

# Agenda

## Cabinet

Date: **Thursday 21 July 2022**

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Time: **2.30 pm**

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Place: **The Conference Room, Herefordshire Council Offices,  
Plough Lane, Hereford, HR4 0LE**

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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 Sarah Buffrey on (01432) 260176 or e-mail [sarah.buffrey@herefordshire.gov.uk](mailto:sarah.buffrey@herefordshire.gov.uk) in advance of the meeting.

# **Agenda for the meeting of Cabinet**

## **Membership**

**Chairperson** Councillor David Hitchiner, Leader of the Council  
**Vice-Chairperson** Councillor Liz Harvey, Deputy Leader of the Council

**Councillor Ellie Chowns**  
**Councillor Pauline Crockett**  
**Councillor Gemma Davies**  
**Councillor John Harrington**  
**Councillor Diana Toynbee**  
**Councillor Ange Tyler**

## Agenda

		Pages
1.	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>To receive any apologies for absence.</p>	
2.	<p><b>DECLARATIONS OF INTEREST</b></p> <p>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.</p>	
3.	<p><b>MINUTES</b></p> <p>To approve the minutes of the meeting held on 29 June 2022.</p>	11 - 16
<p><b>HOW TO SUBMIT QUESTIONS</b></p> <p><i>The deadline for submission of questions for this meeting is:</i></p> <p><i>9:30am on Monday 18 July 2022.</i></p> <p><i>Questions must be submitted to <a href="mailto:councillorservices@herefordshire.gov.uk">councillorservices@herefordshire.gov.uk</a>. Questions sent to any other address may not be accepted.</i></p> <p><i>Accepted questions and the response to them will be published as a supplement to the agenda papers prior to the meeting. Further information and guidance is available at <a href="https://www.herefordshire.gov.uk/getinvolved">https://www.herefordshire.gov.uk/getinvolved</a></i></p>		
4.	<p><b>QUESTIONS FROM MEMBERS OF THE PUBLIC</b></p> <p>To receive questions from members of the public.</p>	
5.	<p><b>QUESTIONS FROM COUNCILLORS</b></p> <p>To receive questions from councillors.</p>	
6.	<p><b>BROOKFIELD SPECIAL SCHOOL CAPITAL IMPROVEMENT PROGRAMME – RE-PROFILE OF SPEND</b></p> <p>To approve, in principle, the acceptance of the Department for Education (DfE) funding offer and re-profiled expenditure on The Brookfield Special School project pending a decision by full council.</p>	17 - 42
7.	<p><b>PROCUREMENT OF NEW WASTE COLLECTION SERVICE</b></p> <p>This report seeks to agree the new service specification and approval to procure the new waste collection service. This follows the adoption of the council's new Waste Management Strategy in July 2021 and the subsequent Cabinet decision to adopt a new waste collection model in November 2021.</p>	43 - 128



## The Public's Rights to Information and Attendance at Meetings

In view of the continued prevalence of covid-19, we have introduced changes to our usual procedures for accessing public meetings. These will help to keep our councillors, staff and members of the public safe.

Please take time to read the latest guidance on the council website by following the link at [www.herefordshire.gov.uk/meetings](http://www.herefordshire.gov.uk/meetings) and support us in promoting a safe environment for everyone. If you have any queries please contact the Governance Support Team on 01432 261699 or at [governancesupportteam@herefordshire.gov.uk](mailto:governancesupportteam@herefordshire.gov.uk)

We will review and update this guidance in line with Government advice and restrictions. Thank you for your help in keeping Herefordshire Council meetings safe.

### 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. Agenda and reports (relating to items to be considered in public) are available at [www.herefordshire.gov.uk/meetings](http://www.herefordshire.gov.uk/meetings)
- 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. Information about councillors is available at [www.herefordshire.gov.uk/councillors](http://www.herefordshire.gov.uk/councillors)
- 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. Information about councillors is available at [www.herefordshire.gov.uk/councillors](http://www.herefordshire.gov.uk/councillors)
- 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.

## **Recording of meetings**

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

The council may make a recording of this public meeting or stream it live to the council's website. Such recordings form part of the record of the meeting and are made available for members of the public via the council's web-site.

## **Public transport links**

The Herefordshire Council office at Plough Lane is located off Whitecross Road in Hereford, approximately 1 kilometre from the City Bus Station.

The location of the office and details of city bus services can be viewed at:

<http://www.herefordshire.gov.uk/downloads/file/1597/hereford-city-bus-map-local-services->

## Guide to Cabinet

The Executive or Cabinet of the Herefordshire Council consists of a Leader and Deputy Leader and six other Cabinet Members each with their own individual programme area responsibilities. The current Cabinet membership is:

Cllr David Hitchiner (Leader) (Independents for Herefordshire)	Corporate Strategy and Budget
Cllr Liz Harvey (Deputy Leader) (Independents for Herefordshire)	Finance, Corporate Services and Planning
Cllr Diana Toynbee (The Green Party)	Children's and Family Services, and Young People's Attainment
Cllr Gemma Davies (Independents for Herefordshire)	Commissioning, Procurement and assets
Cllr Ellie Chowns (The Green Party)	Environment and Economy
Cllr Pauline Crockett (Independents for Herefordshire)	Health and Adult Wellbeing
Cllr Ange Tyler (Independents for Herefordshire)	Housing, regulatory services, and community
Cllr John Harrington (Independents for Herefordshire)	Infrastructure and Transport

The Cabinet's roles are:

- To consider the overall management and direction of the Council. Directed by the Leader of the Council, it will work with senior managers to ensure the policies of Herefordshire are clear and carried through effectively;
- To propose to Council a strategic policy framework and individual strategic policies;
- To identify priorities and recommend them to Council;
- To propose to Council the Council's budget and levels of Council Tax;
- To give guidance in relation to: policy co-ordination; implementation of policy; management of the Council; senior employees in relation to day to day implementation issues;
- To receive reports from Cabinet Members on significant matters requiring consideration and proposals for new or amended policies and initiatives;
- To consider and determine policy issues within the policy framework covering more than one programme area and issues relating to the implementation of the outcomes of monitoring reviews.

### Who attends cabinet meetings?

	Members of the cabinet, including the leader of the council and deputy leader – these are the decision makers, only members of the cabinet can vote on recommendations put to the meeting.
	Officers of the council – attend to present reports and give technical advice to cabinet members
	Chairpersons of scrutiny committees – attend to present the views of their committee if it has considered the item under discussion
	Political group leaders attend to present the views of their political group on the item under discussion. Other councillors may also attend as observers but are not entitled to take part in the discussion.





**The Seven Principles of Public Life  
(Nolan Principles)**

**1. Selflessness**

Holders of public office should act solely in terms of the public interest.

**2. Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

**3. Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

**4. Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

**5. Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

**6. Honesty**

Holders of public office should be truthful.

**7. Leadership**

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.



Herefordshire Council

**Minutes of the meeting of Cabinet held at The Conference Room, Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Wednesday 29 June 2022 at 5.00 pm**

**Cabinet Members Physically Present and voting:** Councillors Ellie Chowns, Gemma Davies, John Harrington and Diana Toynbee

**Cabinet Members in remote attendance** Councillor David Hitchiner, Leader of the Council (Chairperson)  
Councillor L Harvey, Deputy Leader of the Council (Vice-Chairperson)  
*Cabinet members attending the meeting remotely, e.g. through video conferencing facilities, may not vote on any decisions taken.*

Cabinet support members in attendance Councillor Jenny Bartlett

Group leaders / representatives in attendance Councillors Jonathan Lester, Bob Matthews, Jeremy Milln

Scrutiny chairpersons in attendance Councillors Jonathan Lester and Phillip Howells

Officers in attendance: Chief Executive, Director of Resources and Assurance, Director of Public Health, Corporate Director – Economy and Environment, Corporate Director Community and Wellbeing, Senior Solicitor, Director of Economy, Service Director Communities

**123. APOLOGIES FOR ABSENCE**

Apologies were received from Cllr Crockett, Cllr Fagan, Cllr Hey, Cllr James, Cllr Jinman and Cllr Tyler.

**124. DECLARATIONS OF INTEREST**

None.

**125. MINUTES**

A correction to the minutes of the previous meeting was noted, to reflect that the meeting had been Chaired remotely by the Deputy Leader (as a non-voting member).

