

PROJECT DOCUMENTATION

Stage 1 Business Case

Traveller Site Development

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Stage 1 Business Case History

Document Location

The source of the document will be found with Claire Corfield and on the project management system

Revision History

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| CC18/19v2 | 22.10.18 | Addition of funding tables at the start of the Outline Capital Funding Request. | Tables included |

Approvals

This document requires the following approvals:

| Name | Signature | Title | Date of Issue | Version |
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| Richard Ball | | Director Economy and Place | 19.10.18 V1 and 22.10.18 V2 | V1 and V2 |

Distribution

This document will be distributed to:

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| Marc Willimont | Assistant Director Economy and Place | 19.10.18 V1 and 22.10.18 V2 | V1 and V2 |
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Business Case

1. Purpose of Document

The purpose of this document is to set out the justification for the undertaking of a project based on the estimated cost of development and the anticipated benefits to be gained.

The business case is used to say why the forecast effort and time will be worth the expenditure. The on-going viability of the project will be monitored by the Project Board against the benefits identified in this business case.

2. Background and Reasons for the Project

The council is preparing a Travellers' Sites Development Plan Document (DPD) as part of its Local Plan. This will focus on the accommodation needs of the Traveller community (Gypsies, Travellers and Travelling Show People) up to 2031.

The Travellers' Sites Development Plan Document was submitted to the Secretary of State for Housing Communities and Local Government on 27 February 2018 for examination.

The examination hearing for the Herefordshire Travellers' Sites Development Plan Document took place in May 2018.

In the post hearing advice the Inspector asked the Council to review the sections of the Gypsy and Traveller Accommodation Assessment in relation to turnover of pitches on the local authority sites. This review has resulted in a further five pitches being required in the County before 2022/23 and further 11 pitches between 2023 and 2031. This is in addition to the nine pitches already identified in the Travellers Sites DPD.

This Capital Bid seeks to facilitate this challenging requirement of increasing provision of Traveller Pitches.

In addition to the duty described above, concerns have been raised by Elected Members and the Director for Children's Services regarding the condition of the Council Managed Traveller Sites. The brick units have been upgraded over the past few years but are requiring further modernisation and upgrade. When the sites were first built there was not such demand on the facilities, these are now lacking and require upgrade. In addition the doors, fencing and general landscaping are requiring replacement and/or improvement.

Many of the repair and call out works are associated with electricity problems including trip outs, where residents are left without electricity until the supply can be re-instated. The supply to the sites needs upgrade to cope with modern appliances.

Summary of Reasons for the project

Document any compelling reasons for this project.

- Comply with the DPD
- To modernise the units and to secure income.
- Comply with landlord responsibilities.
- To be responsive to the needs and opinion of our tenants.

3 Objectives

- To develop new pitches
- Modernise existing units
- Improve facilities to the units
- Reduce the maintenance costs for traveller sites owned or leased by the Council.

4 Contribution to Strategic Objectives

| | |
|--|--|
| Enable residents to live safe, healthy and independent lives | This project also supports residents of Council owned sites to live safe, healthy and independent lives, and supports the choices available for persons not wishing to live in |
|--|--|

| | |
|---|--|
| | 'bricks and mortar'. |
| Keep children and young people safe and give them a great start in life | Better provision of accommodation and an increase in plots available will enhance traveller children's lives. Stability in accommodation enables facilities to be accessed more easily. |
| Support the growth of our economy | The rising maintenance costs of the housing stock will be reduced as the accommodation is improved, this reduction will be realised for future years. |
| Secure better services, quality of life and value for money | <p>Development of good quality accommodation supports the secure better services, quality of life and value for money element within the Corporate Plan.</p> <p>If the Council were to seek alternative management/ownership of the Sites, if the properties are in improved condition, seeking this type of change would be feasible.</p> |

Not included in scope

- General repair and maintenance of sites
- Routine planned maintenance

5 Stakeholders

The key stakeholders of the project with an analysis of their potential role on the project;

- Property Services
- Gypsy and Traveller Service
- Planning
- Building contractor
- Gypsy and Traveller Community
- Residents of the sites
- HCA
- Housing Solutions Team

6 Scope

- Developing new pitches at Bromyard x 2, Pembridge x 4.
- Improvements to the fencing and communal areas of the x 6 sites

7 Work Performed

Details of the work undertaken in putting together the Business Case

- Stock condition survey
- Basic survey quotes from Property Services
- Consultation with residents on existing sites

- Fire Risk Assessments
- Basic environmental advice
- Basic Planning advice
- Best practice landscaping

