

Agenda

General scrutiny committee

Date: **Friday 29 March 2019**

Time: **10.15 am**

Place: **Council Chamber, The Shire Hall, St Peter's Square,
Hereford, HR1 2HX**

Notes: Please note the time, date and venue of the meeting.

For any further information please contact:

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If you would like help to understand this document, or would like it in another format, please call Tim Brown, Governance Services on 01432 260239 or e-mail tbrown@herefordshire.gov.uk in advance of the meeting.

Agenda for the meeting of the General scrutiny committee

Membership

Chairperson **Councillor WLS Bowen**
Vice-Chairperson **Councillor BA Baker**

Councillor SP Anderson
Councillor JM Bartlett
Councillor AW Johnson
Councillor A Warmington
Councillor SD Williams

Agenda

Pages

1. APOLOGIES FOR ABSENCE

To receive apologies for absence.

2. NAMED SUBSTITUTES

To receive details of members nominated to attend the meeting in place of a member of the committee.

3. DECLARATIONS OF INTEREST

To receive declarations of interests in respect of Schedule 1, Schedule 2 or Other Interests from members of the committee in respect of items on the agenda.

Questions during the 'purdah' period

In the run up to the local government elections on 2 May 2019, known as the "purdah" period, questions may be rejected if they affect support for a political party or candidate, or if the response could not be given without breaching the guidance on publicity during this sensitive period.

Guidance is available on the Herefordshire Council website at

https://www.herefordshire.gov.uk/download/downloads/id/16017/pre-election_guidance_purdah_2018.pdf

4. QUESTIONS FROM MEMBERS OF THE PUBLIC

To receive any written questions from members of the public.

Details of the scheme and related guidance are available here:

https://www.herefordshire.gov.uk/info/200148/your_council/61/get_involved

Please submit questions to councillorservices@herefordshire.gov.uk

The deadline for the receipt of questions is Monday 25 March 2019 at 5.00 pm.

Accepted questions will be published as a supplement prior to the meeting.

5. QUESTIONS FROM MEMBERS OF THE COUNCIL

To receive any written questions from members of the council.

Deadline for receipt of questions is 5:00 pm on Monday 25 March 2019.

Accepted questions will be published as a supplement prior to the meeting.

Please submit questions to councillorservices@herefordshire.gov.uk

6. CALL-IN OF CABINET MEMBER DECISION ON HEREFORD TRANSPORT PACKAGE 9 - 38

To consider the call-in of the decision of the cabinet member infrastructure on Hereford Transport Package.

The public's rights to information and attendance at meetings

You have a right to: -

- Attend all Council, Cabinet, committee and sub-committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting.
- Inspect minutes of the Council and all committees and sub-committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public register stating the names, addresses and wards of all Councillors with details of the membership of Cabinet and of all committees and sub-committees.
- Have a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the Council, Cabinet, committees and sub-committees.
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
- Copy any of the documents mentioned above to which you have a right of access, subject to a reasonable charge (20p per sheet subject to a maximum of £5.00 per agenda plus a nominal fee of £1.50 for postage).
- Access to this summary of your rights as members of the public to attend meetings of the Council, Cabinet, committees and sub-committees and to inspect and copy documents.

Public transport links

The Shire Hall is a few minutes walking distance from both bus stations located in the town centre of Hereford.

Recording of this meeting

Please note that filming, photography and recording of this meeting is permitted provided that it does not disrupt the business of the meeting.

Members of the public are advised that if you do not wish to be filmed or photographed you should let the governance services team know before the meeting starts so that anyone who intends filming or photographing the meeting can be made aware.

The council makes official audio recordings of meetings. These Recordings are available via the council's website.

The reporting of meetings is subject to the law and it is the responsibility of those doing the reporting to ensure that they comply.

Fire and emergency evacuation procedure

In the event of a fire or emergency the alarm bell will ring continuously.

You should vacate the building in an orderly manner through the nearest available fire exit and make your way to the Fire Assembly Point in the Shire Hall car park.

Please do not allow any items of clothing, etc. to obstruct any of the exits.

Do not delay your vacation of the building by stopping or returning to collect coats or other personal belongings.

The Chairperson or an attendee at the meeting must take the signing in sheet so it can be checked when everyone is at the assembly point.

Guide to General Scrutiny Committee

Scrutiny is a statutory role fulfilled by councillors who are not members of the cabinet.