**Resolved:** That the minutes of the meeting held on 26 May 2022, as amended, be approved as a correct record and signed by the Chairperson.

**126. QUESTIONS FROM MEMBERS OF THE PUBLIC (Pages 5 - 6)**

Questions received and responses given are attached as appendix 1 to the minutes.

**127. QUESTIONS FROM COUNCILLORS**

There were no questions from councillors.

**128. LEVELLING UP FUND BID SUBMISSION TO GOVERNMENT**

Cabinet Members gave consideration to the report as set out in the agenda supplement pack, which asked for approval to submit to government three bids to the Levelling Up Fund by the deadline of the 6th July 2022.

The Cabinet Members for Environment & Economy and Infrastructure & Transport provided a summary of the report and highlighted that:

- The limited window for submission of funding bids had meant that there had only been approximately 10 weeks to develop full business cases, and consequently this had placed constraints around which type of projects could be bid for. There were numerous other longer term strategic projects which funding is required for, but these were not eligible for inclusion in this round of bidding;
- A wide range of consultees had been provided with the opportunity to engage with development of the bids, including the two Herefordshire MP's, Herefordshire Economic Big Plan Stakeholder Group and Council Members. Significant partnership work has also been ongoing between the Council and the various Town Councils across Herefordshire, feeding into the production of the Market Town Investment Plans. All stakeholders were thanked for their collaboration and contributions.
- The deadline for submission of applications is 6 July, and it was expected that the outcome of the bidding process will be announced in the autumn. A condition of the grant is that projects will have to commence and have some element of spend in financial year 2022/23, with completion by end of March 2025. The included projects had been assessed against their ability to deliver to this timeframe.

Cabinet Members discussed the report and placed on record their appreciation to all Officers involved with development of the bids in such a tight timeframe. Frustration was expressed regarding the inflexibility of the government imposed timetable, which failed to take account of the extensive planning and preparation involved in ensuring that bids achieve best value for money and can draw down the maximum amount of available funding.

Group leaders and representatives presented comments and queries from their respective groups, which highlighted enthusiastic support for the bid submissions. The following observations were noted:

- Whilst the eligibility criteria for bids in this funding round were understood and appreciated, it was disappointing that this by definition excluded other strategically important projects, and it was hoped that these can be moved forward subsequently;
- The availability of evidence to demonstrate the effectiveness of 20mph zones was raised. Cabinet Members stated in response that reports can be provided which support this initiative, and Hereford Civic Society are hosting a presentation on 21 July 2022 in relation to the '20's Plenty for Us' campaign;
- Inflation is currently increasing and concern was expressed regarding whether the project costings were likely to remain within estimates. It was confirmed that sign-off by the S151 Officer demonstrates assurance that the costings are robust, and will nonetheless continue to be carefully monitored.

**It was unanimously resolved that:**

**a) The submission of bids to the government Levelling Up Fund by 6 July 2022 be approved for:**

- i. A package of public realm improvements in Leominster and Ledbury town centres and enhancements to the Leominster Old Priory building;**

**ii. Development of the site infrastructure and development plots for the Ross Enterprise Park; and**

**iii. A package of transport and active travel measures in and around Hereford city;**

**b) Authority to make technical amendments to the final bid submissions be delegated to the Corporate Director for Economy and Environment and;**

**c) Authority be delegated to the Section 151 officer to formally submit the bids by the 6 July 2022 deadline.**

## **129. STRONGER TOWNS PROJECTS FULL BUSINESS CASE SUBMISSION**

Cabinet Members gave consideration to the report as set out in the agenda supplement pack, which asked for agreement to sign off and submit the Stronger Towns Fund Full Business Cases for the Hereford Museum and Art Gallery Redevelopment Project and Maylord Orchard Library and Learning Resource Centre Project; and to recommend to Council adjustments to the capital programme allocations for these projects.

The Cabinet Member for Commissioning, Procurement and Assets introduced the report and placed on record Cabinet's appreciation to the officers involved in delivering the submissions. It was noted that:

- Cultural development is considered a crucial post-Covid building block to promote economic growth and support physical and social recovery;
- Herefordshire has traditionally underperformed in relation to its tourist potential and the Hereford Town Improvement Plan had identified in particular that the museum and art gallery were in urgent need of contemporary refreshment and upgrading;
- The proposals for Maylord Orchards Library and Learning Resource Centre will create an 'attractor' to bring people into the city centre and improve the opportunities and wellbeing outcomes of the population through enhanced cultural facilities. These offerings carry ever-increasing importance in view of the decline in retail as the primary reason for people to visit city centres.

Cabinet Members discussed the report and sought reassurance that the existing museum and art gallery frontage would be preserved. It was confirmed that the front of the building is listed and therefore cannot be altered without specific approval. It was also queried why the existing museum viewing space is currently limited to just 10 people, which was explained to be as a result of fire regulation restrictions. It was noted that those with limited mobility cannot currently access exhibition viewing space at all, so the plans would reduce inequalities in this regard.

Group leaders and representatives presented comments and queries from their respective groups. There was general support for the submissions and it was noted that:

- Recognising and monitoring the revenue implications of the projects would be critical in order to achieve the projected economic benefits and ensure that the necessary staffing capacity is in place to deliver the intended service model;
- Expenditure will be carefully tracked and escalation procedures are in place to control overspends, which will be especially important at a time of rising inflation;
- Accessibility for all visitors is a crucial consideration. Surveys have shown that the library escalator has reached the end of its intended useful life, and equality groups have reported that it can cause problems for those with disabilities. It is therefore intended that this will be replaced with a fully accessible lift, along with a possible option for a downstairs disabled access toilet facility.

**It was resolved that:**

- a) The Full Business Case application for submission seeking Stronger Towns grant funding of £5m for Hereford Museum and Art Gallery project and £3m for Maylord Orchards Library and Learning Resource Centre project be approved;
- b) An adjustment to the capital programme to fund the project from the capital receipts reserve of up to £8m for the Hereford Museum and Art Gallery project and up to £0.5m to the Maylord Orchards Library and Learning Resource Centre project be recommended to Council;
- c) The project development funding of up to £160k offered by the Hereford Stronger Towns Board for the Hereford Museum and Art Gallery project and the Maylord Orchards Library and Learning Resource Centre project be accepted and expenditure approved;
- d) The project development funding of up to £77k offered by the National Heritage Lottery Fund for the Hereford Museum and Art Gallery project be accepted and expenditure approved;
- e) The Medium Term Financial Strategy budget setting process for 2023/24 and beyond include consideration of the operational revenue requirements for Hereford Museum and Art Gallery project and the Maylord Orchards Library and Learning Resource Centre project; and
- f) Authority be delegated to the Corporate Director Economy and Environment, in consultation with the Cabinet Member Commissioning, Procurement and Assets and the Section 151 Officer to take all operational decisions in connection with both projects, including the commitment of funds for required technical works, and to commence the procurement of contractors on a design and build basis for the Hereford Museum and Art Gallery and the Maylord Orchards Library and Learning Resources Centre projects.

The meeting ended at 6.57pm

Chairperson

**PUBLIC QUESTIONS TO CABINET – 29 JUNE 2022****Question 1****From: Mr Kerry, Hereford****To: Cabinet Member, Commissioning, Procurement & Assets**

Discussions concerning the deteriorating condition and possible future use of the Hereford Town Hall have been ongoing for many years. Several proposals have stalled because Herefordshire Council have not been able to offer clear and detailed agreements, with commitments to dates and essential works. There has been a lack of clear sense of direction. Ahead of any planned meetings between officers and members, does the cabinet member have a funded programme for carrying out the long overdue urgent repair and resilience works, and can they confirm that any discussions with potential partners will be supported by a comprehensive plan which would enable a genuine asset transfer?

**Response**

Thank you for your question Mr Kerry. I can confirm that the Council has a plan of action to allow an informed decision to be made on the future use and ownership of the Town Hall campus by Herefordshire Council.

I cannot agree with your comment that there has been a clear lack of direction. I have made it clear since I started as Cabinet member that the desire to work with the city council on an asset transfer has been a priority. Furthermore, I have advised you and previous Mayors of the ongoing work on Herefordshire Council's asset management strategy where the Town Hall has been identified as a potential disposal be it via an asset transfer or sale. I cannot speak for events prior to this.

