and meets the following Core Strategy objectives:

- support the provision of an accessible, integrated, safe and sustainable transport network
- facilitate a genuine choice of modes of travel including walking, cycling and public transport as alternatives to the private car, particularly for short distance journeys
- improve health, wellbeing and the environment by encouraging sustainable transport modes, particularly for short distance journeys.
- improve access to services in rural areas
- ensure cycling, walking and heritage tourism is encouraged by facilitating the development of long distance walking and cycling routes
- reduce the impacts of transport on air quality and noise.

We have already identified three active travel components in our city transport projects: South Wye Transport Package, Hereford Transport Package and the emerging Local Cycling and Walking Infrastructure Plan and while there is some overlap between these components, there are also other schemes included outside their individual scopes. For the city and market towns we would want to ensure other local journeys by active travel modes are also catered for including, for example, journeys to school, leisure, shopping and access to services and this project would ensure we have considered them.

### 3.2. High Level Metrics

High level figures for the construction of the super cycle highway network projects are described below:

Element	£m
Hereford	73
Market Towns	46
<b>Urban total</b>	<b>119</b>
Rural (without the Herefordshire & Gloucestershire canal)	67 -112
Rural (with the H&G canal)	77 -122
<b>Urban + Rural</b>	<b>186 – 241</b>

The Rural route figures are given as a range as exact routing and level of provision is yet to be confirmed. Rural routes, particularly off-road provision may also require land purchase (e.g. former rail lines). This cost is not included in the above figures.

As well as a comprehensive urban walking and cycling network in the city and market towns, this project aims to deliver over 300 km (190 miles) of rural routes across the county connecting them.

## 4. Scope

### 4.1. Included in Scope

The capital bid, if approved, will fund the development to detailed design of existing routes already identified in the Hereford Transport Package, the schemes from the South Wye Transport Package that are additional to the preferred package of measures and schemes identified in our emerging Local Cycling and Walking Infrastructure Plan, taking them through consultation with stakeholders, detailed design, any planning consents or legal agreements required and construction of the works subject to an appropriate procurement process. As an on-going programme it will also allow the investigation and development of schemes yet to be brought to the design stage to include them in the on-going programme and complete the network.

Costs submitted are based on the level of detail known at this time and may change. Costs will be regularly reviewed if the project progresses.

### 4.2. Not included in Scope

Land costs and costs have not been included as required land take outside of highway is not yet known.

South Wye Transport ATM package schemes costs have not been included as there are currently funded through SWTP budget. If this funding is now confirmed these schemes could be progressed using this funding and overall costs would need to be reviewed.

## 5. Stakeholders

For the Full Business Case:

- Cabinet and local members
- Members of the public
- Parish councils
- Interest groups including:
  - Herefordshire Ramblers
  - Cycling groups
  - Sustrans
  - Herefordshire & Gloucestershire Canal
- Affected landowners and tenants
- Statutory stakeholders
- Utilities
- HC planning officer

If this Capital bid is approved a stakeholder list will be further developed as the project progresses

For the Feasibility Business Case:

- Cabinet and local member
- Parish councils
- Interest groups including:
  - Herefordshire Ramblers
  - Cycling groups
  - Sustrans
  - Herefordshire & Gloucestershire Canal
- HC planning officers

If this Capital bid is approved a stakeholder list will be further developed as the project progresses

## **6. Dependencies**

### **6.1. Initiatives which depend on this project are:**

The development of the Cycle superhighway network depends on being able to demonstrate its feasibility and being able to prepare a full business case for the network which demonstrates value for money. The ability to confirm the full extent of the network is also dependent on the development of schemes proposed in the current transport packages.

### **6.2. This project depends on:**

The development of the network will require key stakeholder input which will shape the project to be taken to full business case.

There is a synergy with related projects currently in progress: Hereford City Centre Transport Package, Highways England Designated Funds programme, the Department for Transport Sustainable Travel Access Fund and the emerging Local Cycling, Walking Infrastructure Plan.

## **7. Benefits**

Completing the feasibility business case will enable a programme to be developed of consultation, detailed design and delivery of the Hereford active travel measures and cycle superhighway network. This provides benefits to the following areas as described below:

- Wellbeing (all ages)
- Children and young people
- Environment and sustainability
- Promoting social mobility

- Financial sustainability

### **7.1. Quantifiable**

If this application is successful a full business case will be developed to confirm the scheme benefits and costs to establish a benefits cost ratio which will be assessed to determine if this value represents value for money.

### **7.2. Non-quantifiable**

Completing the feasibility business case will enable a programme to be developed of consultation, detailed design and delivery of the cycle superhighway network which will promote and enable healthy lifestyles. The network will encourage people to use active travel modes and the reduction in traffic will improve in air quality and reduce carbon emissions.