The role of the scrutiny committees is to help develop policy, to carry out reviews of council and other local services, and to hold decision makers to account for their actions and decisions.

Council has decided that there will be three scrutiny committees. The Committees reflect the balance of political groups on the council.

The General Scrutiny Committee consists of 7 Councillors.

Councillor WLS Bowen (Chairperson)	Herefordshire Independents
Councillor SP Anderson	Conservative
Councillor BA Baker (Vice-Chairperson)	Conservative
Councillor JM Bartlett	Green
Councillor AW Johnson	Conservative
Councillor A Warmington	It's Our County
Councillor SD Williams	Conservative

The committees have the power:

- (a) to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the executive,
- (b) to make reports or recommendations to the authority or the executive with respect to the discharge of any functions which are the responsibility of the executive,
- (c) to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are not the responsibility of the executive,
- (d) to make reports or recommendations to council or the cabinet with respect to the discharge of any functions which are not the responsibility of the executive,
- (e) to make reports or recommendations to council or the cabinet on matters which affect the authority's area or the inhabitants of that area
- (f) to review or scrutinise decisions made, or other action taken, in connection with the discharge by the responsible authorities of their crime and disorder functions and to make reports or recommendations to the council with respect to the discharge of those functions. In this regard crime and disorder functions means:
 - (i) a strategy for the reduction of crime and disorder in the area (including anti-social and other behaviour adversely affecting the local environment); and
 - (ii) a strategy for combatting the misuse of drugs, alcohol and other substances in the area; and
 - (iii) a strategy for the reduction of re-offending in the area
- (g) to review and scrutinise any matter relating to the planning, provision and operation of the health service in its area and make reports and recommendations to a responsible person on any matter it has reviewed or scrutinised or to be consulted by a relevant NHS

body or health service provider in accordance with the Regulations (2013/218) as amended. In this regard *health service* includes services designed to secure improvement—

- (i) in the physical and mental health of the people of England, and
- (ii) in the prevention, diagnosis and treatment of physical and mental illness
- (iii) And any services provided in pursuance of arrangements under section 75 in relation to the exercise of health-related functions of a local authority.

(h) to review and scrutinise the exercise by risk management authorities of flood risk management functions or coastal erosion risk management functions which may affect the local authority's area.

The specific remit of the general scrutiny committee includes:

- Services within the economy, communities and corporate directorate
- Corporate performance
- Budget and policy framework matters
- Statutory flood risk management scrutiny powers
- Statutory community safety and policing scrutiny powers

Who attends general scrutiny committee meetings?

Coloured nameplates are used which indicate the role of those attending the committee:

Pale pink	Members of the committee, including the chairman and vice chairman.
Pale Blue	Cabinet Members – They are not members of the committee but attend principally to answer any questions the Committee may have and inform the debate.
Orange	Officers of the council – attend to present reports and give technical advice to the committee
Green	People external to the Council invited to provide information to the committee.
White	Other councillors may also attend as observers but are only entitled to speak at the discretion of the chairman.



Meeting:	General scrutiny committee
Meeting date:	Friday 29 March 2019
Title of report:	Call-in of cabinet member decision on Hereford Transport Package
Report by:	Statutory Scrutiny Officer

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To consider the call-in of the decision of the cabinet member infrastructure on Hereford Transport Package.

The cabinet member's decision has been called in by the following seven councillors: Councillors EPJ Harvey, JM Bartlett, EE Chowns, FM Norman, AJW Powers, A Seldon, and A Warmington

Recommendation(s)

That the committee determines either:

- a) not to refer the decision back to the cabinet member to reconsider; or**
- b) to refer the decision back to the cabinet member to reconsider, and in doing so specifies the concerns that the cabinet member is asked to take into account.**

Alternative options

- a) There are no alternatives to the recommendations which reflect the options open to the committee.