The city council has been informed previously that Herefordshire Council currently has no 'funded programme' for the Town Hall campus and has not committed to one at this time. It is however, carrying out urgent works to damp ingress at the front of the building. Herefordshire Council does have appropriate Revenue and Capital budgets to fund repairs and maintenance of all of Herefordshire Council's Assets.

Further to General Scrutiny Committee on 10th August 2021 where the Mayor was invited to address the committee, a recommendation was taken forward to review listed sites within the city so that a wider and more inclusive decision could be made. This work has been ongoing and feeds into a Cabinet paper on 28th July 2022 where cabinet will be asked to make a decision about retention / disposal/ investment on a range of sites. The outcome will then require detailed work and consultation with those affected, including the City Council. Until such a decision is reached, no further details can be provided.

It should be noted that if Cabinet decide to dispose of any of the sites, it would be highly irregular to provide a dowry upon disposal, especially considering the likely transfer value.

**Supplementary Question**

I understand the Cabinet Member's wish to distance herself from the past, but to focus on the here and now, we've had serious structural timber failings due to spreading dry rot for several years. Urgent repairs were first promised two years ago, and given the confirmation that the Council has appropriate revenue and capital budgets to fund the repair and maintenance of all its assets, and the fact that these works were promised well in advance of any councillor in the building, what month of the year can we expect to see those essential and overdue works going ahead?

## **Response**

Thank you Mr Kerry for the further question. With regards the urgent works to the water ingress and dry rot that the Council committed to, we can confirm that tenders have been returned and funding is being confirmed as prices are higher than anticipated as you might expect at this point in time and current conditions. Works will commence as soon as possible.

## **Question 2**

**From: Mr McKay, Leominster**

**To: Cabinet Member, Infrastructure & Transport**

With an integrated Highways, Public Rights of Way and Open Spaces Map being made viewable, with the Public Rights of Way service now back in-house, and having made successful representation to Government that the 2026 cut-off date should be deferred, will you work with Parishes to identify and resolve any anomalies, tidying up the records, with consideration given to incorporating this in the 2021 – 41 Local Plan Place Shaping, within that time period, with further representation to Government should any issues hinder achieving this in an efficient manner?

## **Response**

Thank you for your question Mr McKay. The council recognises and welcomes the announcement by DEFRA to repeal the 2026 cut-off date for recording historic rights of way, as set out in the Countryside and Rights of Way Act 2000 and I hope our lobbying and support from Jesse Norman MP was a contributory factor in achieving that pragmatic outcome.

The council will work with all user groups in resolving any anomalies, the council process in applying for a Schedule 14 Definitive Map Modification Order Application is on line, link below:

<https://www.herefordshire.gov.uk/public-rights-way/definitive-map-statement-dms/3>

Resource to process the current applications is finite which prevents a commitment to identify routes but will support where possible. Resources and commitments may change in future years which may enable a review and change as circumstances and resources allow.

## **Supplementary Question**

It is some time since the list of anomalies identified by yourselves was viewable online, it being taken offline being considered to be a working document, and I ask if you still have that information which together with an evidence base setting out how the records were originally compiled helping to put matters into context, will be made available as part of this process?

## **Response**

The aim is still to make the anomalies list available online as soon as possible though, due to the commitment this is reliant on when the resources become available. We have made a bid for funding internally and hope to have news on that shortly.

The anomalies list and available supporting information can be viewed at our offices, please contact and arrange with the PRow team, email: [prow@herefordshire.gov.uk](mailto:prow@herefordshire.gov.uk)





# Title of report: Brookfield Special School Capital Improvement Programme – re-profile of spend

**Meeting: Cabinet**

**Meeting date: Thursday 21 July 2022**

**Report by: Cabinet member children and families;**

## **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**

(All Wards);

## **Purpose**

To approve, in principle, the acceptance of the Department for Education (DfE) funding offer and re-profiled expenditure on The Brookfield Special School project pending a decision by full council.

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Further information on the subject of this report is available from  
Michael Griffin, Karen Knight, Quentin Mee, Susan Woodrow, Tel: 01432 383042, , Tel: 01432 260327,  
email: Michael.Griffin2@herefordshire.gov.uk, kknight@herefordshire.gov.uk,  
Quentin.Mee@herefordshire.gov.uk, Susan.Woodrow@herefordshire.gov.ukl

## Recommendation(s)

That:

- a) **On approval of Full Council of an in-year adjustment to the capital programme, the council accepts the Department for Education funding offer towards the programme of capital improvements to The Brookfield Special School as agreed by Cabinet on 28 April 2020 to be completed within a re-profiled budget of £5m;**
- b) **Authority is delegated for procurement and award of contracts for the lifecycle of the project, informed by methodology advised by the council's Commercial Services, to the Corporate Director Children and Young People;**
- c) **Cabinet recommends to full Council that an in-year adjustment is made to the capital programme;**
- d) **Authority is delegated to the Corporate Director Children and Young People and the S151 officer to agree the final terms of the grant from the Department for Education; and**
- e) **When negotiations have been concluded and terms agreed, authority is delegated to the Service Director Education, Skills & Learning to take all operational decisions necessary to implement the above.**

## Alternative options

1. The cabinet could decide not to agree the use of the funds listed in the capital programme. The advantage to this would be that there would be no requirement to use capital reserves in order to provide the council's share of the funding. The disadvantage of this decision would be that the council would miss out on a significant DfE contribution and the very modest amount of government grant left available and allocated to the project at Brookfield i.e. £849,000, would only be able to realise a small percentage of the priority improvements proposed; which include: the provision of female toilets for pupils, the upgrade of the internal stairwells to full fire compliance, and an external fire escape to the first floor of the secondary block. It would not be possible to move the Arrow cohort from the very poor accommodation in Symonds Street into a purpose built vocational block on the Brookfield site, nor provide a sports hall, or any compliant sized classrooms for the secondary setting. It is proposed that this is not the chosen decision, as not to proceed with the full programme would impede significant improvement to the education of the Special Educational Needs and Disabilities (SEND) pupils offered a place at the school. A likely consequence of the lack of capital investment in Brookfield would be an increase in the commissioning of places for Herefordshire children out of county, which would be costly (putting the high needs funding block at risk of entering deficit), and incur greater travel time to and from school for some Herefordshire pupils. This is not recommended.
2. The cabinet could choose not to give delegated authority to procure and award the required contracts to the Director Children and Young People following the advice of the Commercial Services team. There is no obvious advantage to this decision, and the disadvantage would be that procurement may not be completed in the most time and cost efficient or best value way. It is proposed that this is not the chosen decision, in order to enable consistency of procurement approaches, and the meeting of project deadlines. This is not recommended.
3. The cabinet may decide not to grant delegated powers for operational decisions within the lifecycle of the project to the Service Director Education, Skills and Learning as project sponsor. The advantage to this would be to impose higher levels of governance to the project gateways. The disadvantage would be to lengthen the project timeline, potentially imposing inflationary cost increases. In addition, this would negate the described role of the project sponsor and project board in the corporate project management approach. It is proposed that

this is not the chosen decision, in order to take the project forward to time, and within budget. This is not recommended.

