Connected Communities Scrutiny Committee

Year of Delivery Review

7th July 2026

Update on delivery of the major capital projects

Hereford Western Bypass Phase One

Project Highlights Report June 2026

Previous RAG rating: GREEN – no change

Key project milestones, activity and progress

Project Manager: **Gary MacDonnell**

Progress since last month

Timeline

10th September	Cabinet Decision
September	Mobilisation
December	Construction starts

Activity this period

Land: Good progress with landowners

- Negotiations well advanced with landowners
- Of the 8 parcels of land only 1 is at risk of requiring CPO. CPO processes started as fallback position
- Officers meeting land agent and legal teams weekly to progress

Contract: PCSA Award - John Graham Construction Ltd appointed

- Value engineer, land matters and contract finalisation meetings have been taking place and are helping to uncover and resolved detailed design issues.
- Priority to establish VE targets
- Engagement with Network Rail and National Highways underway, approvals well advanced

Business case:

- FBC on track to be published in July

Planning:

- Supplementary and temporary works planning applications being submitted in July informed by buildability and contractor programme.

Finance:

Approved Budget	
Development	10.3m
Construction	35m
Total budget	**~£45.3m**
Spend to date	£2.54m
Value Engineering (agreed)	-£3.5m
Forecast Cost (completion)	£45.3m

- PCSA Cost: £1.8m.
- Construction tender costs are estimated £38m.
- Development budget of £10.3m is likely to underspend by ~£1m
- Value engineering being developed to ensure options available to control spend

Planned activity for next period

- FBC being reviewed by scrutiny
- Site clearance work and compound set up being planned
- Supplementary planning applications submitted

Key Risks & Issues

- Land Acquisition delays - Remains a risk – mitigation weekly meetings with land agents and CPO running in background
- Affordability – Risk reduced on receipt of affordable scheme tenders
- Meeting Planning conditions – risk of slow responses from Natural England ecology surveys continue and species licenses submitted to NE.
- AIP’s with NH and NR remain a risk but early engagement helping to progress these.

Hereford Transport Hub

Key project milestones, activity and progress

Project Manager: **Laurance Butterworth**

Progress since last month

Project Highlights Report

April 30th 2026

Previous RAG rating: GREEN – no change

Timeline

August 2024	Construction begins
September /October 2026	Soft launch

Activity this period

- Building framework almost completed. Works will begin to move onto the public realm areas with the installation of paving slabs beginning.
- Some delays due to highway design issues and changes, but still on track for a completion in Oct 2026 .
- Positive meeting held with bus operators – number of operational issues taken away for consideration including some changes to Trans Hub designs
- Contract management has gone well with normal levels of compensation events and change management. Highway design CE remains outstanding and directors meeting to try to resolve dispute.

Planned activity for next period

- Second senior rep meeting to take place to try to resolve dispute, seeking legal advice on adjudication.
- Construction to move onto the public realm areas
- Further meeting with bus operators to discuss operational issues and opening

Finance:

Approved Budget	
Leveling Up Fund	£8.8m
HC capital match	£1m
ATM	£1m
LTG	£1m
Total budget	**£11.8m**
Spend to date	£5.8m
Forecast Cost (completion)	£11.5m

- Increased costs possible from highway design changes which are in dispute.
- Potentially some savings made from reduced need to remove hazardous materials
- Still on track to deliver in budget

Changes to Scope or Quality

- Minor changes to highway design requirements has resulted in approximately 45 day delay but some of this has been recovered.

Key Risks & Issues

- Unchartered utilities resulting in delays and additional costs – Ground works now completed significantly reducing this risk
- Additional design changes or requirements – resulting in higher costs and delayed programme. Some realised, not expecting further design issues.
- Operational issues – some bus operators unhappy with operational issues – meetings being arranged with operators to discuss and resolve issues

Ross Enterprise Park

Key project milestones, activity and progress

Project Manager: **Mark Pearce/ Matt Locking**

SRO: Roger Allonby

Progress since last month

Project Highlights Report May 2026

Previous RAG rating: Green – no change

Timeline

October 2025	Contractor appointment
February 2026	Main works start on site
March 2026	Business Launch Event
Dec 26/ Jan 2027	Completion and handover end

Activity this period

Construction works ongoing but constrained mainly due to utility works issues

Utility diversions and extension works ongoing (Broadband and water)

Engaging interested businesses in target sectors – more interest than available plots

Delivering elements of wider housing scheme S106- Governance completed so works can now commence

Phase 2 outline design and business case works commissioned

Activity over next period

- Construction works to continue with programmed works adapted to allow for utility works constraints
- Governance decision to delegate route to selling the plots
- Heads of Terms with those selected for plots
- Identify costs for phase 2 and develop business case

Finance:

Approved Budget	£8m
Development	£0.8m
Construction	£7.2
Total budget	
Spend to date	£1.6m
Forecast Cost (completion)	£8m

Changes to Scope or Quality

- S106 crossing works incorporated into scheme
- Given level of demand for land, investigating phase 2

Key Risks & Issues

- Utility diversion works impacting on main works programme, in particular S278 highway construction- S106 highway crossing and S104 drainage works being brought forward and reconfigured to mitigate risk
- More interest from businesses than available plots – scoring criteria will enable selection process, and investigating early roll out of phase 2 (subject to business case).