Should also include a subsection on Equality and Diversity:

8 Benefits

a. Benefits

- Demonstrate that the Council is working towards delivery of the requirements of the DPD and GTAA
- Secures and increases rental income from the properties now and into the future
- Reduces the repair and maintenance costs due to improved facilities
- Ensures that the housing and cultural needs of the travelling community are appropriately acknowledged and supported.
- Residents will feel encouraged to look after better quality accommodation and surroundings
- Improve the chances of seeking alternative management/ownership of the sites to achieve Housing Association benefits for the residents.

b. Key Project risks

Development of Traveller sites is not always popular with the Community in general and can attract adverse Political attention. The project will need careful management both in terms of finance and managing the public interest element.

Work on sites can cause some disruption to residents. The work carried out over the past three years has been managed well by careful selection of appropriate contractors, who are aware of the difficulties of working in areas where residents remain in their homes while the work is being carried out.

As there is not currently a depreciation budget for the planned maintenance of the sites, there is not currently a budget to undertake planned work when they need replacement or repair.

As such it is proposed that the revenue contributions for the capital repayments are met corporately.

9 Options

- Accept as proposed
- Reject proposals
- Select part of the bid

a. Summary of costs for each option

A summary of each option and the relative additional costs to the Council are shown in the table below:

| Option | Project costs | Annual on-going costs | Return on investment |
|----------|--|--|--|
| Option 1 | £1,539,500 | Increase in number of pitches requiring routine maintenance and repair | Increase in income from additional rental income |
| Option 2 | Nil | Increase in maintenance costs due to brick units deteriorating and land/fencing requiring repair/replacement. Potential difficulty renting pitches due to deteriorating units resulting in a decrease in income | No Capital repayments |
| Option 3 | If funds are to be allocated for part of the project, it is difficult to | | |

| | | | |
|--|---|--|--|
| | <p>pursue the project. The residents are not supportive of development of the new pitches, without the other work being progressed.</p> <p>The requirements of the DPD can only be met by increasing the number of pitches and these are the easiest pitches to supply.</p> | | |
|--|---|--|--|

b. Summary of benefits achievable from each option

A summary of the benefits from Section 8 achievable for each option is shown below:

| Option | Increased fee income | Saving on repair and maintenance | DPD benefits |
|----------|----------------------|----------------------------------|--------------|
| Option 1 | y | y | y |
| Option 2 | n | n | n |
| Option 3 | y | n | y |

c. Summary of impact and scale of people change for each option (if potentially a decision-making factor)

A summary of the impact and scale of people change for each option may be shown below:

| Option | Impact for people (positive, negative, neutral)* | Scale of change (low, medium, high)* |
|----------|---|--------------------------------------|
| Option 1 | <p>Positive for current and new residents</p> <p>Positive for Council for delivery of DPD</p> | High |

| | | |
|----------|--|------|
| | | High |
| Option 2 | | High |
| Option 3 | Positive for new residents waiting for plots. Positive for delivery for DPD | High |

*: It may be clearer to describe the impact and scale of each change option for some projects.

d. Summary of adverse effects for each option (if and only if this is potentially a decision-making factor)

A summary of the adverse effects of the change for each option may be shown below:

| Option | People impacted | Nature and scale of impact |
|----------|---|----------------------------|
| Option 1 | Capital repayments – the repayment period in monetary terms is approximately 70 years | |
| Option 2 | Negative for residents as they were consulted over their priorities and this would show a lack of consideration for their responses. Reputation negative for the Council due to non-compliance with the DPD. | |
| Option 3 | Negative for existing tenants who were consulted regarding improvements they prioritised | |

10 Costs and timescales of recommended option

a. Recommended Option

Option 1. The money not received during the last bid is key to pursuing the project. The past application included modernisation works identified during the consultation phase by the current residents. The residents did not fully support either the transit site or development of new pitches, as these were seen as less important to them, than the other works. In addition the application included additional resource to manage the project; currently there is no resource to be able to pursue this work. The bid received from the previous year of £360,000 covers the development of three pitches only.

There is no resource to manage a project of this size within the current structure, therefore, the money provided for the pitches to date, cannot be used without resource to lead on the project.

The other improvement works requested by residents was not included and this has proved to be contentious amongst the residents and is included in this bid.

b. Project Implementation Costs – Recommended Option

The project covers an extended period and the HC7 resource would be crucial to see it through to implementation. The money secured to date £360,000 for the development of 3 x pitches cannot be pursued with the current resource in the team. The one dedicated member of this team is a HC5 and is fully occupied. The Service Manager has four other busy areas including Licensing which does not allow them to support this project in a day to day capacity. It is expected that this HC11 would provide management support to the HC7 project manager. This post should be implemented prior to the project being undertaken.