## Key considerations

1. The Brookfield Special School is an academy situated in Hereford City on two sites – the main site being close to the racecourse and the second located across the city in a mobile classroom close to the inner ring road (approximately 20 minutes apart by car). It has both primary and secondary phases. It is Herefordshire's only SEMH special school.
2. The premises are inadequate – A small group of the most vulnerable and challenging pupils are currently accommodated offsite in a temporary demountable building of poor quality and unsuitable layout on Symonds Street. The use of this building is subject to a temporary planning permission which requires the mobile building to be removed by 16 April 2023. There are no female pupil toilets in the secondary building and as there is now demand for female places at the school (although this has not been the case previously), this poses an equality issue. All current classrooms are small and there are only 9 as opposed to the 10 described as necessary in BB104. There are no indoor sports facilities despite physical education being a statutory requirement of the national curriculum.
3. On 28 April 2020, Cabinet approved spend of £3.939m to improve the premises ([Link](#) for reference). This report seeks to update on the position since that decision and not the background as to how that decision came to pass as this has not fundamentally changed.
4. At the time of the Cabinet decision, the DfE acknowledged that as the school is an academy, the deterioration of the building and its inadequacies were their responsibility and therefore suggested a contribution towards the project. However, this offer of financial contribution was never formally agreed.
5. On 15 July 2021, the Regional Schools Commissioner (RSC) made a decision that Brookfield was to join the Mercian Educational Trust (MET).
6. As a result of this decision, concerns were raised by Cabinet Members in relation to the DfE's funding of the improvement works at Brookfield and therefore project delivery activity was paused to allow further negotiation with the DfE to bring a formal proposal for their financial contribution to the urgent capital works.
7. Following talks with the DfE, the Minister has approved a decision, in principle, to pay 70% of the costs of the proposed improvements at Brookfield on the condition that the Council agrees to fund the remaining 30% and Brookfield school transfers to the MET. This is currently scheduled to happen on 1 October 2022.
8. The total project cost has been reviewed by the council appointed consultant and is anticipated the project will now cost £4.62m, of this, the council is expected to pay 30%. A further contingency amount, in addition to the 30% contribution, has been added to give an overall budget of £5m.
9. This presents a significant saving to Council borrowing. In April 2020, as well as a high needs grant, Council agreed to fund the project using Corporate funded borrowing of £1.895m and Capital receipts reserve £1.195m. Borrowing of £1.895m is no longer required to fund the project. In addition, there will be a reduction in funding from the capital receipts reserve of £0.276m, therefore this reduces the burden on council's overall funding.

10. As the capital line for the project needs to increase, albeit with the DfE paying the majority share, a decision by Full Council is required. This matter is scheduled to be discussed by Full Council on 29 July 2022.
11. The approval of new leases to both the Brookfield School and the Greyhound rugby club will be overseen and approved by the Strategic Assets Delivery Director in line with advice from council's legal services.

## Community impact

12. The County Plan outlines the council's priorities. The improvement to Brookfield supports three of these: Ensure all children are healthy, safe and inspired to achieve, Protect and improve the lives of vulnerable people, and Invest in education and the skills needed by employers. The children and young people's directorate [schools capital investment strategy](#) itemises 11 principles. The Brookfield improvement project would align with principles 1, 2, 7, 8, 10 and 11.
  1. High quality learning environments are more likely to deliver the best outcomes for all children and young people
  2. A high quality learning environment is one where:
    - The building is in good condition with an affordable and planned programme of maintenance
    - The building has the right number of suitable places
    - The building supports the delivery of a suitable curriculum and learning
    - There is sufficient suitable outdoor space including playing fields and all weather surfaces
    - Children are not taught in temporary classrooms
    - The building is energy efficient
    - The school has full disabled access
    - The school meets all health and safety requirements
  7. As a whole across Herefordshire, there should be no more than 10% surplus school places. This margin is designed to reflect population variations and trends over time
  8. The council will be increasingly responsible for taking steps towards protecting the environment and will expect all schools to work towards achieving and displaying energy certificate rating of C or above and a silver eco schools rating along with reducing energy consumption located near community assets
  10. Any financial investment must represent best value for investors and could come from a variety of sources, including:
    - Specific grants and one off government schemes
    - The planned release of sites to sell and reinvest
    - External funding such as from The Education Funding Agency, the Diocese and section 106 agreements with housing developers
  11. The council will carry out detailed consultation on any changes or investment proposals
13. As with all school provision, improvements to the quality of education is vitally important in improving the life chances of children and young people in the care system. The improvements

to Brookfield will improve the quality of education, and the educational experiences for all of the pupils on roll, including those who are in care and therefore the responsibility of the corporate parenting board.

## Environmental Impact

14. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
15. The environmental impact of this proposal has been considered through the design of the improvement works and includes appropriate requirements on the contractor/delivery partner to minimise waste, reduce energy and carbon emissions and to consider opportunities to enhance biodiversity. This will be managed and reported through the ongoing contract management.
16. The main purpose of this project is to address a number of suitability issues at the school. There is no plan to retro fit the main part of the building in order to reduce its carbon footprint at this time. However, elements of the project will reduce the overall consumption of energy at the site thus there will be a carbon saving to be had by the measures detailed below.
17. An energy strategy has been prepared to address the new proposal for the Arrow Centre and the Sports Hall buildings and aims to significantly exceed the minimum UK Building Regulations Standards and to reduce the carbon emissions associated with the operation of the buildings.
18. The development of this project has sought to minimise any adverse environmental impact and will actively seek opportunities to improve and enhance environmental performance. Below are summarised main design principles which have been followed to deliver a high-performance building. The key environmental drivers are reducing the energy demand and carbon emissions associated to the building and to provide a comfortable environment with good Indoor Air Quality.
  - Passive Design measures - In order to deliver a high-efficiency building, the first aim of the Energy strategy should be reducing its energy demand. This is called a 'fabric first' approach which engages passive measures and an efficient building envelope prior to considering systems optimisation to satisfy the demand. These fundamental concepts are always engaged from the very early stages of the design to maximise the energy efficiency of the development and to minimise its carbon footprint.
  - Efficient building services - A balanced mechanical ventilation strategy with heat recovery is proposed to optimise the energy performance of the system. A thermal comfort analysis has been carried out to assess the internal temperatures within the occupied spaces. Two windcatchers will serve the Sports Hall to provide fresh air throughout the year. The majority of the occupied spaces within the Arrow Centre will be served by mechanical ventilation with heat recovery and cooling. Low energy lighting with daylight and occupancy controls will be provided throughout the development to reduce the electrical load.

- Low carbon and Renewable technologies - After incorporating the energy efficiency measures in the design, low carbon technologies have been considered for the proposed development in order to further reduce the carbon emissions associated to the use of the building. To reflect the rapid decarbonisation of the grid, a heat pump system has been considered the most carbon efficient and cost effective solution to provide heating (and cooling in the Arrow Centre). Furthermore, it is proposed to install a photovoltaic (PV) array on the roof of the Sports Hall to generate renewable energy for the building. This will be in addition to the PV array already installed on the main school building.

## Equality duty

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 -

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

19. The decision to invest in capital improvements to Brookfield advances equality of opportunity by; giving the school the ability to offer placements for girls with SEMH needs and, by improving the quality of accommodation supporting the fostering of good relations between children and young people who have a designated special need of SEMH at the school, and those in mainstream settings.
20. The education of children and young people at Brookfield is a commissioned service. As this is the case, 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. Our providers, The Brookfield Academy Trust will be reminded of their contractual requirements in regards to equality legislation.

## Resource implications

21. By taking the decision to proceed to implementation of the project, the project will follow the council's Programme Management Office process. There will be no call on ICT and human resources within the council for this project. If council property services decides to tender for this element of the project, the cost will be met from the budget for fees and services. This service is accounted for in the budget plan.
22. A report will go to full Council on 29 July 2022 to approve a budget of £5m for the project. Details of the funding are included in the table below. The final DFE grant is dependent on actual tendered costs following the procurement process which will be carried out in line with the council's contract procedure rules. The costs shown are estimates only and may vary once tenders are received.

23. There are no future revenue implications to the council as any ongoing maintenance costs will be funded from the schools budget.
24. The capital costs of the decision are set out below. All project costs to be incurred, from the decision to proceed point, have been included. Funding sources have been itemised, and include the year during which they will be required. It is anticipated that the completion of the project would support continuing prudent use of the schools high needs block budget by future proofing available places within Herefordshire for SEMH placements, thus reducing the need for expensive out of county placements.

Capital cost of project	Previous years	2022/23	2023/24	Future Years	Total
	£000	£000	£000	£000	£000
<i>Construction Costs</i>	0	200	3,158	550	3,908
<i>Design &amp; Cost Consultants</i>	190	32	156	22	400
<i>Other Professional &amp; Internal Fees</i>	24	45	35	6	110
Furniture and IT	0	0	25	75	100
Contract Contingency	0	10	80	10	100
HC Risk Contingency	0	50	200	132	382
<b>TOTAL</b>	<b>214</b>	<b>337</b>	<b>3,654</b>	<b>795</b>	<b>5,000</b>

Funding streams (indicate whether base budget / external / grant / capital borrowing)	Previous spend	2022/23	2023/24	Future Years	Total
	£000	£000	£000	£000	£000
<i>Special Provision Capital Fund government grant</i>	214	86	548	0	848
<i>DfE 70% share</i>	0	201	2,568	464	3,233
<i>Capital receipts reserve</i>	0	50	538	331	919
<b>TOTAL</b>	<b>214</b>	<b>337</b>	<b>3,654</b>	<b>795</b>	<b>5,000</b>

25. Property services have been working closely with the Grey Hound Rugby club to negotiate the surrender of their lease, the cost of which will be picked up within the project budget.
26. The original business case that supported the previous cabinet decision can be found in Appendix 2.