Key considerations

1. In accordance with the scrutiny rules set out in the council's constitution, the decision by the cabinet member – infrastructure on 11 March 2019: Hereford Transport Package (at appendix 1), has been called-in for consideration by this committee.
2. The stated reasons for the call-in are given in appendix 2 and are reproduced below:

Ground	Evidence
<p>(b) that there was inadequate evidence on which to base a decision and that not all relevant matters were fully taken into account;</p>	<ul style="list-style-type: none"> • According to the latest A&G committee agenda papers, insufficient assurance has been provided by SWAP that the project management and governance requirements of this council are being followed on this project and other major capital projects. • The feasibility business case states clearly that: "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." The feasibility business case goes on: "If the business case is approved then the project can continue in 2019/2020 and project development can continue to current programme." We do not believe that the outline business case has been approved. • Our finance regulations state that: "4.7.115 Following approval of the capital programme and agreement of the capital budget, each project will be subject to the relevant governance process before being implemented." This budget has not been agreed as a detailed business case and the project is not fully complying with the project management requirements agreed following the Blueschool House investigation.

<p>(d) that the decision is disproportionate to the desired outcome;</p>	<ul style="list-style-type: none"> • There is no appropriately detailed plan approved for how this money is to be spent. The feasibility business case only states that £3.5m will be spent in 2019-20. This is disproportionate to the spending requirement to keep the project ticking over during purdah. • Allowing the entire £3.5m to be dealt with under officer delegation is disproportionate to whatever costs need to be incurred on this project until 3 May 2019. Any new contracts which may need to be commissioned are politically controversial and should be deferred until after the election. This project is politically controversial and would be subject to change if there is a change in administration. It is not appropriate to give officers authority to commit up to the entire budget during the purdah period.
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3. Having heard the evidence for calling in the decision, and any response from the cabinet member, the committee may decide that it is satisfied or, if concerns remain, the committee may choose to recommend that the cabinet member reconsider the decision in light of specific comments the committee makes.
4. If the committee is satisfied, the original decision may be implemented immediately.
5. If the committee makes a recommendation to the cabinet member, they shall reconsider any decision referred to them following call-in, take into account any views expressed by the relevant scrutiny committee and may either amend or confirm the original decision or require further specified work to be undertaken before making a final determination.

Community impact

6. In accordance with the council's adopted code of corporate governance, the council is committed to promoting a positive working culture that accepts, and encourages constructive challenge, and recognises that a culture and structure for scrutiny are key elements for accountable decision making, policy development and review.

Equality duty

7. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
8. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As any recommendation of the scrutiny committee must be referred to the cabinet member to consider, we do not believe that it will have an impact on our equality duty.

Resource implications

9. There are no resource implications arising from the recommendations. If the scrutiny committee makes any recommendations to the cabinet member the resource implications of those recommendations will be taken into consideration by the cabinet member.

Legal implications

10. The call-in was determined as valid by the monitoring officer (as detailed in appendix 2) and the meeting has been convened in the specified 10 day period, in accordance with the council's constitutional provisions.

Risk management

11. There are no risks identified with the recommendations. If the scrutiny committee makes any recommendations to the cabinet member the risk management implications of those recommendations will be taken into consideration (alongside those already stated in the original decision report) by the cabinet member.

Consultees

12. None

Appendices

Appendix 1: Written statement of a key decision, associated report and appendices.

Appendix 2: Hereford Transport Package – decision report

Appendix 3: Hereford Transport Package – Feasibility Business Case

Appendix 4: Determination of validity of call-in for submission to the Monitoring Officer

Background papers

None identified

Issue reference: I50029628

Written statement of a key decision
Cabinet member infrastructure

Title	Hereford Transport Package
Decision maker	Cabinet member infrastructure Information about cabinet, including the names and contact details of the cabinet members, can be found here: http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251
Date of decision	11 March 2019
Report exemption class	Open
Reason for being a key decision	<p>This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.</p> <p>This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.</p>
A notice was served in accordance with Part 3 (Key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.	
General exception or special urgency (as defined in the constitution)	No
Purpose	<p>To confirm the 2019/2020 programme of work within the approved funding allocation and spending the additional grant of £150k received in 2018/19.</p> <p>On 15 February 2019 Council approved the revised capital programme. This included provision of £3.5m in 2019/2020 for the Hereford Transport Package. This report recommends approval to spend this budget in accordance with the feasibility case which supported the Hereford Transport Package capital bid and is contained in Appendix 1 of this report.</p>

Decision	That: (a) the Director for Economy and Place is authorised to take all necessary steps to progress detailed design and consultation including commissioning external professional advisors to inform future decisions on the Hereford Transport Package to a maximum further cost of £3.65m to deliver: Completion of detailed design of the bypass to a standard for a planning application in accordance with an agreed costed programme.
Reason for the decision	As set out in the report. Documents relating to this decision are available at http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?IId=50029628
Options considered	1. An option for proceeding with Hereford growth proposals (Local Plan Core Strategy) without the provision of a bypass was considered and discounted during the Core Strategy process. Not progressing this work will mean the HTP objectives and core strategy growth targets cannot be achieved.
Declarations of interest (see below)	
Call-in expiry date (decisions are not subject to call-in where special urgency provisions apply)	15 March 2019

Councillor:	Date 11 March 2019
Cabinet member infrastructure (Councillor PD Price)	

- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;
- and
- in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service.