The exact costs of Planning Permissions and an agent to produce suitable plans etc are unknown, but it has been estimated in the bid. Similarly for any Environmental searches which may be required.

It is likely none of the planned work will commence until after April 2019, including the 3 x pitches for which funding is already allocated.

c. Staff Resources and Costs

The following project staff costs have been identified. These are a mix of core-funded roles and non-core funded roles.

The Business Lead role will be performed by Claire Corfield who is the Service Manager for the Gypsy and Traveller Service. The project will be managed by the Project lead which is included in the bid.

d. Timescales

The project can be broken into stages.

- Stage 1 – Procurement
- Stage 2 – Survey and detailed costing
- Stage 3 – Contractor
- Stage 4 – Implementation (will be broken down into sections)
- Stage 5 – Ground works
- Stage 6 – Build
- Stage 7 – snagging

This early planning would indicate the following timescales could be achievable:

| Activity | Dates |
|--|-----------------------|
| ➤ Pre-project – consider recruitment of resource needed for project start date (subject to funding sign off) | January/February 2019 |
| ➤ Project start | April 2019 |
| ➤ Project documentation prepared | June 2019 |
| ➤ Project governance established | September 2019 |
| ➤ Detailed project plan created | September 2019 |
| ➤ Privacy Impact and Equality Impact Assessments completed | June 2019 |
| ➤ Prepare detailed surveys for procurement | June 2019 |
| ➤ Prepare procurement documentation | June 2019 |
| ➤ Commence recruitment of additional resource | Jan/Feb 2019 |
| ➤ Procurement initiated | July 2019 |
| ➤ Procurement process | August 2019 |
| ➤ Contractor selected | August 2019 |
| ➤ Contract signed | September 2019 |
| ➤ Implementation plan agreed with chosen supplier | September 2019 |

| Activity | Dates |
|--|------------------------------|
| ➤ Post-procurement finances review | Monthly after September 2019 |
| ➤ Communication strategy prepared | January 2019 |
| ➤ Start build date on units requiring upgrades | April 2019 |
| ➤ Start build date on new units not require planning consent | August 2019 |
| ➤ Agent selected to draw plans and make planning permission applications | August 2019 |
| ➤ Planning approval period | December 2019 |
| ➤ Start build for remaining plots requiring planning consent | January 2020 |
| ➤ Project closure process started | March 2020 |
| ➤ Project closure reports completed | August 2020 |
| ➤ Benefits review | October 2020 |
| ➤ Project close | December 2020 |

11 Risks

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

- a. **Non compliance with DPD**
- b. **Reduction in income from rental**
- c. **Increase pressure on maintenance budget**
- d. **Continued challenge regarding the condition of the sites**

12 Issues

There is a significant number of important issues which need to be resolved and decisions which need to be made to achieve the successful delivery of the benefits of the project.

- Some of the project is subject to Planning Consent
- The project depends on sourcing suitable contractors
- There is no contingency or budget to pay the additional Capital borrowing from the income

- No depreciation plan is in place for costs of upkeep on the sites. Budget only exists for basic repair and maintenance.

13 This project depends on:-

- Residents on sites**
- Preparing the property for consideration of a change in management/ownership of the sites**
- Planning consent**
- Finance available to pursue the project**

Core Funded Roles

| Role | Description of Main Duties |
|----------------------------------|--|
| Service Manager HC11 | <ul style="list-style-type: none"> ▪ Help to describe, prioritise and agree the requirements ▪ Approving functional and non-functional requirements ▪ Act as project link with users who will be affected by the changes ▪ Represent other users views and opinions ▪ Be an advocate for the project ▪ Review refurbishment work to ensure they meet the end users' needs ▪ Building and leading the project team |
| Gypsy Liaison Officer HC5 | <ul style="list-style-type: none"> ▪ Assist with communication between the residents and visitors to the sites. ▪ Accompany visitors/contractors to the sites as required. ▪ Send written communication to residents as required. ▪ Arrange meetings for residents as required. |

Non-Core Funded Roles

| | |
|----------------------------|--|
| Project Manager HC7 | <ul style="list-style-type: none"> ▪ Managing the project budget ▪ Day-to-day control of the project ▪ Escalating issues and risks which they cannot resolve ▪ Delivery of project outputs to cost, quality and time |
|----------------------------|--|

Appendix 1 – Financial Assessment