## Legal implications

27. The council has power to act in its capacity as freehold owner of the Brookfield School site, subject to the requirements of the Secretary of State arising from the academy status of Brookfield. Furthermore Section 1 of the Localism Act 2011 provides a general power of competence for local authorities. It gives local authorities the same power that an individual generally has, to act (subject to its fiduciary and statutory duties).
28. The council is under a duty to ensure that primary and secondary education facilities for the area include adequate provision for recreation and social and physical training for children

(s507A and B Education Act 1996). Academies are required to follow a broad and balanced curriculum that promotes the physical development of pupils. While the Act does not state that facilities for physical education to be provided on site, the provision of indoor sports facilities would assist the school to meet the needs of its pupils in delivering the curriculum.

29. It is also a requirement that separate toilet facilities are provided in schools for boys and girls of 8 years and over (Reg 4 School Premises (England) Regulations 2012)(s542 Education Act 1996).
30. The value of the proposed improvement works is in excess of the UK's procurement threshold for tendering therefore all procurement processes for the delivery of the project will be compliant with not only the council's contract procedure rules but also the Public Contract Regulations 2015.
31. The council is empowered to deal with the Brookfield lease and grant a fresh lease to Brookfield, by a variety of statutes. Section 123 (1) Local Government Act 1972 provides that a principal council may dispose of land held by them in any manner they wish provided that it is not for a consideration less than the best that can reasonably be obtained, unless with Secretary of State's consent. The grant of a lease constitutes a disposal of land. Dealings with land specifically in relation to schools are governed by the Academies Act 2010 and the School Standards and Framework Act 1998.
32. Whilst the freehold to the site is owned by the council, there are existing lease provisions creating shared use of some spaces with other council tenants. Furthermore, part of the proposed development sits on land which is currently let to another council tenant and the council cannot compel the tenant to surrender this land to the council or to alter the provisions regarding shared spaces.
33. The council's legal team will deal with the preparation and completion of the necessary legal documentation including a development agreement with the DfE and the Mercian Education Trust, the build contract and leases.
34. Once all third party negotiations are concluded, it is the intention of the council to grant a 125 year lease to the Mercian Educational Trust, for a peppercorn rent. The DfE model lease will be used which includes clauses preventing the academy trust from disposing of its leasehold interest in the public land without the prior consent of the Secretary of State for Education. This will also be included within the Academy's funding agreement.

## **Risk management**

35. The risks presented by the project commencement are identified below, along with consequences of the risk factor occurring, and mitigations proposed to resolve the issues.



Risk / opportunity	Mitigation
<p>Reputational- there is a reputational risk to the council should the project not progress, and vulnerable children and young people continue to be educated in a sub-standard setting.</p>	<p>Ensure that all required documentation needed in order to progress the project is provided, and contains sufficient information for key decisions to be made. Corporate and directorate level.</p>
<p>Reputational – If the project progresses but does not meet the key gateways outlined in the project timeline, the council might be subject to reputational damage.</p>	<p>Ensure that the project is kept to time by efficient project management, and that the corporate communications team provides key information to stakeholders at appropriate times within the project lifecycle. Corporate level.</p>
<p>Financial – there is a risk of investment into a developed design for the improvements being made, and the project becoming compromised by delay in the agreement of the new leases by either tenant.</p>	<p>The council's property services are in continued discussion with the Brookfield trustees and the Greyhound Rugby Club trustees. A compromise has been identified and all parties are now working towards lease exchange ahead of the transfer 1 October 2022</p>
<p>Financial – there is a risk to the continuity of education for current pupils at the school, if the project timeline is compromised. In the current timeline projection, all works necessary may be accommodated around the normal daily operation of the school. If there are delays to the project, a small amount of decanting of pupils to an alternative site may be necessary. This could be at extra cost to the project.</p>	<p>Make appropriate plans if necessary, to provide temporary alternative accommodation at little or no extra cost, in liaison with the MET. These eventualities have already been discussed and solutions proposed, using current other education settings, at minimal extra cost. Service level. In addition, ensure efficient implementation of project management methodology to keep the project to time. Corporate level.</p>
<p>Financial – there is a risk that if the project timeline is compromised, there would be inflation to cost, greater than that which was allowed in the feasibility study.</p>	<p>Ensure that the project has a further council contingency in place, in case of any unanticipated delays. Corporate level.</p>

## Consultees

36. Consultation was undertaken ahead of the decision on 28 April 2020. In addition, this updated proposal has been discussed with the cabinet member children's and family services and young people's attainment, the cabinet member commissioning, procurement and assets and the cabinet member finance, corporate services and planning. An updated political consultation presentation took place on 18 May 2022 which was attended by Councillors from the Conservative Party, Liberal Democrats, Independents for Herefordshire (IFH), True Independents and the Green Party. A number of comments were received.

- A question was raised about funding (Conservative); whether this was specifically for Brookfield and would it detract from works required at Westfield. The High Needs Grant identified for Brookfield was grant funding received 3 years ago. Further funding has subsequently been received which will be used in part towards Westfield.
- (Lib Dem)The project should not be just about value for money and the physical facilities but it does need to provide better outcomes for children, however it was queried whether the extra facilities could be accommodated on the cramped site. The design for the school has been completed and is able to be accommodated on the site using some land that is currently used by the Greyhound Rugby Club.
- (Lib Dem, Conservative) Queries were raised around the Mercian Trust, whether this trust is the best place for this provision, their knowledge and skill set and who signed off on the transfer to them. The decision to transfer the academy to the trust is made by the regional schools commissioner with delegated authority from the Secretary of State and is outside the control of the council.
- (IFH)There is a pressure on autism places in Herefordshire. Rectification of this should be progressing more quickly as this would reduce the pressures on the special schools to provide this resource. Work is progressing on this requirement in parallel with this project and some of the future High Needs Grant will be allocated to this area.

37. All other councillors had the opportunity to view the presentation and comment, no further comments were received.

## Appendices

Appendix 1 - Business case for the capital improvement project proposed at The Brookfield (Academy) School.

## Background papers

None Identified

## Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 26/05/2022
Finance	Karen Morris	Date 06/06/2022
Legal	Alice McAlpine	Date 27/05/2022
Communications	Luenne featherstone	Date 26/05/2022
Equality Duty	Carol Trachonitis	Date 25/05/2022
Procurement	Mark Cage	Date 26/05/2022
Risk	Elizabeth Freeland	Date 16/06/2022

Approved by Darryl Freeman, Corporate Director, Children and Young People Date 12/07/2022

**Please include a glossary of terms, abbreviations and acronyms used in this report.**

SEND – special educational needs and disabilities

SEMH – social emotional mental health (special needs)

BB104 – (government) Building Bulletin 104: Area guidelines for SEND and Alternative Provision

RSC – Regional Schools Commissioner

DfE – Department for Education

MET – Mercian Educational Trust

PV - Photovoltaic



## **PROJECT DOCUMENTATION**

### **BUSINESS CASE**

#### *Brookfield Special School Capital Improvement Project*

Release: Appendix to Cabinet report 27<sup>th</sup> March 2020

Date: 30.01.20

Author: Sue Woodrow Schools Capital Investment Advisor Children and Families Directorate

Document Number: v3

## Business Case History

### Document Location

The first version of this document was produced in September 2019, to support a request for funding report to be discussed at full council meeting 14<sup>th</sup> February 2020. The second and final version of the document, produced as Appendix 1 to the cabinet report regarding Brookfield School to be discussed at the Cabinet meeting on 27<sup>th</sup> March 2020 will be uploaded to the council's project management system, Verto, within the Brookfield School listing.