Museum and Art Gallery

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Key project milestones, activity and progress

Project Manager: Sue White

SRO: Roger Allonby/ Damian Etheraads

Project Highlights Report May 2026

Previous RAG rating: Red

Timeline

November 2026	Bill of Quantities/ Cost Report from contractor identified a gap of £14m
Feb 2026	Revision to scope of the project, such as the removal of the additional roof. Approval/governance for 8-week validation period of revised scope
April (end)	Validation report received level of gap reduced to £6.6m
June 2026	Further review to identify opportunities to phase elements of the project reducing the gap to £3.6m
July 2026	Commission redesign

Activity this period

- Commission the redesign work (6 to 8 months)
- Application for grant funding (up to £5m) to the Arts Council Museum Estates and Development Fund (MEND) grant fund
- Application for grant funding to the Wolfson Foundation

Activity over next period

- Completion of redesign and revised planning application
- Appointment of contractor for RIBA 5/6
- Commence construction summer 2027

Finance:

Approved Budget	£20.8m
Development	£5m
Construction	£11.2m
Fit Out/ Activity	£5m
Total budget	
Spend to date	£4.3m
Forecast Cost (completion)	£24.4m

- Grant secured to date £5m Stronger Towns, £5.2m Heritage Lottery Funding, £750K Arts Council, £1m Salix decarbonisation Funding, £200K Clore Duffield Foundation, £8.4m council funding.
- Grant funding applications to be submitted to fund any gap

Changes to Scope or Quality

- Planned additional storey and terrace removed
- Smaller rooms on 4th and 5th floor, and foyer lift in phase 2

Key Risks & Issues

- Construction costs could further increase during redesign – the costs have been developed to date with a tier 1 contractor and experienced design team, and are based on direct market testing with the contractor's supply chain.
- Further grant applications may not be successful meaning a funding gap remains – mitigated by developing thorough applications which meet grantor objectives. The council has secured over £12m in grant funding for the project to date.

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Shirehall

Key project milestones, activity and progress

Project Manager: **Mike Griffin/ Luke Merriman**

SRO: John Hobbs

Project Highlights Report May 2026

Previous RAG rating: Red

Timeline

April 2026	Gleeds appointed to lead the design team, working with contractor, to focus on stabilisation of the building (creating a future shell and core) .
April 2026	Cabinet approved relocation of proposed library space from the Assembly Room to Court Room 2 and surrounding areas.
Nov 2026	Finalisation of design and RIBA stage 3 cost plan
March 2027	RIBA stage 4 designs and cost plan

Activity this period

- Appointment of Gleeds and design team
- Design and Pre-construction Services Agreement agreed/ contracted
- Commissioning further site investigations
- Commission internal design of the library space in revised location (Court Room 2 and surrounds)

Activity over next period

- Finalise design by March 2027
- Appoint Contractor for RIBA 5/6
- Commence construction summer 2027

Finance:

Approved Budget	£11.2m
Shell and Core	£8.5m
Library fit out	£2.6m
Total budget	
Spend to date	£1.8m
Forecast Cost (completion)	£11.2m

- Library fit out is funded from Stronger Towns grant funding (£2.6m)
- Council contribution includes £4.5m from the Historic Buildings Fund

Changes to Scope or Quality

- Relocation of library from Assembly Room to Court Room 2 and surrounds due to excessive costs

Key Risks & Issues

- Building is in a significant state of disrepair, costs may increase as surveys undertaken and more becomes known about the building. Surveys commissioned to reduce risk of future cost.
- Stronger Towns grant funding needs to be spent by end of March 2028 – current project plan identifies this can be met.

Holme Lacy Road

Key project milestones, activity and progress

Project Manager: Matt Locking

SRO: Scott Tompkins

Project Highlights Report May 2026

Previous RAG rating: AMBER – Prev Green

Timeline

October 2025 Construction commenced

Spring 2027 construction completes

Activity this period

Construction is split into phasing (1-4) to allow TM to progress and minimise disruption to the public- Phase 1 and 2 works ongoing ahead of completion in July.

Approximately 40% of the project is completed.

Activity over next period

Main carriageway surfacing works to take place August '26 ahead of Phases 3 and 4 commencing.

Additional lighting, traffic lights and traffic calming measures will be installed

Finance:

Approved Budget	£7.9m
Total budget	
Spend to date	£2.6m
Forecast Cost (completion)	£7.9m

- Anticipating to underspend on this project and for the LUF funding to be shifted over to the Commercial Road scheme budget for delivery next year.

Changes to Scope or Quality

- No changes

Key Risks & Issues

- **Risk of further unchartered services encountered mitigated by pre-construction surveys**
- **Risk of lengthening programme and increased costs due to the necessity of minimising disruption on the network**
- **New scheme layout sections have been the subject of some public concern, signage put in place to raise awareness of users and regular design review taking place.**
- **Wider scheme enquiries are being responded promptly to mitigate concerns by local stakeholders, residents and businesses- scheme web-page updated as well as signage and letter drops along the route to inform residents.**