

# Agenda

## General scrutiny committee

Date: **Thursday 27 January 2022**

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Time: **10.15 am**

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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 Ben Baugh, Democratic services officer on 01432 261882 or e-mail [ben.baugh2@herefordshire.gov.uk](mailto:ben.baugh2@herefordshire.gov.uk) in advance of the meeting.

# **Agenda for the meeting of the General scrutiny committee**

## **Membership**

<b>Chairperson</b>	<b>Councillor Jonathan Lester</b>
<b>Vice-chairperson</b>	<b>Councillor Tracy Bowes</b>

**Councillor Sebastian Bowen**  
**Councillor Barry Durkin**  
**Councillor Louis Stark**  
**Councillor David Summers**  
**Councillor William Wilding**

## Agenda

	Pages
<b>1. APOLOGIES FOR ABSENCE</b> To receive apologies for absence.	
<b>2. NAMED SUBSTITUTES</b> To receive details of members nominated to attend the meeting in place of a member of the committee.	
<b>3. DECLARATIONS OF INTEREST</b> 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.	
<b>4. MINUTES</b> To receive the minutes of the meeting held on 15 November 2021.  <b>HOW TO SUBMIT QUESTIONS</b> The deadline for the submission of questions for this meeting is 5.00 pm on Friday 21 January 2022. 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. Accepted questions and the responses will be published as a supplement to the agenda papers prior to the meeting. Further information and guidance is available at <a href="http://www.herefordshire.gov.uk/getinvolved">www.herefordshire.gov.uk/getinvolved</a>	11 - 16
<b>5. QUESTIONS FROM MEMBERS OF THE PUBLIC</b> To receive any written questions from members of the public.	
<b>6. QUESTIONS FROM MEMBERS OF THE COUNCIL</b> To receive any written questions from members of the council.	
<b>7. 2022/23 BUDGET SETTING</b> To seek the views of the general scrutiny committee on the budget proposals for 2022/23 following the announcement of the provisional financial settlement.	17 - 298
<b>8. DATE OF NEXT MEETING</b> The next scheduled meeting is Monday 21 March 2022, 10.15 am.	



## 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. The council's constitution is available at [www.herefordshire.gov.uk/constitution](http://www.herefordshire.gov.uk/constitution)
- 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 documents.

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## **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:  
[www.herefordshire.gov.uk/downloads/file/1597/hereford-city-bus-map-local-services-](http://www.herefordshire.gov.uk/downloads/file/1597/hereford-city-bus-map-local-services-)

## **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.





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## Guide to general scrutiny committee

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

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

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

The general scrutiny committee consists of 7 councillors.

Councillor Sebastian Bowen	True Independents
Councillor Tracy Bowes (vice-chairperson)	Independents for Herefordshire
Councillor Barry Durkin	Conservatives
Councillor Jonathan Lester (Chairperson)	Conservatives
Councillor Louis Stark	Liberal Democrats
Councillor David Summers	Independents for Herefordshire
Councillor William Wilding	Independents for Herefordshire

The committees have the power:

- (a) to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the executive,
- (b) to make reports or recommendations to the authority or the executive with respect to the discharge of any functions which are the responsibility of the executive,
- (c) to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are not the responsibility of the executive,
- (d) to make reports or recommendations to council or the cabinet with respect to the discharge of any functions which are not the responsibility of the executive,
- (e) to make reports or recommendations to council or the cabinet on matters which affect the authority's area or the inhabitants of that area
- (f) to review or scrutinise decisions made, or other action taken, in connection with the discharge by the responsible authorities of their crime and disorder functions and to make reports or recommendations to the council with respect to the discharge of those functions. In this regard crime and disorder functions means:

- (i) a strategy for the reduction of crime and disorder in the area (including anti-social and other behaviour adversely affecting the local environment); and
  - (ii) a strategy for combatting the misuse of drugs, alcohol and other substances in the area; and
  - (iii) a strategy for the reduction of re-offending in the area
- (g) to review and scrutinise any matter relating to the planning, provision and operation of the health service in its area and make reports and recommendations to a responsible person on any matter it has reviewed or scrutinised or to be consulted by a relevant NHS body or health service provider in accordance with the Regulations (2013/218) as amended. In this regard *health service* includes services designed to secure improvement—
  - (i) in the physical and mental health of the people of England, and
  - (ii) in the prevention, diagnosis and treatment of physical and mental illness
  - (iii) and any services provided in pursuance of arrangements under section 75 in relation to the exercise of health-related functions of a local authority.
- (h) to review and scrutinise the exercise by risk management authorities of flood risk management functions or coastal erosion risk management functions which may affect the local authority's area.

The specific remit of the general scrutiny committee includes:

- services within the economy and place directorate and corporate centre
- corporate performance
- budget and policy framework matters
- statutory flood risk management scrutiny powers
- statutory community safety and policing scrutiny powers

### **Who attends general scrutiny committee meetings?**

The following attend the committee:

- Members of the committee, including the chairperson and vice-chairperson.
- Cabinet members, they are not members of the committee but attend principally to answer any questions the committee may have and inform the debate.
- Officers of the council to present reports and give technical advice to the committee.
- People external to the Council invited to provide information to the committee.

(Other councillors may attend as observers but are only entitled to speak at the discretion of the chairman.)

**Minutes of the meeting of the General scrutiny committee held at Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Monday 15 November 2021 at 10.15 am**

<b>Committee Members:</b>	Councillor Jonathan Lester (Chairperson) Councillor Tracy Bowes (Vice-Chairperson)
	Councillors: Sebastian Bowen, Barry Durkin, Louis Stark, David Summers and William Wilding
<b>Officers:</b>	Neil Taylor* (Interim Director for Economy and Place), Kate Charlton* (Interim Head of Legal Services and Deputy Monitoring Officer), Phil Crossland* (Interim Service Director Environment, Highways and Waste), Sharon Bennett-Matthews* (Head of Law and Legal Business Partner Economy and Place), Bruce Evans (Engineering Manager), Simon Hobbs (Senior Accident Investigation Engineer), Ben Baugh (Democratic Services Officer) Jen Preece (Democratic Services Technical Support)
<b>In Attendance:</b>	John Campion, Police and Crime Commissioner for West Mercia Superintendent Edd Williams, West Mercia Police
	Councillor Ange Tyler*, Cabinet Member – Housing, Regulatory Services, and Community Safety
	*denotes virtual attendance

**38. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Hitchiner, Leader of the Council.

**39. NAMED SUBSTITUTES**

No named substitutes were present.

**40. DECLARATIONS OF INTEREST**

Councillor Durkin and Councillor Bowen both declared a non-pecuniary interest as members of the Police and Crime Panel. The Clerk confirmed that as Council appointments these were not schedule 2 interests and therefore the councillors could still take part in the discussion.

**41. MINUTES**

Consideration was given to the minutes of the meeting held on 22 September 2021. Councillor Stark identified a typographical error in the minutes of the Maylord Orchard item where the word 'costs' had been used instead of 'rental incomes'. The sentence should have read:

“Maylord was cash positive and it was confirmed that *rental incomes* more than covered the running costs.”

**RESOLVED:**

That the minutes of the meeting held on 22 September 2021, subject to the amendment as outlined above, be approved as a correct record and be signed by the Chairperson.

**42. QUESTIONS FROM MEMBERS OF THE PUBLIC**

No questions had been received from members of the public.

**43. QUESTIONS FROM MEMBERS OF THE COUNCIL**

No questions had been received from councillors.

**44. AN UPDATE FROM THE POLICE AND CRIME COMMISSIONER**

The Chair welcomed John Campion, the Police and Crime Commissioner and Superintendent Edd Williams to the meeting.

The Commissioner introduced himself and gave an overview of the strategic elements of his role. Key points from his presentation included:

- The Commissioner had a non-operational role but was responsible for the Governance of West Mercia Police and how resources of £245 million were spent. The appointment of the Chief Constable was the responsibility of the Commissioner and, acting as the voice of the Public, it was he who held the Chief Constable to account.
- The Police and Crime Plan would soon be presented to the Police and Crime Panel for approval and would be confirmed by the end of the year.
- There were four strands to the Police and Crime Plan:

**Victims and Survivors First.**

Ensuring the needs of victims and survivors were understood and they were supported in their recovery. There had already been a large investment in victim services but there was still much more to do.

**Secure West Mercia.**

The policing precept was given to keep residents safe and although Herefordshire was a low crime area, this must never be taken for granted.

**Reform.**

The number of officers had been increased and more of the budget was being spent on policing hours. Resources, whether technological or physical were being reformed to ensure that they met needs and were ‘match fit’

**Reassurance.**

Although Herefordshire did experience the most serious sorts of crimes it was not in any volume and as such the County was a very safe area. However communities needed to be reassured and made to *feel* safe by the Police being active and visible in their areas.

- In response to a high volume of correspondence from the public on the issue of speeding, the Commissioner wanted to develop with the Council, as the highways authority, a joined-up approach as to how this anti-social type of speeding that caused so much detriment to the Community, could be addressed.

- Fly tipping was another area of concern for residents and although enforcement was not a statutory duty for the Police, the Commissioner was offering a grant to Councils and welcomed innovative suggestions from Councillors on what could be done to augment existing practices.

The Commissioner handed over to Superintendent Williams who spoke about the Local Policing Charter. Key points from his presentation included:

- The Police recognised that their work started in the community and looked to work in partnership with residents and businesses.
- Part of the Community Charter's remit was to work with over 120 parish councils to agree a Contact Contract which agreed how regular the contact would be with the local policing team and which would also agree 3 priorities and a realistic plan to tackle them.
- There were 6 strands to the Community Charter;
  - Visibility and accessibility
  - Responding to our communities
  - Prevention
  - Vulnerability
  - Relationships
  - Partnerships
- The force worked in partnership with licensees to ensure that the night time economy was supported.
- The County Lines approach taken by the force continued to be successful.

The Chair thanked the Commissioner and the Superintendent and asked for questions. During the discussion the following principal points were noted:

- The work of Community Speedwatch Teams helped with the 3 'E's' approach to speeding; education, engineering (the problem out) and enforcement
- Only a third of parish councils responded to a survey that was carried out each year by the Police Commissioner. The results of this survey were used to hold the force to account so the Commissioner encouraged Councillors to get more of their Parish Councils to respond.
- In the case of unlawful parking during school drop off and pick up hours, the Commissioner's expectation was that the force would deal with obstruction (of a highway or access point) and would work in conjunction with the Local Authority for any double yellow line parking infractions.
- Regular liaison with the Ward Member would be useful for the community safety officer as it could act as a conduit through to the Parish Councils.
- Neighbourhood Matters was the replacement service for the Community Messaging Service. To date there were 1400 people signed up to this but the Force was hoping to greatly expand this number as not only was it a way in which the Police could send out messages to the public but it was also an opportunity for members of the public to ask questions and speak to their local policing team.
- Although the number of police officers had fluctuated in the past ten years it was important not to get too pre-occupied with numbers but to concentrate on having the right sort of resource to deal with the crimes being committed. In Herefordshire you were more likely to be the victim of a crime online rather than in person and therefore the Force needed to expand its online cyber presence.
- Operation Jetwing which involved days of high intensity activity in different locations across Herefordshire would help increase the Force's visibility. The operation was carried out once a month and involved executing local warrants, being visible outside of schools, listening to community concerns and knocking on doors to promote Neighbourhood Matters.

- The new Police and Crime Plan outlined the Commissioner's commitment to choosing the environmental conscious route, whether for vehicles or in the management of buildings or resources, wherever it was possible to do so.
- There had been recent publicity regarding the seizure of an electric scooter which was being used without the required insurance and in an area that was not part of a designated trial zone. The Superintendent encouraged members of the public to capture footage of any such incident on their smart phones.
- There was limited capacity in the Council's road safety team to deliver the changes the public wanted to see. The team was still struggling to implement the '20 is plenty' project that was approved by Council but were trying to deal with the backlog of Traffic Road Orders (TROs) that had built up. Budgetary pressures were a continuing concern.
- West Mercia Police would only provide funding for the purchase and installation of CCTV cameras but not the monitoring of them as it was very difficult to show the benefit of it when comparing the cost of monitoring versus the impact it had. Virtually everywhere else was at the stage where no Police Commissioner resources were used to fund monitoring. The Commissioner had given many notices that this was coming to an end and had highlighted other schemes in West Mercia where the monitoring was volunteer led.
- The Safer Streets Scheme had received bid funding of £500k which had gone towards an additional 40 CCTV cameras, increased street lighting coverage and an extension of the street pastor service.
- Elected members who felt any unease about their safety should contact the local policing team in the first instance and if still not satisfied, contact the Commissioner directly.
- Business and Rural Crime Officers had a 90% satisfaction rate for their response to burglaries. Smart water tagging had been taken out to rural locations to help prevent the theft of agricultural machinery.
- Leominster Police Station was one of the County's policing hubs and as such police officers, including the safer neighbourhood teams which were based there, were available 24 hours a day, 7 days a week. Counter service had been closed as in the main the public preferred to contact the police in different ways, but doorbells had been installed for members of the public to use if they walked into the station.
- Engagement vans, where the public had instant access to police officers, were also used in the community.
- The Commissioner clarified that although the fly-tipping grant of £100k was offered to 5 councils, Herefordshire Council was not constrained to apply for only a fifth of the monies. The application process was straightforward and although innovative solutions were welcomed it could also be used for strengthening existing practices. Councils had two years in which to spend the grant money.
- In response to concerns expressed by the Chairman the Superintendent reassured the Committee that the Police were supportive of community speed limit reductions, even though there were not the resources to regularly enforce them.
- The Superintendent had a road safety fund which parish councils could apply to and which could be used for, for example, the white gates going into villages. The deadline for applications to the fund was 31 March 2022.
- The relationship between the Council and the office of the Police and Crime Commissioner worked well but there needed to be a shift towards more preventative work.
- In response to Councillors expressing concerns about the delays in implementing Traffic Road Orders (TROs), officers highlighted that although the process was managed by Balfour Beatty and that there were statutory requirements that needed to be adhered to they were looking at how it could be streamlined. A new map based system for TROs was being introduced and this could help expedite the process.

- A domestic abuse scrutiny panel had recently been set up which randomly selected 10 cases to review to make sure the response was right and that a consistent service was delivered.
- The Chief Constable had published internal guidance in the wake of the Sarah Everard case and had also released a statement in which he told members of the public not to be afraid to question police officers.

## **RESOLVED:**

That the Executive be recommended to consider the following:

1. The West Mercia Police and Crime Commissioner and the Chief Constable be invited to the next appropriate meeting of Full Council to provide an update on the work of the force;
2. Local guidance on the personal security of councillors and how to highlight safety concerns be provided to all councillors;
3. The Neighbourhood Matters messaging service and the Local Policing Charter be brought to the attention of all councilors;
4. Consideration be given to joint communication protocol between the Council and the Police to ensure that local community safety messages are shared as widely as possible;
5. A bid be made to the Police and Crime Commissioner's initiative to support innovative projects and augment existing activity to reduce fly-tipping;
6. The Herefordshire Superintendent's road safety fund be promoted to all town and parish councils, with attention drawn to the relevant deadline;
7. Consideration be given to the establishment of a local forum for road safety, involving the Council, the Police, and other relevant partners;
8. The process for making Traffic Regulation Orders be reviewed to ensure that it is as efficient and effective as possible, including the approach to consultation and messaging with communities and road users, and with discussions with relevant agencies to remove potential barriers to implementation;
9. Consideration be given to guidance (including relevant templates) for town and parish councils to support them to develop road safety action plans and related measures, including how to access external funding streams.

## **45. WORK PROGRAMME**

The Committee considered its work programme and proposed the following items for the remaining scheduled meetings of the municipal year.

- **14 January 2022:** - Scrutiny of the Budget and MTFP
- **21 January 2022:** - Planning

A single item agenda on Planning, the scope of which was to include consideration of the use to which S106 monies and Community Infrastructure Levy were put, scrutiny of the planning service including enforcement, how environmental concerns

were being addressed through the planning process and the role and scope of the planning inspectorate.

- **21 March 2022:** - Management of Capital Assets and Contract Management

Estate Management was added to the work plan for a future meeting agenda.

The Committee also discussed whether to call-in, or have as an agenda item on their work plan, the decision on the Herefordshire BID Business Improvement District. The Cabinet Member decision that was being taken was on how the Council would vote in the County led bid (excluding Hereford) as it had 23 properties that would be affected. Officers clarified that the communication had been sent out by a third party agency to all of the businesses that would be affected by this decision and that it had outlined the implications of the bid and their vote. Members were in agreement that, as a Committee, they were not minded to call in the decision but noted their right to trigger the call-in process.

#### **46. DATE OF NEXT MEETING**

Tuesday 14 January 2022.

The meeting ended at 1.45pm

**Chairperson**





# Title of report: 2022/23 budget setting

**Meeting: General scrutiny committee**

**Meeting date: Thursday 27 January 2022**

**Report by: Leader of the Council**

## Classification

Open

## Decision type

This is not an executive decision

## Wards affected

(All Wards);

## Purpose

To seek the views of the general scrutiny committee on the budget proposals for 2022/23 following the announcement of the provisional financial settlement.

The draft proposals show an overall increase in the proposed base revenue budget funded through a 2.99% increase in council tax, inclusive of a 1% adult social care precept, and grant funding announced by central government in the provisional financial settlement.

The committee is invited to make recommendations to inform, constructively challenge and support the process for making Cabinet proposals to Council regarding the adoption of the budget.

## Recommendation(s)

**That:**

- a) **having regard to the proposals the committee determines any recommendations it wishes to make to Cabinet in relation to the 2022/23 budget proposals.**

## Alternative options

1. There are no alternatives to the recommendations; Cabinet is responsible for developing budget proposals for Council consideration and it is a function of this committee to make reports or recommendations to the executive with respect to the discharge of any functions which are the responsibility of the executive. The council's budget and policy framework rules require Cabinet to consult with scrutiny committees on budget proposals in order that the scrutiny committee members may inform and support the process for making Cabinet proposals to Council.

2. It is open to the committee to recommend alternative spending proposals or strategic priorities; however given the legal requirement to set a balanced budget should additional expenditure be proposed compensatory savings proposals must also be identified.

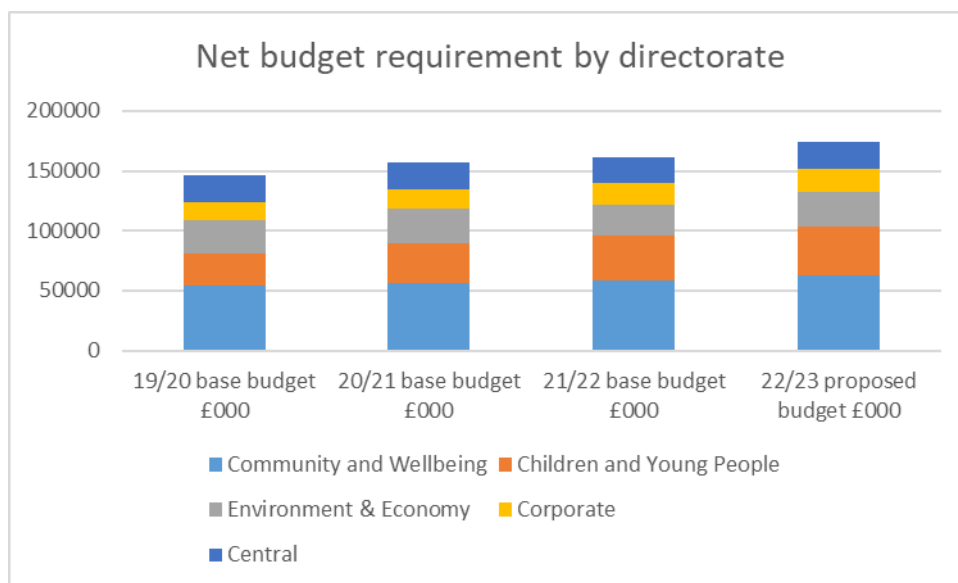
### Key considerations

3. A balanced budget for 2022/23 is proposed, the presentation at appendix A provides details. The 2022/23 base budget proposals are based on the provisional local government financial settlement and an assumed total council tax increase of 2.99%, 1.99% increase in core council tax and a 1% adult social care precept. This increases the band D equivalent charge to £1,701.70 representing an increase of £0.95 per week (£4.12 a month). This is the maximum increase permitted, a higher increase would require the support of a referendum.
4. The 1% adult social care precept will generate additional income of approximately £1.5m, this income is ring-fenced to fund the adults and communities base budget pressures arising from demands for services. The council tax base for 2022/23 has grown by 3% (following a 2% decrease in the prior year) to 70,252.52 band D equivalent properties. This growth is welcomed and reflects no further increases in working age council tax reduction claimants.

### Proposed 22/23 Budget

Detail	21/22 base budget £000	Pressures £000	Savings £000	22/23 proposed budget £000
Community and Wellbeing	58,939	4,233	(718)	62,454
Children and Young People	36,911	4,415	-	41,326
Economy and Environment	26,328	3,902	(1,384)	28,846
Corporate	18,150	4,168	-	22,318
<b>Sub Total</b>	<b>140,328</b>	<b>16,718</b>	<b>(2,102)</b>	<b>154,944</b>
Central	20,668	-	(500)	20,168
<b>TOTALS</b>	<b>160,996</b>	<b>16,718</b>	<b>(2,602)</b>	<b>175,112</b>
Funded by:-				
Council tax	112,944			119,549
Business rates	36,753			37,488
Collection fund deficit	(200)			1,260
Revenue support grant	638			663
Rural services delivery grant	5,353			5,353
Social care support grant	5,508			7,691
Market Sustainability & Fair Cost of Care	-			594
Lower Tier Services Grant	-			264
2022/23 Services Grant	-			2,250
<b>TOTALS</b>	<b>160,996</b>			<b>175,112</b>

5. The net budget requirement has grown, its split between directorates is shown in the graph below:-



6. Appendix B provides detail behind the savings proposals and appendix C provides a three year directorate base budget summary.
7. Appendix D details the proposed additions to the existing capital programme that have been identified and the impact of approving these additions. Twelve capital investment budget proposals totalling £32.08m have been identified, to be funded by capital grants (£13.01m), returns on capital investment (£5.55m), capital receipts reserve (£1.5m) and prudential borrowing (£12.02m). Appendix E provides business cases for each proposed scheme and Appendix F provides the three year capital investment budget.
8. Appendix G updates the committee on the Covid 19 funding allocations during the period April to December 2021.
9. Council will be asked to approve the 2022/23 budget on 11 February 2022. At the same meeting Council will also be asked to approve the updated medium term financial strategy, treasury management strategy, council tax reduction scheme and the capital strategy.

### Community impact

10. The budget proposals demonstrate how the council is using its financial resources to deliver the priorities within the County Plan and associated delivery plan.
11. The council is committed to delivering continued improvement, positive change and outcomes in delivering key priorities.
12. In accordance with the principles of the code of corporate governance, the council is committed to promoting a positive working culture that accepts, and encourages constructive challenge, and recognises that a culture and structure for scrutiny are key elements for accountable decision making, policy development, and review.

### Environmental impact

13. 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.

14. Whilst this overarching budget setting document will not detail specific environmental impacts, consideration is always made to minimising waste and resource use in line with the council's environmental policy. A specific environmental impact assessment for the service specific budget proposals will be considered as appropriate to seek to minimise any adverse environmental impact and actively seek opportunities to improve and enhance environmental performance.

## **Equality duty**

15. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:
16. 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.
17. 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. Service specific equality impact assessments will be completed when the service specific proposals are developed to assess the impact on the protected characteristic as set out in the Equality Act 2010. The duty means that the potential impact of a decision on people with different protected characteristics is always taken into account when these assessments have been completed then we will consider mitigating against any adverse impact identified.

## **Resource implications**

18. The financial implications are as set out in the report. The ongoing operational costs including, human resources, information technology and property resource requirements are included in the draft budget and will be detailed in separate governance decision reports as appropriate.

## **Legal implications**

19. When setting the budget it is important that councillors are aware of the legal requirements and obligations. Councillors are required to act prudently when setting the budget and council tax so that they act in a way that considers local taxpayers. This also covers the impact on future taxpayers.
20. The Local Government Finance Act 1992 requires a council to set a balanced budget. To do this the council must prepare a budget that covers not only the expenditure but also the funding to meet the proposed budget. The budget has to be fully funded and the income from all sources must meet the expenditure.
21. Best estimates have to be employed so that all anticipated expenditure and resources are identified. If the budget includes unallocated savings or unidentified income then these have to be carefully handled to demonstrate that these do not create a deficit budget. An intention to set a deficit budget is not permitted under local government legislation.
22. The council must decide every year how much they are going to raise from council tax. The decision is based on a budget that sets out estimates of what is planned to be spent on

services. Because the level of council tax is set before the year begins and cannot be increased during the year, risks and uncertainties have to be considered, that might force higher spending on the services than planned. Allowance is made for these risks by: making prudent allowance in the estimates for services; and ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

23. The council's budget and policy framework rules require that the chairman of a scrutiny committee take steps to ensure that the relevant committee work programmes includes any budget and policy framework plan or strategy, to enable scrutiny members to inform and support the process for making Cabinet proposals to Council.
24. Section 106 of the Local Government Finance Act 1992 restricting councillors voting on certain matters where they are in arrears of council tax, does not apply to scrutiny function as the views from scrutiny on the budget are not a recommendation for approval, a resolution or any other type of decision. As a result a s106 check of councillors arrears has not been undertaken.

## **Risk management**

25. Section 25 of the Local Government Act 2003 requires the S151 officer to report to Council when it is setting the budget and precept (council tax). Council is required to take this report into account when making its budget and precept decision. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.
26. The budget has been updated using the best available information; current spending, anticipated pressures and the provisional settlement. This draft will be updated through the budget setting timetable.
27. There are general risks to delivery of budgets including the delivery of services, new homes, government policy changes and unplanned pressures. We are maintaining a general fund reserve balance above the minimum requirement, ear marked reserves and an annual contingency budget to manage these risks.
28. The most substantial risks have been assessed as part of the budget process and reasonable mitigation has been made. Risks will be monitored through the year and reported to cabinet as part of the budget monitoring process.

## **Consultees**

29. The council's constitution states that budget consultees should include parish councils, health partners, the schools forum, business ratepayers, council taxpayers, the trade unions, political groups on the council, the scrutiny committees and such other organisations and persons as the leader shall determine.
30. Local budget consultation zoom events were held in September 2021, 14 consultation events were held with parish councils and other key stakeholders. The aim of the sessions was to ask key questions specifically related to the 2022/23 budget but also to have more in-depth discussion about ideas that were introduced in last year's budget consultation sessions. There were 51 participants. There was support to increase the general Council Tax charge by 1.99%, which is the proposed increase. The summary report was discussed with committee members on 14 December 2021.
31. An online public consultation was open between 27 August and 4 October 2021. The webpage was visited 442 times during the consultation period. A total of 134 responses were received to the online questionnaire, the survey results were discussed with committee members on 14 December 2021.