Decision maker:	Cabinet member infrastructure
Decision date:	Monday, 11 March 2019
Title of report:	Hereford Transport Package
Report by:	Head of Infrastructure Delivery

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

Countywide (with particular impact on Wormside, Stoney Street, Belmont Rural, Credenhill, Whitecross, Kings Acre, Queenswood and Holmer wards)

Purpose and summary

To confirm the 2019/2020 programme of work within the approved funding allocation and spending the additional grant of £150k received in 2018/19.

On 15 February 2019 Council approved the revised capital programme. This included provision of £3.5m in 2019/2020 for the Hereford Transport Package. This report recommends approval to spend this budget in accordance with the feasibility case which supported the Hereford Transport Package capital bid and is contained in Appendix 1 of this report.

Recommendation(s)

That:

- (a) **the Director for Economy and Place is authorised to take all necessary steps to progress detailed design and consultation including commissioning external professional advisors to inform future decisions on the Hereford Transport Package to a maximum further cost of £3.65m to deliver:**

Completion of detailed design of the bypass to a standard for a planning application in accordance with an agreed costed programme.

Alternative options

1. An option for proceeding with Hereford growth proposals (Local Plan Core Strategy) without the provision of a bypass was considered and discounted during the Core Strategy process. Not progressing this work will mean the HTP objectives and core strategy growth targets cannot be achieved.

Key considerations

2. The Hereford bypass, as part of the Hereford Transport Package is a key infrastructure project that is necessary to drive the economic growth of Hereford and the region. It is identified as a priority within the council's approved corporate plan, 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. The Hereford Transport Package will:
 - Enable the delivery of future housing, employment and educational development by maintaining acceptable peak hour journey times across the city
 - Enable the delivery of future housing, employment and educational development by providing attractive alternatives to the private car for journeys within the city
 - Enable the improvement of regional connectivity by achieving acceptable peak hour journey times on the A49 through the city
 - Ensure the transport network within Hereford is resilient enough to provide consistent journey times throughout the day
 - Encourage healthy lifestyles by encouraging more people to walk and cycle
 - Reduce the impacts of transport on air and noise within the city
 - Protect the quality of the urban realm to enhance pedestrian connectivity in the city
 - Improve road safety within the city.
4. On 27 July 2018 having regard to the feedback to the HTP Phase 2 consultation report, the Stage 2 Scheme Assessment Report, the Stage 2 Environmental Assessment Report, the Route Selection Report and the Preferred Route Report, cabinet selected the red route as the preferred route for further scheme development for the Hereford bypass.
5. Cabinet also approved further consultation on the detailed proposals for a scheme based on the red route corridor and complementary active travel measures prior to submission for planning and other necessary permission and authorised the director for economy, communities and corporate be authorised to take all necessary steps to progress detailed design and, consultation including commissioning external professional advisors as

required to inform future decisions on the Hereford Transport Package to a maximum cost of £2.45m.

6. Work has progressed following this decision. This work comprised design development of the red route including survey works to inform this design (including ground investigation, topographical and ecological surveys). It also includes development of a range of possible walking, cycling, bus and public realm improvements for consultation. This consultation commenced on 29 January 2019 for six weeks to enable the package of measures which form the HTP with the bypass to be developed based on consultation feedback. To enable further development of the HTP to be progressed in 2019/2020 Council approved further funding of £3.5m on 15 February 2019 for the HTP based on a feasibility business case which is contained within appendix 1 of this report. A £150k grant from Midlands Connect was received in February 2019 which has increased the 2018/19 capital programme to £3.11m
7. This decision will authorise the Director for Economy and Place to progress detailed design and, consultation including commissioning external professional advisors to inform future decision on the Hereford Transport Package to a maximum further cost of £3.65m. Where external professional advisors are required outside of existing contractual arrangements an appropriate procurement process will be undertaken in accordance with council procurement policy / strategy.