The dedicated infrastructure will help to provide a safe environment, promote access to the rural environment and encourage and enable low cost travel choices for all and support growth in tourism and other sectors.

## **8. Contribution to Strategic Objectives**

Completing the feasibility business case will enable a programme to be developed of consultation, detailed design and deliver of the cycle superhighway network which will:

- Promote and enable healthy lifestyles. Improves air quality
- Help to provide a safe environment
- Reduce carbon emissions, promote access to the rural environment.
- encourage and enable low cost travel choices for all
- support growth in tourism and other sectors

## **9. Potential Costs and Options for Project**

We have already identified three active travel programme components for the city: South Wye Transport Package, Hereford Transport Package and the emerging Local Cycling, Walking Infrastructure Plan. While there is some overlap between the packages, there are also other schemes included outside their individual scopes. For the city and market towns we would want to ensure other local journeys by active travel modes are also catered for including, for example, journeys to school, leisure, shopping and access to services and this project would ensure we have considered them.

Having established costs for Hereford, we have used population as a proxy to develop costs for the **market towns** determining spend /resident. This has allowed us to quantify costs for similar provision in the Market Towns.

Longer distance rural routes are calculated by length, based on previous scheme costs per km – note these exclude any land acquisition costs.

High level figures for the construction of the super cycle highway network are:

<b>Element</b>	<b>£m</b>
Hereford	73
Market Towns	46
<b>Urban total</b>	<b>119</b>
Rural (without the Herefordshire & Gloucestershire canal)	67 -112
Rural (with the H&G canal)	77 -122
<b>Total for Urban + Rural</b>	<b>186 – 241</b>

The Rural route figures are given as a range as their exact routing and level of provision will be determined as the route is developed. Rural routes, particularly off-road provision may also require land purchase (e.g. former rail lines). This cost is not included in the above figures.

The costs outlined in the table below reflect the initial capital costs associated with the development and delivery of an initial package of schemes within the overall proposed super highway network

<b>Capital cost of project</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Future Years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Development of design and delivery of initial programme of cycle route improvements</i>	<b>1000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1000</b>
<b>TOTAL</b>	<b>1000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1000</b>

<b>Funding streams</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Future Years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Capital Programme</i>	<b>1000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1000</b>
<i>Designated Funds (unsecured) *</i>				<b>3700</b>	<b>3700</b>
<b>TOTAL</b>	<b>1000</b>	<b>0</b>	<b>0</b>	<b>3700</b>	<b>3700</b>

\*would be offered during Highway England's RIS2 period 2020/25

<b>Revenue budget implications</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Future Years</b>	<b>Total</b>

<i>As new schemes are brought forward initial feasibility and assessment would need revenue funding – this would be the subject of a separate revenue bud but is included here for information.</i>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>note any impact on revenue budget, good or bad</i>					
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 10. Costs and Timescales to Develop the Full Business Case

The estimated costs for 2020/21 will enable a full business case to be developed, and to identify and develop an initial package of schemes for delivery. Future year's capital bids will develop and deliver further packages of schemes within the super cycle highway network proposals. Other schemes will be added as budget allows and follow a similar rolling process as for the elements already identified.

## 11. Risks of not doing the Project

### 11.1. The key risks of not doing the project are:

- Further severance within the community due to greater levels of traffic
- Lower accessibility to public transport and less use of roads for walking and cycling resulting in less physical activity
- Longer public transport journey times due to buses being stuck in greater queues
- An increase in heavy goods vehicles creating more noise, air pollution and further reduction in perceived pedestrian and cyclist safety
- Lack of improvement in public health and well-being from using active travel
- Further social deprivation as a result of continued isolation and constrained economic and housing development

### 11.2. The key project risks are:

- Failure to secure funding
- Failure to secure landowner agreement to detailed design
- Failure to secure required consents
- Costs increase beyond approved budget

## 12. Appendices

### Appendix 1 – Capital Bid request

**Appendix 2 – Equality and Diversity considerations**

To be developed as part of the full business case.

**Appendix 3 – Privacy and information security considerations**

To be developed as part of the full business case.

**Appendix 4 – Sustainability considerations**

To be developed as part of the full business case.



**PROJECT DOCUMENTATION**

**OUTLINE BUSINESS CASE**

# ***Better Ways of Working***

Release: Final draft

Date: November 2019

Author:

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## Document History

### Document Location

The source of the document will be found within Verto for the BWOW project.

### Revision History

Revision date	Summary of Changes	Changes marked
04/11/2019	First issue	All pages
14/11/2019	Second draft	All pages

### Approvals

This document requires the following approval.