### Revision History

**Date of this revision:** 30.01.20

**Date of next revision:** no further revisions anticipated

Revision date	Previous revision date	Summary of Changes	Changes marked
30.01.2020	First draft September 2019 as above	Update of minor details involving progression of lease changes since September 2019, and adjustment of narrative assuming allocation of further funding at full council meeting February 14 <sup>th</sup> 2020	

### Approvals

This document requires the following approvals.

Name	Signature	Title	Date of Issue	Version
Chris Baird		Director for Children and Families	31.01.2020	2.0

### Distribution

This document has been distributed to

Name	Title	Date of Issue	Version	Status
Chris Baird	Director for Children and Families	31.01.2020	2.0	Agreed

Brookfield Special School Improvement Project

Business Case

Date: 20 April 2020

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Ceri Morgan	Assistant Director Children and Families, and Brookfield project sponsor	31.01.2020	2.0	Agreed
Les Knight	Head of Special Educational Needs, Children and Families Directorate	31.01.2020	2.0	Agreed

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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. Should the funding be agreed, it also sets out the parameters of the project in order to inform a cabinet decision to allow commencement 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. On receipt of the extra funding necessary for completion of the project in February 2020, to inform a cabinet discussion and decision in March 2020, to progress the project to the next stage.

## 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, or '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 proposed investment by Herefordshire Council, into the improvement of this academy school, is because this is the only Herefordshire school that can provide the required places for children and young people with social emotional and mental health needs that Herefordshire Council has a statutory obligation to commission.
- 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. If this school does not meet these requirements, significantly higher costs for the education of these children will be incurred, by use of places in independent schools or out of county settings (typically an out of county day placement for SEND of this designation would be between £60-£80k, with added transport costs dependent on location). In addition children would be subject to longer travel times to and from school, and have no choice but to be educated outside their community. Officers of the Children and Families Directorate are in direct communication with the DfE education, skills funding agency to make a case for some central government funding that would, if available, support the costs of some of the health and safety elements of the improvement project.
- 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 buildings 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. The school has put management measures in place to accommodate one girl, but this situation is a temporary solution only.
- 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 capital 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.

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#### **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 BB104 (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 extra funding needed to cover full costs was requested at full council meeting on 14<sup>th</sup> February 2020

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 leads), legal fixed sum, and corporate project management fees. This brings forward a total estimated cost of £3,939,000. The above assumed costs have been discussed with council property services and finance officers, and tabled 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 a specialist design team, the council and the school.

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

## **5. Scope**

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

- The project will include the availability of the detailed business case to inform the final approval (or otherwise) for the project at a Cabinet meeting on 27<sup>th</sup> March 2020
- The project will implement the improvements listed above, numbered 1-5, through procurement of design and build services, and including an allowance for fixtures and fittings

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

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

## 6. Stakeholders

Project Sponsor – Ceri Morgan (Assistant Director Children and Families)

Lead Member – Cllr Felicity Norman (Lead Member Children and Families)

Senior Corporate Project Lead – Nigel Thomas (Senior Project Manager Corporate Services)

Subject Specialist Project Lead – Sue Woodrow (Schools Capital Investment Advisor Children and Families)

Finance Lead – Karen Morris (Strategic Capital Finance Manager Corporate Services)

Procurement Lead – Mark Cage tbc. (Procurement Officer Corporate Services)

Property Lead – Chris Keeton (Project Manager and Coordinator Economy and Place)

Legal Lead – Andrea Franklin

Michelle Parkes (Brookfield School Head teacher)

Edward Challands (DfE contact re Brookfield Academy)

Note: Andrew Lovegrove (section 151 officer) and Felicity Norman (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 at full council meeting 14<sup>th</sup> February 2020 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.

## 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 and other vocational subjects.

- 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 plan has outlined priorities. The improvement to Brookfield School supports three of these:

- Ensure all children are healthy, safe and inspired to achieve
- Protect and improve the lives of vulnerable people
- Invest in education and the skills needed by employers.

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 to be decided at full council meeting 14<sup>th</sup> February 2020.  
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, and fees element below)

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>	<b>351</b>	<b>89</b>			<b>440</b>
<i>Furniture &amp; IT</i>	<b>0</b>	<b>150</b>			<b>150</b>
<i>Contingency</i>	<b>450</b>	<b>240</b>			<b>690</b>
<b>TOTAL</b>	<b>2,460</b>	<b>1,479</b>			<b>3,939</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>Special Provision Capital Fund</i>	<b>849</b>				<b>849</b>
<i>Corporate funded borrowing</i>	<b>1,611</b>	<b>284</b>			<b>1,895</b>
<i>Capital receipts reserve</i>		<b>1,195</b>			<b>1,195</b>
<b>TOTAL</b>	<b>2,460</b>	<b>1,479</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.

There is a financial risk of investment into a developed design for the improvements being made, and the project becoming compromised by delay in the agreement of the new leases by either tenant

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.

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

Reputational and legal risk of not implementing the project (see Cabinet report for Cabinet meeting 27<sup>th</sup> March 2020)

Draft heads of terms have been produced by property services and legal officers, agreed in principle by both parties. Confirmation of commitment to proceed to sign off of new leases to be gained.

The council's legal services have received positive indications from the Brookfield trustees, the Greyhound Rugby Club trustees, and the Education Skills Funding Agency, that the content of the new leases described in the head of terms circulated is agreeable in principle

Funding request submitted to full council for deliberation 14<sup>th</sup> February 2020 to ensure adequate funds. Subsequently, during the RIBA stage 3 procurement of a developed design in preparation for planning application, will be costed by an independent quantity surveyor, to ratify cost assumptions.

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.

See Cabinet report for Cabinet meeting 27<sup>th</sup> March 2020.



## **12. Appendices**

*None.*





# Title of report: Procurement of new waste collection service

**Meeting: Cabinet**

**Meeting date: Thursday 21 July 2022**

**Report by: Cabinet member commissioning, procurement and assets;**

## **Classification**

Open

This report is open but an appendix 1 is exempt by virtue of the paragraph(s) of the Access to Information Procedure Rules set out in the constitution pursuant to Schedule 12A of the Local Government Act 1972, as amended:

- 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information)

## **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.

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**

(All Wards);

## **Purpose**

This report seeks to agree the new service specification and approval to procure the new waste collection service. This follows the adoption of the council's new Waste Management Strategy in July 2021 and the subsequent Cabinet decision to adopt a new waste collection model in November 2021.

## **Recommendation(s)**

**That:**

- a) **Cabinet approve the commencement of a competitive procurement process as required and as outlined in this report to procure the future service;**
- b) **Cabinet approve the inclusion and procurement of a separate cargo bike food waste collection service in the central Hereford City area;**
- c) **Authority is delegated to the Director of Resources and Assurance in consultation with Corporate Director Economy and Environment to approve the finalised draft service specification, and to take all operational decisions to award and mobilise the new collection contract subject to a successful procurement process;**
- d) **Authority is delegated to the Director of Resources and Assurance and the Corporate Director Economy and Environment following consultation with the Cabinet Member for Assets to negotiate an extension to the existing waste collection contract with FCC Environment until 3 June 2024, subject to securing Value for Money, in order to mitigate the risk of vehicle procurement lead times and to ensure an effective mobilisation period for the new waste collection service; and**
- e) **To delegate to the Section 151 Officer, in consultation with the Corporate Director Economy and Environment authority to take all necessary steps to commence reprocurring the Waste Disposal Contract in the event that the due diligence process is incomplete or the due diligence process produces an unsatisfactory value for money outcome and to bring a further report to Cabinet in the event that is necessary.**

## **Alternative options**

1. Do nothing - This is not an option as the current waste collection arrangements are due to expire in November 2023 and waste collection and disposal services are statutory services that the council has to provide.