32. The budget proposals were considered by the adults and wellbeing scrutiny committee on 10 January 2022 whom made the following recommendations:-

<b>Recommendation</b>	<b>Response</b>
A breakdown of the base budget and how much is being spent in each area be provided to the committee. It is further expected that in future there should be consistency in the level of detail contained within the reports produced for each scrutiny committee	Provided on today's agenda at appendix C
Given the importance assigned to Talk Community to manage demand, an element of its budget be skewed towards better communication of its services and access to hubs so that there is more visibility and engagement with the community	To be discussed at the meeting
The Interim Director of Adult Services investigates the Homeshare programme and its possible benefits and reports back to the committee	To be discussed at the meeting
The Interim Director of Adult Services provides the committee with more information on the levels of satisfaction with the service generally and also the response raised by care leavers in the budget consultation	To be discussed at the meeting
The costs involved with All Ages Commissioning, specifically mental health services, be provided to the committee	Provided on today's agenda at appendix H

33. The budget proposals were considered by the children and young people scrutiny committee on 11 January 2022 whom made the following recommendations:-

<b>Recommendation</b>	<b>Response</b>
The committee notes and accepts the children and young people services budget for 2022/23	Noted
The committee be provided with a greater breakdown of detail where money is spent in the budget on specific service areas	Provided with today's agenda at appendix C
The committee would want to see in future budgeting an increase in the allocation for early help / early years	To be discussed at the meeting

## Appendices

Appendix A: Presentation  
 Appendix B: Savings proposals  
 Appendix C: Directorate 3 year base budgets  
 Appendix D: Capital funding requests for approval  
 Appendix E: Capital business cases  
 Appendix F: Three year capital programme  
 Appendix G: Covid-19 grant related funding  
 Appendix H: Costs involved with All Ages Commissioning

## Background papers

None identified

## Report reviewers used for appraising this report:

Governance	Sarah Buffrey	Date 10/01/2022
Finance	Audrey Clements	Date 09/01/2022
Legal	Alice McAlpine	Date 07/01/2022
Communications	Luenne Featherstone	Date 09/01/2022
Equality Duty	Carol Trachonitis	Date 10/01/2022
Procurement	Rosalie Schultz	Date 09/01/2022
Risk	Kevin Lloyd	Date 10/01/2022
Approved by	Andrew Lovegrove	Date 19/01/2022





**MTFS 2022/2023  
Update  
for General Scrutiny  
27 January 2022**

# MTFS 2022/2023

## Herefordshire Council

### Headlines

- Balanced Revenue Budget and
  - Capital programme funded
- Increase in Council Tax 2.99%
  - 1% Adult Social Care
  - 1.99% General Council Tax

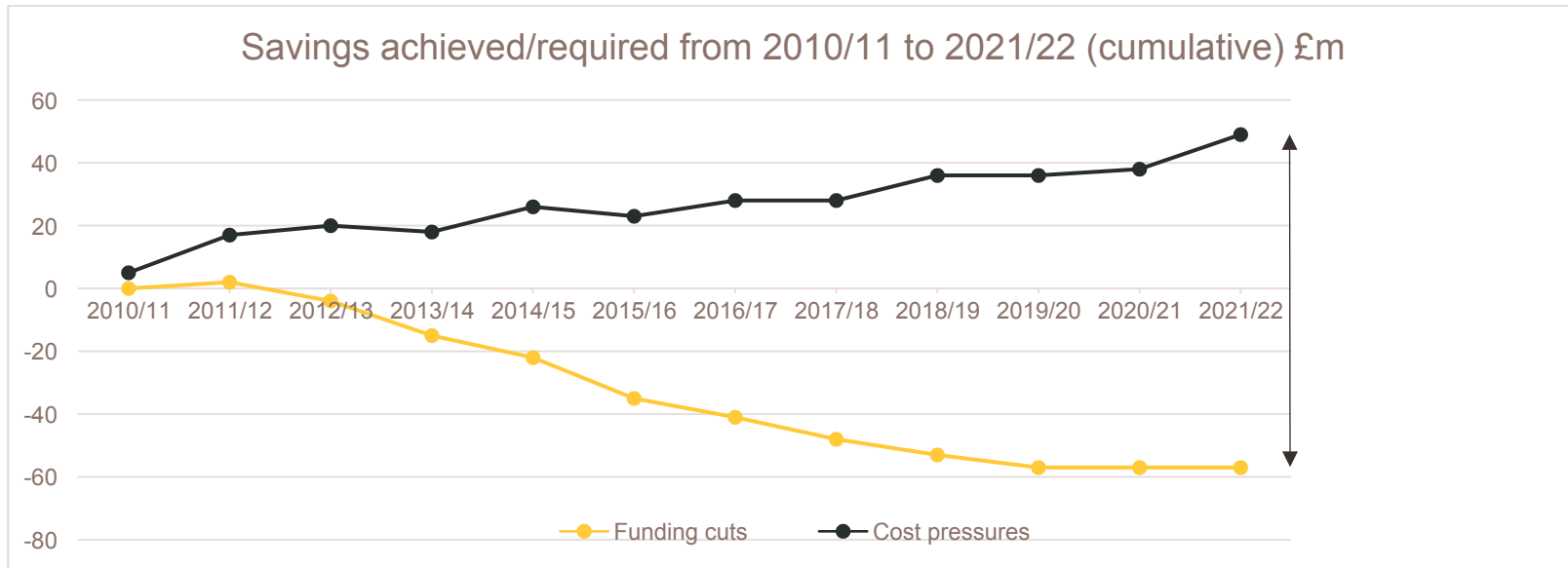
- Government recurring revenue funding £100 million down in real terms

# MTFS 2022/2023

## Herefordshire Council

### Crocodile Diagram

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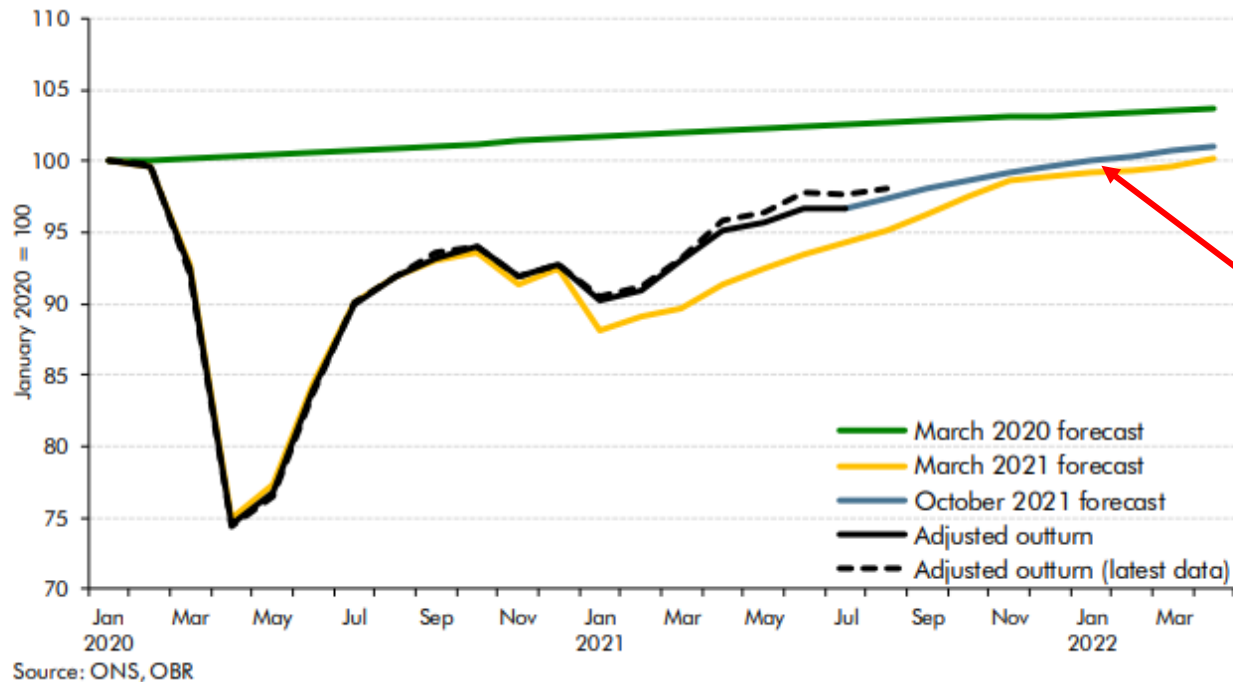
# MTFS 2022/2023

## Herefordshire Council

### Settlement Headlines

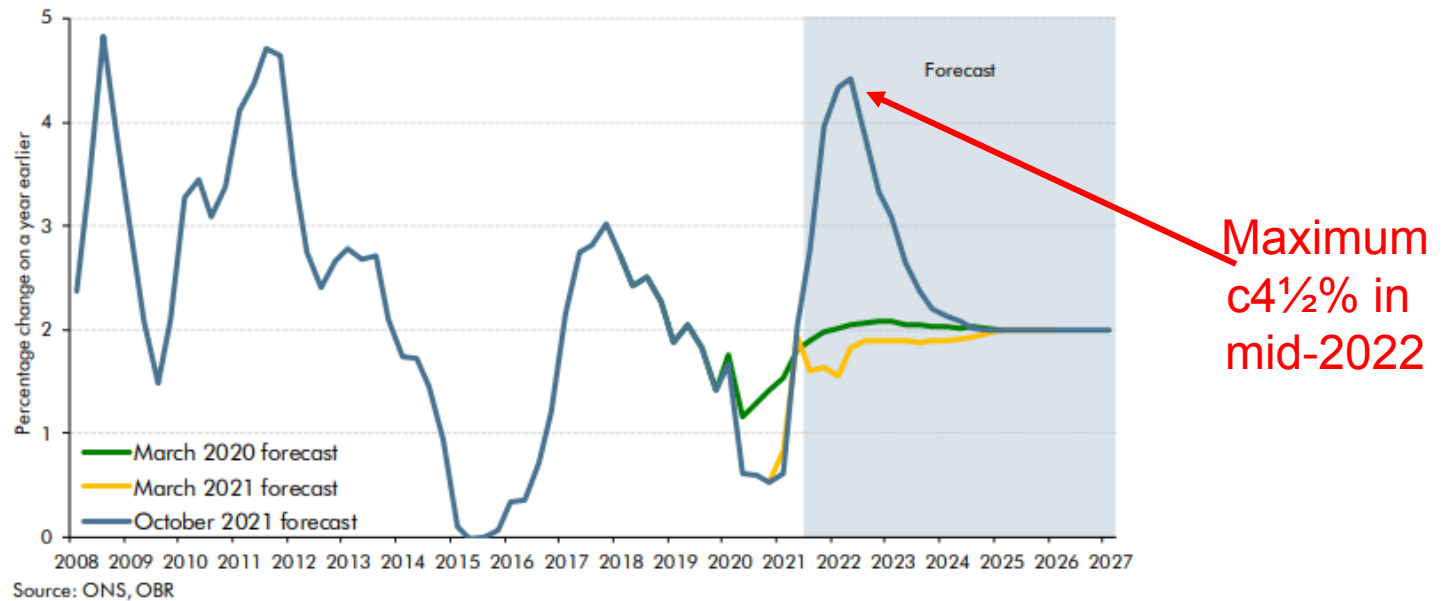
- One year settlement
- Rural Services delivery grant confirmed for another year,
  - New Services Grant –distributed for one year only
- New Social Care Funding – Market Sustainability and Fair Cost of Care Fund

# UK GDP, January 2020 to Spring 2022

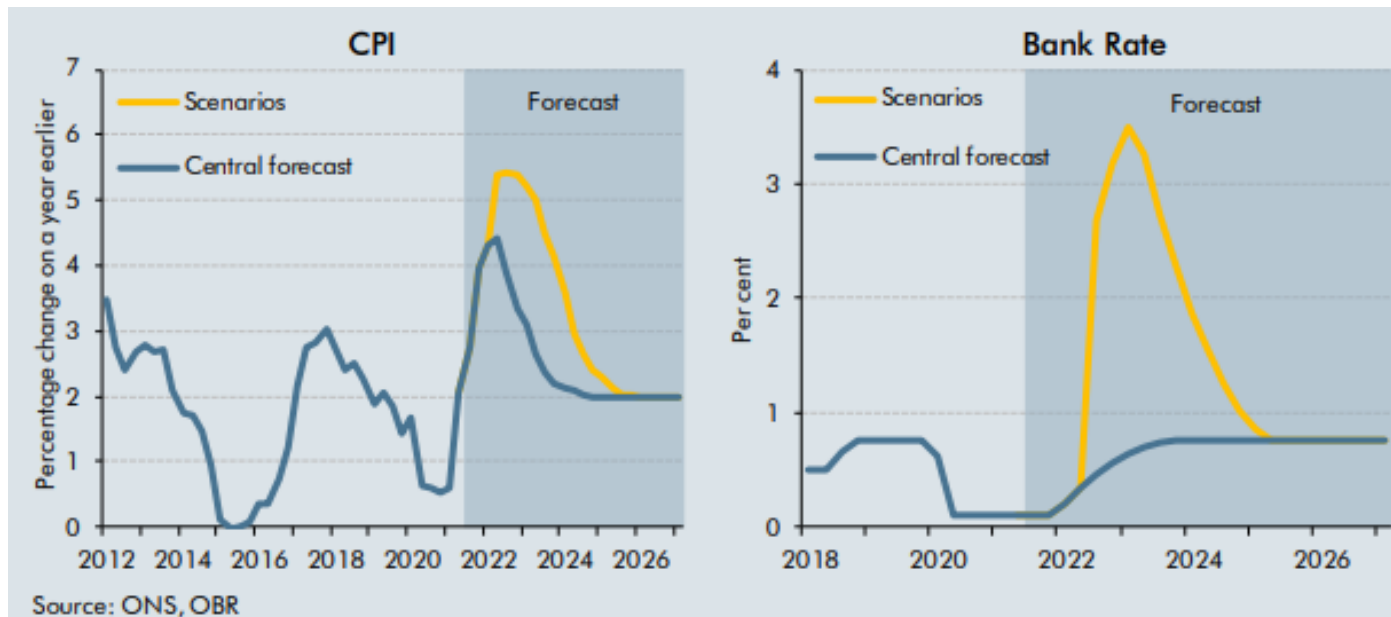


Return to GDP of January 2020

## Inflation (CPI)



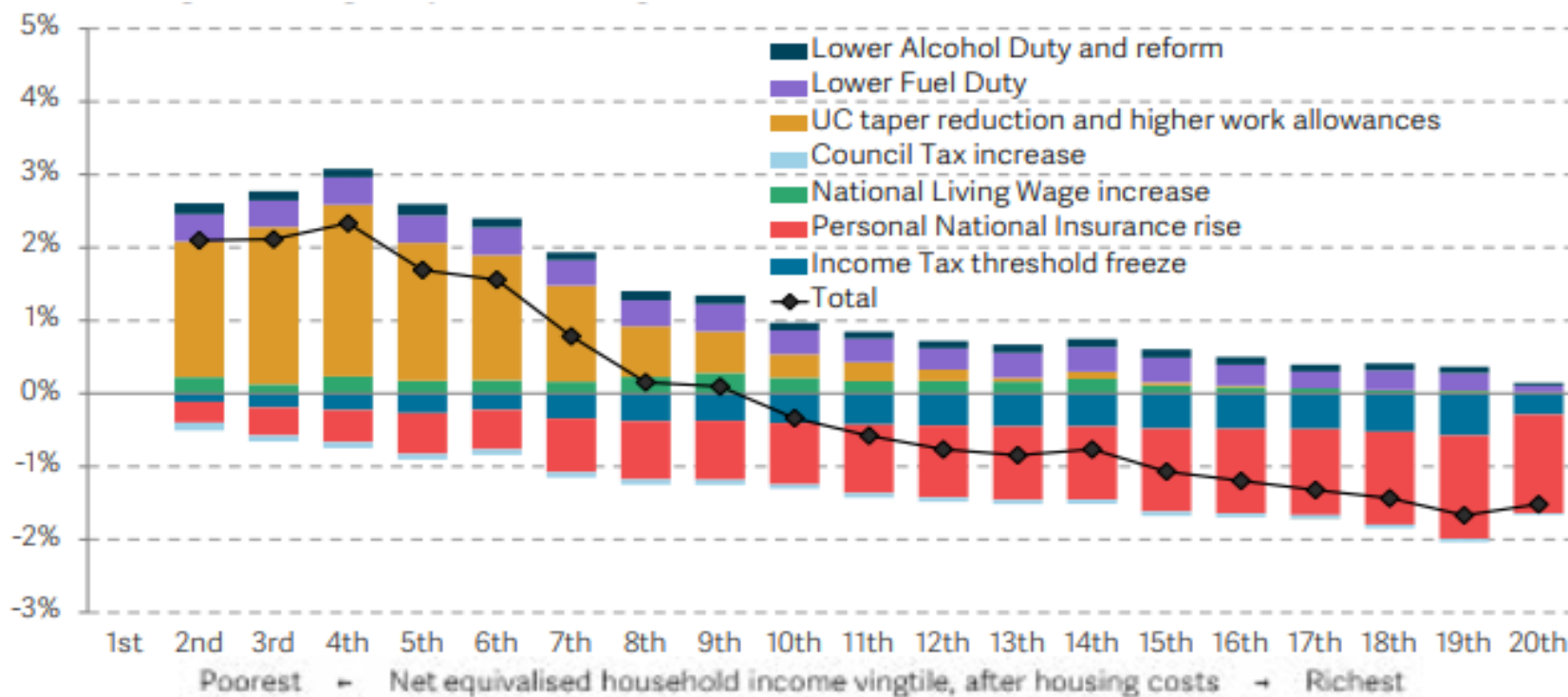
# Inflation and interest rates - including pessimistic scenarios



# Impact of Budget on different income groups

## - it was progressive next year and into the future

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Source: Resolution Foundation



# MTFS 2022/2023

## Herefordshire Council

### Future Years - Funding Estimates

	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000
<b>Council tax</b>	112,944	119,549	122,538	125,601
<b>Retained business rates</b>	36,753	37,488	38,050	38,621
<b>Collection fund surplus / (deficit)</b>	(200)	1,260	-	-
<b>Revenue support grant</b>	638	663	663	-
<b>Rural services delivery grant</b>	5,353	5,353	5,353	5,353
<b>Social care support grant</b>	5,508	7,691	7,691	7,691
<b>Market Sustainability &amp; Fair Cost of Care</b>	-	594	3,000	4,000
<b>Lower Tier Services Grant</b>	-	264	-	-
<b>2022/23 Services Grant</b>	-	2,250	450	450
<b>Total</b>	<b>160,996</b>	<b>175,112</b>	<b>177,745</b>	<b>181,715</b>

# MTFS 2022/2023

## Herefordshire Council

### Future Years - Funding Estimates

Detail	21/22 base budget £000	Pressures £000	Savings £000	22/23 proposed budget £000
Community and Wellbeing	58,939	4,233	(718)	62,454
Children and Young People	36,911	4,415	-	41,326
Economy and Environment	26,328	3,902	(1,384)	28,846
Corporate	18,150	4,168	-	22,318
<b>Sub Total</b>	<b>140,328</b>	<b>16,718</b>	<b>(2,102)</b>	<b>154,944</b>
Central	20,668	-	(500)	20,168
<b>TOTALS</b>	<b>160,996</b>	<b>16,718</b>	<b>(2,602)</b>	<b>175,112</b>

# MTFS 2022/2023

## Directorate Pressures & Bids

### Community and Wellbeing

Ref	Detail	Pressure £000	Budget Bid £000
	Inflation and other contractual increases	2,500	
	ILS (Independent Living Service)		115
	All ages commissioning (bolstering of Children's Quality Assurance)		118
	Loss of discharge to assess funding	1,500	
<b>Total</b>		<b>4,000</b>	<b>233</b>

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# MTFS 2022/2023

## Directorate Pressures & Bids

### Children and Young People

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	Detail	Pressure £000	Budget Bid £000
	Inflation and other contractual increases	1,355	
	High needs pressure	160	
	Voice of the Child		200
	Special Education Needs (SEN) Transport	200	
	Placements	2,500	
<b>Total</b>		<b>4,215</b>	<b>200</b>

# MTFS 2022/2023

## Directorate Pressures & Bids

### Economy and Environment

	Detail	Pressure £000	Budget Bid £000
	Inflation and other contractual increases	2,557	
	Car parking		400
	CCTV Monitoring		120
	Planning income		400
	Archaeology income		65
	Public Realm: Impact of red diesel legislation changes		60
	revenue impact of HCCI projects		100
	Unresolved Savings 2021/2022		200
<b>Total</b>		<b>2,557</b>	<b>1,345</b>

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# MTFS 2022/2023

## Directorate Pressures & Bids

### Corporate

	Detail	Pressure £000	Budget Bid £000
	Inflation and other contractual increases	1,056	
	Procurement resources: responding to the pipeline of projects	80	
	Canvassers income : end to central government funding	60	
	Additional PMO support for projects	300	
	Legal external fees	200	
	Democratic Services: additional revenue pressures expected in regard to re-thinking governance recommendations	87	
	Legal services		1,005
	Additional HR support re Childrens and Young People		60
	Additional Health and Safety resource		60
	Property Services, one year pressure to resolve structural issues	1,260	
<b>Total</b>		<b>3,043</b>	<b>1,125</b>

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# MTFS 2022/2023

## Herefordshire Council

### Savings Required

Directorate	Savings Required 2022/2023 £000
Community Wellbeing	718
Children and Young People	-
Economy and Environment	1,384
Corporate	-
Sub total	2,102
Central	500
<b>Total</b>	<b>2,602</b>

# MTFS 2022/2023

## Central

## Savings Proposals

Ref	Proposal	Summary	Saving Year 1	Saving Year 2	Saving Year 3
			2022/2023	2023/2024	2024/2025
1	Efficiencies	Efficiencies in treasury management and pensions	£500,000	0	0



# MTFS 2022/2023

## Community Wellbeing Directorate

### Savings Proposals

Ref	Proposal	Summary	Saving Year 1	Saving Year 2	Saving Year 3
			2022/2023	2023/2024	2024/2025
1	<b>Supported Living Service</b>	Recommissioning Supported Living Service (annualised saving £492k)	£123,000	0	0
2	<b>Continuing support for NHS Continuing Healthcare and NHS Section 117 Funding</b>	Continuation of the 'Fair and consistent Care & Funding Pathway'	£250,000	0	0
3	<b>Demand management</b>	Management of demand using strengths-based approach and Talk Community	£345,000	0	0

# MTFS 2022/2023

## Economy & Environment Directorate

### Savings Proposals

Ref	Proposal	Summary	Saving Year 1 2022/2023	Saving Year 2 2023/2024	Saving Year 3 2024/2025
1	Energy Charges	Stop free electric vehicle charging and increase charges for solar energy	£5,250	£750	0
2	Introduce charges for non-domestic waste at the Household Recycling Centres	Introduce charges for soil, DIY waste, tyres and plasterboard at Household Recycling Centres	£0	£0	£345,000
3	Waste collection charges increases	Increase charges for commercial and bulky waste services	£25,000	£25,000	£25,000
4	Introduce Parking Charges in Kington	Introduce Pay and Display parking in off street car parks in Kington	£21,500	0	0
5	General Parking Charge Increase	10p per hour increase across all tariffs in 2022/23, no increase in 2023/24, then 10p per hour increase across all tariffs in 2024/25	£170,000	£30,000	£200,000
6	On Street Parking charges expansion in Hereford	Introduction of additional on street pay and display charging in Hereford City Centre	£29,000	£12,500	0
7	Moving Traffic Enforcement by Camera	Introduction of Camera enforcement for a variety of moving traffic offences at locations across Herefordshire.	£33,500	£25,000	0

# MTFS 2022/2023

## Economy & Environment Directorate

### Savings Proposals

Ref	Proposal	Summary	Saving Year 1 2022/2023	Saving Year 2 2023/2024	Saving Year 3 2024/2025
8	<b>Review of Resident Parking Permit Fees</b>	A phased increase in residents parking permit fees in 23/24 and 24/25	£0	£30,000	£30,000
9	<b>Review of Parking Enforcement</b>	An external review of parking enforcement to maximise the effectiveness of the service	£0	£50,000	0
10	<b>Increase New Roads and Streetworks Act income</b>	Additional income from increased inspection and enforcement of 3rd Party works on the public highway	£85,000	£15,000	0
11	<b>Review Capital Revenue splits in line with activity</b>	Staff time spent on capital projects is appropriately recharged to capital budgets	£100,000	0	0
12	<b>Plant Utilisation</b>	Contractor plant and equipment is shared between services to minimise hire costs	£10,000	0	0
13	<b>Invest to Save – purchasing plant items</b>	Purchase of construction plant to reduce ongoing hire charges	£34,265	£11,421	0
14	<b>Review of skips, scaffolds and drop kerbs' charges</b>	Increased licence charges for skips, scaffolds and drop kerbs	£5,000	£1,500	£1,500
15	<b>Home To School/ College Transport</b>	Review and retendering of school and college transport routes to maximise efficiency	£40,000	£5,000	0

# MTFS 2022/2023

## Economy & Environment Directorate

### Use of one-off monies (Local Services Grant)

One-off monies (Local Services Grant 2022/2023 £2.25m less grant assumed recurring)	£ 1,800,000
E&E shortfall 2022/2023 (Year 1)	(£807,485)
E&E shortfall 2023/2024 (Year 2)	(£601,314)
Remaining balance	£391,201
To fund:	
Decarbonising the Education Estate (12 month programme one-off)	(120,000)
Public Right of Way (PROW)/Traffic management (TRO) insourcing (12 month programme one-off)	(115,000)
Investment in Public Right of Way (PROW) and Traffic Management (3 year programme)	(156,201)
Final Balance	Nil

# MTFS 2022/2023

## Economy & Environment Directorate

### Savings Proposals - Summary

	2022/2023	2023/2024	2024/2025
Total Highways, Environment and Waste savings proposals identified	£558,515	£206,171	£601,500
Improvement in delivery of 2021/22 savings	£18,000	0	0
Total E&E Savings	£576,515	£206,171	£601,500
Total E&E savings requirement	£1,384,000	£807,485	£601,314
In Year Budget shortfall	£807,485	£601,314	0

# MTFS 2022/2023

## Capital

Capital Funding Requests for approval

(NB excludes provision for Flexible Futures)

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Scheme	Current Capital Programme £000	Total 22/23 £000	Total 23/24 £000	Total 24/25 £000	Total Future Years £000	Capital Grant funding £000	Redirected funding £000	Capital receipt funding £000	Funded by ROI £000	Corporate Funded PB £000	Total Request £000
Residual property works identified in the 2019 condition reports		1,291.6	100.0	0.0	0.0	0.0	0.0	0.0	0.0	1,391.6	1,391.6
Estates Building Improvement Programme 22-25		1,454.0	1,289.0	264.0	0.0	0.0	0.0	0.0	0.0	3,007.0	3,007.0
Key Network Infrastructure (Core Data Centre Switches & Corporate Wi-Fi)		490.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	490.0	490.0
Primary Data Storage Area Network (Plough Lane)		335.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	335.0	335.0
Public Realm Maintenance - Mitigating Risk on the Network		3,685.0	1,265.0	0.0	0.0	0.0	0.0	0.0	0.0	4,950.0	4,950.0
Winter Resilience		532.0	145.0	290.0	435.0	0.0	0.0	0.0	0.0	1,402.0	1,402.0
My Account		313.0	130.0	0.0	0.0	0.0	0.0	0.0	0.0	443.0	443.0
Stronger Towns Fund - Hereford Museum & Art Gallery Redevelopment	250.0	750.0	6,700.0	7,300.0	0.0	9,750.0	0.0	0.0	5,000.0	0.0	14,750.0
Stronger Towns Fund - Greening the City		229.9	180.0	0.0	0.0	409.9	0.0	0.0	0.0	0.0	409.9
Stronger Towns Fund - Maylord Orchard Redevelopment and Learning Resource Centre	150.0	620.0	2,230.0	0.0	0.0	2,850.0	0.0	0.0	0.0	0.0	2,850.0
Herefordshire Hoard		1,500.0	0.0	0.0	0.0	0.0	0.0	1,500.0	0.0	0.0	1,500.0
Highways Equipment		548.0	0.0	0.0	0.0	0.0	0.0	0.0	548.0	0.0	548.0
<b>Total</b>	<b>400.0</b>	<b>11,748.5</b>	<b>12,039.0</b>	<b>7,854.0</b>	<b>435.0</b>	<b>13,009.9</b>	<b>0.0</b>	<b>1,500.0</b>	<b>5,548.0</b>	<b>12,018.6</b>	<b>32,076.5</b>

# MTFS 2022/2023

## Capital

### Corporate Borrowing Requirement

Funding Position	22/23	23/24	24/25	Future Years	Total
Total Corporate Borrowing Required	8,100.6	2,929.0	554.0	435.0	12,018.6
Annual Funding Limit	6,700.0	6,700.0	6,700.0	-	20,100.0
Unspent 20/21 borrowing to reallocate	503.3	-	-	-	503.3
Unspent 21/22 borrowing estimated	1,500.0	-	-	-	1,500.0
Hereford Transport Package	3,750.0	-	-	-	3,750.0
Allocated Previously	( 6,826.6)	(66.0)	( 10.0)	-	( 6,902.6)
Total Funding Available	5,626.7	6,634.0	6,690.0	0.0	18,950.7
Funding Variance	(2,473.8)	3,705.0	6,136.0	(435.0)	6,932.2

The addition of £6.7m corporate borrowing is allowed for each year in the revenue budget. For all requests to go forward this can either be funded from advance borrowing of 23/24 as there is often slippage (to cover the borrowing costs) or use of reserves if none are removed.