Community impact

8. The Hereford Transport Package is a significant transport infrastructure project. The scheme supports economic growth and connectivity. It will enable the delivery of good quality housing and support the delivery of new jobs and will lead to an improvement in quality of the built environment. The objectives of the Hereford Transport Package contribute to the Council's corporate plan. The scheme seeks to contribute to the economic growth of the city as part of the overall economic vision.
9. The bypass as part of the HTP will enable the delivery of new homes and communities. The development of these housing areas will include associated community sustainable transport infrastructure.
10. The re-routing of traffic, particularly HGVs, from the Hereford city centre, will benefit those living and working near the A49. However, there will be adverse effects on residents living near the proposed route.

Equality duty

11. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

1. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
2. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
3. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- | 12. | A | Activity | Revenue / Capital | Cost |
|-----|---|--|-------------------|------|
| | | <p>s part of the consultation processes, an equality impact assessment screening has been undertaken to better understand the needs of those who may be impacted by the HTP proposals to inform future decision reports. As the development of the scheme progresses, the Council will continue to engage with those who will be most affected to ensure they are treated fairly and have all the information they need.</p> | | |

Resource implications

13. The cost estimates presented to cabinet in July 2018 are summarised below, and are an update on the previous estimated costs presented in the Strategic Outline Business Case (SOBC) for the project. These SOBC costs were undertaken prior to any route assessment work and were consistent with the level of project detail at that time. They were estimated at the time of production of the SOBC in 2014 prices. The current estimated costs for the bypass have been estimated at current year (2018) prices. Taking inflation into account since 2014 the estimated cost of the bypass remain broadly comparable with those identified in the SOBC.

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

14. The feasibility business case contained in Appendix 1 of this report sets out the costs associated with the option appraisal and development work and route development work undertaken to date and planned design work to inform a planning application as follows:

Route option appraisal 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	£3.110m
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
Total Estimated Cost to prepare planning application for bypass following long list and short list option appraisal and preferred route development together with development of overall Package.			£11.72m

15. The feasibility business case sets out that the capital funding of £3.5m in 2019/2020 will deliver:

Completion of detailed design of the bypass to a standard for a planning application in accordance with an agreed costed programme.

16. Further to the historic spend information above, the tables below set out the financial implications of this decision:

Capital cost of project	2019/20	2020/21	2021/22	Future Years	Total
	£000	£000	£000	£000	£000
<i>Capital</i>	3,650				3,650
TOTAL	3,650				3,650

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2019/20	2020/21	2021/22	Future Years	Total
	£000	£000	£000	£000	£000
<i>Capital Borrowing</i>	3,500				3,500
<i>Midlands Connect Grant</i>	150				150
TOTAL	3,650				3,650

17. BBLP and their sub-consultants WSP professional services costs associated with the preparation of the planning application 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.
18. Appropriate internal staff costs associated with this project are capitalised and are included within the costs above but are not broken down.

Legal implications

19. This is an executive function under the council's constitution Part 3 Section 3 and it is a key decision being one which is likely to be significant having regard to the strategic nature of the decision and/or whether the outcome will have an impact for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards in Herefordshire) affected. The leader has delegated this key decision to the Cabinet Member Infrastructure as it relates to their portfolio

20. As referred to in the previous cabinet report (27 July 2018) the policy context for delivery of this scheme is through the Core Strategy and Local Transport Plan, and the council as the highways authority can promote and deliver the scheme.

Risk management

21. A detailed risk register has been developed for the scheme. Individual risks are identified as well as proposed mitigating actions, an owner and any cost associated agreed. Risk workshops are held on a regular basis to discuss and manage any risk if they occur.
22. The risks associated with the uncertainty of funding will be managed by developing a robust business case and ongoing regional partnership work through both the LEP and Midlands Connect.

Consultees

23. Phase 2 consultation feedback was considered by cabinet in July 2018. Phase 2 consultation feedback will be presented to cabinet later in 2019 to enable decision regarding measures to be delivered along with the bypass as part of the HTP to be informed by feedback.
24. There will be ongoing consultation with people directly affected by the scheme, local communities and groups, parish councils and local members. There will be ongoing engagement with statutory consultees.
25. All political groups were consulted about this report No objections or comments beyond points of clarification were received.