## **Key considerations**

2. The current waste collection arrangements are due to expire in November 2023

### **Waste Management Review**

3. In July 2019 Frith Resource Management (FRM) were commissioned to undertake a waste collection services review to assess the comparative costs and anticipated performance of different waste collection options
4. In 2020 General Scrutiny Committee formed a cross party Waste Task and Finish group to review the waste management collection service across Herefordshire. Through a process of evidence and information gathering, considering the FRM review, learning from the experience of other local authorities and considering the needs and aspirations of the council the group considered what the objectives for future improvements should be and different options for providing the service in future.
5. On 28 September 2020 General Scrutiny Committee considered the findings of the Waste Task & Finish group and recommended that a public consultation exercise was undertaken on the two collection models of:

a) Option 1 - Three weekly residual collection with twin stream recycling as detailed below

b) Option 2 – Kerbside sort collection

6. This recommendation was accepted in November 2020 and between December 2020 and February 2021 MEL Research undertook a public consultation exercise on the two proposed collection service options for both Public and Business Users. The consultation was promoted on the council website, social media pages, print media publications and emails were sent to a representative sample of residents with telephone surveys and postal surveys also available. Trade and non-trade waste customers were sent an email to take part in the business survey.
7. Option 1 was supported by a majority of consultee respondents, 53% as against 47% of respondents who favoured option 2. This represents 3498 residents and 181 businesses.
8. In July 2021 Cabinet approved an ambitious new Herefordshire Integrated Waste Management Strategy and allocated £1.5m from the council’s waste reserve to progress and implement a number of pilot projects. The pilots include reuse, recycling, collection and disposal methods, composting, carbon reduction opportunities, partnership working across Herefordshire and further exploring potential opportunities for cross border working/project development.
9. In September 2021, SLR Consulting were appointed to review and validate the approach to both waste collection and waste disposal undertaken to date. SLR were also asked to examine how best to commission the waste collection service, either by bringing it in house, moving it into an Local Authority Arm’s Length Trading Company or re-procuring the service from the market.

I. SLR recommended that the council re-procure the service from the market.

### **Future Waste Collection Service**

10. On 25 November 2021 Cabinet approved the adoption of the three weekly residual collections with twin stream recycling service, as detailed below, as the new waste collection model to support residents to increase recycling.

Container Type	Material Type	Collection Frequency
Green 240 Litre wheeled bin	Plastic (pots, tubs, trays & bottles) Glass (bottles and jars), Metals (tins & cans)	Once every three weeks
Black with blue lid 240 Litre wheeled bin	All paper & cardboard	Once every three weeks
Black 180 Litre wheeled bin	General non-recyclable waste	Once every three weeks
Brown 240 Litre wheeled bin	Garden waste	Fortnightly collection. Potential charge for opt in service
23 Litre caddy (including liners)	Food Waste	Weekly collection

11. This model was the preferred option from the public consultation, offered the best value for money, delivered the highest modelled recycling rates and was the lowest carbon option.

## **Service Improvement schemes**

12. Following consultation and a commitment to service improvement a number of initiatives have begun to inform the future service specification these have been scoped and have incorporated concerns that were raised by residents and includes;
  - I. The development of a flats pilot scheme to assist residents living in flats to recycle.
  - II. Launched a re-usable nappy pilot scheme to support residents with young families to reduce nappy waste.
  - III. There is during the summer of 2022 the launch of a “Repair Café” initiative to encourage the repair and reuse of household items.
  - IV. Alongside the strategy and its initiatives the council launched the new ‘Getting it Right!’ behavioural change campaign to help residents to put the right items into green bins and clear recycling sacks, to help reduce contamination of waste streams and to increase recycling rates.
  - V. Consideration of a cargo bike food waste collection service as an innovative opportunity to utilise cargo bikes as a zero carbon collection service for Hereford city centre. This would be a first of its kind nationally and is recommended for inclusion in the service specification.
  - VI. On 4 July 2022 the council launched a repair café pilot scheme to develop and support community repair cafes across the county to support residents to repair and re-use items in order to save money and reduce waste.

## **Procurement Strategy**

13. In December 2021 SLR Consulting were appointed to undertake a Soft Market testing review to support the development of the service specification and procurement strategy. The key findings from the soft market test include:
  - I. The more experienced contractors would prefer to award under a single contract.
  - II. There is generally a preference to include dialogue within the procurement, although concerns are raised with regard to the timeline for enabling this.
  - III. There is a general consensus amongst experienced contractors that the proposed procurement timeline is relatively tight and would therefore benefit from a streamlined procedure, assuming the timeline cannot be extended e.g. to accommodate more dialogue.
  - IV. There is a general preference for contracts of 7-10 years from the experienced contractors, whilst contracts shorter than this would deter them from bidding.
  - V. Some concerns were raised regarding the application of cargo bikes beyond limited urban areas, but there is a general openness to considering alternative technologies where this can be proven to be efficient.
  - VI. Due to the topography and rurality of Herefordshire, the experienced contractors generally consider electric vehicle rounds should be limited to urban rounds.

14. In February 2022 Woods Limited (Woods) were appointed to provide specialist technical and procurement advice for the development of the procurement strategy, service specification, associated procurement documentation and to support the mobilisation.
15. The recommended procurement strategy from Woods is:
  - I. To undertake a Competitive Procedure with Negotiation (CPN) for an 8yr contract duration with the potential to extend by up to another 12yrs (in single or multiple extensions) by mutual agreement.
  - II. To seek an extension to the current waste collection contract to align to the procurement and vehicle purchase time line, in order to mitigate the current market risks on long vehicle procurement lead times and to ensure an effective mobilisation period.
  - III. That the council finances the required capital investment such as vehicles and containers as this would generate the lowest financing costs and offers best value for money.
16. In May 2022 DWF LLP were appointed to provide specialist legal advice to support the development of the procurement documentation.

### **Service Improvements**

17. To ensure that the service is in line with current best practice, modernises and enhances the existing service there has been a review to look at potential service improvements.
18. The outcomes of this review are the proposed inclusion of:
  - I. Upgrading Refuse Collection Vehicles (RCV's) to incorporate weighting and geotagging infrastructure in tandem with bin chips to:
    - i. Modernise the commercial waste and recycling service to a pay by weight model
    - ii. Enhance service monitoring, performance and enable targeted continual improvement and behavioural change projects
  - II. Enhanced requirements for zero carbon collection methods:
    - i. Further electrification of RCV's and the associated charging infrastructure
    - ii. The requirement for a cargo bike collection model in the historic city centre.

### **Cargo bike Food Waste Collections**

19. Following a review of best practice, the soft market test and development of a high level business case which tested financial and numerous other benefits including carbon reduction, noise and air quality the recommendation is the inclusion of a cargo bike food waste collection service in Hereford City Centre.
20. The exact geographic area will be developed as part of a separate procurement process in order to maximise benefits, value for money and to utilise expertise and innovation from the UK and international market.
21. This highly innovative, zero carbon proposal will be a national first for municipal food waste.

### Communication, resident engagement and ‘Hypercare’

22. Following the outcome of the public consultation where residents requested more support to increase recycling and be able to understand the new collection service additional and targeted communication, engagement and information is being and will continue to be provided to residents through the new ‘Getting it Right’ campaign.
23. This will build on the existing engagement campaigns with flats and housing associations through additional engagement with rural communities with specific collection needs, countywide communications on the service changes and extended period of Hypercare to support residents for the initial months of the contract and beyond as needed.

### Proposed extension to existing collection service

24. Following the outcome of the soft market test and the procurement strategy advice from Woods the proposal is to extend the existing waste collection service to align to the procurement. This will help to mitigate the current market uncertainties and supplier lead times for new waste collection vehicles and will ensure a successful mobilisation for new service at the service commencement date.
25. In May 2022 the council commenced negotiations to extend the existing waste collection service with our current providers FCC Environment.

### Next steps

26. Procurement timescales

Cabinet Approval	July 2022
Extension of existing contract	August 2022
Finalisation of service specification	August 2022
Commencement of procurement process	August 2022
Contract award dependent on negotiation with potential contractors	January 2023 – April 2023
Mobilisation subject to vehicle procurement / delivery times at that time	Up to 12 months from award
Commencement of new service	Up to 12 months from award
Hypercare – a period of intensive support to help residents get used to the new service	6 months from contract commencement

### Community impact

27. Whenever changes are made to a universal waste collection service residents will need clear information and time to prepare and adapt to the change. The ‘Getting it Right’ campaign will continue to support residents in making good reduce, reuse and recycle choices to drive recycling



to even higher levels and following the procurement process will support residents with the mobilisation of the new service.

28. The proposed procurement and mobilisation of the new waste collection service will have a positive impact on contributing towards local and regional strategy priorities, targets and legislation. These all are complimentary to The County Plan 2020 – 2024.