Name	Signature	Project role	Date of Issue	Version
		Sponsor		0.01
		Senior project lead		
		Digital		
		Property		
		Finance		
		Workforce		

### Distribution

Name	Title	Date of Issue	Version
	Children services representative		
	Facilities management		
	Communications		
	Property services		

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## **13. Purpose of document**

This outline business case contains information that describes at a high level the Better Ways of Working project in support of the capital bid submission. The document outlines the project aims and objectives, the costs and timeline.

## **14. Project aims and objectives**

The Better Ways of Working project aim is to drive a change in working practice to achieve the following objectives:

- Reduce capital and operational costs through optimised use of fewer buildings.
- Extend the agile working culture across the county and maximise the investment already made in technology. Over 1,000 staff are laptop and phone enabled.
- Provide the right kind of workspace for staff when working at one of the council's main sites or at a Multi-Agency Office (MAO).
- Reduce wasted lengthy, unproductive travel times for staff by enabling more agile options.
- Make better use of space – better ways of working, greater flexibility of space utilisation, more open, appealing and Wi-Fi connected.
- Change the culture requiring employees to come to a specific place of work in order to be seen to be working, where appropriate.
- Remove the culture of 'desk-ownership' and create more flexibility.
- Make possible and establish a clear desk approach.
- 'Keep going digital' and enable the removal of unnecessary filing cabinets, pedestals and other storage. This in itself will allow us to make better use of office space.
- Move the work culture to focus on productivity and outputs rather than 'presenteeism'.

## **15. Background**

### **15.1. Project Drivers and High Level Issues**

Herefordshire Council has previously rolled out a 'Better Ways of Working' model within some sites including Plough Lane which resulted in mixed adoption levels within teams and directorates. Further review of the use of accommodation and the way in which people are now working has resulted in both a need and desire to refocus the initiative, learning the lessons from the previous project whilst building on what is already in place.

The council's property portfolio includes a mix of rented and owned buildings. The council's accommodation strategy aims to consolidate the estate and move out of expensive rented properties and maximise investment and usage of council owned buildings.

The council's main headquarters is the council owned site at Plough Lane. This site provides the most modern office environment in terms of its structure and layout. It allows for open plan office accommodation, a collaborative space for meetings and social activity and flexibility in the use of the space.

Other buildings with small offices, corridors which break up the space and limited light are less adaptable and inviting. The changes proposed will maximise the use of Plough Lane and enable additional staff to be based there.

Creating a modern, vibrant working environment will demonstrate the council's commitment to being a good employer and attract and retain a highly engaged workforce.

In addition to reconfiguring the space available at Plough Lane to increase the number of people who are able to work from there, the project will also review and encourage the use of MAOs around the county. This will reduce the amount of unnecessary travelling which supports better productivity of the workforce and reduce traffic congestion coming into the city.

The planned changes to Plough Lane will enable the 230 children services staff currently based at the nearby rented accommodation at Nelson House to be relocated. This move will deliver cashable savings in future years from the ceasing of rental and running costs at Nelson House.

## **15.2. High Level Metrics**

The following metrics will be used to monitor the progress and benefits of the project:-

- Revenue cost for Nelson House.
- Reduced travel and the time taken
- Reduction in mileage claims resulting in reduced revenue expenditure
- Staff will be more engaged which can be monitored via the staff opinion survey.

## **16. Scope**

### **16.1. Included in Scope**

The following items are within the scope of this project:

1. Remodelling of Plough Lane including associated building works, IT infrastructure, smaller workstations and more collaborative meetings spaces
2. Development of revised guidance supporting the change of culture to allow staff to work in locations other than their base whilst continue to deliver the services
3. Development of revised guidance on clear desk policy
4. Guidance to managers on how to manage staff that are not always present in the office
5. Changes to the Elgar House site facilities to improve the quality of the working environment at the site to increase productivity

6. Additional electrical power to be installed in the Plough Lane atrium
7. Roll out of additional tools to support more flexible working e.g. laptops, Lapsafe
8. Office moves to bring additional staff into Plough Lane and also reconfiguration of team areas within Plough Lane
9. Review of the MAO facilities around the county to increase options of work and meeting spaces

## 17. Stakeholders

All staff who work for Herefordshire Council are stakeholders for this project with those based in Plough Lane, Elgar House and Nelson being the most impacted by the changes that will be made.

The project delivery group includes senior staff from key areas in the organisation including Performance, HR, Corporate Services, Finance, Communications Team, Property and Facilities Management.

The Management Board are also provided with updates at their regular meetings on the progress of the project and their views are sought at this time. Meetings have been, and will continue to be held, with directors to ensure that the project is delivering to their requirements.

Hoople are also stakeholders and work to enable ICT Services to move from the main Plough Lane site to the annex is included within the project.

Additional stakeholders include all other tenants and landlords in the three properties along with third parties such as the police some of whom use Nelson House.