# MTFS 2022/2023 - Update Summary

- **Balanced Revenue Budget over 3 Year Medium Term Financial Strategy (MTFS)**
- **Children and Young People (CYP) pressure from Transformation programme, will be funded from council ear marked reserves.**



# **Savings Proposals By Directorate 2022/2023**

# Savings Targets by Directorate

## Medium Term Financial Strategy

### 2022/2023

Directorate	Savings Targets 2022/2023 £000		
	Year 1	Year 2	Year 3
Community Wellbeing	718	-	-
Children and Young People	-	-	-
Economy and Environment*	1,384	-	-
Corporate	-	-	-
Central	500	-	-
<b>Total Savings Proposals</b>	<b>2,602</b>	<b>-</b>	<b>-</b>

\* Economy and Environment savings target will be met by reduced revenue through savings and also increased income from charging

Property Services £1.26 million savings will be funded from Collection Fund surplus

# Savings Targets Profiled by Directorate

## Medium Term Financial Strategy

### 2022/2023

Directorate	Savings Targets Profiled over 3 Years MTFS £000			Savings Total £000
	Year 1	Year 2	Year 3	Total
Community Wellbeing	718	-	-	718
Children and Young People	-	-	-	-
Economy and Environment	577*	206	601	1,384
Corporate	-	-	-	-
Central	500	-	-	500
<b>Total Savings Proposals</b>	<b>1,795</b>	<b>206</b>	<b>601</b>	<b>2,602</b>

- Property Services £1.26 million savings will be funded from Collection Fund surplus
- \* E & E £559k savings in year 1 plus additional savings of £18k in current year

# Economy and Environment Savings

## Revenue through savings & increased income analysis

### Medium Term Financial Strategy

#### 2022/2023

Directorate	Savings Targets Profiled over 3 Years MTFS £000			Savings Total £000
	Year 1	Year 2	Year 3	Total
Economy and Environment	577	206	601	1,384
<b>Total Savings E &amp; E Proposals</b>	<b>577</b>	<b>206</b>	<b>601</b>	<b>1,384</b>

	Year 1	Year 2	Year 3	Total
Economy and Environment Revenue through savings	185	16	-	201
Economy and Environment Increased income from charging	374	190	601	1,165
Economy and Environment Additional savings in current year	18	-	-	18
<b>Total Savings E &amp; E Proposals</b>	<b>577</b>	<b>206</b>	<b>601</b>	<b>1,384</b>

# Community Wellbeing

## Key Challenges and Issues

- Temporary accommodation budget pressures - due to people being housed in B&B's - unable to claim housing benefit to reduce the pressure – lack of suitable housing provision
- Potential reduction in client income pending the outcome of the Care & Support charging policy review – the impact is currently estimated to be circa £600k and is built into the current budget requirement figure
- Pressures in homecare due to staff shortages in the provider market
- Backlog/waiting lists/delayed discharges from care homes/hospital
- Operational workforce issues – i.e. difficulty recruiting permanent social workers, locums/agency costing double that of permanent staff

# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

#### Community Wellbeing

##### Savings proposal

- **CW1: Recommissioning Supported Living Service**

**£123k  
Year 1**

**(annualised saving of £492k)**

##### What will change

- The council's rate per hour for this service will reduce. We will work with provider markets collaboratively to ensure ongoing sustainability.

##### Why it will change

- The council will recommission Supported Living services with the aim of moving forward with a rate that aligns to our West Midlands peers.

##### Anticipated challenges

- Providers may challenge the recommissioning exercise.

# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

#### Community Wellbeing

##### Savings proposal

- **CW2: Continuing support for NHS Continuing Healthcare and NHS Section 117 Funding**

**£250k  
Year 1**

##### What will change

- Assurance that residents needs are met • with the right level of support,
- from the right agency • with appropriate funding

##### Why it will change

- That independence is achieved via a model of support which enables people to be supported with their health and social care needs even if they are very high or delivered jointly

##### Anticipated challenges

- Assessment & review capacity due to covid 19 pressures • System change and support • Appetite for legal challenge if required

# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

#### Community Wellbeing

##### Savings proposal

- **CW3: Demand Management**

**£345k  
Year 1**

##### What will change

- **Not applicable. This continues the current approach.**

##### Why/if it will change

- **The council will continue on its trajectory of reduced demand using strengths based approaches and Talk Community.**

##### Anticipated challenges

- **As the strengths based approach matures, reduced costs and demand using this approach become increasingly difficult to deliver.**



# Children and Young People

## Key Challenges and Issues

- The directorate is on an improvement journey which will continue throughout the next financial year
- It is not currently in a position to develop achievable savings plans and the savings requirement of £490k in 2022/23 that were highlighted in the 2021/22 MTFS

# Economy and Environment

## Key Challenges and Issues

- **Protecting the environment and responding to climate & ecological emergency**
  - Reducing carbon emissions – council owned estate and retrofit
  - Enhancing and protecting local habitats and ecology resourcing.
  - Addressing phosphates levels in rivers – wetlands and legacy phosphate
- **Transport and sustainable mobility**
  - Hereford City Masterplan and Transport strategy
  - Supporting low carbon and active travel
  - Delivering Bus Service Improvement Plan and declining commercial market
  - Highway maintenance - managing a declining network
  - Rural access to services

# Economy and Environment

## Key Challenges and Issues

- **Developing a vibrant local economy**
  - Supporting economic recovery from Covid-19
  - Creating new high value jobs and training opportunities
  - Supporting the City and Market Towns to be vibrant, economic and cultural centres
- **Planning Service**
  - Addressing application backlog
  - Redesign for future exemplar delivery
- **Capital Project Delivery**
  - Internal and external resourcing issues
  - Supply chain issues

# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

#### Economy and Environment

##### Savings proposal

- EE1 Energy charges (Income generation)

2022/23

(£5,250)

2023/24

(£750)

2024/25

£0

##### What will change

- Free electricity on Council's charging point network will cease
- Solar PV recharges to 3<sup>rd</sup> party tenants at Halo and Twyford Court will increase

##### Why it will change

- Cost of electric vehicle (EV) energy usage will be recovered via concession contract
- Solar PV recharges will more accurately reflect costs

##### Anticipated challenges and issues

- Free EV charging was intended to stimulate uptake of EVs – reputational risk of removing
- Increase in solar PV recharges will be first since installation

# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

#### Economy and Environment

##### Savings proposal

- EE2 Introduce charges for non-domestic waste at the Household Recycling Centres (Income generation)

2022/23

£0

2023/24

£0

2024/25

(£345,000)

##### What will change

- Charges will be applied to disposal of soil, rubble (DIY waste), tyres and plasterboard etc. at Household Recycling Centres
- Reduced tonnages received at Household Recycling Centres

##### Why it will change

- Cost recovery for non-statutory services

##### Anticipated challenges and issues

- May be a negative impact on council recycling rate
- Unpopular with residents

# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

#### Economy and Environment

##### Savings proposal

- EE3 Waste collection charge increases (Income generation)

**2022/23**

**2023/24**

**2024/25**

**(£25,000)**

**(£25,000)**

**(£25,000)**

##### What will change

- Charges will be reviewed and increased accordingly

##### Why it will change

- Charges are reviewed annually to take into account inflation on collection and disposal and charges increased accordingly
- Full cost recovery for chargeable waste management services

##### Anticipated challenges and issues

- None – charges are regularly reviewed and remain competitive. Any reduction in service take up will reduce disposal costs

# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

#### Economy and Environment

##### Savings proposal

- EE4 Introduce parking charges in Kington (Income generation)

**2022/23**

**(£21,500)**

**2023/24**

**£0**

**2024/25**

**£0**

##### What will change

- Parking charges applied to all four car parks (currently only applicable to one) in Kington

##### Why it will change

- Car parking spaces will be better managed and space turnover increased
- Consistency with other market towns

##### Anticipated challenges and issues

- Some displacement may occur and may not be well received by existing users
- Unpopular with local community
- Small capital investment required

# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

#### Economy and Environment

##### Savings proposal

- EE5 General parking charge increase (Income generation)

**2022/23**

**(£170,000)**

**2023/24**

**(£30,000)**

**2024/25**

**(£200,000)**

##### What will change

- Car parking charges increased by 10p per hour in 2022/23, no increase in 2023/24, and 10p per hour increase in 2024/25

##### Why it will change

- To reflect inflation in the public realm contract and encourage more people to use sustainable modes of travel

##### Anticipated challenges and issues

- Public acceptance – last increase May 2021 although review noted need for regular review
- Car parks under used due to COVID
- Displacement to residential streets or private car parks



# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

#### Economy and Environment

##### Savings proposal

- EE6 On street parking charges expansion (Income generation)

**2022/23**

**(£29,000)**

**2023/24**

**(£12,500)**

**2024/25**

**£0**

##### What will change

- On street pay and display will be introduced in areas such as Commercial Road, Ledbury Road, St Martins Street and Penhaligon Way

##### Why it will change

- More short stay spaces available for shoppers as space congestion reduced as charges aligned with car parks
- Increased car park usage

##### Anticipated challenges and issues

- Public acceptance
- Displacement to other residential streets or private car parks
- Capital investment required

# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

#### Economy and Environment

##### Savings proposal

- EE7 Moving traffic enforcement by camera (Income generation)

**2022/23**

**(£33,500)**

**2023/24**

**(£25,000)**

**2024/25**

**£0**

##### What will change

- Camera enforcement for moving traffic offences will be introduced covering such areas as one way streets, banned turns, pedestrian zones, no entries, yellow box junctions, stopping on school keep clear markings, cycle and bus routes and restricted access/weight limits

##### Why it will change

- Improvement of traffic flow
- Prevention of illegal and dangerous driving
- Improvement of safety and air quality at schools

##### Anticipated challenges and issues

- Subject to Department for Transport statutory guidance due early 2022
- Capital investment required

# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

#### Economy and Environment

##### Savings proposal

- EE8 Review of resident parking permit fees (Income generation)

2022/23

£0

2023/24

(£30,000)

2024/25

(£30,000)

##### What will change

- Residents' permit fees increased by £10 to £40 in 23/24 and by a further £10 in 24/25

##### Why it will change

- Cost recovery of service provision
- Encourages less car ownership where off street parking not available

##### Anticipated challenges and issues

- Implementation subject to consolidation of traffic regulation orders and implementation of map based scheduling

# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

#### Economy and Environment

##### Savings proposal

- EE9 Review of parking enforcement (Income generation)

2022/23

2023/24

2024/25

£0

(£50,000)

£0

##### What will change

- Improved enforcement of car parks and on street restrictions

##### Why it will change

- To improve traffic flow and provide more cost effective enforcement service

##### Anticipated challenges and issues

- Revised working patterns may be needed

# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

#### Economy and Environment

##### Savings proposal

- EE10 Increase NRSWA income (New Roads and Streetworks Act) (Income generation)

2022/23

(£85,000)

2023/24

(£15,000)

2024/25

£0

##### What will change

- Employment of two additional permit inspectors will increase recording of defects and overruns

##### Why it will change

- Better management and maintenance of highway network through improved identification and rectification of NRSWA issues

##### Anticipated challenges and issues

- Reputational risk if utility companies view enforcement as over zealous

# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

#### Economy and Environment

##### Savings proposal

- EE11 Review capital/revenue splits in line with activity

**2022/23**

**2023/24**

**2024/25**

**£100,000**

**£0**

**£0**

##### What will change

- Percentage of time charged to capital more reflective of split between capital and revenue projects

##### Why it will change

- Staff time recharged to capital reflects level of activity

##### Anticipated challenges and issues

- Reduction in capital available for delivery of projects (off set by capital efficiency savings)

# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

#### Economy and Environment

##### Savings proposal

- EE12 Plant utilisation

2022/23

£10,000

2023/24

£0

2024/25

£0

##### What will change

- Improved utilisation of plant and tools within public realm contract

##### Why it will change

- Reduces rental costs within public realm contract

##### Anticipated challenges and issues

- Careful programming of work to ensure plant availability to minimise impact on BBLP responsiveness/flexibility

# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

<b>Economy and Environment</b>			
<b>Savings proposal</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<ul style="list-style-type: none"> <li>EE13 Invest to Save – purchasing plant items</li> </ul>	£34,265	£11,421	£0
<b>What will change</b> <ul style="list-style-type: none"> <li>Purchase of plant items instead of renting</li> </ul>			
<b>Why it will change</b> <ul style="list-style-type: none"> <li>Reduction in rental costs for plant</li> </ul>			
<b>Anticipated challenges and issues</b> <ul style="list-style-type: none"> <li>Liability for maintenance</li> <li>Capital investment required</li> </ul>			



# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

Economy and Environment			
<b>Savings proposal</b> <ul style="list-style-type: none"> <li>EE14 Review of skips, scaffolds and drop kerbs' charges</li> </ul> <b>(Income generation)</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>(£5,000)</b>	<b>(£1,500)</b>	<b>(£1,500)</b>
<b>What will change</b> <ul style="list-style-type: none"> <li>Charges for skip and scaffold permits and drop kerb applications will increase by 15% in 22/23 and 5% in subsequent years</li> </ul>			
<b>Why it will change</b> <ul style="list-style-type: none"> <li>Cost recovery for service provision</li> <li>Charges comparable with other authorities</li> </ul>			
<b>Anticipated challenges and issues</b> <ul style="list-style-type: none"> <li>There may be a reduction in applications and increase in non compliance</li> </ul>			

# Savings Proposals by Directorate

## Medium Term Financial Strategy

### 2022/2023

#### Economy and Environment

##### Savings proposal

- EE15 Home to School/College Transport

**2022/23**

**£40,000**

**2023/24**

**£5,000**

**2024/25**

**£0**

##### What will change

- Journey planning software will be used to develop efficient routes reflecting reduced demand arising from policy change limiting free transport eligibility to nearest school.

##### Why it will change

- More efficient routes will reduce carbon, vehicle use is optimised, contracting costs reduced
- May encourage parents to choose nearest school consolidating demand for free transport

##### Anticipated challenges and issues

- Reduced availability of vacant seats limits service for ineligible riders and may increase car journeys
- In year service changes may cause disruption for riders affected

# Corporate Directorate

## Key Challenges and Issues

- Modernising the organisation – IT, future work models, recruitment
- Corporate Services responding to challenges with the organisation
- Legal pressures of c. £1 million including:
  - Impact of YY judgement and children's improvement programme on workloads
  - Complexity of cases resulting in increased use of external counsel
  - Difficulty in recruiting permanent staff to restructured legal services (resulting in higher usage and therefore spend on agency staff)
- Democratic Services will require additional revenue if the recommendations of the Re-thinking Governance initiative is accepted in full and is implemented
- Corporate savings target of £210k for 2022/2023 that were highlighted in the 2021/22 MTFS are not achievable due to additional pressures in Legal and Programme Management Office (PMO)

# Savings Proposals

## Medium Term Financial Strategy

### 2022/2023

Central	
<b>Savings proposal</b> <ul style="list-style-type: none"> <li><b>C1: Efficiencies in central services in treasury management and pensions.</b></li> </ul>	<b>£500k</b> <b>Year 1</b>
<b>What will change</b> <ul style="list-style-type: none"> <li><b>Not applicable. This continues the current approach.</b></li> </ul>	
<b>Why it will change</b> <ul style="list-style-type: none"> <li><b>Part of the council's ongoing efficiency initiatives.</b></li> </ul>	
<b>Challenges</b> <ul style="list-style-type: none"> <li><b>Substantial increases in capital investment proposals over and above the approved capital programme will put this savings target at risk.</b></li> </ul>	

# **Savings Proposals Medium Term Financial Strategy 2022/2023 Summary**

- Savings required to balance the 2022/2023 Budget and 3 Year Medium Term Financial Strategy are £ 2.602 million
- 77 • This excludes Property Services savings of £1.26 million which will be funded from Collection Fund surplus
- Savings for 2022/2023 are not achievable for Children and Young People (£490k) and Corporate Services (£210k) for the reasons given above
- Economy and Environment savings of £1.384 million will be delivered over the 3 year term of the MTFS



**MTFS 2022/2023  
3 Year Base Budget Review  
by Directorate  
for General Scrutiny  
27 January 2022**

# MTFS 2022/2023

## Community Wellbeing – 3 Year Budget Review

Service area	2020/21 budget	2021/22 budget	2022/23 budget
	£000s	£000s	£000s
Learning Disabilities	20,804	21,387	22,368
Memory and Cognition	2,690	2,657	2,357
Mental Health	3,692	3,616	3,394
Physical Support	25,081	26,130	28,521
Sensory Support	389	457	418
<b>Client budget sub-total</b>	<b>52,655</b>	<b>54,248</b>	<b>57,058</b>
All Ages Commissioning	1,751	1,603	1,442
Care Operations	8,861	8,425	8,329
Commissioned Services	3,044	3,036	3,174
Transformation & Improvement	614	918	953
Prevention and Support	3,033	2,526	2,577
Talk Community Programme	0	1,820	1,581
Directorate Management	(17,666)	(12,586)	(12,660)
Public Health	(4,874)	(0)	0
<b>Non-client budget sub-total</b>	<b>(5,238)</b>	<b>5,742</b>	<b>5,396</b>
<b>Community Wellbeing total budget</b>	<b>47,418</b>	<b>59,990</b>	<b>62,454</b>

NB. Budget figures include non-recurrent funding, reserve draw downs and transfers to reserves



# MTFS 2022/2023

## Children and Young People – 3 Year Budget Review

Service area	2020/21 budget £000	2021/22 budget £000	2022/23 budget £000
Children's Commissioning	624	680	902
Directors office	118	528	808
Youth Offending	197	197	197
<b>Total Central Directorate Costs</b>	<b>939</b>	<b>1,405</b>	<b>1,907</b>
Additional Needs	2,317	2,251	2,536
Commissioning Management	997	747	772
Development & Sufficiency	979	866	971
Early Help & Early Years	1,045	1,095	1,187
Education Improvement	150	350	390
<b>Total Education &amp; Commissioning</b>	<b>5,488</b>	<b>5,309</b>	<b>5,856</b>
Children in Need	4,187	4,400	4,568
Looked After Children	18,667	23,247	25,737
Safeguarding & Early Help Management	1,912	1,366	1,477
Safeguarding & Review	919	1,053	1,208
Safeguarding Development	522	686	573
<b>Total Safeguarding &amp; Family Support</b>	<b>26,207</b>	<b>30,752</b>	<b>33,563</b>
<b>Total Budget</b>	<b>32,634</b>	<b>37,466</b>	<b>41,326</b>

Budget figures include one off funding and reserve draw downs. 21/22 excludes £2,452k allocated for improvement and £1,740k DfE grant for improvement

# MTFS 2022/2023

## Economy and Environment – 3 Year Budget Review

Service area	2020/21 budget £000	2021/22 budget £000	2022/23 budget £000
Economic Growth	1,217	1,344	1,053
Highways and Transport	18,325	14,935	15,037
Housing and Growth	2,237	2,567	2,817
Management	223	244	22
Regulatory, Environment and Waste	15,898	14,412	16,088
Technical Services	(5,372)	(7,160)	(6,171)
<b>Total Budget</b>	<b>32,528</b>	<b>26,342</b>	<b>28,846</b>

Property services moved directorate in 21/22 and for comparison purposes budget for all three years is therefore recorded under Corporate Services

Budget figures include one offs and reserve draw downs

# MTFS 2022/2023

## Corporate – 3 Year Budget Review

Service area	2020/21 budget £000	2021/22 budget £000	2022/23 budget £000
Corporate Support Services	5,898	6,734	7,187
Finance, Legal and Governance	8,879	8,761	10,220
People and Performance	2,137	2,577	3,556
Property Services	864	232	1,355
<b>Total Budget</b>	<b>17,778</b>	<b>18,304</b>	<b>22,318</b>

Property services moved from Economy and Environment directorate in 21/22 and for comparison purposes budget for all three years is included here

Budget figures include one offs and reserve draw downs

# MTFS 2022/2023

## Central – 3 Year Budget Review

Service area	2020/21 budget £000	2021/22 budget £000	2022/23 budget £000
Treasury management	13,573	13,924	14,868
Pension deficit	5,300	5,550	5,000
Contingency budget	700	300	300
Reserve movement	713	894	-
<b>Total Budget</b>	<b>20,286</b>	<b>20,668</b>	<b>20,168</b>

## Capital Funding Requests for approval

Scheme	Current Capital Programme £000	Total 22/23 £000	Total 23/24 £000	Total 24/25 £000	Total Future Years £000	Capital Grant funding £000	Redirected funding £000	Capital receipt funding £000	Funded by ROI £000	Corporate Funded PB £000	Total Request £000
Residual property works identified in the 2019 condition reports		1,291.6	100.0	0.0	0.0	0.0	0.0	0.0	0.0	1,391.6	1,391.6
Estates Building Improvement Programme 22-25		1,454.0	1,289.0	264.0	0.0	0.0	0.0	0.0	0.0	3,007.0	3,007.0
Key Network Infrastructure (Core Data Centre Switches & Corporate Wi-Fi)		490.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	490.0	490.0
Primary Data Storage Area Network (Plough Lane)		335.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	335.0	335.0
Public Realm Maintenance - Mitigating Risk on the Network		3,685.0	1,265.0	0.0	0.0	0.0	0.0	0.0	0.0	4,950.0	4,950.0
Winter Resilience		532.0	145.0	290.0	435.0	0.0	0.0	0.0	0.0	1,402.0	1,402.0
My Account		313.0	130.0	0.0	0.0	0.0	0.0	0.0	0.0	443.0	443.0
Stronger Towns Fund - Hereford Museum & Art Gallery Redevelopment	250.0	750.0	6,700.0	7,300.0	0.0	9,750.0	0.0	0.0	5,000.0	0.0	14,750.0
Stronger Towns Fund - Greening the City		229.9	180.0	0.0	0.0	409.9	0.0	0.0	0.0	0.0	409.9
Stronger Towns Fund - Maylord Orchard Redevelopment and Learning Resource Centre	150.0	620.0	2,230.0	0.0	0.0	2,850.0	0.0	0.0	0.0	0.0	2,850.0
Herefordshire Hoard		1,500.0	0.0	0.0	0.0	0.0	0.0	1,500.0	0.0	0.0	1,500.0
Highways Equipment		548.0	0.0	0.0	0.0	0.00	0.00	0.00	548.0	0.00	548.0
<b>Total</b>	<b>400.0</b>	<b>11,748.5</b>	<b>12,039.0</b>	<b>7,854.0</b>	<b>435.0</b>	<b>13,009.9</b>	<b>0.0</b>	<b>1,500.0</b>	<b>5,548.0</b>	<b>12,018.6</b>	<b>32,076.5</b>

## Capital Funding Request Scheme Description

Scheme	Scheme Description
Residual property works identified in the 2019 condition reports	These are building works still required and been prioritised that were identified in the 2019 condition reports.
Estates Building Improvement Programme 22-25	The proposed Estate Building Improvement Programme is in respect of identified and prioritised property projects to be delivered from 2022/23.
Key Network Infrastructure (Core Data Centre Switches & Corporate Wi-Fi)	The project is to replace critical IT Network Infrastructure equipment which is coming to the end of its manufacturer supported life.
Primary Data Storage Area Network (Plough Lane)	The project is to replace critical IT Data Storage equipment which is coming to the end of its manufacturer supported life. Namely Plough Lane Storage Area Network (SAN) & Fibre Chancel Optical Switching (FC Switches).
Public Realm Maintenance - Mitigating Risk on the Network	Sustained Investment over the whole life of the highway asset – an ongoing programme of works that is targeted at treating the asset as identified and in doing so.
Winter Resilience	The purchase of a gritter to prevent the high costs involved in maintenance costs.
My Account	Replacement of MS Dynamics CRM system
Stronger Towns Fund - Hereford Museum & Art Gallery Redevelopment	The project aim is to completely repurpose the building into a contemporary new museum and exhibition centre.
Stronger Towns Fund - Greening the City	Greening the city project will significantly improve the appearance and attractiveness of the city through the commencement of a range of interrelated cycling/walking, greening, public realm, and digital connectivity projects - significantly enhancing Hereford as a place to visit, learn, live, work and invest.
Stronger Towns Fund - Maylord Orchard Redevelopment and Learning Resource Centre	The purpose of the project is establish a new Learning Resource Centre (LRC), creating a mixed development to support the regeneration of the city centre as a whole, and to modernise the atrium space of Maylord Orchard Shopping Centre.
Herefordshire Hoard	Acquisition of the Herefordshire Hoard treasure. This is the treasure hoard that was found in the north of the county in 2015 but has been held by the British Museum since pending various court cases regarding the finders who tried to dispose of it illegally.
Highways Equipment	Purchase of a number of items of equipment to reduce the rental costs to the Council by owning the equipment it costs less per annum over the life of the asset.

## BUSINESS CASE – ‘LIGHT’

There will be times when a full, very detailed, five case business model would be inappropriate for the size and scale of the project. There are key elements of a business case however, that must be identified and evidenced such as what needs to happen, why and what change it will bring about. In these cases, there are two options: 1- to use the Project Mandate form as the business case in very simple, defined cases and 2- to complete a business case ‘Light’ form where the project is small to medium in size and where using the full five case business model would be of little benefit to the governance or outcome.

The PMO Portfolio Managers will determine which model of business case is appropriate for the size and scale of the project being developed.

*All italic text can be removed prior to submitting for review.*

<b>Project Name</b>	The programming and delivery of residual works identified in the 2019 condition reports
Verto Project Code	
Author	
Senior Responsible Officer (SRO) <i>(if different to Author)</i>	
Project Manager	
Service Lead	
Agreed Project Type	
Programme Board allocated	
Date	

## Version Control

Version	Date	Summary of Change	Author
0.1	16.07.21	First issue	
0.2	01.10.21	Revised	

## Approvals

Gateway	Approved by	Role	Date
1 - OBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	

	Corporate Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
2 - FBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	
	Capital Portfolio Manager	Sense check	
	HPMO	Sense check	
	Assurance Board	Sense check	
	Corporate Programme Board	Council Programme oversight	
	Cabinet	Corporate fit	
	Full Council	Approval (capital programme)	
Gateway Review	Director PMO Assurance	Assurance	
3 - Delivery	<i>Project Board / Director / Programme Board</i>	<i>Note major changes and approvals during delivery</i>	
Gateway Review	Director PMO Assurance	Assurance	
4 –Handover & project review	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Board	Programme oversight	
	Assurance Board	Assurance	
	Corporate Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
5 – Project Closure	Capital Portfolio Manager/ Head of PMO	Governance	
Gateway Review	Director PMO Assurance	Assurance	

## Distribution

This document has been distributed to

Name	Role	Date of issue	Version



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## Project Description

The programming and delivery of residual works identified in the 2019 condition reports, prioritised through the assessment of criteria primarily focussed on (1) identified risk, (2) health, safety or welfare of the building users (3) delivery of the aims within the council's county plan, (4) service continuity, through the delivery of property specific projects. The cost appraisal is a high-level estimated i.e. detailed evaluation has not been undertaken in respect of each project at this stage.