Appendices

Appendix 1 – Hereford Transport Package Feasibility Business Case.

Background papers

None

PROJECT DOCUMENTATION

FEASIBILITY BUSINESS CASE

Hereford Transport Package

Release: Final

Date: 23 January 2019

Author: Mairead Lane

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: 23 January 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 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

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 in 2019/2020 and project development can continue to current programme. Detailed design of the bypass could continue with consultation planned for February / March 2019 and summer / autumn 2019 and planning application submission by end 2019. Approved funding will also enable support for landowners who are impacted by the scheme to be provided 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 the business case will also enable development of funding bids.

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 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
TOTAL	2.25	1.00	3.25

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 place in 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 place in 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 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. A grant contribution of £150k has been received in February 2019 and therefore increased the overall capital programme budget to £3.11m. 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 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 are associated with the option appraisal and development 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	£3.11m
Detailed design and consultation of the preferred route and planning application development. Business Case and funding application development Package measures development and	April 2019 – March 2020	Capital	£3.5m

Hereford Transport Package

Feasibility Business Case

Date: 1 March 2019

consultation			
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Further costs associated with the completion of the detailed design and further consultation of the approved scheme, procurement and full business case development prior to construction will be set out in future report and business case for next year's spend.

A Housing Infrastructure Fund application has been developed and is due to be submitted in March 2019 seeking to secure external funding required for the scheme. Further bids to Government will be progressed as opportunities arise. However to ensure that the project is able to progress to current programme the capital funding being requested for 2019/2020 is needed.

4. Scope

4.1 Included in Scope

There is a current approved capital budget to end 2018/2019 of £2,960,000 and this business case is requesting a further spend of £150k funded by a grant received in 2018/19 and £3.5m to enable further development work to progress in 2019/2020. This includes the detailed design and consultation of the bypass, to develop a planning application and outline business case for the bypass and to enable support to be provided to those affected by the scheme. 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.

Commented [LA1]: Please confirm the procurement process to appoint WSP including the contracted sum.

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 costs in future years 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.

7.1 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 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 with the associated traffic modelling is estimated at approximately £200,000 and is included within the capital costs presented within this report. This cost would be funded from current 2018/2019 capital budget and the 2019/2020 budget if approved. The outline business case is currently programmed to be developed by end 2019.

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.

**DETERMINATION OF VALADITY OF CALL-IN FOR
SUBMISSION TO THE MONITORING OFFICER**

Type of decision	Cabinet member (infrastructure)	
Date of decision	11/3/19	
Call in date,	15/3/19	
Time	8.27	
Members	Harvey, Powers, Seldon, Warmington, Bartlett, Chowns, Norman	
ITEM	Hereford Transport package	
Grounds for call in		
Ground	Evidence	
(b) that there was inadequate evidence on which to base a decision and that not all relevant matters were fully taken into account;	<ul style="list-style-type: none"> • According to the latest A&G committee agenda papers, insufficient assurance has been provided by SWAP that the project management and governance requirements of this council are being followed on this project and other major capital projects. • The feasibility business case states clearly that: "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." The feasibility business case goes on: "If the business case is approved then the project can continue in 2019/2020 and project development can continue to current programme." We do not believe that the outline business case has been approved. • Our finance regulations state that: "4.7.115 Following approval of the capital programme and agreement of the capital budget, each project will be subject to the relevant governance process before being implemented." This budget has not been agreed as a detailed business case and the project is not fully complying with the project management requirements agreed following the Blueschool House investigation. 	
(d) that the decision is disproportionate to the desired outcome;	<ul style="list-style-type: none"> • There is no appropriately detailed plan approved for how this money is to be spent. The feasibility business case only states that £3.5m will be spent in 2019-20. This is disproportionate to the spending requirement to keep the project ticking over during purdah. • Allowing the entire £3.5m to be dealt with under officer delegation is disproportionate to whatever costs need to be incurred on this project until 3 May 2019. Any new contracts which may need to be commissioned are politically controversial and should be deferred until after the election. This project is politically controversial and would be subject to change if there is a change in administration. It is not appropriate to give officers authority to commit up to the entire budget during the purdah period. 	

Frivolous, vexatious or otherwise inappropriate		NO
Application valid?		YES Claire Ward 15/3/19
POST CALL IN		
Advise original decision maker and report author		
Call GOSC meeting within 10 days of 15/3		
Post scrutiny meeting		