## 18. Constraints and dependencies

### 18.1. This project depends on:

- Additional fire escape project at Plough Lane (work currently underway)
- Additional capacity being available in the annexe to enable the move of IT storage facilities and turn the current storage space into an additional meeting room on the ground floor at Plough Lane (work due for completion 2021)

## 19. Budget provision

The budget for the project is anticipated to come from existing revenue streams such as property services and IT and capital funding. The building costs for changes to the annexe at Plough Lane will be funded by Hoople.

The budget for the project is £1.065m.

The breakdown of these costs is as follows:

Description	Cost in £'000
Remodelling of Plough Lane	779

<b>IT cost to carry out work</b>	65
<b>Office move of staff</b>	6
<b>Changes to Elgar House</b>	30
<b>Building works to accommodate children services</b>	20
<b>Electrical works</b>	15
<b>Extensions for annexe</b>	150
<b>Total</b>	1,065

The funding streams to be used for the project are outlined below:-

<b>Description</b>	<b>£'000</b>
<b>Capital bid</b>	850
<b>Revenue budgets</b>	65
<b>Hoople funding</b>	150
<b>Total</b>	1,065

## **20. Estimated costs and assumptions**

Initial costs estimates for the redesign of Plough Lane have been provided following soft market testing and through initial space planning design by an office design company. This initial design stage has enabled floor plans for the Plough Lane site.

Assessments of the building works required have been provided by Property Services based on their experience of similar works they have carried out in the past and their knowledge of the contract with other third parties e.g. Balfour Beatty.

The cost of moving from one site to another has been estimated by Facilities Management based on past experience.

The high level estimated cost of £150k for an extension to the annex to accommodate ICT Services is expected to be covered by Hoople budgets.

## **21. Benefits**

The anticipated benefits of the proposed project are listed below:

**21.1. Cashable benefits**

The cashable benefit from this project is the elimination of the cost for Nelson House including rent, heating, lighting and other accommodation related costs. The annual running costs of Nelson House are currently £155k per annum.

**21.2. Non-cashable benefits**

The following non-cashable benefits are expected:

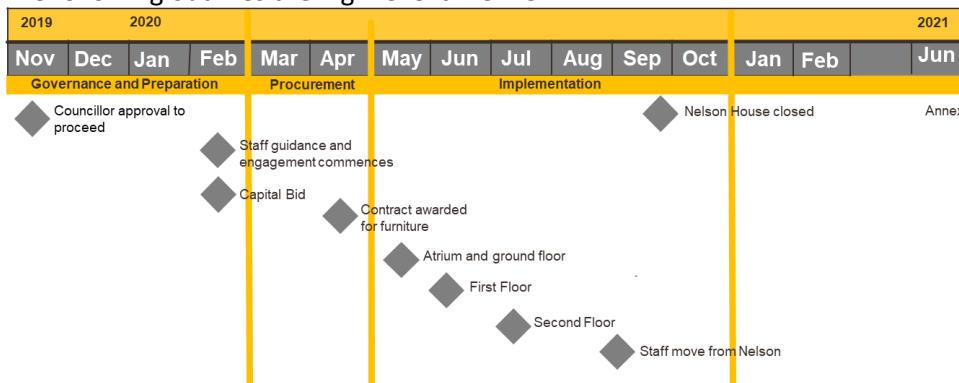
- Increased productivity and engage workforce
- Positive working environment to attract and retain the best staff
- Reduced travel time and cost
- Reduce congestion from staff choosing not to travel into Plough Lane and Nelson House
- Environmental impact

**22. High level timeline**

It is expected that the changes to Plough Lane will take place during May – August 2020.

Staff from Nelson House will move to Plough Lane during September 2020 with the lease on Nelson House ceasing at the end of September 2020. The work to provide an extension to the annex to provide additional storage capacity for ICT Services is likely to continue until 2021. The impact of this is reduced meeting rooms but will be mitigated through additional meeting spaces in the atrium and upper floors in Plough Lane.

The following outlines the high level timeline:-



**23. Risks**

**23.1. The key risks of not doing the project are:**

- Unable to release the revenue savings from Nelson House
- Unable to use the incentive of modern working environment to attract children services staff
- Although not a risk, is there a lost (or reduced) opportunity to break the cultural issues identified in the project objectives.



**23.2. The key project risks are:**

- Adoption of principles of better ways of working is limited and demand for workstations exceeds those available. Stakeholder engagement including meetings with staff groups will be carried out throughout the project initially to assist in developing the vision and then to identify and address any staff barriers there may be to delivering the project.
- Dilapidations for Nelson House have not been agreed

These risks along with others, particularly in relation to project dependencies have been included on the project risk register and will be monitored and mitigation put in place with its effectiveness tested regularly.