The works will be programmed by consultants and delivered through Hoople.

## Background and Rationale

*Briefly describe what issue or opportunity this project will address and why now*

Condition surveys were undertaken in 2019 to inform a work programme to the council's estate. A small numbers of consequential projects are in progress; however, due to the volume of consequential projects and the need to reduce further deterioration of the Councils assets, it is the intention to deliver all remaining work through a single delivery programme that is scheduled and managed by consultants in order to expedite completion. This is a separate bid to the estates building improvement programme as that programme arose from historical operational requirements.

Hoople will be acting as managing agents for delivery and where appropriate Hoople will self-deliver. Other projects will be procured in line with the Councils procurement

The condition survey programme of works is provided in Appendix A (Details of Projects in the Condition Survey Program 2019)

## Strategic Fit

Your project must directly support at least one of the County Plan / Delivery Plan priorities. Please indicate in the box below which priority(s) the project addresses.

County Priority – please select from	Tick X below where applicable	Delivery Plan Reference(s)
Environment		
Community		
Economy	X	EC5, EC6

List key Strategy the project delivers against and explain how	<ul style="list-style-type: none"> <li>• Protect and promote our heritage, culture and natural beauty to enhance quality of life and support tourism – enhancing some of our historic Listed buildings</li> <li>• Spend public money in the local economy wherever possible – procurement of the works will ensure local contractors have a chance to tender</li> </ul>
----------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

*Outline how the project directly addresses the priority and in addition how it directly contributes towards the delivery of the other remaining priorities.*

The diversion range of projects will directly address the priorities protecting our historic building and promoting our heritage; and supporting the local economy by actively engaging local contractors.

## Scope

*What is involved in this project; include what is in and out of scope.*

All properties in scope are identified within the proposed programme of building improvement works and are listed in Appendix A.

Included generally within each individual project scope across the programme:

- Planning the project
- Designs, plans and surveys
- Procurement
- Building refurbishment
- Construction management
- Budget management
- Risk management
- Communications
- Project handover and closure

## Objectives

*List the key business objectives that the project is aiming to achieve. These should be SMART – specific, measurable, achievable, relevant and time-bound.*

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

- Ensure that the Council's estate is maintained, safe and fit for purpose
- Address identified risks

- Reduce revenue expenditure by investing in buildings and reducing reactive maintenance
- Extend the lifecycle of Council assets and protect/enhance value
- Secure better services, quality of life and value for money
- Support the growth of our local economy
- Protect and promote our heritage
- Support reduction of carbon footprint
- To support the delivery of the County Plan

The Business Case sets out a three year programme in order to provide a clear strategic direction regarding investment in the Corporate Estate.

## Benefits

*Explain and evidence where possible the anticipated benefits the project will deliver if the objectives are achieved including any dis-benefits*

The anticipated benefits of the proposed programme are listed below:

- Reduced depreciation of buildings and assets
- Heritage protection
- Energy efficiency
- Sustainability
- Reduced revenue costs
- Protected service delivery
- Protected income
- Statutory Compliance
- Risk management / Mitigation
- Growth of our local economy

Explain the plan for dealing with the management and delivery of benefits – how will they be realised?

Engaging external consultants to plan a program of work and utilise Hoople for the management and delivery of the works. Package works where possible for efficiencies. Benefits realisation will be measured in terms of reduced revenue expenditure on reactive maintenance.

## Risks

*List the known, main risks along with any mitigating action. Attach a risk register if more appropriate.*

The programme seeks to reduce the risks identified on a project by project basis.

The key risks of not doing the project are:

- Impact on service delivery
- Increased reactive maintenance costs
- Rising costs – reducing the extent or quality of completed works
- Insufficient funding
- Loss of income
- Loss in value/deterioration of property assets
- Reputational risk
- Non-Compliance with statutory regulations
- Health and safety risks

The key project risks are:

- Statutory
- Financial
- Service
- Reputational

## Constraints or Dependencies

*List the known or potential dependencies with other current or upcoming projects or known constraints eg: timescale, funding terms, other linked projects, etc.*

Initiatives which depend on this project are:

- Future Corporate Estate Asset Strategy
- Flexible Futures– Strategy and Implementation
- Future Investment Estate Asset Strategy
- Reduced energy consumption and carbon output
- Annual Financial Targets

This project is dependent on:

- Appropriate levels of resource and expertise
- Feasibility funding will be required from 1<sup>st</sup> September 2021 to enable full design work to be completed, to allow commencement of the delivery of the works in April 2022, as outlined in the programme as attached. If the funding is not available, the programme

will amended and pushed back 6 months to allow for design work to be commenced in April 2022.

- Ability for Hoople to resource sufficiently
- Availability of suitable contractors and materials
- Consultant and/or contractor performance
- Information as to service plans and strategy
- The required level of engagement from stakeholders
- Buildings not being put forward for disposal, or disposed of, within the programme timeframe or Council's obligations falling to the Tenants

## Options

*Please list the options that you have considered for delivering your project.*

Option	Short-list Y/N	Reasons

Copy the table below as required to cover all shortlisted options

Option * – Detail	
Cost	
Benefits	
Deliverability	
Pros	
Cons	
Recommendation	

## The 'do nothing' option

*What will be the impact of doing nothing? i.e. the consequence of the project idea not being supported and the project not proceeding*

Do Nothing - Without adequate expenditure on a programme of works, property assets will depreciate which will have a negative consequential adverse bearing on the value of the estate. Furthermore do nothing will have an impact on the council being able to deliver services from buildings that are not fit for purpose. Not doing these projects may increase the risk of litigation due to Health and safety issues not being addressed. In each case the 'Do Nothing' option is not viable as each proposed project represents the considered way forward.

The key risks of not doing the project are:

- Impact on service delivery
- Increased cost of maintenance
- Further deterioration of the buildings
- Potential for serious physical injury
- Potential for illness caused from environmental conditions imposed by buildings
- Reputational risk

The key project risks are:

- Insufficient budget
- Insufficient resource
- Planning permission not obtained
- Contractor availability

## Preferred Option

*Outline what the preferred option is and why*

Allowing investment and undertaking a programme of works will mitigate and prevent risk of failure and ensure the buildings remain open and fit for current use, thereby avoiding disruption to the delivery of services. In some cases it is the Council's responsibility under leases to maintain an asset. The preferred option would mitigate any risk of litigation due to Health and safety issues not being addressed.

## Environmental and Social

*Explain any impact and/or mitigating actions (nature, environment, climate, carbon, sustainability, social value, equality, etc)*

Where appropriate projects will address the councils objectives to reduce its carbon footprint. Each project will aim to incorporate the use of local labour and materials.

## Procurement

*Outline what procurement process has been used and the preferred supplier along with lead-in times and timetable*

Various procurement routes will be used which include for a combination of open portal tenders and utilisation of existing frameworks.

## Legal

*Describe any legal implications or considerations such as covenants, restrictions, partnerships, etc*

All legal matters will be reviewed by the estates team, and legal services, where required and addressed accordingly.

## Project Costs

Any submission of a business case for capital funding must also include a completed Capital Funding Request form (found on [Capital Toolkit](#) intranet site)

Please state the total cost of the project, broken down into key areas of spend e.g. feasibility study, design, procurement and contracting, works contract, project management.

It is vital that you include an element for project management and technical, professional colleagues and fees.

Total project cost: £1,391k

Basis of the costs presented. You must attach / evidence the costs to this form. See Technical Guidance Note 1 for details around the provision of evidence based estimates.

- Is this cost indicative (estimate during business case development), ☒
- actual (procured) or ☐
- evidence based estimate? ☐

Spend Profile:

Feasibility		Procurement	£1,065
Design		Property	£10k
Project Management Fee (est. 10%)	£106k	Legal	£10k
Planning Fees	£10k	Consultancy Fees	£90k
		Contingency	£100k

## Feasibility Funding

It is expected that Directorates will fund feasibility works and only apply for corporate revenue feasibility funding if the work is not affordable from within the Directorates own budget.

Is corporate revenue feasibility funding required to complete an outline business case?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
-----	-------------------------------------	----	--------------------------

If yes, the Head of PMO will facilitate an application to the Management Board via the approved form

*Please explain why Directorate funding cannot be accessed and what the feasibility will provide:*

Property services have engaged consultants to carry out the production of the programme of works to inform the capital bid from their revenue budget. As there is pressure to deliver property savings in full, the work programme needs to be ready to deliver (subject to approval of this bid) from April 22 therefore, capital feasibility funding is sought to enable the production of spec/ tender docs and undertake this element of work in the 21/22 financial year. If the feasibility fund is not approved, then this design work will commence in April 2022 and the capital bid will need to be profiled over 2 years.

*We do not have sufficient budget to carry out feasibility works in respect of the full program of works included within this bid.*

Only if the preferred option is being developed, corporate capital funding may be requested from the Capital Development Fund to undertake feasibility work. Is this required?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
-----	--------------------------	----	-------------------------------------

If yes, the Head of PMO will facilitate an application to the Management Board via the approved form

*Explain here how the preferred option was arrived at and agreed and what the feasibility will provide:*

## Timescales for Delivery

*Please try to put some timescales around your project by indicating any known end or stage deadlines, key dates or action points in the table below. Add key dates as required to suit your project which may include the date something has to be completed by or deadline for grant funding application.*

*The PMO Capital Programme Manager can arrange advice on approval/lead-in dates.*

Stage/Milestone	Indicative Date	Comments
Commencement	September 2021	
Out to tender	October 2021 to March 2022	Programme of works
Appoint Contractors	January 2022 to June 2022	Subject to Programme of works
Start on site	April 2022 to January 2023	Subject to funding being approved in February and being available from April 22)
Completion	March 2023	




## **APPENDICES (List)**

A - The programming and delivery of residual works identified in the 2019 condition reports

## **Appendix A - Details of projects included in the Condition Survey Program 2019**

	2022/23	Reasons
	£	
Ross-on-Wye Library	£27,163.08	Various
Hereford St Owens Street No 8	£176,819.33	Various
Hereford Merchant House	£116,046.30	Roofing, internal repairs and decorations
Hereford Churchill House	£100,510.20	External decs, external and internal maintenance and minor M&E
Hereford Widemarsh Children's Centre	£97,906.54	Various - lighting works removed from budget
Hereford Plough Lane Offices	£86,192.47	Internal decs
Hereford Centre 18 Symonds Street	£34,893.94	Various including window works and kitchen refresh
Hereford Three Elms Trading Estate Units 37 and 38 occupied HC	£69,474.89	Roofing and various maintenance
Rotherwas HARC	£63,546.34	Internal and external decs and ventilation
Hereford St Owens Daycare Centre	£50,600.59	Various
Hereford Cemetery and Crematorium	£39,399.70	General maintenance and decs
Children's Centre Building Leominster	£36,936.65	Various
Hereford Franklin House Offices	£35,146.55	External maintenance
Hereford Canal Road Daycare Centre	£18,246.82	Mainly external decs and replacement of a ventilation canopy
Hereford Maylords Orchard Meeting Room	£6,300.50	Internal decs
Hereford St Owens Street No 1A	£10,290.67	Internal and external decs and minor maintenance
Kington Library No 1 Duke Street	£6,185.59	Internal and external decs
Ledbury St Katherine's Offices	£7,047.43	Internal decs with minor maintenance
Leominster Library The Buttercross	£21,650.33	Internal decs and boiler
Hereford Union Street No 33-35 Offices	£21,223.64	Various maintenance
Hereford Play and Learn Nursery	£19,921.05	FF&E and external ramp
Hereford South Meadow Children's Centre	£11,338.49	Internal decs and external maintenance
Ledbury Primary School Children's Centre	£2,562.84	Internal decs
Colwall Humphrey Walwyn Library	£6,156.86	Internal and external decorations and maintenance
<b>Total Costs for all projects</b>	<b>£1,065,560.79</b>	

## BUSINESS CASE – ‘LIGHT’

There will be times when a full, very detailed, five case business model would be inappropriate for the size and scale of the project. There are key elements of a business case however, that must be identified and evidenced such as what needs to happen, why and what change it will bring about. In these cases, there are two options: 1- to use the Project Mandate form as the business case in very simple, defined cases and 2- to complete a business case ‘Light’ form where the project is small to medium in size and where using the full five case business model would be of little benefit to the governance or outcome.

The PMO Portfolio Managers will determine which model of business case is appropriate for the size and scale of the project being developed.

*All italic text can be removed prior to submitting for review.*

<b>Project Name</b>	Estates Building Improvement Programme 2022-25
Verto Project Code	
Author	
Senior Responsible Officer (SRO) <i>(if different to Author)</i>	
Project Manager	
Service Lead	
Agreed Project Type	
Programme Board allocated	
Date	

### Version Control

Version	Date	Summary of Change	Author
0.1	16.07.21	First issue	
0.2	13.10.21	Figures amended	

### Approvals

Gateway	Approved by	Role	Date
1 - OBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	

	Programme Delivery Board	Programme oversight	
	Corporate Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
2 - FBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	
	Capital Portfolio Manager	Sense check	
	HPMO	Sense check	
	Assurance Board	Sense check	
	Corporate Programme Board	Council Programme oversight	
	Cabinet	Corporate fit	
	Full Council	Approval (capital programme)	
Gateway Review	Director PMO Assurance	Assurance	
3 - Delivery	<i>Project Board / Director / Programme Board</i>	<i>Note major changes and approvals during delivery</i>	
Gateway Review	Director PMO Assurance	Assurance	
4 –Handover & project review	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Board	Programme oversight	
	Assurance Board	Assurance	
	Corporate Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
5 – Project Closure	Capital Portfolio Manager/ Head of PMO	Governance	
Gateway Review	Director PMO Assurance	Assurance	

## Distribution

This document has been distributed to

Name	Role	Date of issue	Version
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## Project Description

A three year programme of building improvement works 2022/25 which have been prioritised through the assessment of criteria primarily focussed on (1) identified risk, (2) health, safety or welfare of the building users (3) delivery of the aims within the council's county plan, (4) service continuity, through the delivery of property specific projects. The cost appraisal is a high-level estimated i.e. detailed evaluation has not been undertaken in respect of each project at this stage.

## Background and Rationale

*Briefly describe what issue or opportunity this project will address and why now*

Herefordshire Councils' estate is basically split into two categories: Operational and Investment. Schools effectively form part of the operational estate but are subject to a separate capital programme and are therefore not included within this business case.

This is an improvements programme, for all works that arose from historic operational requirements, based on a risk assessment analysis. It is a separate bid to the works identified in the 2019 survey condition survey work.

The Council's estate includes circa. 1080 assets of varying degrees of legal interest and use. Whilst optimisation of the estate is an ongoing processes based upon review and pro-active engagement with services, investment in key property assets is required for the four key reasons set out in the Objectives described below.

A three year programme is proposed in respect of prioritised projects rather than a short term annualised plan. Projects have been assessed prior to inclusion in the programme and those that neither meet key criteria nor supported by sufficient information have been omitted. This is not to say that such projects are permanently disregarded should future assessment mean that they qualify for inclusion in the programme. In such circumstances bids for capital funding will be made on a project by project basis.

The capital programme, including the rationale and/or benefits for each proposed project, is provided in Appendix A.

Hoople will be acting as managing agents for delivery and where appropriate Hoople will self-deliver. Other projects will be procured in line with the Councils procurement

## Strategic Fit

Your project must directly support at least one of the County Plan / Delivery Plan priorities. Please indicate in the box below which priority(s) the project addresses.

County Priority – please select from	Tick X below where applicable	Delivery Plan Reference(s)
Environment		
Community		
Economy	X	EC4, EC5, EC6
List key Strategy the project delivers against and explain how		<ul style="list-style-type: none"> <li>Enhance digital connectivity for communities and business – improving digital communication with building management systems in properties resulting in energy savings</li> <li>Protect and promote our heritage, culture and natural beauty to enhance quality of life and support tourism – enhancing some of our historic listed buildings.</li> <li>Spend public money in the local economy wherever possible – procurement of the works will ensure local contractors have a chance to tender</li> </ul>

*Outline how the project directly addresses the priority and in addition how it directly contributes towards the delivery of the other remaining priorities.*

The diversion range of projects will directly address the priorities through improving digital communication via building management systems, protect our historic building and promote our heritage and by actively engaging local contractors support the local economy.

## Scope

*What is involved in this project; include what is in and out of scope.*

All properties in scope are identified within the proposed programme of building improvement works and are listed in Appendix A.

Included generally within each individual project scope across the programme:

- Planning the project
- Designs, plans and surveys
- Procurement
- Building refurbishment
- IT improvements
- Construction management
- Budget management

- Risk management
- Communications
- Project handover and closure

## Objectives

*List the key business objectives that the project is aiming to achieve. These should be SMART – specific, measurable, achievable, relevant and time-bound.*

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

- Ensure that the Council's estate is maintained, safe and fit for purpose
- Address identified risks
- Reduce revenue expenditure by investing in buildings and reducing reactive maintenance
- Extend the lifecycle of Council assets and protect/enhance value
- Secure better services, quality of life and value for money
- Support the growth of our local economy
- Protect and promote our heritage
- Support reduction of carbon footprint
- To support the delivery of the County Plan

The Business Case sets out a three year programme in order to provide a clear strategic direction regarding investment in the Corporate Estate.

## Benefits

*Explain and evidence where possible the anticipated benefits the project will deliver if the objectives are achieved including any dis-benefits*

The anticipated benefits of the proposed programme are listed below:

- Reduced depreciation of buildings and assets
- Heritage protection
- Energy efficiency
- Sustainability
- Reduced revenue costs
- Protected service delivery
- Protected income
- Statutory Compliance
- Risk management / Mitigation
- Growth of our local economy

Explain the plan for dealing with the management and delivery of benefits – how will they be realised?

Engaging external consultants to augment the internal resources to plan the programme of works and utilise Hoople for the management and delivery of the works. Benefits realisation will be measured in terms of reduced revenue expenditure on reactive maintenance.

## Risks

*List the known, main risks along with any mitigating action. Attach a risk register if more appropriate.*

The programme seeks to reduce the risks identified on a project by project basis.

The key risks of not doing the project are:

- Impact on service delivery
- Rising costs – reducing the extent or quality of completed works
- Insufficient funding
- Loss of income
- Loss in value/deterioration of property assets
- Reputational risk
- Non-Compliance with statutory regulations
- Health and safety risks

The key project risks are:

- Statutory
- Financial
- Service
- Reputational

## Constraints or Dependencies

*List the known or potential dependencies with other current or upcoming projects or known constraints eg: timescale, funding terms, other linked projects, etc.*

Initiatives which depend on this project are:

- Future Corporate Estate Asset Strategy
- Flexible Futures– Strategy and Implementation
- Future Investment Estate Asset Strategy



- Reduced energy consumption and carbon output
- Annual Financial Targets

This project is dependent on:

- Appropriate levels of resource and expertise
- Feasibility funding will be required from 1st September 2021 to ensure the programme of works is delivered within the financial year. If funding is not available the programme will have to be adjusted.
- Ability for Hoople to resource sufficiently
- Availability of suitable contractors and materials
- Consultant and/or contractor performance
- Information as to service plans and strategy
- The required level of engagement from stakeholders
- Buildings not being put forward for disposal, or disposed of, within the programme timeframe or Council's obligations falling to the Tenants

## Options

*Please list the options that you have considered for delivering your project.*

Option	Short-list Y/N	Reasons

Copy the table below as required to cover all shortlisted options

Option * – Detail	
Cost	
Benefits	
Deliverability	
Pros	

Cons	
Recommendation	

## The 'do nothing' option

*What will be the impact of doing nothing? i.e. the consequence of the project idea not being supported and the project not proceeding*

Do Nothing - Without adequate expenditure on a programme of improvement works, property assets will depreciate which will have a negative consequential adverse bearing on the value of the estate. Furthermore do nothing will have an impact on the council being able to deliver services from buildings that are not fit for purpose. Not doing these projects may increase the risk of litigation due to Health and safety issues not being addressed. In each case the 'Do Nothing' option is not viable as each proposed project represents the considered way forward.

The key risks of not doing the project are:

- Impact on service delivery
- Increased cost of maintenance
- Further deterioration of the buildings
- Potential for serious physical injury
- Potential for illness caused from environmental conditions imposed by buildings
- Reputational risk

The key project risks are:

- Insufficient budget
- Insufficient resource
- Planning permission not obtained
- Contractor availability

## Preferred Option

*Outline what the preferred option is and why*

Allowing investment and undertaking a programme of improvement works will mitigate and prevent risk of failure and ensure the buildings remain open and fit for current use, thereby avoiding disruption to the delivery of services. In some cases it is the Council's responsibility under leases to maintain an asset. The preferred option would mitigate any risk of litigation due to Health and safety issues not being addressed.

## Environmental and Social

*Explain any impact and/or mitigating actions (nature, environment, climate, carbon, sustainability, social value, equality, etc)*

Where appropriate projects will address the councils objectives to reduce its carbon footprint. Each project will aim to incorporate the use of local labour and materials.

## Procurement

*Outline what procurement process has been used and the preferred supplier along with lead-in times and timetable*

Various procurement routes will be used which include for a combination of open portal tenders and utilisation of existing frameworks.

## Legal

*Describe any legal implications or considerations such as covenants, restrictions, partnerships, etc*

All legal matters will be reviewed by the estates team, and legal services, where required and addressed accordingly.

## Project Costs

Any submission of a business case for capital funding must also include a completed Capital Funding Request form (found on [Capital Toolkit](#) intranet site)

Please state the total cost of the project, broken down into key areas of spend e.g. feasibility study, design, procurement and contracting, works contract, project management.

It is vital that you include an element for project management and technical, professional colleagues and fees.

Total project cost: £3,007k over 3 years. see Appendix A for breakdown of costs

Basis of the costs presented. You must attach / evidence the costs to this form. See Technical Guidance Note 1 for details around the provision of evidence based estimates.

- Is this cost indicative (estimate during business case development), ☒
- actual (procured) or ☐
- evidence based estimate? ☐

Spend Profile:

Feasibility	£30K	Procurement	£2,242k
-------------	------	-------------	---------

Design	£50k	Property	£60k
Project Management Fee (est. 10%)	£300k	Legal	£15k
Planning Fees	£25k	Consultancy Fees	£140k
		Contingency	£145k

## Feasibility Funding

It is expected that Directorates will fund feasibility works and only apply for corporate revenue feasibility funding if the work is not affordable from within the Directorates own budget.

Is corporate revenue feasibility funding required to complete an outline business case?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
-----	--------------------------	----	-------------------------------------

If yes, the Head of PMO will facilitate an application to the Management Board via the approved form

*Please explain why Directorate funding cannot be accessed and what the feasibility will provide:*

.

Only if the preferred option is being developed, corporate capital funding may be requested from the Capital Development Fund to undertake feasibility work. Is this required?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
-----	--------------------------	----	-------------------------------------

If yes, the Head of PMO will facilitate an application to the Management Board via the approved form

*Explain here how the preferred option was arrived at and agreed and what the feasibility will provide:*

## Timescales for Delivery

*Please try to put some timescales around your project by indicating any known end or stage deadlines, key dates or action points in the table below. Add key dates as required to suit your project which may include the date something has to be completed by or deadline for grant funding application.*

*The PMO Capital Programme Manager can arrange advice on approval/lead-in dates.*

Stage/Milestone	Indicative Date	Comments
Commencement	April 2022	3 year program
Completion	March 2025	3 year program

## APPENDICES (List)

## A - Details of projects included in the Estates Building Improvement Programme 2022-25

<b>ESTATES BUILDING IMPROVEMENT PROGRAMME</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Rationale</b>	<b>Reasons</b>
	£k	£k	£k	Health and Safety, Business Continuity, Asset Deterioration, Landlords Responsibility	
Enhancement and Emergency Works	200	200	200		Required contingency for emergency works to prevent service failure
Nelson House – replacement lift	170	0	0	H&S	Replacement of non DDA compliant lift that is at end of life. Consistently breaking down causing strain on revenue budget. Tenancy is currently with Herefordshire Council.
Hereford leisure pool car park – external drainage works	60	0	0	H&S	Improvement of existing drainage to ease some effluent and flooding issues (PH 1 survey and urgent works)
Governors House - improvements to external facades and canopy	55	0	0	H&S, AD	Protection of the public from falling masonry. Improving fabric and protection of the Listed building.
Plough Lane - upgrade to boiler flues	7	13	0	H&S, AD	Seals have failed on the boiler flues which results in flue gasses leaking out into the boiler room. This has been remedied on a temporary basis by repeatedly using aluminium tape to seal the joints. It is possible that there was an inherent design fault with the initial installation of the flues which has exacerbated the situation. In the near future the leakage will get to a point where the joints can no longer be sealed and will result in a failure of the annual Gas Safety inspection. Scope of works to include replacement of boiler flues.
MRLC - Humidity control Ph2	60	0	0	BC	To ensure that humidity levels within the museum stores remain at acceptable levels to avoid degradation of various artefacts. Also to ensure that confidence is maintained by other museums etc. when loaning artefacts; other museums often ask for humidity data. This to be achieved by making improvements to mechanical systems or building fabric.
St. Owens Day Centre main boiler improvements	25	25	0		Plant room items at end of economic life and require call outs to maintain. Parts discontinued. Scope to include

					replacement boilers, water heaters and controls and ancillary items.
Nelson House - boiler improvements	41	134	0	H&S, BC	Plant room items are 30+ years old meaning they are at the end of their economic life and should therefore be replaced. Recommendation made by Gas Safe engineer in 2021 that 'heating system is old and recommend replacing and upgrading plant. Parts discontinued for most appliances.' Scope to include replacement of boilers, AHU, water heaters, controls and other necessary ancillary items. Additional water heater included for resilience purposes.
Ryefield Centre - boiler improvements	45	155	0	H&S, BC	2 x heating boilers are 40 years old meaning they are at the end of their economic life and should therefore be replaced; boiler 1 has already failed. Recommendation made by Gas Safe engineer in 2020 for 'replacing boilers and water heaters along with new pumps and valves.' 2019 condition survey advised that 'boilers should be replaced within the next 4 years.' Scope to include replacement of boilers, water heaters and all other plant room items.
St Owen's Day Centre - Spa boiler improvements	25	25	0	H&S, BC	Heating boiler is 25-30 years old meaning it is at the end of its economic life and should therefore be replaced. Recommendation made by Gas Safe engineer in 2021 that 'water heater in spa plant room of old age and needs replaced.' Scope to include replacement of boiler and water heater in spa plant room along with other necessary ancillary items.
Blueschool House - boiler improvements	52	48	0	H&S, BC	Heating boiler is 20-25 years old meaning it is at the end of its economic life and should therefore be replaced. All parts apart from gas valve are now obsolete. Scope to include replacement of boiler along with other necessary ancillary items. Boilers not replaced during refurbishment project.