## **Environmental Impact**

29. The council seeks to treat waste as a resource, supporting a more circular economy for Herefordshire reducing, reusing and recycling materials so that they stay in use for longer, offsetting use of raw materials and reducing carbon emissions.
30. The environmental impact of this proposal has been integral to the service specification and includes appropriate requirements on the contractor/delivery partner to minimise waste, reduce energy and carbon emissions and to consider opportunities to enhance biodiversity. This will be managed and reported through the ongoing contract management.
31. The modelling undertaken by FRM indicates that the new service will
  - I. significantly increase recycling levels – from ~40% to 63%
  - II. significantly increase recycling quality
  - III. have a strong focus on re-use to ensure items are in use for longer, reducing waste and offsetting the use of raw materials and reducing carbon emissions
32. Through the specific requirements for bidders to include zero carbon collection vehicles, including both electric RCV's and cargo bikes in the city centre this will further reduce carbon emissions, reduce noise pollution, reduce congestion and improve air quality in the Hereford Air Quality Management Area.

## **Equality duty**

33. 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.
34. 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.

35. The previous cabinet decision on the future collection model was considered in line with the council's Equality Act 2010 duties and an extensive public consultation exercise was undertaken.
36. The learning from the pilot schemes has informed the development of the service specification.
37. No new impacts have been identified beyond those identified in the 25 November 2021 Cabinet report.

## Resource implications

38. The new waste collection model will create a recurrent budget pressure of approximately £2.1m
39. The council currently spends £4m per annum on the current waste collection arrangements however this does not include the provision of a weekly food waste collection and fortnightly garden waste collection service which local authorities are required to introduce as part of the Environment Act 2021.
40. Financial modelling of the recommended twin stream recycling collection option indicates that it will raise collection costs by circa £4m per annum, against this there will be substantial savings in disposal costs and likely payments to the council under the emergent Producer Pays regime and Additional Burdens.

Revenue budget implications	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m
<i>Current Waste Collection contract cost</i>				
<i>Future Waste Collection contract(s) cost</i>	7.3*	8.0	8.0	8.0
<i>Current revenue budget allocation</i>	(4.0)	(4.0)	(4.0)	(4.0)
<i>Waste disposal savings</i>	(1.9)	(1.9)	(1.9)	(1.9)
<i>Extended Producer Responsibility</i>	Tbc	Tbc	Tbc	Tbc
<i>Additional Burdens</i>	Tbc	Tbc	Tbc	Tbc
<i>Contract Inflation</i>		Tbc	Tbc	Tbc
<b>TOTAL</b>	<b>1.6</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>

\*Part year cost increase due to June commencement

41. The proposal is that the new provider will finance the capital investment required for the new waste collection vehicle fleet. The current estimated cost for this £13.3m however this will be further refined with the method statements and capital requirements from the successful bidder and as part of the detailed business cases assessment.
42. The proposed funding route for the new bins, containers, bin chips and electric vehicle charging infrastructure is to utilise the Waste Revenue Reserve. As the new collection service has been designed to re-use all the existing containers from the current contract and encourage further recycling the need for new containers has been minimised. Residents will retain their existing bins and will be issued with an additional recycling bin, a food waste caddy and a garden waste bin if requested. New bins have an expected life of at least 20 years.
43. The cost per household will be circa £50 but it is proposed that the total cost of £4.3m is met from an earmarked waste reserve already built up over the past 10 years. The current waste reserve balance together with the impact of funding the new bins from this reserve is set out in the table below. There is likely to be an additional draw down on this reserve during 2022/23 to fund an existing service pressure which is anticipated to be in the region of £300k. This will be confirmed as part of the Quarter 1 budget monitoring process.

44. An extension to the existing waste disposal contract is also proposed and the anticipated savings from the proposed contract extension will generate £1.9m of savings over 2022/23 and 2023/24 as per the commercial agreement reached in 2021. However, until financial due diligence is complete on the contract extension terms & conditions, it is not clear whether there will be an overall net saving or cost to the council for both the waste collection and waste disposal contract over the MTFs period.

<b>Use of Waste Revenue Reserve</b>	<b>2023/24</b>
	£m
<i>Electric vehicle charging infrastructure</i>	0.4
<i>Provision of new bins</i>	4.3
Waste Reserve	(7.2)
<b>TOTAL</b>	<b>(2.5)</b>

45. The proposed procurement documents have been developed with support from Commercial Services and in line with the council's contract procedure rules.

### Legal implications

46. The council has statutory duties in relation to collection of waste as set out in section 45 of the Environmental Protection Act 1990 these duties include as amended by the Environment Act 2021 which amongst other matters has imposed a new duty in relation to separate receptacles or compartments of receptacles to be used for the purposes to ensure that the council can comply with its duties to collect separated waste.
47. The council has engaged specialist legal support in drafting the revised waste collection contract and to advice on the procurement of the new waste collection service.

### Risk management

48. Key risks and mitigation are kept under regular review by the project board and are summarised below

<b>Risk / opportunity</b>	<b>Mitigation</b>
No market interest	The soft market test indicated that numerous experienced contractors are interested in tendering for the service
Time scales for mobilisation timescales and vehicle lead in times	Following the soft market testing and procurement strategy from Woods the recommendation is to extend the existing service contract with FCC Environment to incorporate an effective mobilisation period
Public engagement and successful roll out of the new service	Public consultation exercise identified that: <ul style="list-style-type: none"> <li>• 86% of residents agreed that more needs to be done to reduce waste and to increase recycling</li> <li>• 60% of residents accept the need for the council to change the current service</li> <li>• The new collection model was the public's preferred option from the consultation exercise.</li> </ul>

	<p>Successful launch of pilot schemes</p> <p>Getting it Right campaign launched to support residents</p>
Not Achieving Value for Money	The procurement process and contract management process has been developed with support for specialist technical and legal consultants who will support the procurement to ensure value for money.
Reduced market interest due to requirement for contractor to provide capital financing	Whilst the soft market test indicated that the market preference is for the Council to provide the capital financing it also indicated that numerous experienced contractors are interested in tendering for the service. The rationale as to whether to ask the contractor to purchase vehicles or the council are finely balanced. Officers having considered all of the other relevant factors including capacity within the capital programme and the ability of contractors to raise capital are of the view that the risk is best placed with the contractor
Contract resilience	Due to the innovative nature of the cargo bike food waste collection service an option has been included within the main contract to support the food waste collection if required.

## Consultees

49. The following consultation has taken place:

Consultation	Date	Feedback
Waste Management Services Review Project Board	Monthly meetings in 2019- 2022	Lead the development of the recommendations through the process.
Soft Market Test	Dec 2021	Incorporated into service design
Corporate Leadership Team	5 July 2022	Support for the proposal
Political Briefing with the cabinet member for Commissioning, Procurement and Assets	Regular briefings	Support for the proposal
Cabinet Feeder	7 July 2022	Support for the proposal
Political groups consultation on a key decision	07 July 2022	<p>A member briefing session was held on 7th July 2022 with good attendance from all parties.</p> <p>No political positions were provided, however members in attendance demonstrated particular support for cargo bike food collections, service innovations including collection of information and an acknowledgement for an increased level of communications and engagement with residents on how the new service will be delivered.</p>

## Appendices

- Appendix 1 – Authority’s Requirements (Exempt)

## Background papers

- Waste Management Review – Waste Collection (Cabinet Report – 25th November 2021)
  - <https://councillors.herefordshire.gov.uk/ielIssueDetails.aspx?IId=50039497&PlanId=0&Oprt=3#AI59562>
- Waste Management Review – Waste Disposal (Cabinet Report – 25th November 2021)
  - <https://councillors.herefordshire.gov.uk/ielIssueDetails.aspx?IId=50039499&PlanId=0&Oprt=3#AI59564>

## Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 08/07/2022
Finance	Jo Moore	Date 13/07/2022
Legal	Alice McAlpine Simon Aley	Date 25/06/2022 Date 22/06/2022
Communications	Luenne Featherstone	Date 29/06/2022
Equality Duty	Carol Trachonitis	Date 20/06/2022
Procurement	Mark Cage	Date 22/06/2022
Risk	Kevin Lloyd	Date 20/06/2022
Approved by	Jo Moore	Date 13/07/2022



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