Hillside Centre for Intermediate Care - boiler improvements	20	80	0	H&S, BC	3 x heating boilers are 25-30 years old meaning they are at the end of their economic life and should therefore be replaced. Scope to include replacement of boilers along with other necessary ancillary items. Budget responsibility to be confirmed.
Maylord Orchard Meeting Room - boiler improvements	6	24	0	H&S, BC	Heating boiler is 25-30 years old meaning it is at the end of its economic life and should therefore be replaced. Recommendation made by Gas Safe engineer in 2020 that 'Boiler is old heat only. Recommend replacing for new combi boiler to get rid of tanks in loft and convert two FBM water heaters which pose legionella risk.' Scope to include replacement of boiler with new combi system which would provide both heating and hot water along with other necessary ancillary items. Not covered under service charge.
Ross Library - boiler improvements	20	105	0	H&S, BC	2 x heating boilers are 25-30 years old meaning they are at the end of their economic life and should therefore be replaced. Recommendation made by Gas Safe engineer in 2020 that 'Boilers are old and recommend replacing with new.' Scope to include replacement of boilers along with other necessary ancillary items.
Play and Learn Nursery - boiler improvements	0	6	14	H&S, BC	Heating boiler is a Worcester Bosch Greenstar 30 Si which is 10-12 years old. The expected lifespan of these boilers is only around 14 years so would advise that this is replaced within the next 3 years. Scope to include replacement of boiler along with other necessary ancillary items.
Plough Lane - electrical improvements	76	424	0	H&S, BC	Replace end of electrical infrastructure
Plough Lane - fire compartmentation	40	0	0	H&S, BC	Recommendations from 2020 FRA to ensure building complies with current Statutory regulations
Leominster MAO paving improvements	80	0	0	H&S, BC	Identified as potential trip hazard and concern over children using nearby Nursery.
Drainage at Old House Museum	20	0	0	H&S, BC	The drainage to the welfare area is continually failing as the toilets and kitchenette are located in the basement and may require pumping to work satisfactorily. Listed Building consent will be required.

Old House Museum Improvements to façade	150	0	0	H&S, AD, BC	The Museum's external facades have been surveyed following falling external fabric from this historic Listed building and a programme of improvement works with specification and estimated costs has been drawn up by Consultants. Listed Building consent will be required.
Resilience	25	25	25	H&S, BC	To ensure that BEMS systems at various HC sites remain operational and mechanical and electrical systems can continue to be monitored effectively.
Fire precaution works	25	25	25	H&S, BC	To improve the existing structure and fabric to comply with statutory legislation
Roof AHU roof and ductwork insulation Plough Lane	75	0	0	AD	Insulation is currently covered in an aluminium tape which is being compromised by attack from seagulls. This is allowing water into the insulation which could cause future problems from corrosion of the ductwork. Quite often this causes the insulation to come away from the ductwork completely due to it becoming sodden which reduces energy efficiency of the HVAC systems and means regular remedial works are needed. Scope of works to include replacement of current insulation and utilising a protective covering to prevent future attack from seagulls.
Water heater H3 etc	15	0	0	H&S, BC	The existing water heater at H3 is showing signs of wear and also represents a Legionella risk due to its distant location from the hot water outlets it serves and the fact that the mains cold water pipework runs next to the hot water pipework from the water heater. Scope of works to include removal and decommissioning of existing water heater and installation of new water heater in suitable location.
Replacement of gas suppression system at the HARC	32	0	0	H&S, BC	Current system at end of life.
Replacement of Goods Lift at Plough Lane	100	0	0	H&S, BC	Current goods lift at end of life.
CCTV @ Multi Storey and Maylords Car Parks	30	0	0	H&S	Installation to help prevent Anti-Social Behaviour
Total	1,454	1,289	264		



**Key Network Infrastructure**  
**(Core Data Centre Switches and Corporate Wi-Fi)**  
**Business Case**

## Version Control

Version	Date	Summary of Change	Author
0.1		First issue	

The first draft will be 0.1 and each successive draft of the document should be numbered sequentially 0.2, 0.3 and so on. The final version of the document is 1.0. Any incidental changes to the final live version should be numbered sequentially 1.1, 1.2, etc. If any major changes are made, the version number should be changed to 2.0. The person making the changes e.g. PMO Development Manager or SRO should track them (using tracked changes in Microsoft Word) and write a brief description of what has changed – or if there are major changes state “see track changes” in the Version Control Log. The version with the track changes should be saved before any are accepted or rejected. Once saved, the active version will be the next sequential number.

## Approvals

Gateway	Approved by	Role	Date
1 - OBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	
	Capital Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
2 - FBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	
	Capital Portfolio Manager	Sense check	

	HPMO	Sense check	
	Assurance Board	Sense check	
	Capital Programme Board	Council Programme oversight	
	Cabinet	Corporate fit	
	Full Council	Approval (capital programme)	
Gateway Review	Director PMO Assurance	Assurance	
3 - Delivery	<i>Project Board / Director / Programme Board</i>	<i>Note major changes and approvals during delivery</i>	
Gateway Review	Director PMO Assurance	Assurance	
4 – Handover & project review	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Board	Programme oversight	
	Assurance Board	Assurance	
	Capital Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
5 – Project Closure	Capital Portfolio Manager/ Head of PMO	Governance	
Gateway Review	Director PMO Assurance	Assurance	

Note: You don't need an actual signature but you should have an e-mail agreement or alternative method of audit trail to refer to.

## Distribution

This document has been distributed to

Name	Role	Date of issue	Version

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### **4.7 Procurement Strategy and implementation timescales**

## **5.0 FINANCIAL CASE**

### **5.1 INSERT FUNDING TABLE**

### **5.2 Impact on the Council's income and expenditure account (revenue account)**

## 1.0 PROJECT DESCRIPTION

The project is to replace critical IT Network Infrastructure equipment which is coming to the end of its manufacturer supported life.

Namely (1) Core Data Centre Switches & (2) The Corporate Wi-Fi Solution.

## 2.0 STRATEGIC CASE

Herefordshire Council runs a modern network to operate and support its service delivery. Due to the sensitivity of the data processed within its key line of business solutions (Security Classification - Official/Official Sensitive), the authority needs to operate its IT systems in line with Government guidelines (currently HMG Security Policy Framework and Minimum Cyber Security Standard).

Due to these guidelines, the authority is obliged to ensure that the underlying infrastructure is secure and that the hosting environment is maintained securely. Infrastructure must not be vulnerable to common cyber-attacks and this should be maintained through secure configuration and software patching.

This is audited each year under the PSN, Cyber Essentials Plus and ISO27001 certifications.

IT equipment manufacturers operate support lifecycles in 3 main areas. (a) Software development (features), (b) security patching (vulnerabilities) and (c) hardware (parts). In order to meet the vulnerability patching requirements as outlined above, equipment is considered within lifecycle for compliance management whilst the manufacturer continues to provide software releases for security vulnerabilities (b).

2 key areas of the authorities equipment is coming to the end of its vulnerability support within the next 12 months.

(1) Core Data Centre Switches – March 2022

(2) Corporate Wireless – July 2021 (controllers) & April 2022 (Access Points)

### 2.1 Project aims and objectives

The aim of the project is as follows:

- Replace the current equipment with supported 'in life' equipment which is actively supported by the supplier particularly for vulnerability patches.
- Replace like for like with equipment that meets the current compatibility and support requirements for the infrastructure.
- Provide support and maintenance contract with the manufacturer or partner.
- Decommission and dispose of outgoing equipment in line with the authorities' security and environmental policies.

### 2.2 Strategic Drivers

#### 2.2.1 National and Regional

National guidance and compliance from Central Government:

- Security Policy Framework (2018).
- Minimum Cyber Security Standard (June 2018).
- National Cyber Security Strategy.
- National Cyber Security Centre 10 Steps to Cyber Security.
- Public Services Network (PSN) Compliance.
- Cyber Essentials/Cyber Essentials Plus.

- Industry best practice (ISO27001).

## 2.2.2 Local

Your project must directly support at least one of the County Plan priorities. Please indicate in the box below which priority(s) the project addresses

County Priority – please select from	Tick ✓ below where applicable	Delivery Plan Reference(s)
Community	✓	
Economy	✓	
Environment	✓	

## 2.3 Background and Rationale in Project Mandate

The primary objective for the project is to support the authority's requirements to operate IT equipment in a secure manner. As outlined earlier in section 2.0, the authority is obliged to ensure that the underlying infrastructure is secure and that the hosting environment is maintained securely. Infrastructure must not be vulnerable to common cyber-attacks and this should be maintained through secure configuration and software patching.

This project is to replace ageing equipment with manufacturer supported equipment where security patches will be issued in line with emerging vulnerabilities and Cyber Security threats.

## 2.4 Scope

### 2.4.1 In-Scope

- (1) Data Centre Core Switching
  - a. Procure replacement equipment
  - b. Install replacement equipment in a like for like configuration
  - c. Migrate all operational services to the new equipment
  - d. Decommission old equipment
- (2) Corporate Wi-Fi
  - a. Procure replacement equipment
  - b. Install replacement equipment in a like for like configuration
  - c. Migrate to new solution (including all council sites swapping out access points)
  - d. Decommission old equipment

### 2.4.2 Out of Scope

Any other network or IT services.

## 2.5 Benefits

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

### 2.5.1 Cashable benefits

None

## 2.5.2 Non-cashable benefits

Operational benefits.

- Continued Cyber Security protection through manufacturer support for vulnerabilities
- Continued hardware failure protection through manufacturer support for parts and components
- Continued feature support through manufacturer software development. Potential for cost avoidance.

## 2.5.3 Dis-benefits

None

## 2.6 Risks

Risk	Mitigation
Engineering Resource	Reprioritise other work or engage professional services dependent on the prevailing risk encountered.
Disruption to services during migration	Most services within the data centre operate within a resilient N+1 configuration. Core switching will run in parallel during implementation and services will be migrated based on risk (low to high). Those identified as not being resilient will be migrated out of hours with coordination with the business.
Implementation Delay	Should any vulnerabilities be identified then additional security mechanisms may have to be implemented to mitigate the vulnerability. Each prevailing vulnerability will be reviewed and scored. Mitigation will be agreed dependent on the score and ability to treat or resolve within the context of the project delivery.

## 2.7 Constraints and Dependencies

Initiatives which depend on this project are:

None

This project depends on:

None

## 2.8 Stakeholders

Herefordshire Council – Engagement through meetings and communications dependent on whether at departmental or organisational level.

## 3.0 ECONOMIC CASE

### 3.1 Critical success factors

- Successful Procurement.
- Successful implementation.
- Provision of in life and supported equipment.



- Replacement Equipment covered by appropriate support and maintenance contract with access to manufacturer updates and specialist technical support.
- Decommission and disposal of outgoing equipment.

## 3.2 Options and Do Nothing Option

### 3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Do Nothing	Y	Benchmark Option
Replace Equipment	Y	Appropriate Option

### 3.2.2 Short-list of options

Option 1 – Detail Do nothing.	
Cost	
Benefits	N/A
Deliverability	Will become more problematic to maintain unsupported equipment over time.
Pros	No effort or upfront cost
Cons	<p>Security and Hardware failure Risks will increase over time. At some future point hardware parts and components will not be available to source.</p> <p>Risk of security compromise will increase over time as cyber security threats and vulnerabilities for the aging technologies emerge.</p> <p>Operational and support costs will increase over time as compatibility with other equipment reduces overtime (i.e. obsolescence).</p> <p>The Council will no longer be able to maintain the security posture and compliance certifications expected of a Local Authority.</p> <p>Loss or interruption to any networking services for any significant time will cause severe disruption to services operated and delivered by the Council which could cause financial and reputational damage to the organisation. For instance, the loss or ability to access systems such as Academy (Revs &amp; Bens), Mosaic (Social Care) and Business World (Finance and Payroll) would have a far reaching impact.</p>

Recommendation	Not to do this
----------------	----------------

Option 2 – Detail	
Replace the equipment installed in 2016 which has come to end of manufacturer support.	
Cost	£490k
Benefits	Supported in life equipment with the provision of manufacturer security, software and hardware support and maintenance.  Supports the authority's obligations by maintaining the core infrastructure in a secure manger and protecting Herefordshire Council Data.
Deliverability	Within skillset and capability of Hoople IT.
Pros	<ul style="list-style-type: none"> <li>• Will enable Hoople to continue to provide a secure environment for Council Services by mitigating against emerging Cyber Security Threats.</li> <li>• Will provide Hardware maintenance mitigating against component or equipment failure.</li> <li>• Will support the Councils requirement to maintain PSN and CE+ certifications.</li> <li>• Will provide assurances in respect of the Confidentiality, Integrity and Availability of the Key Line of Business Systems for the Council.</li> <li>• The replacement equipment will have an anticipated lifespan of between 6-8 years.</li> <li>• The project includes support and maintenance for the equipment for 3 and 5 years for the Wireless and Core Data Centre Networking equipment respectively.</li> </ul>
Cons	Cost
Observations	None
Recommendation	To proceed with Option 2

### 3.2.3 The preferred option

Option 2 is the preferred option.

Table A - Indicative Costs for Solution and Implementation

Description	Supplier	Cost
Core DC Switches	3 <sup>rd</sup> Party	£180,000
Corporate WiFi Equipment	3 <sup>rd</sup> Party	£185,000
Corporate Wifi AP Migration	3 <sup>rd</sup> Party	£8,000
Cables and Sundries	3 <sup>rd</sup> Party	£1,000
Switch Implementation & Migration	Hoople (from Table B)	£10,760

WiFi Implementation & Migration	Hoople (from Table B)	£14,420
Procurement Support	Hoople (from Table B)	£1,550
Hoople Project Management	Hoople (From Table B)	£6,100
Contingency @ 10%	-	£40,683
	Total	£447,513

Table B - Indicative Costs for Hoople

Activity	IT Team	Cost
Core DC Switch – Install & Configure	Architecture	£7,100
Core DC Switch – Migration & Decom	Infrastructure	£3,660
Corporate WiFi – Install & Configure	Architecture	£7,100
Corporate WiFi – Migration @ 37 Sites	Infrastructure	£6,100
Corporate WiFi – Decommission	Infrastructure	£1,220
Procurement Support	Procurement	£1,550
Project Management	Project Management	£6,100

## Solution Overview

### a. Bill of Materials

Item Number	Description	Qty
N9K-C93180YC-FX3	Nexus 9300 48p 1/10/25G, 6p 40/100G, MACsec UP. SyncE	4
MODE-NXOS	Dummy PID for mode selection	4
NXOS-9.3.7	Nexus 9500, 9300, 3000 Base NX-OS Software	4
NXK-MEM-16GB	Additional memory of 16GB for Nexus Switches	4
NXK-ACC-KIT-1RU	Nexus 3K/9K Fixed Accessory Kit, 1RU front and rear removal	4
NXA-FAN-35CFM-PE	Nexus Fan, 35CFM, port side exhaust airflow	16
NXA-PAC-650W-PE	Nexus NEBs AC 650W PSU - Port Side Exhaust	8
CAB-C13-C14-AC	Power cord, C13 to C14 (recessed receptacle), 10A	8
C1A1TN9300XF-5Y	Cisco ONE Advantage Term N9300 XF, 5Y	4
QSFP-100G-AOC1M=	100GBASE QSFP Active Optical Cable, 1m	4
SFP-10G-AOC1M=	10GBASE Active Optical SFP+ Cable, 1M	2
QSFP-40G-LR4=	QSFP 40GBASE-LR4 OTN Transceiver, LC, 10KM	8
N2K-C2348TQ-E	Nexus 2000, 10GT FEX; 48x1/10T; 6x40G QSFP	6
QSFP-4X10G-AOC3M	40GBASE Active Optical QSFP to 4SFP breakout Cable, 3m	12
CAB-C13-CBN	Cabinet Jumper Power Cord, 250 VAC 10A, C14-C13 Connectors	12

N2348TQ-E-FA-BUN	Standard airflow pack: N2K-C2348TQ-E, 2AC PS, 3 Fan	6
	<b>5 Year 24x7x4 Support</b>	
5Y-PSS-N9K	5 Year PSS - PRTNR SUP 24X7X4 - N9K-C93180YC-FX3	4
5Y-PSS-N2348	5 Year PSS - PRTNR SUP 24X7X4 - N2348TQ	6

■

## (2) Corporate WiFi

### a. Bill of Materials

Item Number	Description	Qty
C9800-40-K9	Cisco Catalyst 9800-40 Wireless Controller	2
LIC-C9800-DTLS-K9	Cisco Catalyst 9800 Series Wireless Controller DTLS License	2
AIR-DNA	CISCO DNA for Wireless - CHOOSE ONLY QTY 1 HERE	1
AIR-DNA-E-3Y	Wireless Cisco DNA On-Prem Essential, 3Y Term Lic	240
C9800-CL-K9	Cisco Catalyst 9800-CL Wireless Controller for Cloud	2
LIC-C9800-DTLS-K9	Cisco Catalyst 9800 Series Wireless Controller DTLS License	2
C9120AXI-E	C9120AX Internal 802.11ax 4x4:4 MIMO;IOT;BT5;mGig;USB;RHL	240
■	<b>3 Year 24x7x4 Support</b>	
3Y-PSS-C9800-40	3 Year PSS - PRTNR SUP 24X7X4 - C9800-40-K9	2
3Y-PSS-C9300-CL	3 Year PSS - PRTNR SUP 24X7X4 - C9800-CL	2

## 3.3 Supplier appraisals

*This section compares the potential supplier deals and agrees the preferred supplier.*

### 3.3.1 The Procurement process

*Please outline your procurement process including the following:*

- *Procurement route e.g. via OJEU/framework agreement*
- *The long list criteria*
- *The short list criteria*
- *Economic appraisals – an overview of the costs and benefits associated with each of the selected service providers*
- *Non-financial benefits appraisals – an overview of non-cash releasing benefits, their weighting, score and impact on supplier ranking*
- *Non-financial risk appraisal – an overview of non-financial risks - their impact, probability and score on supplier ranking*

### 3.3.2 Preferred supplier

*Following the above appraisals and analysis, the preferred supplier is confirmed below.*

## 4.0 COMMERCIAL CASE

### 4.1 Required services

### 4.2 Potential/Agreed risk transfer

### 4.3 Proposed/Agreed charging mechanism

### 4.4 Proposed/Agreed contract lengths

### 4.5 Proposed/Agreed key contractual clauses

### 4.6 Personnel implications (including TUPE)

### 4.7 Procurement Strategy and implementation timescales

## 5.0 FINANCIAL CASE

### 5.1 INSERT FUNDING TABLE

The Capital Request Funding Form (Capital Finance Intranet site) must also be completed and submitted with the Full Business Case documentation.

Capital cost of project	2022/23	2023/24	2024/25	Future Years	Total
Core Data Centre Switches & Corporate Wi-Fi	£450k	£000	£000	£000	£000

Project Management Fees (est. 10% project value)	£40k				
<b>TOTAL</b>	<b>£490k</b>				

Funding streams (Indicate revenue or capital funding requirement)	2022/23	2023/24	2024/25	Future Years	Total
Corporate Funded Borrowing	£490	£000	£000		-
					-
<b>TOTAL</b>					

## 5.2 Impact on the Council's income and expenditure account (revenue account)

Revenue budget implications	2022/23	2023/24	2024/25	Future Years	Total
Core Data Centre Switches (costs from year 6)	-	-	-	£12k	
Corporate Wi-Fi (costs from year 4)	-	-	-	£20k	
Core Data Centre Switches (support dropped from current Maintel Contract)		(£3.9k)	(£3.9k)	-	
Corporate Wi-Fi (support dropped from current Maintel Contract)		(£6.5k)	(£6.5k)	-	
<b>TOTAL</b>		<b>(£10.4k)</b>	<b>(£10.4k)</b>	<b>£32k</b>	

## **Primary Data Storage Area Network (Plough Lane)**

### **Business Case**

## Version Control

Version	Date	Summary of Change	Author
0.1		First issue	

## Approvals

Gateway	Approved by	Role	Date
1 - OBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	
	Capital Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
2 - FBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	



	Programme Delivery Board	Programme oversight	
	Capital Portfolio Manager	Sense check	
	HPMO	Sense check	
	Assurance Board	Sense check	
	Capital Programme Board	Council Programme oversight	
	Cabinet	Corporate fit	
	Full Council	Approval (capital programme)	
Gateway Review	Director PMO Assurance	Assurance	
3 - Delivery	<i>Project Board / Director / Programme Board</i>	<i>Note major changes and approvals during delivery</i>	
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	Programme Board	Programme oversight	
	Assurance Board	Assurance	
	Capital Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
5 – Project Closure	Capital Portfolio Manager/ Head of PMO	Governance	
Gateway Review	Director PMO Assurance	Assurance	

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## **Distribution**

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Name	Role	Date of issue	Version

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## **4.0 COMMERCIAL CASE**

### **4.1 Required services**

### **4.2 Potential/Agreed risk transfer**

### **4.3 Proposed/Agreed charging mechanism**

### **4.4 Proposed/Agreed contract lengths**

### **4.5 Proposed/Agreed key contractual clauses**

### **4.6 Personnel implications (including TUPE)**

### **4.7 Procurement Strategy and implementation timescales**

## **5.0 FINANCIAL CASE**

### **5.1 INSERT FUNDING TABLE**

### **5.2 Impact on the Council's income and expenditure account (revenue account)**

## 1.0 PROJECT DESCRIPTION

The project is to replace critical IT Data Storage equipment which is coming to the end of its manufacturer supported life.

Namely Plough Lane Storage Area Network (SAN) & Fibre Channel Optical Switching (FC Switches).

## 2.0 STRATEGIC CASE

Herefordshire Council runs a modern IT Data Storage Environment/SAN to operate and support its service delivery. Due to the sensitivity of the data processed within its key line of business solutions (Security Classification - Official/Official Sensitive), the authority needs to operate its IT systems in line with Government guidelines (currently HMG Security Policy Framework and Minimum Cyber Security Standard).

Due to these guidelines, the authority is obliged to ensure that the underlying infrastructure is secure and that the hosting environment is maintained securely. Infrastructure must not be vulnerable to common cyber-attacks and this should be maintained through secure configuration and software patching.

This is audited each year under the PSN, Cyber Essentials Plus and ISO27001 certifications.

IT equipment manufacturers operate support lifecycles in 3 main areas. (a) Software development (features), (b) security patching (vulnerabilities) and (c) hardware (parts). In order to meet the vulnerability patching requirements as outlined above, equipment is considered within lifecycle for compliance management whilst the manufacturer continues to provide software releases for security vulnerabilities (b).

The authority's Data Storage Area Network equipment within its Plough Lane Data Centre is coming to the end of its vulnerability support within the next 12 months (March 2022).

### 2.1 Project aims and objectives

The aim of the project is as follows:

- Replace the current equipment with supported 'in life' equipment which is actively supported by the supplier particularly for vulnerability patches.
- Replace like for like with equipment that meets the current compatibility and support requirements for the infrastructure including additional overhead to mitigate against data growth throughout the first 5 years of operation.

- Provide support and maintenance contract with the manufacturer or partner.
- Decommission and dispose of outgoing equipment in line with the authorities' security and environmental policies.

## 2.2 Strategic Drivers

### 2.2.1 National and Regional

National guidance and compliance from Central Government:

- Security Policy Framework (2018).
- Minimum Cyber Security Standard (June 2018).
- National Cyber Security Strategy.
- National Cyber Security Centre 10 Steps to Cyber Security.
- Public Services Network (PSN) Compliance.
- Cyber Essentials/Cyber Essentials Plus.
- Industry best practice (ISO27001).

### 2.2.2 Local

Your project must directly support at least one of the County Plan priorities.

Please indicate in the box below which priority(s) the project addresses

County Priority – please select from	Tick ✓ below where applicable	Delivery Plan Reference(s)
Community	✓	
Economy	✓	
Environment	✓	

## 2.3 Background and Rationale in Project Mandate

The primary objective for the project is to support the authority's requirements to operate IT equipment in a secure manner. As outlined earlier in section 2.0, the authority is obliged to ensure that the underlying infrastructure is secure and that the hosting environment is maintained securely. Infrastructure must not be vulnerable to common cyber-attacks and this should be maintained through secure configuration and software patching.

This project is to replace ageing equipment with manufacturer supported equipment where security patches will be issued in line with emerging vulnerabilities and Cyber Security threats.

## 2.4 Scope

### 2.4.1 In-Scope

- (3) Data Storage Area Network (Plough Lane)
  - a. Procure replacement equipment
  - b. Install replacement equipment in a like for like configuration
  - c. Migrate all operational services to the new equipment
  - d. Decommission old equipment

### 2.4.2 Out of Scope

Any other Data Storage Solutions operated by the Council.

## 2.5 Benefits

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

### 2.5.1 Cashable benefits

None

### 2.5.2 Non-cashable benefits

Operational benefits.

- Continued Cyber Security protection through manufacturer support for vulnerabilities
- Continued hardware failure protection through manufacturer support for parts and components
- Continued feature support through manufacturer software development. Potential for cost avoidance.
- Additional overhead to support future data growth.

### 2.5.3 Dis-benefits

## 2.6 Risks

Risk	Mitigation
Engineering Resource	Reprioritise other work or engage professional services dependent on the prevailing risk encountered.
Disruption to services during migration	Most services within the data centre operate within a resilient N+1 configuration. Data Storage Area Networks will run in parallel during implementation and services will be migrated based on risk (low to high). Those identified as not being resilient will be migrated out of hours with coordination with the business.
Implementation Delay	Should any vulnerabilities be identified then additional security mechanisms may have to be implemented to mitigate the vulnerability. Each prevailing vulnerability will be reviewed and scored. Mitigation will be agreed dependent on the score and ability to treat or resolve within the context of the project delivery.

## 2.7 Constraints and Dependencies

**Initiatives which depend on this project are:**

None

**This project depends on:**

None

## 2.8 Stakeholders

Herefordshire Council – Engagement through meetings and communications dependent on whether at departmental or organisational level.

## 3.0 ECONOMIC CASE

### 1.1 Critical success factors

- Successful Procurement.
- Successful implementation.
- Provision of in life and supported equipment.
- Replacement Equipment covered by appropriate support and maintenance contract with access to manufacturer updates and specialist technical support.
- Decommission and disposal of outgoing equipment.

## 3.2 Options and Do Nothing Option

### 3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Do Nothing	Y	Benchmark Option
Replace Equipment	Y	Appropriate Option

### 3.2.2 Short-list of options

Option 1 – Detail Do nothing.	
Cost	
Benefits	N/A
Deliverability	Will become more problematic to maintain unsupported equipment over time.
Pros	No effort or upfront cost
Cons	<p>Security and Hardware failure Risks will increase over time. At some future point hardware parts and components will not be available to source.</p> <p>Risk of security compromise will increase over time as cyber security threats and vulnerabilities for the aging technologies emerge.</p> <p>Operational and support costs will increase as compatibility with other equipment and replacement component part availability reduces overtime (i.e. obsolescence).</p> <p>The Council will no longer be able to maintain the security posture and compliance certifications expected of a Local Authority.</p> <p>Data may become at risk should component parts fail and not be able to be replaced due to the system obsolescence.</p>

	Loss of Data or interruption to data systems for any significant time will cause severe disruption to services operated and delivered by the Council which could cause financial and reputational damage to the organisation. For instance, the loss or ability to access systems such as Academy (Revs & Bens), Mosaic (Social Care) and Business World (Finance and Payroll) would have a far reaching impact.
Recommendation	Not to do this

Option 2 – Detail	
Replace the equipment installed in 2016 which has come to the end of manufacturer support.	
Cost	£335k
Benefits	Supported in life equipment with the provision of manufacturer security, software and hardware support and maintenance.  Supports the authority's obligations by maintaining the core infrastructure in a secure manger and protecting Herefordshire Council and Citizen Data.
Deliverability	Within skillset and capability of Hoople IT.
Pros	<ul style="list-style-type: none"> <li>• Will enable Hoople to continue to provide a secure environment for Council Services by mitigating against emerging Cyber Security Threats.</li> <li>• Will provide Hardware maintenance mitigating against component or equipment failure.</li> <li>• Will support the Councils requirement to maintain PSN and CE+ certifications.</li> <li>• Will provide assurances in respect of the Confidentiality, Integrity and Availability of Data held with the Key Line of Business Systems for the Council.</li> <li>• The replacement equipment will have an anticipated lifespan of between 6-8 years.</li> <li>• The project includes support and maintenance for the equipment of 5 years.</li> </ul>
Cons	Cost
Observations	None
Recommendation	To proceed with Option 2



### 3.2.3 The preferred option

Option 2 is the preferred option.

Hoople IT have received a number of quotes for differing solutions. The capital bid is based on an HPE solution quoted by Insight, which seemed the most realistic in respect of compatibility with the Councils infrastructure and data sizing and structures.

Table A - Indicative Costs for Solution and Implementation

Description	Supplier	Cost
Plough Lane SAN & FC Switches*	3 <sup>rd</sup> Party	£180,000
Cables and Sundries	3 <sup>rd</sup> Party	£1,000
Contingency (Technology)* 30%		£54,000
SAN Implementation & Migration	Hoople (from Table B)	£21,460
Procurement Support	Hoople (from Table B)	£1,550
Hoople Project Management	Hoople (From Table B)	£6,100
Contingency @ 10%	-	£39,883
	Total	£303,993

Table B - Indicative Costs for Hoople

Activity	IT Team	Cost
SAN – Install & Configure	Architecture	£7,100
SAN – Migration & Decommission	Infrastructure	£6,710
Procurement Support	Procurement	£1,550
Project Management	Project Management	£6,100

#### Solution Overview

#### (3) Data Storage Area Network

##### a. Bill of Materials

Item Number	Description	Qty
Q8H39A	HPE NS HF40 Hybrid CTO Base Array	1
Q8B57B	HPE NS HF40/60 Hybrid 210TB FIO HDD Bndl	1
Q8B66B	HPE NS HF40/60 23.04TB FIO Cache Bndl	1
Q8C17B	HPE NS 2x10GbE 4p FIO Adptr Kit	1
Q8G27B	HPE Tier 1 Storage OS Default FIO SW	1
Q8J27A	HPE NS C13 to C14 FIO Power Cord	1
R3P91A	HPE Tier 1 Storage Array Standard Trk	2
HT6Z0A3	HPE NS 5Y 4H Parts Exchange Support	1
HT6Z0A3#ZFW	HPE NS HF40/60 Hybr 210TB HDD Bndl Supp	1

HT6Z0A3#ZFC	HPE NS HF40/60 23.04TB Cache Bndl Supp	1
HT6Z0A3#ZFG	HPE NS HF40 Hybrid Base Array Supp	1
HT6Z0A3#ZG0	HPE NS 2x10GbE 4p Adptr Supp	1
23658256	Switch	1
Q9Y41AAE	HPE Network Orchestrator SW-6 E-LTU	1
QR481C	HPE SN6000B 16Gb 48/48 Pwr Pk FC Swch	2
QR481C#05Y	2.4m Jumper (IEC320 C13/C14 M/F CEE 22)	2
AG466A	HPE Door/dock Small Delivery SVC	2
QK724A	HPE B-series 16Gb SFP SW XCVR	96
QK735A	HPE Premier Flex LC/LC OM4 2f 15m Cbl	96
HU4B2A3	HPE 5Y Tech Care Basic SVC	1
HU4B2A3#ZHX	HPE SN6000B 16Gb PP FC Switch Support	2
QK734A	HPE Premier Flex LC/LC OM4 2f 5m Cbl	8

### 3.3 Supplier appraisals

*This section compares the potential supplier deals and agrees the preferred supplier.*

#### 3.3.1 The Procurement process

*Please outline your procurement process including the following:*

- *Procurement route e.g. via OJEU/framework agreement*
- *The long list criteria*
- *The short list criteria*
- *Economic appraisals – an overview of the costs and benefits associated with each of the selected service providers*
- *Non-financial benefits appraisals – an overview of non-cash releasing benefits, their weighting, score and impact on supplier ranking*
- *Non-financial risk appraisal – an overview of non-financial risks - their impact, probability and score on supplier ranking*

#### 3.3.2 Preferred supplier

*Following the above appraisals and analysis, the preferred supplier is confirmed below.*

## 4.0 COMMERCIAL CASE

## 4.1 Required services

## 4.2 Potential/Agreed risk transfer

## 4.3 Proposed/Agreed charging mechanism

## 4.4 Proposed/Agreed contract lengths

## 4.5 Proposed/Agreed key contractual clauses

## 4.6 Personnel implications (including TUPE)

## 4.7 Procurement Strategy and implementation timescales

*Detail and list below:*

# 5.0 FINANCIAL CASE

## 5.1 INSERT FUNDING TABLE

The Capital Request Funding Form (Capital Finance Intranet site) must also be completed and submitted with the Full Business Case documentation.

Capital cost of project	2022/23	2023/24	2024/25	Future Years	Total
Data Storage Area Network (Plough Lane)	£304k	£000	£000	£000	£000
Project Management Fees (est. 10% project value)	£31k				
TOTAL	£335k				

Funding streams (Indicate revenue or capital funding requirement)	2022/23	2023/24	2024/25	Future Years	Total
----------------------------------------------------------------------	---------	---------	---------	--------------	-------

Corporate Funded Borrowing	£335				-
					-
TOTAL					

## 5.2 Impact on the Council's income and expenditure account (revenue account)

Revenue budget implications	2022/23	2023/24	2024/25	Future Years	Total
SAN (costs from year 6)	-	-	-	£45k	
SAN (Support costs already paid to end of life)	-	-	-	-	
TOTAL				£45k	

# **Public Realm Maintenance (Mitigation of Risk on the Network)**

## **Business Case**

Date: 16/07/2021

## Version Control

Version	Date	Summary of Change	Author
0.1		First issue	

The first draft will be 0.1 and each successive draft of the document should be numbered sequentially 0.2, 0.3 and so on. The final version of the document is 1.0. Any incidental changes to the final live version should be numbered sequentially 1.1, 1.2, etc. If any major changes are made, the version number should be changed to 2.0. The person making the changes e.g. PMO Development Manager or SRO should track them (using tracked changes in Microsoft Word) and write a brief description of what has changed – or if there are major changes state “see track changes” in the Version Control Log. The version with the track changes should be saved before any are accepted or rejected. Once saved, the active version will be the next sequential number.

## Approvals

Gateway	Approved by	Role	Date
1 - OBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	
	Corporate Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
2 - FBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	
	Capital Programme Manager	Sense check	
	HPMO	Sense check	
	Assurance Board	Sense check	
	Corporate Programme Board	Council Programme oversight	
	Cabinet	Corporate fit	
	Full Council	Approval (capital programme)	
Gateway Review	Director PMO Assurance	Assurance	
3 - Delivery	<i>Project Board / Director / Programme Board</i>	<i>Note major changes and approvals during delivery</i>	

Gateway Review	Director PMO Assurance	Assurance	
4 –Handover & project review	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Board	Programme oversight	
	Assurance Board	Assurance	
	Corporate Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
5 – Project Closure	Capital Programme Manager/ Head of PMO	Governance	
Gateway Review	Director PMO Assurance	Assurance	

Note: You don't need an actual signature but you should have an e-mail agreement or alternative method of audit trail to refer to.

### **Distribution**

This document has been distributed to

Name	Role	Date of issue	Version

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### 5.0 FINANCIAL CASE

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## **APPENDICES - SUPPORTING EVIDENCE**

## **1.0 PROJECT DESCRIPTION**

This outline business case contains information that describes the justification for the capital investment in various highway service areas.

The council estimates there is a backlog of £90m in highway carriageways with a further £85m in structures with further depreciation in footways, cycles, street lighting, traffic management and street furniture. The condition of the network is such that the available Annual Plan and Forward Plan budgets are prioritised to minimising the impact of the deteriorating condition and pressures in the existing network on a Risk Based Approach. Due to the pressures, the areas identified in this bid would not reach the Annual Plan and as such we are seeking additional capital investment.

(The valuation of the network has been agreed with the Department of Transport, see appendix A)

### **Extraordinary Highway Maintenance – Market Town Investment**

This will make a step change in condition for the highway in and around the Market Towns. This will improve the highway network for the public and support the economic growth of the county as well as mitigating the whole life carbon footprint of the service as part of this investment.

The investment, if approved will be for 2022/23 through to 2024/25. The investment is intended to be split over these years to both enhance the market towns following the Covid-19 pandemic as well as allowing sensitive works programming to minimise disruption.

The project will link in with the Market Town Investment Plan, co-ordinating and taking opportunities to improve the Market Towns where applicable.

### **Investment in Public Transport Infrastructure**

Public Transport Infrastructure is in need of investment, this is to address the backlog of maintenance across the public transport asset. Due to other priorities the level of revenue funding in the Annual Plan resulted in an approach which means we can only keep the asset safe, there is no capacity to maintain and replace. The project is to invest in locations where the assets of such a condition, they need to be replaced.

### **Roads at Risk A4113 Leintwardine**

The A4113 is prone to flooding from the River Teme, the locations are to the South West of Leintwardine. The River Teme is moving significantly closer to the A4113 which is causing concern as to the risk of losing this key infrastructure.

The project is to stabilise the erosion and to prevent further loss of land that could see the A4113 being subject to erosion damage. This is a significant project which is not in the Annual or Forward programme, if the project were to be delivered through the Annual Plan the investment in the priorities identified within the programme would reduce and create a backlog in investment which would increase the risk of flooding, carriageway defects with a likelihood of increased claims and potentially accidents on the networks and properties flooding.

### **Traffic Signal Asset Improvements in the Market Towns**

Given the current level of annual plan capital and revenue funding and the wider demands that are present across the highway asset, the traffic signals component has been suffering from an ever-growing backlog. This is particularly relevant given the small scale of the asset group in the county. The current replacement rate is around once every 25 years, this compared to a service life of around 15 years. The result of this is an aging asset that is not responsive to new technology and should that technology be utilised, elevated installation costs, significant delay and increased disruption to the network would be incurred.

By targeting a successful bid on the aged installations within the Market Towns, it is anticipated that the funding would deliver:

- A step change in condition that would make the system capable of delivering technological advancement to prioritise active travel, VRU's and Public Transport modes;
- Deliver a platform from which open data can be provided;
- Enable a county wide migration to an intervention lead approach to managing the asset, and;
- Improve the reliability and efficiency of the transport system in the Market Towns.

Junctions like the A449 J/W A438, Top Cross in Ledbury are in need of investment to improve the function of the lights for the benefit of the highway users in the town. This, along with key pedestrian crossing locations are to be upgraded by this bid.

## **Village Safety Initiatives Phase 2**

This proposal is for the delivery of further pilot schemes that enhance the road environment within villages. This follows successful trials in Bosbury, Shobdon and Pembridge and the programmed trials in Stretton Grandison and Ashperton. The proposed bid would create a platform to deliver enhancements to villages.

The council as the highways authority, has duty under Section 41 of the Highways Act to maintain at public expense, the budget allocated within the Annual and Forward plan maintains the network. This project enhances the network in communities reducing the speed of traffic and giving people a safer environment to live, work and exercise. The project will complement the asset maintenance work undertaken in the annual plan and support different enhanced material selection, lining and signing.

This project is intended to set the parameters and concepts for a future roll out of similar initiatives across the county.

The scheme has three parts set out, relating to four villages that have A and B roads running through the built environment. These villages are:

- B4348 Peterchurch
- B4224 Fownhope
- B4224 Upton Bishop
- A4172 Little Marcle

## **Reducing the Risk of Highway Retaining Wall Collapse**

Following the compromise of structures that support the B4224 near to the village of Fownhope a more comprehensive review of the condition of some retaining walls has highlighted a number of deficiencies in a number of structures. In order to manage the risk of these, without diverting funds from other critical assets or asset types this project intends to deliver works to the most important structures. This work has been progressed using the principles of utilising a risk-based approach as required by both the Highways Maintenance Plan and the UK Roads Liaison Group's Well Managed Highway Infrastructure: A Code of Practice.

Structures are within the Annual Plan but additional funding is required to mitigate the growing risk on the network and prevent further costly failures.

## **2.0 STRATEGIC CASE**

### **2.1 Project aims and objectives**

#### **Extraordinary Highway Maintenance – Market Town Investment**

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

The funding will be targeted at highway maintenance in Market Towns where the improvement in the condition of the highway network will support active travel initiatives, access improvements and improve connectivity.

The aim is to support the growth of the county by making the best use of its highway asset and where possible facilitate efficient use along with improvements to the quality of our public places.

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

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

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

### **Investment in Public Transport Infrastructure**

Improving the asset supports the ambition for Herefordshire in the County Plan, by having a safe, usable asset supporting the use of public transport and in doing so supports the:

- Environment: improving and extending active travel options
- Community: supports communities, linking to key transport Hubs and facilities in the Market Towns and the City.
- Economy: Good infrastructure that attracts investment.

The Local Transport Plan sets out the vision and transport objectives and the investment is consistent with the Hereford Transport Strategy ambitions for Hereford City.

The aim of Asset Management is to support the growth of the county by keeping the travelling public safe, making the best use of its transport assets and where possible facilitate more efficient usage together with improvements in the quality of our public spaces.

A transport network that supports growth enabling the provision of new jobs and houses, whilst providing the conditions for safe and active travel, which reduces congestion and increases accessibility by less polluting and healthier forms of transport than the private car.

Make journeys easier and safer.

Ensure access to services for those living in the rural areas.

Passenger Transport priorities are to provide high quality shelters and transport hubs, this is an opportunity to replace shelters and to provide cycle parking where possible.

Policy LTP PT3 – Bus Infrastructure Improvements – to improve bus shelters.

Bus shelter should provide a place to sit, protected from weather and provide a feeling of safety and security.

The condition of the public transport assets have identified locations that need immediate investment. There are 7 sites in need of replacement, this project will deliver and also add benefit in providing cycle parking where land is available.

The objective is to provide good modern infrastructure that protect those waiting for their bus, from the elements, able to withstand the extremes of weather and vandalism and to look like somewhere the passenger will feel safe whilst waiting.

### **Roads at Risk A4113 Leintwardine**

The A4113 is part of the councils Strategic Network as set out in the councils Highways Maintenance Plan, it is the highest tier of maintenance hierarchy maintained by the council as the Local Highway Authority.

The highway links the North West of the county to the rest of Herefordshire, linking to the A49 and to Wales, a short distance from Knighton and Prestigne.

The road floods regularly which requires closure of the road, this is for relatively short duration, this is managed as part of the councils response to severe weather. Due to climate change, flooding in the county is becoming more frequent and more severe. As a consequence, the R. Teme is moving closer to the highway infrastructure, specifically, the A4113.

The River Teme is a tributary of the River Severn, it rises in Cilfaesty Hill in Mid Wales, flowing through Knighton, Leintwardine and Ludlow before it confluences with the River Severn near Worcester. The river drains a catchment area of approximately 167km<sup>2</sup> upstream.

The erosion risk is from the migration of the River Teme, the movement is causing concern due to the close proximity of the A4113. The road is within the active flood plain of the River Teme, flooding causes severance for communities and disrupts traffic movements serving the locality.

The immediate concern is in relation to the localised movement, there are 3 locations where the movement of the river is moving towards the A4113.

The issues have been raised with the Environment Agency (EA), meetings have been undertaken to explain the issues and progress viable options.

The movement of the river is highlighted in the figures below which shows the most recent monitoring survey results.

### **Traffic Signal Asset Improvements in the Market Towns**

The asset management approach to lifecycle planning enables the monitoring of trends in condition to plan maintenance within the constraints of available budgets. The objectives of the approach are:

- Improve the safety of the network for all modes through resilience of the signal asset;
- Realise a reduction in maintenance, reducing the amount of site visits and traffic management required, reducing disruption to the highway network;
- Reduce the traffic signal fault rate and customer complaints;
- Introduce new control strategies to improve traffic flows and reduce congestion;
- Upgrade refurbishment sites to use latest technologies, such as LED's, which use less energy and are more reliable;
- Introduce new above ground detection technologies to reduce the requirement to replace vehicle loop detection when the road is resurfaced. This also reduces ongoing highway maintenance costs;
- Reduce emissions across the county by optimising traffic flows;
- Improving efficiency of movement for active travel and public transport users, facilitating modal shift.

Historic capital and revenue funding levels within the annual plan across the service has meant lower investment than is required to deliver the optimum approach. The consequence of this is that reactive decisions are then required to maintain the reliability of signal installations. This erodes the approach and the funding opportunity could deliver a step change to 'reset' the approach to managing this asset group.

### **Village Safety Initiatives Phase 2**

The principle objective for this project is a scheme that utilises an expanded toolkit of materials to enhance the highway environment in villages specified above. This is intended to improve safety, enhance the place aspect of the village and improve the environment for pedestrians and cyclists.

The design of this scheme will need to be undertaken in close liaison with the community to ensure that it delivers these objectives whilst positively contributing to the community.

Elements of the scheme will be evaluated for further deployment to similar parts of the network.

A capital bid for this type of enhancement would result in safer communities, with enhanced residential amenity and reduced severance for villages that are bisected by highway corridors.

These types of scheme also enhance the sense of 'place' within rural communities along with reducing vehicle speeds and encouraging the use of active travel by residents to village amenities.

A key output of this project would not only be the delivery of appropriate schemes as a pilot, but also to assess the true cost of delivering these schemes as a whole, or as component parts to inform future investment and for the attraction of S106 funding for transport.

### **Reducing the Risk of Highway Retaining Wall Collapse**

In order to focus the project on the most critical areas the works will be prioritised based on network hierarchy. As a consequence works will mainly focus the improvements on the Strategic and Main Distributor areas of the network as set out in the Highways Maintenance Plan. This takes into account the character and usage of routes across the county.

The current retaining wall inventory includes 97 walls across the county. Figure 1 below shows these dispersed across the county:

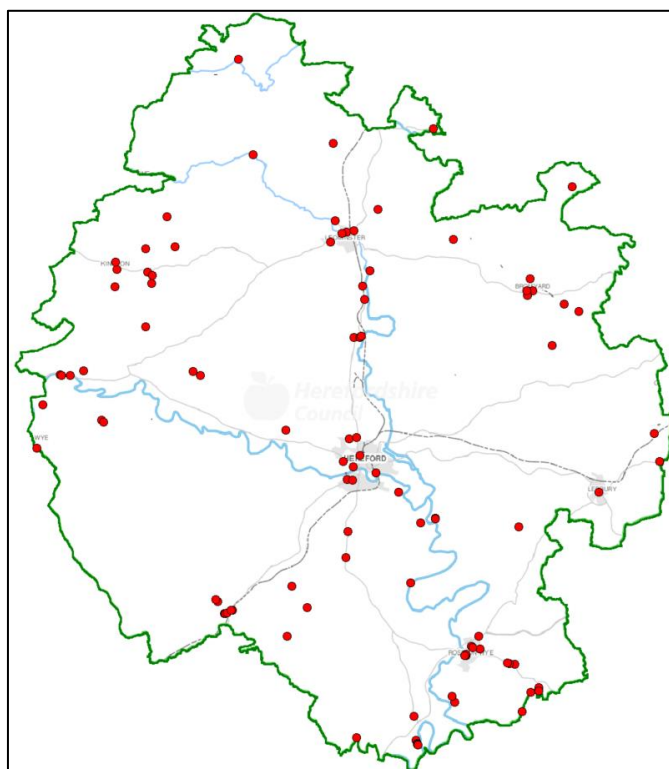


Figure 1: Retaining Wall Locations

Investment to improve the highway retaining walls will create a step-change in condition. This will then allow for a shift in the focus of future programmes of inspection and maintenance regimes in such a way that a lower whole life cost can be realised. This principle is founded on the concept that preventing major structural damage is more effective than dealing with more complex repairs later in the lifecycle. In more extreme cases this can also be linked to the local highway network being compromised because of failure, such as has occurred on the B4224 at Fownhope.

## **2.2 Strategic Drivers**

### **2.2.1 National and Regional**

Under Section 41 of the Highways Act, the Herefordshire Council has a duty to maintain the highway; this is delivered in collaboration with Balfour Beatty.

**Whilst the project is focussed on the local consideration of highway improvement the management of the market towns is identifying and responding to the regional importance.**

The Public Transport improvements is to provide good modern infrastructure that protect those waiting for their bus, from the elements. Able to withstand the extremes of weather and vandalism and to look like somewhere the passenger will feel safe whilst waiting.

The roads at risk is a response to the potential loss of the A4113 due to the moving River Teme, the A4113 is strategic route for the county and neighbouring authorities.

Traffic Signal Asset Improvements in the Market Towns, the traffic lights are on key strategic locations managing the flow of traffic, pedestrian and cycle movements safely.

Reducing the Risk of Highway Retaining Wall Collapse: In many cases, the structures support the primary road network, which facilitates long distance travel across the nation. These routes are of significant benefit to the economy in terms of enabling the passage of goods and services effectively and the efficient operation of these routes are an important function of the highway network.

### 2.2.2 Local

Your project must directly support at least one of the County Plan priorities. Please indicate in the box below which priority(s) the project addresses

#### Extraordinary Highway Maintenance – Market Town Investment

County Priority – please select from	Tick ✓ below where applicable	Delivery Plan Reference(s)
Community	✓	CO0.3
Economy	✓	EC1
Environment	✓	EN2

This scheme directly relates to the delivery of CO0.3 from the delivery plan. These improvements are also intended to make active travel, particularly cycling a more attractive option for market town residents.

#### Investment in Public Transport Infrastructure

County Priority – please select from	Tick ✓ below where applicable	Delivery Plan Reference(s)
Community	✓	C01
Economy	✓	EC1
Environment	✓	EN2

**Active Travel is a key component of the Herefords County Plan and the Local Transport Plan. Without good transport infrastructure, the activeness of using public transport will appear to be less desirable. This project will invest and address the investment backlog.**

The transport infrastructure supports the community in moving people around the county, to work, school, shops connecting communities to market towns, the city and transport hubs connecting to the wider network.

#### **Roads at Risk A4113 Leintwardine**

County Priority – please select from	Tick ✓ below where applicable	Delivery Plan Reference(s)
Community	✓	C01, C04,
Economy	✓	EC1
Environment	✓	EN2, EN5,

The project will manage the risk of the River Teme encroaching the A4113. Intervention is supported by the County Plan by securing connectivity for communities, businesses and as the impact is linked to the climate change, securing a resilient network for all users.

This is reflected in the Local Transport Plan with the five objectives:

1. Enabling Economic Growth
2. Provide a good quality transport network for all users
3. Promote healthy lifestyles
4. Make journeys safer, easier and healthier
5. Ensure access to services for those living in rural areas.

If the network were to be severed the impact on the communities would be significant, the intervention now will prevent the realisation due to erosion and protect the strategic infrastructure.

#### **Traffic Signal Asset Improvements in the Market Towns**

The policy that underpins Herefordshire Council's approach to Asset Management are rooted in the Local Transport Plan. This sets out an approach based on asset management principles that follow a data led path to delivering appropriate planned interventions with the aim of minimising whole life costs and meeting statutory duties. This approach cascades through our hierarchy of policies into the Highways Maintenance Plan, Transport Asset Management Plan before setting out more granular approaches to the management of asset groups in Lifecycle Plans.

In terms of traffic signals, there is an aspiration to engage more planned interventions to maintain these assets. Planned interventions will reduce the whole life cost by reducing reactive maintenance, which is often tied to reliability issues. Disruption is also minimised to the travelling public and the economy. This is an important aspect to this asset type where planned interventions are vital for reducing disruption, minimising carbon emissions as well as reducing costs.

##### **2.2.1 National and Regional**

The bid contributes to the current national policies of encouraging active travel use to drive modal shift.

##### **2.2.2 Local**

Your project must directly support at least one of the County Plan priorities. Please indicate in the box below which priority(s) the project addresses

County Priority – please select from	Tick ✓ below where applicable	Delivery Plan Reference(s)
--------------------------------------	-------------------------------	----------------------------



Community	√	CO0.3
Economy	√	EC1
Environment	√	EN2

This scheme directly relates to the delivery of CO0.3 from the delivery plan. These improvements are also intended to make active travel, particularly cycling a more attractive and efficient option for market town residents.

### **Village Safety Initiatives Phase 2**

County Priority – please select from	Tick √ below where applicable	Delivery Plan Reference(s)
Community	√	CO0.3
Economy	√	EC1
Environment	√	EN2

This scheme directly relates to the delivery of CO0.3 from the delivery plan. These improvements are also intended to make active travel, particularly cycling a more attractive and efficient option for market town residents.

### **Reducing the Risk of Highway Retaining Wall Collapse**

County Priority – please select from	Tick √ below where applicable	Delivery Plan Reference(s)
Community	√	CO0.3
Economy	√	EC1
Environment		

This scheme directly relates to the delivery of CO0.3 from the delivery plan.

## **2.3 Background and Rationale in Project Mandate**

The County Plan sets out the ambition for Herefordshire in supporting the Environment, Community and Economy.

The council estimates a significant backlog in the highway carriageway. Structures, footways, cycles, street lighting, traffic management and street furniture. The condition of the network is such that the available Annual Plan and Forward Plan budgets are prioritised to minimising the impact of the deteriorating condition and pressures in the existing network on a Risk Based Approach. Due to the pressures, the areas identified in this bid would not reach the Annual Plan and as such we are seeking additional capital investment.

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

The project is broken down into different elements of the service:

- **Market Town Maintenance**

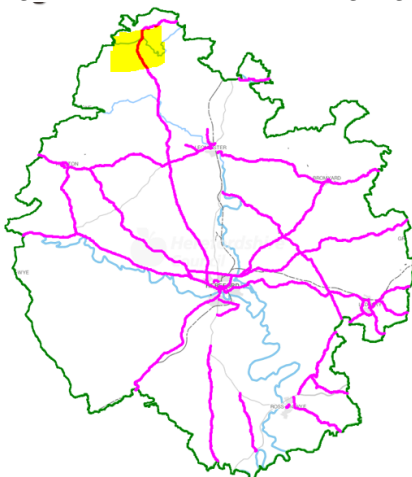
- The market towns are in need for investment to enhance and to improve access and active travel opportunities.
- The network is deficient in areas, the towns have had some investment with S106 available, this will be used to enhance and compliment works. The programme will deliver improved crossing facilities, improved accessibility and active travel routes.

- **Investment in Public Transport Infrastructure**

- Replacement bus shelter programme.
- The project is to renew the failed infrastructure with new, modern shelters.
- The replacement is programmed to be delivered in 2022/23.

- **Roads At Risk A4113 Leintwardine**

- The A4113 is part of the county's strategic road network, severance in this location would be severe for the local communities with no feasible alternative routes to schools, shops, employment.
- The intervention is required to ensure the continuity of service and connecting communities and businesses alike. The intervention will be in the form of reinforcing the banks of the river at the specific locations.
- The planned intervention will stabilise the movement of the River for the near future allowing for further works to understand the next phase which will look to address the flooding ensuring the route is resilient to severe weather.
- Figure 3 Area of concern highlighted yellow.



- **Traffic Signal Asset Improvements in the Market Towns**

- The core objective of this investment is to upgrade traffic signals installations to make them more efficient. This will directly improve both traffic flow and the attractiveness of active travel by providing enhancements to existing crossing facilities.
- The facilities in the market towns are ageing and as time passes become less resilient, more likely to fail. Failure of these assets have a number of implications, but there are significant safety risks as well as severing walking and cycling routes.
- This bid seeks to deliver resilience and efficiency to these assets, as well as creating a platform whereby future technological advancements can be utilised for further benefits.

- **Village Safety Initiatives Phase 2**

- This project is a natural follow on from work already delivered in Bosbury, Shobdon and Pembridge and further schemes programmed in Stretton Grandison and Ashperton in 2021/22 to enhance the village environment that can be found in these communities. These villages are normally built around A and B class roads and this can lead to an amount of severance due to the relative lack of formal crossing points and the nature of the traffic using these routes that support longer distance travel.

- Enhancing the sense of place is considered an improvement with wide ranging benefit. The reason for this is that the proposal will not only alter the carriageway environment with the aim of lower traffic speeds, but also to capitalise on this by improving the ability of pedestrians to cross and generating a better environment for cyclists to make short journeys otherwise made by cars.
- This scheme is intended to be a pilot that considers an enhanced palette of materials over what has been used in the county to date. This material use will consider visual impact, the overall street scene and whole life cost as part of the overall scheme design.
- **Reducing the Risk of Highway Retaining Wall Collapse**
  - The core outcomes for the investment would be to remove some of the risk from the network, to build a better understanding of the asset condition, highlight risk areas, and deliver a step change in the quality of this asset. This will enable the highway service to manage this risk in such a way that there are no unintended consequences to the condition of the bridge stock.

## 2.4 Scope

### 2.4.1 In Scope

#### Market Town Maintenance

The project scope is to invest in the network to ensure the asset will support the communities and businesses. The funding will invest in the network identified through the council's Asset Management Strategy focussed on maintenance and improvements in the Market Towns. The project will also mitigate some of the council's carbon footprint.

#### Investment in Public Transport Infrastructure

Replacement of Vandalised or poor repair (requires replacement)

Replacement of the worse condition will be as set out in the bus shelter condition survey. Introduce cycle stands where land is sufficient.

#### Roads at Risk A4113 Leintwardine

Reinforcement of the banks of the R Teme to address the erosion concerns of severance of the A4113 from the A4110 and Wales, cutting off communities.

### 2.4.2 Out of Scope

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

Raising or realigning of the A4113.

#### Traffic Signal Asset Improvements in the Market Towns

### 2.4.1 In Scope

The project will:

- Deliver works to deliver improvements to the traffic signals assets in market towns and therefore deliver the required step change in asset condition.
- This will balance risk and network usage along with scheme cost. By considering these aspects, the temptation to deliver the most costly schemes is avoided and delivering schemes that remove risk are advanced. Appropriate records will be kept to allow a more effective assessment of service life can be established to allow the service to plan future maintenance. This is considered added value on this project.

#### 2.4.2 Out of Scope

This project will not have the scope to return all installations to an as new condition.

### **Village Safety Initiatives Phase 2**

#### 2.4.1 In Scope

The detailed design and implementation of a scheme to change surfacing colours, reduce carriageway widths, enhance the junction arrangements and utilise gradient changes if considered reasonable to enhance the village environment of the villages identified. This scheme will require detailed design phases that are undertaken in close liaison with the parish and other key stakeholders.

#### 2.4.2 Out of Scope

The scheme will not provide controlled crossings or return all highway assets to an 'as new' condition.

### **Reducing the Risk of Highway Retaining Wall Collapse**

The project will:

- Deliver works to stabilise the decline of the retaining wall asset inventory and therefore deliver the required step change in asset condition.
- This will balance risk and network importance along with scheme cost and coverage. By considering these aspects, the temptation to deliver the most costly schemes is avoided and delivering schemes that remove risk are advanced. Appropriate records will be kept to allow a more effective assessment of service life can be established to allow the service to plan future maintenance. This is considered added value on this project

#### 2.4.2 Out of Scope

This project will not have the scope to return all structures to an as new condition.

### **2.5 Benefits**

#### **Market Town Maintenance**

The benefit of the project will be the improvement in the network condition, the reduced backlog in the defects affecting the asset the improved accessibility and enjoyment of the public. The drainage will address a number of defects which will reduce flooding in the county, whether the risk is with the highway network or of property/businesses flooding. The scheme will increase the resilience of the council's network, which in turn will support the economy and accessibility for the people of Herefordshire.

The anticipated benefits of the proposed project are:

#### **2.5.1 Cashable benefits**

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

#### **2.5.2 Non-cashable benefits**

Improved accessibility and enjoyment for local and visitor population.

#### **2.5.3 Dis-benefits**

The delivery of the scheme will likely result in short term disruption during the construction phases.

### **Investment in Public Transport Infrastructure**

#### 2.5.1 Cashable benefits

- Removing the maintenance demand for the shelters.
- Improving usage thus removing vehicles off the road, this will reduce congestion.

## 2.5.2 Non-cashable benefits

- Communities being safer

### **Roads at Risk A4113 Leintwardine**

- **2.5.1 Cashable benefits**
- Future interventions to address the erosion.
- **2.5.2 Non-cashable benefits**
- Securing the A4113 in the locality keeping the population and economy connected and Herefordshire moving. The link is used for the economics, education, employment, access to facilities, for emergency services and supports communities.
- Intervention now will be undertaken off line which will not impact on the movement of traffic, if left, this may need to undertake with a road closure and additional works which would be more extensive and disruptive.
- **2.5.3 Dis-benefits**
- Intervention may restrict future options but this is discounted as works are required now to protect the link which is part of the council strategic road infrastructure.

### **Traffic Signal Asset Improvements in the Market Towns**

#### 2.5.1 Cashable benefits

By undertaking the project, the whole life costs of maintaining these assets will reduce through reducing reactive repairs

#### 2.5.2 Non-cashable benefits

By reducing the amount of reactive maintenance there are benefits that can be realised in the carbon implications of delivering the maintenance regimes. The principle area of benefit is maintaining the efficiency of the transport network for all modes because of keeping the routes open and safe for use.

#### 2.5.3 Dis-benefits

The works may result in short-term delays in the form of traffic management to the travelling public. This will have some community inconvenience. This can be mitigated with the careful planning of works and the delivery of works in a timely fashion. This risk needs to be balanced against a failure, which may result on much longer periods of severance.

### **Village Safety Initiatives Phase 2**

#### 2.5.1 Cashable benefits

Whilst this is not a maintenance led scheme there are likely to be reductions in reactive works because of the delivery of a designed scheme, particularly by reducing reactive repairs.

#### 2.5.2 Non-cashable benefits

The reduction of traffic speed, improvement in safety, along with encouraging an environment where active travel journeys are more viable are considered the principle benefits of the scheme.

#### 2.5.3 Dis-benefits

The works may result in short-term delays in the form of traffic management to the travelling public. This will have some community inconvenience. This can be mitigated with the careful planning of works and the delivery of works in a timely fashion. This risk needs to be balanced against the scheme objectives.

### **Reducing the Risk of Highway Retaining Wall Collapse**

#### 2.5.1 Cashable benefits

By undertaking the project, the whole life costs of maintaining these assets will reduce through reducing potentially expensive reactive repairs. In addition to this saving, there are contributions to the economy that are

realised by not having to implement lengthy closures with traffic having to use diversion routes to mitigate the risks of a compromised structure.

### 2.5.2 Non-cashable benefits

By reducing the amount of reactive maintenance there are benefits that can be realised in the carbon implications of delivering the maintenance regimes. The principle area of benefit is maintaining the efficiency of the transport network for all modes because of keeping the routes open and safe for use.

### 2.5.3 Dis-benefits

The works may result in short-term delays in the form of road closures to the travelling public. This will have some community inconvenience. This can be mitigated with the careful planning of works and the delivery of works in a timely fashion. This risk needs to be balanced against a wall compromise, which may result on much longer periods of severance.

## 2.6 Risks

There are some risks associated to not advancing a planned investment in the infrastructure that supports Market Towns:

- The risk is the increased backlog of defects in the network and the potential for negative reputational risk of insurance claims and possibly roads closed due to safety concern.
- Unable to mitigate the carbon footprint of the council and partners maintaining the network.

Specifically related to the service delivery on the programme:

- There are no significant risks in delivery of the project, resourcing and delivery will be managed through the public Realm Contract and working with partners such as Parish council's.

### Roads at Risk

- Not investing will impact on the communities, the flooding is more frequent due to the changing climate, and the risk will not go away. Intervention is required, due to the speed of erosion, time is of the essence. The current situation allows for work to be undertaken without closing the road.
- The migration can move and impact elsewhere, this intervention is intended to halt the current issues and formulate a long term plan to manage the network.
- Agreement and permission of the EA, this is being managed as discussions are ongoing.
- Further erosion due to floods in the locality.

### Traffic Signal Asset Improvements in the Market Towns

The risks of not undertaking the project are as follows:

- The risk is that as the installations deteriorate they become less reliable. This can then compromise those routes that rely on them, both in terms of safety and efficiency. , for an unknown amount of time. This project is aimed at creating a step change in condition to mitigate this risk and ultimately benefit the communities that rely on these routes on a daily basis.
- By not undertaking the project to 'prevent rather than cure' failures, claims and reputational risks remains.

The key project risks are:

- The risks associated to the delivery of the project lie with the delivery of the designs and works on site to the asset. These tend to be delays or additional unforeseen costs associated with undertaking the required civil engineering. These risks should be managed via the agreed processes of the Public Realm Contract.

### Village Safety Initiatives Phase 2

The risks associated to the delivery of the project lie with the delivery of the designs and works on site to the asset. These tend to be delays or additional unforeseen costs associated with undertaking the required civil engineering. These risks should be either managed via the agreed processes of the Public Realm Contract or appropriately addressed in any procurement.

The risks associated with not undertaking the scheme are likely to result in pressure, which is likely to continue to build for this unfunded treatment type. This is directly reducing the likelihood of active travel being utilised in the village environments across the county.

### **Reducing the Risk of Highway Retaining Wall Collapse**

The risks of not undertaking the project are as follows:

- The risk is that as walls deteriorate they cause instability to the highway network. This can then compromise those routes, for an unknown amount of time. This project is aimed at creating a step change in condition to mitigate this risk and ultimately benefit the communities that rely on these routes on a daily basis.
- By not undertaking the project to 'prevent rather than cure' failures, claims and reputational risks remains.

The key project risks are:

- The risks associated to the delivery of the project lie with the delivery of the designs and works on site to the asset. These tend to be delays or additional unforeseen costs associated with undertaking the required civil engineering. These risks should be managed via the agreed processes of the Public Realm Contract.

## **2.7 Constraints and Dependencies**

Initiatives that depend on this project are:

Whilst there are no specific initiatives that depend on this project there are likely to be wider council objectives that will be supported by this programme of work, particularly those where there is a component of regeneration.

This project depends on:

This project is not dependent on existing or future projects, the project will support the local communities and businesses who will be engaged through the Public Realm contract annual and forward plan.

## **2.8 Stakeholders**

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

The key stakeholders will be the local members, parish and town councils, which will be engaged through delivery through the Public Realm contract Annual and Foreword Plan. The additional investment will deliver a better environment and improved connectivity for the communities and a more efficient network, which will support the economy and accessibility.

Cabinet Member, Local Members, Communities, Transport

## **3.0 ECONOMIC CASE**

### **3.1 Critical success factors**

The funding will need to be identified early in the financial year to maximise the benefit of the investment and ensure the delivery of schemes.

### **3.2 Options and Do Nothing Option**

## **Extraordinary Highway Maintenance – Market Town Investment**

### 3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Invest in the highway infrastructure within Market Towns.	Y	The advancement of a programme of maintenance works directly links to the delivery plan
Do Nothing	N	

### 3.2.2 Short-list of options

Option 1 – Investment in the Infrastructure of Market Towns	
Cost	£2,000,000 over 2 years
Benefits	<ul style="list-style-type: none"> <li>Creates a step change in the condition of the highway infrastructure in the market towns.</li> <li>Improvement in the attractiveness of active travel options by improving surfaces for these modes.</li> <li>The maintenance of these key areas will improve the amenity of these highway areas.</li> </ul>
Deliverability	These schemes would be delivered through the public realm contract to make use of the already mobilised resource.
Pros	<p>The scheme has a number of advantages beyond the bullets in the benefits section, primarily:</p> <ul style="list-style-type: none"> <li>There would be an overall uplift in highway condition in these areas</li> <li>The risk of claims reduces</li> <li>The safety of these routes is improved and</li> <li>The need for reactive maintenance reduces.</li> </ul>
Cons	The construction phase will likely result in short term disruption. The investment is intended to be split over two years to both enhance the market towns following the Covid-19 pandemic as well as allowing sensitive works programming to minimise disruption.
Recommendation	It is recommended that option 1 be taken forward.

Option 2 – Do Nothing	
Cost	The costs of this strategy is not known, as the reactive works require will likely increase. This is difficult to accurately model.
Benefits	Scheme delivery will not result in disruption to the travelling public.
Deliverability	No Delivery implications
Pros	As set out in the benefits section.



Cons	<ul style="list-style-type: none"> <li>Highway conditions will continue to deteriorate as budgets are required to manage priorities across the wider network</li> <li>Risk of claims and safety implications increase</li> <li>The attractiveness of active travel, particularly cycling diminishes.</li> </ul>
Observations	This option is not recommended due to the above 'cons'
Recommendation	This option is not recommended.

### 3.2.3 The preferred option

Option 1 – to Invest in the Highway Infrastructure of the Market Towns is the preferred option.

## Investment in Public Transport Infrastructure

### 3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Replacement of failed assets/shelters	Y	The most deliverable option with the highest cost certainty
Replacement of Shelters and improved facilities providing transport hubs	Y	This would improve connectivity.
Do Nothing	N	The current do nothing scenario would see the removal of shelters as they become unsafe, potential to reduce the number of passengers.

### 3.2.2 Short-list of options

Option 1 – Replacement of failed assets/shelters	
Cost	Install costs of £150,000.00 2022/23 £150,000.00 2023/24
Benefits	<ul style="list-style-type: none"> <li>Improved facilities for the public</li> <li>Attractive to the public which will secure usage and potential to improve.</li> </ul>
Deliverability	The shelters 'off the shelf'
Pros	Off the shelf shelters, standardised design.
Cons	Non
Recommendation	It is recommended that option 1 be progressed but to include cycle stands to support choice of transport modes linking options.

Option 2 – Replacement of Shelters and improved facilities providing transport hubs
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Cost	A minimum cost of £150k, not sure on the need apart from cycle stands.
Benefits	A fully linked active travel transport hub would be attractive to the user and link to other modes of transport.
Deliverability	The shelters are off the shelf, the land required for parking is unknown.
Pros	Desirable and would assist in removing vehicles off the road.
Cons	Extent of opportunity is unknown.
Observations	Part of the project could be part of the shelter provision.
Recommendation	It is not recommended that this option be advanced.

Option 4 – Do Nothing	
Cost	The costs of this option are £10,000. This represents the development cost of the scheme to this point.
Benefits	The existing situation remains and no additional maintenance is required.
Deliverability	There are no deliverability concerns with this option.
Pros	No additional maintenance will be required.
Cons	The existing risks are not mitigated. The ability to drive resource planning during emergency events is reduced.
Observations	Whilst this is a viable option, the overall benefits of making the improvements are considered to outweigh the initial costs of installation.
Recommendation	It is not recommended that this option be advanced.

### 3.2.3 The preferred option

Option 1 – Replace the shelters, add cycle stands where the opportunity/land allows.

## Roads at Risk A4113 Leintwardine

### 3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Reinforce the riverbank to protect the A4113 and prevent further erosion.	Y	Minimises the impact of the river.

Pile reinforcement along a long length of the A4113 which will make the A4113 secure.	Y	This will fit in with the plan and provide the intervention required.
Do Nothing	N	Planned programmed intervention required due to the extent of the risk.

### 3.2.2 Short-list of options

Option 1 – Reinforce the riverbank to protect the A4113 and prevent further erosion.	
Cost	£400,000.00
Benefits	Secures the strategic infrastructure, can be implemented in 2022/2021.
Deliverability	The market is capable of delivering in year if the commission can commence in April.
Pros	The scheme protects the infrastructure which enables the locality and the wider network to operate normally without additional travel, detrimental impacts on the economy and risk in blue light attendance.
Cons	Addresses the impact in the immediate location, doesn't deliver the longer term repair such as resilience to flooding, the road will still flood.
Recommendation	This option is the preferred option, recommended as this will deliver the necessary improvements and secure the infrastructure.

Option 2 – Pile reinforcement along a long length of the A4113 which will make the A4113 secure.	
Cost	Unknown, the scheme hasn't been costed due to the variances in design, the figure would be in the £1m plus.
Benefits	Protects the road along the length of the areas at risk.
Deliverability	The market is capable of delivering the proposed works.
Pros	Protects the infrastructure.
Cons	Unknown costs, road will still flood.

Observations	The unknown cost would put this scheme at risk it doesn't take into account other needs such as resilience to flooding.
Recommendation	Not recommended.

Option 3 – Do nothing.	
Cost	£0
Benefits	None, the road is at risk and potential severance, leaving will require a more costly solution.
Deliverability	
Pros	No benefit
Cons	Severance occurs.
Observations	Risk needs to be mitigated, this doesn't.
Recommendation	Not recommended

### 3.2.3 The preferred option

Option 1 Reinforce the riverbank to protect the A4113 and prevent further erosion, to deliver in year 2022/23. This addresses the immediate risk which will then enable a study as to the need in the area and what further works will be required. This is the first part of a phased planned approach.

## Traffic Signal Asset Improvements in the Market Towns

### 3.2 Options and Do Nothing Option

#### 3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Undertake improvements to ageing traffic signal installations in market towns	Y	The advancement of a programme of maintenance works directly links to the delivery plan
Do Nothing	N	

#### 3.2.2 Short-list of options

Option 1 – Undertake improvements to ageing traffic signal installations in market towns	
Cost	£250,000
Benefits	<ul style="list-style-type: none"> <li>Creates a step change in the condition of the highway infrastructure.</li> <li>Improvement in the resilience of facilities.</li> <li>Enhancement to pedestrian and cycling facilities, encouraging active travel and modal shift.</li> </ul>
Deliverability	These schemes would be delivered through the public realm contract to make use of the already mobilised resource.

Pros	The scheme has a number of advantages beyond the bullets in the benefits section, primarily: <ul style="list-style-type: none"> <li>• There would be an overall uplift in installation condition</li> <li>• The safety of these routes is improved and</li> <li>• The need for reactive maintenance reduces.</li> </ul>
Cons	The construction phase will likely result in short term disruption.
Recommendation	It is recommended that option 1 be taken forward.

Option 2 – Do Nothing	
Cost	The costs of this strategy is not known, as the reactive works require will likely increase. This is difficult to accurately model.
Benefits	Scheme delivery will not result in disruption to the travelling public.
Deliverability	No Delivery Implications
Pros	As set out in the benefits section.
Cons	<ul style="list-style-type: none"> <li>• Highway conditions will continue to deteriorate as budgets are required to manage priorities across the wider network</li> <li>• Resilience of the network decreases.</li> <li>• The attractiveness of active travel, particularly cycling diminishes.</li> </ul>
Observations	This option is not recommended due to the above 'cons'
Recommendation	This option is not recommended

### 3.2.3 The preferred option

Option 1 – to Invest in improvements in the traffic signals asset group is the preferred option.

## Village Safety Initiatives Phase 2

### 3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Undertake Pilot Schemes on the B4348 Peterchurch, B4224 Fownhope, B4224 Upton Bishop and A4172 Little Marcle to enhance the Highway environment.	Y	The advancement of a programme of maintenance works directly links to the delivery plan
Do Nothing	Y	

### 3.2.2 Short-list of options

Option 1 – Undertake Pilot Schemes on the B4348 Peterchurch, B4224 Fownhope, B4224 Upton Bishop and A4172 Little Marcle to enhance the Highway environment.
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Cost	£550,000
Benefits	<ul style="list-style-type: none"> <li>• Delivers improvements for the communities</li> <li>• Reduces traffic speeds</li> <li>• Enhances the experience of walkers and cyclists</li> <li>• Improves road safety</li> </ul>
Deliverability	The deliverability of this option is straightforward. Either a D and B package can be advanced, designs undertaken in house and then the construction phase procured or via the public realm contract. This multiple option approach ensures that a cost effective scheme can be delivered in a timely fashion.
Pros	<ul style="list-style-type: none"> <li>• The diverse delivery option enhances timely implementation.</li> <li>• The scheme can be tailored to the requirements of the village</li> <li>• The overall enhancement will facilitate wider objectives.</li> </ul>
Cons	The construction phase will likely result in short term disruption.
Recommendation	It is recommended that this option be taken forward

Option 2 – Do Nothing	
Cost	There are no costs associated to this option
Benefits	Scheme delivery will not result in disruption to the travelling public.
Deliverability	No Delivery Implications
Pros	As set out in the benefits section
Cons	<ul style="list-style-type: none"> <li>• The attractiveness of active travel, particularly cycling remains low.</li> <li>• The Main Distributor Roads running through the communities remains a point of severance and a safety concern for the community, particularly at the junctions.</li> </ul>
Observations	This option is not recommended due to the above 'cons'
Recommendation	This option is not recommended

### 3.2.3 The preferred option

Option 1 – Undertake Pilot Schemes on the B4348 Peterchurch, B4224 Fownhope, B4224 Upton Bishop and A4172 Little Marcle to enhance the Highway environment is the preferred option.

### Reducing the Risk of Highway Retaining Wall Collapse

#### 3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
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Investment in improvement of the Retaining wall asset group	Y	The advancement of a programme of maintenance works directly links to the delivery plan
Do Nothing	Y	

### 3.2.2 Short-list of options

Option 1 – Detail	
Cost	£1,000,000.00
Benefits	<ul style="list-style-type: none"> <li>Creates a step change in the condition of the highway infrastructure.</li> <li>Improvement in the resilience of key routes.</li> <li>Reduction in the risk of community severance, either from other parts of the community or to key employment and amenities.</li> </ul>
Deliverability	These schemes would be delivered through the public realm contract to make use of the already mobilised resource.
Pros	<p>The scheme has a number of advantages beyond the bullets in the benefits section, primarily:</p> <ul style="list-style-type: none"> <li>There would be an overall uplift in highway condition</li> <li>The resilience of the network improves</li> <li>The safety of these routes is improved and</li> <li>The need for reactive maintenance reduces.</li> </ul>
Cons	The construction phase will likely result in short term disruption.
Recommendation	It is recommended that option 1 be taken forward.

Option 2 – Do Nothing	
Cost	The costs of this strategy is not known, as the reactive works require will likely increase. This is difficult to accurately model.
Benefits	Scheme delivery will not result in disruption to the travelling public.
Deliverability	No Delivery implications
Pros	As set out in the benefits section.
Cons	<ul style="list-style-type: none"> <li>Highway conditions will continue to deteriorate as budgets are required to manage priorities across the wider network</li> <li>Resilience of the network decreases.</li> <li>The attractiveness of active travel, particularly cycling diminishes.</li> </ul>
Observations	This option is not recommended due to the above 'cons'

Recommendation	This option is not recommended.
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### 3.2.3 The preferred option

Option 1 – to Invest in improvements in the retaining wall asset group is the preferred option.

## 4.0 COMMERCIAL CASE

### 4.1 Required services

#### **Extraordinary Highway Maintenance – Market Town Investment**

Resurfacing and road surface treatments in accordance with a suitable design for key locations in the Market Towns. The design phase will need to commence immediately prior to works to ensure that the correct treatment is identified.

#### **Traffic Signal Asset Improvements in the Market Towns**

Traffic signal improvements are to be designed in accordance with the requirement of the sites across the market towns. The precise design to be undertaken at the time of delivery to take advantage of technological advancement in these assets. The design phase will need to commence immediately prior to works to ensure that the correct treatment is identified.

#### **Reducing the Risk of Highway Retaining Wall Collapse**

Retaining wall improvement treatments in accordance with a suitable design for key locations on the highway network. The design phase will need to commence immediately prior to works to ensure that the correct treatment is identified.

### 4.2 Potential/Agreed risk transfer

Risks will be shared between Herefordshire Council and the contractors procured to deliver the above in line with construction industry best practice. In the event that the public realm contract is to be used, the risk transfer will be in accordance with the requirements of this arrangement.

### 4.3 Proposed/Agreed charging mechanism

The scheme costs will be charged in line with an appropriate tender to be undertaken in accordance with procurement rules. The bases are likely to be delivered by other contractors and it is anticipated that this will be via a tender process. This will define the charging arrangements of the contract.

### 4.4 Proposed/Agreed contract lengths

These will be defined by the design requirements and the procurement method finalised upon confirmation of the scheme.

### 4.5 Proposed/Agreed key contractual clauses

These are to be determined as part of the procurement process.

### 4.6 Personnel implications (including TUPE)

Not relevant

### 4.7 Procurement Strategy and implementation timescales

Service Orders to be prepared upon confirmation of funding. This will then translate to an appropriately designed and planned delivery programme that takes into account other works and current conditions at the time of installation.

## 5.0 FINANCIAL CASE



## 5.1 INSERT FUNDING TABLE

### 5.2 Impact on the Council's income and expenditure account (revenue account)

Capital cost of project	2022/23	2023/24	2024/25	Future Years	Total
	£000	£000	£000	£000	£000
<i>Market Town Highway Improvements</i>	1,000	1,000			2,000
<i>Investment in Public Transport Infrastructure</i>	150	150			300
<i>Roads At Risk</i>	400				400
<i>Traffic Signal Asset Improvement</i>	250				300
<i>Village traffic calming Initiatives Phase 2a Peterchurch</i>	150				150
<i>Village traffic calming Initiatives Phase 2b Fownhope</i>	175				175
<i>Village traffic calming Initiatives Phase 2c Upton Bishop</i>	125				125
<i>Village traffic calming Initiatives Phase 2d Little Marcle</i>	50				50
<i>Reducing the Risk of Highway Retaining Wall Collapse</i>	1,000				1,000
<b>Project Management Fees (est. 10% project value)</b>	335	115			450
<b>TOTAL</b>	<b>3,685</b>	<b>1,265</b>			<b>4,950</b>

Funding streams (Indicate revenue or capital funding requirement)	2022/23	2023/24	2024/25	Future Years	Total
	£000	£000	£000	£000	£000
<i>Capital Funding Project</i>	3,350	1,150			4,500
<i>PM Fees</i>	335	115			450
<b>TOTAL</b>	<b>3,685</b>	<b>1,265</b>			<b>4,950</b>

## 6.0 MANAGEMENT CASE

### 6.1 Project Management Arrangements

The management of this project will be in accordance with the arrangements of the public realm contract. IN regards to the bus shelters, this will be managed by the Public Transport Team in collaboration and with support from the corporate management team,

### 6.2 Use of Consultants

The use of any consultants will be in accordance with the arrangements of the public realm contract.

### 6.3 Arrangements for benefits realisation

The management of this project will be in accordance with the arrangements of the public realm contract. This approach delivers advantages due to the skills deployed to the network to undertake proper designs at an appropriate time. Additionally resources are already deployed and these schemes can be fitted into wider programmes to deliver the schemes effectively and efficiently.

### 6.4 Arrangements for post project evaluation

The post project evaluation will be derived from the works done in terms of linear metres treated by the project. This will drive the balanced use of the full range of options to the maintenance of the highway network.

### 6.5 Timeframes

Stage/Milestone	Indicative Date	Comments
Stage 0 - Project Mandate approved	<i>Insert Date</i>	
Stage 1 - Outline business case completed	<i>Insert Date</i>	
Stage 2 - Full business case completed	<i>Insert Date</i>	
Full Council approval	<i>Insert Date</i>	
Approval to spend obtained	01/04/2022	
Stage 3 - Delivery	01/05/2022	
<i>Design of Schemes (Rolling)</i>	01/06/2022	
<i>Construction Phase (Rolling)</i>	01/07/2022	
Stage 4 – Handover	<i>Not Required</i>	
Stage 5 - Project Closure	31/03/2023	

## 7.0 THE ENVIRONMENTAL CASE

There are environmental implications with managing construction projects. These relate to excavating material, managing the spillage of materials and responsibly minimising and disposing of waste. This will be managed by identifying these issues prior to the construction phase and recorded on an appropriate form. The risks associated to this project are commensurate with highways construction schemes.

## **8.0 LEGAL IMPLICATIONS**

The project is being delivered under the various powers identified in the Highways Act 1980.

## **9.0 EQUALITY IMPACT IMPLICATIONS**

An Equality Impact Assessment will be developed should the project progress with funding.

## **10.0 HEALTH & SAFETY IMPLICATIONS**

There are health and safety implications relating to the construction phase of the project. These are managed by requirements of the public realm contract, CDM Regulations 2015 and contractor health and safety procedures, set alongside the relevant highways legislation for creating safe working areas in the highway.

## **11.0 SOCIAL VALUE IMPLICATIONS**

To be completed by the Community and Economy Champions

# **Winter Resilience: Winter Fleet Replacement Winter Weather and Flood Monitoring Stations Business Case**

Date: 07/09/2021

## **Version Control**

Version	Date	Summary of Change	Author
0.1		First issue	

The first draft will be 0.1 and each successive draft of the document should be numbered sequentially 0.2, 0.3 and so on. The final version of the document is 1.0. Any incidental changes to the final live version should be numbered sequentially 1.1, 1.2, etc. If any major changes are made, the version

number should be changed to 2.0. The person making the changes e.g. PMO Development Manager or SRO should track them (using tracked changes in Microsoft Word) and write a brief description of what has changed – or if there are major changes state “see track changes” in the Version Control Log. The version with the track changes should be saved before any are accepted or rejected. Once saved, the active version will be the next sequential number.

## Approvals

Gateway	Approved by	Role	Date
1 - OBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	
	Corporate Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
2 - FBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	
	Capital Programme Manager	Sense check	
	HPMO	Sense check	
	Assurance Board	Sense check	
	Corporate Programme Board	Council Programme oversight	
	Cabinet	Corporate fit	
	Full Council	Approval (capital programme)	
Gateway Review	Director PMO Assurance	Assurance	
3 - Delivery	<i>Project Board / Director / Programme Board</i>	<i>Note major changes and approvals during delivery</i>	
Gateway Review	Director PMO Assurance	Assurance	
4 –Handover & project review	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Board	Programme oversight	
	Assurance Board	Assurance	
	Corporate Programme Board	Council Programme oversight	
Gateway Review	Director	Assurance	

	PMO Assurance		
5 – Project Closure	Capital Programme Manager/ Head of PMO	Governance	
Gateway Review	Director PMO Assurance	Assurance	

Note: You don't need an actual signature but you should have an e-mail agreement or alternative method of audit trail to refer to.

### **Distribution**

This document has been distributed to

Name	Role	Date of issue	Version

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## **APPENDICES - SUPPORTING EVIDENCE**

### **1.0 PROJECT DESCRIPTION**

This outline business case contains information that describes the justification for investment in Winter Resilience. The proposal is for:

- Continuing the replacement of the gritting fleet;
- Investing in the replacement of the existing weather stations and;
- The provision of flood warning devices on the strategic road network.

The Business Case is to be submitted to the Management Board and if accepted, a more detailed business case will be developed.

### **2.0 STRATEGIC CASE**

#### **2.1 Project aims and objectives**

The project aim and objective is to add resilience to the severe weather events impacting on the county.



It is proposed to:

- Implement the winter service fleet strategy, which will replace 2 of the fleet in the 2022/23 period. This will ensure the fleet is capable of delivering the Winter Service plan and will not become a burden in high maintenance or unfit for meeting the environmental challenges such as emissions and air quality.
- Renew the outdated weather stations which will ensure accurate data provided for decision making in gritting the road network.
- Install Flood Warning System in areas where flooding occurs regularly which will enable a proactive response in protecting the public and opening the road network once the flood has receded.

## 2.2 Strategic Drivers

### 2.2.1 National and Regional

Under Section 41 of the Highways Act, Herefordshire Council has a duty to maintain the highway; this is delivered in collaboration with Balfour Beatty.

The Railways and Transport Safety Act amended the Highways Act by adding a Statutory Duty Clause 41.1A concerning dealing with snow and ice. This states “In particular a Highway Authority are under a duty to ensure, as far as is reasonably practicable, that safe passage along a highway is not endangered by snow or ice.”

Critical to meeting these obligations is the provision of a resilient, reliable and well maintained fleet of winter vehicles.

### 2.2.2 Local

Your project must directly support at least one of the County Plan priorities. Please indicate in the box below which priority(s) the project addresses

County Priority – please select from	Tick ✓ below where applicable	Delivery Plan Reference(s)
Community	✓	CO4
Economy	✓	EC1
Environment	✓	EN5, EN2.2

**Whilst the principle reason for the investment centres on the statutory duties of the local highway authority, the provision of the winter service supports key pillars of the delivery plan. These are focussed on maintaining safe efficient travel for all modes in all weathers. This in turn encourages the use of active travel, and develops the overall efficiency of the fleet, both in terms of emissions and travel time.**

## 2.3 Background and Rationale in Project Mandate

**Winter Service** – Replacement strategy for the winter gritting fleet.

The service provided by the council ensures the safety of the travelling public in times of cold weather and snow events and is key to supporting the economic and social well-being of the people of Herefordshire.

The fleet is sufficient to enable all gritting routes to be completed within the requisite time scales and cover all routes county wide.

The replacement of the fleet is necessary to ensure the service is reliable and the costs are manageable within budget without excessive maintenance costs being incurred.

The council and our service providers, Balfour Beatty Living Places operate 16 gritting vehicles, 12 are owned by the council with the remaining four hired by BBLP. There are 15 routes with 1 vehicles operating as a spare.

As part of the strategy 2 new gritters will join the fleet in 2022/23, this investment is to continue the investment and fleet replacement from previous years. If the investment is forthcoming, we will investigate and consider investing in electric vehicles.

The County Plan ambitions align to the Winter Service Plan 2020-24 that sets out that we will strengthen communities to ensure everyone lives well and safely together and support an economy, which builds on the county's strengths and resources. The winter service plan sets out how we ensure the safety of the public in using the footway, cycle and highway network that also keeps the economy moving through the winter period.

**Replacement of Ice Weather Stations** - In support of the Winter Service provided by the council, the council have 7 weather stations that provide intelligence as to the localised road and weather conditions, the information is then used to forecast short and long term weather forecasts.

The project is to renew the current outdated outstations with a replacement programme of Road Weather Stations.

The replacement is programmed to be delivered in 2022/23.

The weather stations support the delivery of the Winter Service Plan, the plan contributes the delivery of the four core objectives set out in the UKRLG's Well Managed Highway Infrastructure 2016.

**Flood Warning system** - The existing arrangements for managing flooding in the county is for BBLP to maintain a reactive response to road closures. Often the emergency services are on site and call for a closure due to observations from the relevant site or from the public. This is often undertaken at a time when gangs are fully deployed across the wider network to keep roads safe and open. The weather event tends to be at a time when there is a spike in demand which extends response times.

The purpose of the project is to enable earlier warning of flood events at key locations. This early warning will allow appropriate proactive response by the council and the BBLP engaging and allocating resources to ensure a route is closed in a planned way. This will enable appropriate planning and implementing closures in sufficient time and the removal of the diversion as the flood event abates allowing for recovery from the event.

## 2.4 Scope

### 2.4.1 In Scope

- Replacement of two no. Gritters in 2022/23.
- The replacement of 6 No. weather stations
- The provision of a proprietary flood warning device
- The installation of the sensors on site, this will include the required civil engineering to complete the installation, having regard to maintaining the facilities in the future.
- The relevant software access (web based) for the first year of operation.
- Output of the conclusion of the project into BBLP response procedures.

### 2.4.2 Out of Scope

- Future fleet replacement, which will be subject to future bids.
- Provision of new weather station locations

- Investigation into the causes of river flooding in the locality
- Installation of more devices across the County

## 2.5 Benefits

### The anticipated benefits of the proposed project are:

To drive the following key benefits in the winter service plan:

- Modern fleet able to meet the demands of challenging winter service.
- Fuel efficient
- Acceptable level of emissions.
- Lower maintenance costs.

Responsive to Flood events

Accurate data in support of the Winter Service decision making.

#### 2.5.1 Cashable benefits

- Fuel efficiency and less vehicle maintenance. There has been a lot of work in the industry to consider moving to electric vehicles, if this is available and viable at the time of commission then the service will move to a more efficient fleet.
- Improving the efficiency of the management of resources may result in lower costs of responding to weather events.
- Efficient use of the highway network enabling the normal day to day life in Herefordshire to function in respect to moving people, businesses operating as normal and the economy of Herefordshire to grow.

#### 2.5.2 Non-cashable benefits

- Development of a resilient fleet, which will see the delivery of the Winter Service Plan. In turn, this will keep the people of Herefordshire safe.
- More effective community engagement and warning in the localities affected by flooding.
- Improvement in managing resources during emergency events. This across a number of agencies.

#### 2.5.3 Dis-benefits

- Whilst no specific dis-benefits have been identified in relation to the scheduled improvement in the winter service fleet, there are risks associated to the project. These are set out in the section below.
- System failure may result the benefits being diminished. Careful design and specification, along with an appropriate maintenance regime will mitigate this occurrence.

## 2.6 Risks

There are risks associated to not delivering the project. These are as follows:

- Ageing fleet not capable of delivering the Winter Service Plan
- Excessive maintenance costs.
- Unreliable fleet putting the lives and economy of Herefordshire at risk.

There are also risks associated to the project. These are:

- Delivery dependent on the market availability.

- Delivery of an electric or hybrid fleet is dependent on performance and fast charging points, in times of heavy need, the fleet are treating roads back to back.
- Difficulties siting the sensors in the correct place
  - Mitigated by designing a failsafe into the system by using the topography appropriately
- Poor access to utilities
  - Investigate solar options

## 2.7 Constraints and Dependencies

Initiatives which depend on this project are:

Delivering the council's Winter Service Plan.

This project depends on:

The Winter Service Plan depends on the investment to ensure the service is delivered and that the fleet is fit for purpose in being maintainable and efficient in emissions especially if the council is to achieve its aims in the climate emergency.

## 2.8 Stakeholders

The project sponsor is the Assistant Director for Highways and Transport, the key stakeholder is BBLP who manage the fleet on the council's behalf and implement the Winter Service Plan.

The service impacts on the county of Herefordshire ensure the network is usable for all communities and businesses.

Specific to the flooding events, communities, parish councils, emergency services, Public Realm Service Provider and the internal stakeholder, Lead Local Flood Authority.

## 3.0 ECONOMIC CASE

### 3.1 Critical success factors

**Winter Fleet:** The critical success factor for this project would be the replacement of Gritters in the fleet to support the winter service. This will be a procurement activity not requiring a specific construction phase. The procurement would be followed by the disposal of replaced Gritters.

**Weather and Flood Monitoring:** The critical factors for the project are the installation of an appropriate weather event monitoring devices across the network. This will include appropriate telemetry and connection to allow alerts to be monitored by relevant agencies and transmitted automatically.

### 3.2 Options and Do Nothing Option

#### Winter Fleet:

##### 3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Purchase of Gritters and disposal	Y	The procurement is a cost-effective option and will realign the fleet graph in a manageable manner
Purchase of Nearly New Gritter and disposal	Y	As a 'nearly new' vehicle this proves a cost-effective option as the vehicle is available for the winter season and does not incur a 'lead time' for manufacture.

Purchase of 6 no Gritters over the period identified to replace the fleet as set out in the strategy.	Y	The procurement is a cost-effective option and will realign the fleet graph in a manageable manner
Do Nothing Option	N	The option to do nothing is likely to result in future increases in costs in maintaining the fleet, whilst reducing the overall resilience.

### 3.2.2 Short-list of options

#### **Option 1 – Purchase of Gritters and disposal:**

This option includes the purchase of additional 6x4 9m<sup>3</sup> 2x New Gritters adding to the fleet at an approximate cost of £145,000, which includes “E” Plough and associated Monitoring & Weighing equipment.

The procurement is a cost-effective option and will realign the fleet deterioration in a manageable manner.

This option would replace the current fleet by two vehicles in 2022/23 allowing for disposal whilst maintaining the same size of fleet. It will also ensure a more manageable replacement strategy in the future will deliver maintenance savings.

#### **Option 2 – Purchase of 2 Nearly New Gritter and disposal:**

This option includes the purchase of 2 x 6x4 9m<sup>3</sup> 2018 gritter to the fleet at an approximate cost of £115,000 (inc fee) this includes “E” Plough and associated Monitoring & Weighing equipment.

As a ‘nearly new’ vehicle, this proves a cost-effective option as the vehicle is available for the winter season and does not incur a ‘lead time’ for manufacture.

This option would increase the current fleet by 2 vehicle in 2022/23, allowing for disposal whilst maintaining the same size of fleet.

#### **Option 3 – Purchase of 2 Gritters and disposal in year 2022/23 with a forward programme of replacement:**

This option includes the purchase of additional 6x4 9m<sup>3</sup> 2x New Gritters adding to the fleet at an approximate cost of £145,000, which includes “E” Plough and associated Monitoring & Weighing equipment.

The procurement is a cost-effective option and will realign the fleet deterioration in a manageable manner.

This option would replace the current fleet by two vehicles in 2022/23 allowing for disposal whilst maintaining the same size of fleet. It will also ensure a more manageable replacement strategy in the future will deliver maintenance savings.

Option 1 – Purchase of 2 Gritters and Disposal on a rolling programme in year 2022/23 with a forward programme of replacement.	
Cost	£290,000 plus forward programme of replacement.
Benefits	The principle benefit relates to the delivery of the statutory duties delivered via the Winter Service Plan

Deliverability	The service has procured similar vehicles with appropriate lead tie in previous years. No deliverability risks are identified.
Pros	<ul style="list-style-type: none"> <li>• Delivers Fleet replacement strategy</li> <li>• Improves efficiency of the fleet, both in terms of emissions and down time due to maintenance.</li> <li>• The newer machines are more robust and will have a longer service life.</li> </ul>
Cons	Electric Vehicle technology is currently untested and is unlikely to be a viable option at the time of purchase, this will be checked at the time of purchase.
Recommendation	It is recommended that this option is taken forward

Option 2 – Purchase of ‘Nearly New’ Gritter and Disposal on a rolling programme	
Cost	£230,000
Benefits	The principle benefit relates to the delivery of the statutory duties delivered via the Winter Service Plan
Deliverability	There is more deliverability uncertainty with this option as the ‘nearly new’ vehicle availability is less predictable.
Pros	<ul style="list-style-type: none"> <li>• Delivers Fleet replacement strategy</li> <li>• Improves efficiency of the fleet, both in terms of emissions and down time due to maintenance.</li> <li>• The newer machines are more robust and will have a longer service life.</li> </ul>
Cons	<ul style="list-style-type: none"> <li>• Electric Vehicle technology is currently untested and is unlikely to be a viable option at the time of purchase.</li> <li>• Deliverability risks are elevated</li> </ul>
Observations	The used nature of the vehicle is less known in terms of future maintenance requirements as well as a diminished service life. These are unknown variables due to availability issues.
Recommendation	It is not recommended that this option be taken forward

Option – Purchase of 1 Gritter and Disposal on a rolling programme in year 2022/23 with a forward programme of replacement.	
Cost	£145,000 plus forward programme of replacement.
Benefits	The principle benefit relates to the delivery of the statutory duties delivered via the Winter Service Plan
Deliverability	The service has procured similar vehicles with appropriate lead tie in previous years. No deliverability risks are identified.
Pros	<ul style="list-style-type: none"> <li>• Delivers Fleet replacement strategy</li> </ul>

	<ul style="list-style-type: none"> <li>Improves efficiency of the fleet, both in terms of emissions and down time due to maintenance.</li> <li>The newer machines are more robust and will have a longer service life.</li> </ul>
Cons	<p>Electric Vehicle technology is currently untested and is unlikely to be a viable option at the time of purchase, this will be checked at the time of purchase.</p> <p>Purchasing only 1 vehicle will add pressure on the fleet and future replacements.</p>
Recommendation	It is recommended that this option is not taken forward
Option 4 – Do Nothing	
Cost	£TBC
Benefits	No Capital expenditure via the Capital Programme
Deliverability	There are no deliverability issues with this option.
Pros	
Cons	<ul style="list-style-type: none"> <li>Discharging statutory duties may be compromise over time.</li> <li>The maintenance cost of managing the ageing fleet are unknown.</li> <li>The future replacement costs could increase as more machines reach the end of their service life.</li> </ul>
Observations	
Recommendation	It is not recommended that this option be taken forward

### 3.2.3 The preferred option

Option 1 – Purchase of 2 new Gritters and Disposal in line with a rolling replacement with a forward programme of replacement. Planned programme replacement strategy will ensure the fleet is capable of dealing with the challenges of prolonged winter weather. Gaps in the replacement strategy will put pressure on the service at key critical times when the fleet provides a safe highway network which supports the population and economy of Herefordshire.

### Weather and Flood Monitoring:

#### 3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Replacement of Ice Forecasting Stations and Provision of Findlay Irvine Flood Warning System	Y	The most deliverable option with the highest cost certainty
Replacement of Ice Forecasting Stations and Provision of Smartwater Gully Sensors	Y	This system is not designed for this purpose so may result in operational issues. Additionally the sender unit requires power which is challenging

		(and costly) in the rural locations where the system is required.
Replacement of Ice Forecasting Stations and Provision of Vaisala Video Station	N	This is part of a weather station installation, this will only provide a visual representation of the surface and automated messaging cannot be provided.
Do Nothing	Y	The current do nothing scenario is resulting in both council and emergency service resources being tied up at these locations to manage the safety of those caught out in times of flooding. Change is needed to remove some of these risks.

### 3.2.2 Short-list of options

Option 1 – Replacement of Ice Forecasting Stations and Provision of Findlay Irvine Flood Warning System	
Cost	Install costs of £242,000
Benefits	<ul style="list-style-type: none"> <li>• The weather stations are consistent and compatible with the wider system management tools for delivering the winter service</li> <li>• The system is proprietary, which means support and guarantee periods are documented.</li> <li>• The flood warning system can email and text alerts at configurable water levels, both on the way up, and down.</li> <li>• Static Images from the site can be viewed on the telemetry</li> <li>• A record is kept of the recordings, which can then be used to continuously improve the trigger points.</li> <li>• The equipment can be linked to electronic signs that advise of the dangers.</li> </ul>
Deliverability	The system is 'off the shelf' to an extent with only the base details requiring design. These designs have been undertaken by HC's Engineering Team in the form of a standard detail that has accounted for maintenance of the facility.
Pros	<ul style="list-style-type: none"> <li>• Off the shelf system.</li> <li>• The Ice Monitoring stations are consistent with other aspects of the service in terms of compatibility</li> <li>• The system is in use at other locations across the UK.</li> <li>• The costs are easier to define than options that are being modified to fit the intended purpose.</li> </ul>
Cons	Relating to the flood-warning device, difficult to place in the long, flat areas where the system is required. At Letton, multiple sensors are likely required. To resolve this topographical survey



	has been undertaken at Letton, along with LIDAR Analysis to ensure effective replacement.
Recommendation	It is recommended that option 1 be progressed.

Option 2 – Replacement of Ice Forecasting Stations and Provision of Smartwater Gully Sensors	
Cost	The costs of this option are £275,000. The precise costs have not been established as it became clear that this option would not deliver the required outcome.
Benefits	<ul style="list-style-type: none"> <li>• The system is proprietary, which means support and guarantee periods are documented.</li> <li>• Automatic alerts are possible.</li> <li>• The Ice Monitoring stations are consistent with other aspects of the service in terms of compatibility</li> </ul>
Deliverability	The system is 'off the shelf'; however, the unit that transmits data requires power, which is unavailable on the site in question.
Pros	Off the shelf system Is used in other locations for maintenance
Cons	Relating to the flood-warning device, the system usually is only installed in one gully at the low spot so this would require multiple installations. Additionally there are no gullies in the relevant sections so installation of these drainage features will be required.
Observations	Relating to the flood-warning device, the system is not designed as a flood warning system so there are a number of aspects that will require installation before the system can be mounted. The technical difficulties of this, along with the cost implications and diminished certainty of delivery result in this not being a recommended option.
Recommendation	It is not recommended that this option be advanced.

Option 3 – Replacement of Ice Forecasting Stations and Provision of Vaisala Winter Service Video Monitoring Station	
Cost	The costs of this option are £250,000. The precise costs have not been established as it became clear that this option would not deliver the required outcome.
Benefits	The benefits of this option is that it is the simplest to install and maintain.

Deliverability	There are concerns over the deliverability of this option. Whilst the provision of the ice monitoring station is unlikely to be an issue, the flood aspect relies on a system that is, usually used for monitoring winter conditions on road surfaces. They are not usually installed in flood areas so modifications are required to ensure the electronic aspects remain dry. Whilst the system can be powered with solar energy there are questions relating to how long the camera will function at night with night vision active.
Pros	The system will have parity with other assets on the network making it easy to maintain.
Cons	The system requires modification to meet the requirements No automated alerts are possible meaning that procedures will be required to make use of the system. The visual range of the video camera will make the placement critical; the roadside hedges will also obscure the view of the wider landscape.
Observations	The modifications required to ensure the electrics remain dry and the limitations of the system that is not really designed for the purpose mean that whilst the system is deliverable, the outcomes are unlikely to be met.
Recommendation	It is not recommended that this option be advanced.

Option 4 – Do Nothing	
Cost	The costs of this option are £10,000. This represents the development cost of the scheme to this point.
Benefits	The existing situation remains and no additional maintenance is required.
Deliverability	There are no deliverability concerns with this option.
Pros	No additional maintenance will be required.
Cons	The existing risks are not mitigated. The ability to drive resource planning during emergency events is reduced.
Observations	Whilst this is a viable option, the overall benefits of making the improvements are considered to outweigh the initial costs of installation.
Recommendation	It is not recommended that this option be advanced.

### **3.2.3 The preferred option**

Option 1 – The Findlay Irvine System is the preferred option for both the A438 at Letton and the A4113 at Leintwardine.

## **4.0 COMMERCIAL CASE**

### **4.1 Required services**

- Two dedicated gritters with an “E” Plough and associated Monitoring & Weighing equipment.
- Seven Vaisala ice monitoring and forecasting stations.
- Two Findlay Irvine Flood Warning Systems – to include telemetry and internet based login and on site installation.
- Installation of two Bases for the above.
- Training for the use of the system (anticipated at no more than ½ day given system complexity)

### **4.2 Potential/Agreed risk transfer**

Risks will be shared between Herefordshire Council and the suppliers procured to deliver the above in line with construction industry best practice.

### **4.3 Proposed/Agreed charging mechanism**

The provision of the gritters will be charged in line with an appropriate tender to be undertaken in accordance with procurement rules. This will define the charging arrangements of the contract.

The Findlay Irvine System and Vaisala system components will be charged in line with an appropriate tender to be undertaken in accordance with procurement rules. The bases are likely to be delivered by other contractors and it is anticipated that this will be via a tender process. This will define the charging arrangements of the contract.

### **4.4 Proposed/Agreed contract lengths**

The procurement process will define this period based on the construction time of the vehicle that s to be procured.

### **4.5 Proposed/Agreed key contractual clauses**

These are to be determined as part of the procurement process.

### **4.6 Personnel implications (including TUPE)**

None

### **4.7 Procurement Strategy and implementation timescales**

Detail and list below:

- Procurement of the various parts of the system to commence as soon as funding is confirmed.
- The implementation of the system it anticipated to be 8 months from the commencement of the scheme, to allow for base designs to be finalised and the procurement process to be followed.

## 5.0 FINANCIAL CASE

### 5.1 INSERT FUNDING TABLE

Capital cost of project	2022/23	2023/24	2024/25	Future Years	Total
	£000	£000	£000	£000	£000
<i>Rolling Replacement of Gritters with E Plough and Monitoring Equipment</i>	290	145	290	435	1,160
<i>6 No. Vaisala Ice Weather Monitoring and Forecasting Station</i>	180				180
<i>2 No Flood Warning Sensors</i>	30				30
<i>Base Installations</i>	10				10
<b>Project Management Fees (est. 10% project value)</b>	22				22
<b>TOTAL</b>	<b>532</b>	<b>145</b>	<b>290</b>	<b>435</b>	<b>1,402</b>

Funding streams (Indicate revenue or capital funding requirement)	2022/23	2023/24	2024/25	Future Years	Total
	£000	£000	£000	£000	£000
<i>Capital Funding</i>	532	145	290	145	1,402
<b>TOTAL</b>	<b>532</b>	<b>145</b>	<b>290</b>	<b>435</b>	<b>1,402</b>

## 6.0 MANAGEMENT CASE

### 6.1 Project Management Arrangements

The project will be managed by the Highways and Transport Engineering Team with collaboration and support from the corporate project management team.

### 6.2 Use of Consultants

No External Consultants are required for this procurement activity.

### 6.3 Arrangements for benefits realisation

The relevant performance management framework is in the Public Realm Contract with BBLP relating to Public Realm delivery. This is because the operation and maintenance of the fleet falls under these contractual arrangements. The operation of the monitoring stations will be undertaken by the Public Realm Contract service providers.

### 6.4 Arrangements for post project evaluation

The project evaluation will link to the management plan of the Winter Service. It will be evaluated through Herefordshire Council's review of this element of the service.

## 6.5 Timeframes

Stage/Milestone	Indicative Date	Comments
Stage 0 - Project Mandate approved		
Stage 1 - Outline business case completed		
Stage 2 - Full business case completed		
Full Council approval		
Approval to spend obtained	01/04/2022	<b>This is an assumed start date</b>
Stage 3 - Delivery	01/04/2022	
<i>Finalise Design</i>	1/05/2022	
<i>Commence Procurement of Components</i>	01/06/2022	
<i>Construction phase commences</i>	01/08/2022	
Stage 4 – Handover	01/10/2022	
Stage 5 - Project Closure	01/11/2022	

## 7.0 THE ENVIRONMENTAL CASE

In considering the environmental impacts of the proposal, there are benefits in that one of the oldest and therefore less efficient vehicles in terms of carbon emissions. By investing in newer, more efficient machines the overall carbon emission of this aspect of delivering our statutory duties are reduced.

There are environmental implications with managing construction projects. These relate to excavating material, managing the spillage of materials and responsibly minimising and disposing of waste. This will be managed by identifying these issues prior to the construction phase and recorded on an appropriate form. The risks associated to this project are commensurate with highways construction schemes.

## 8.0 LEGAL IMPLICATIONS

Under S41 of the Highways Act, the council has a duty to maintain the highway. The Railway and Transport Safety Act amended the Highways Act by adding a Statutory Duty Clause 41.1A concerning dealing with Snow and Ice. This stated 'in particular a highway authority are under a duty to ensure, as far as reasonably practicable, that safe passage along a highway is not endangered by snow or ice.'

## 9.0 EQUALITY IMPACT IMPLICATIONS

There are no Equality Impacts associated to the procurement of the gritter or the sensors

## 10.0 HEALTH & SAFETY IMPLICATIONS

There are no direct Health and Safety Implications. The operation of the equipment is managed by other laws and contractor policies and procedures to manage any risks associate with its operation.

#### **11.0 SOCIAL VALUE IMPLICATIONS**

To be completed by the Community and Economy Champions

#### **APPENDICES - SUPPORTING EVIDENCE**

None

# **My Account Project**

## **Business Case**

Date: **July 2021**

## Version Control

Version	Date	Summary of Change	Author
0.1	June 2021	First issue	

The first draft will be 0.1 and each successive draft of the document should be numbered sequentially 0.2, 0.3 and so on. The final version of the document is 1.0. Any incidental changes to the final live version should be numbered sequentially 1.1, 1.2, etc. If any major changes are made, the version number should be changed to 2.0. The person making the changes e.g. PMO Development Manager or SRO should track them (using tracked changes in Microsoft Word) and write a brief description of what has changed – or if there are major changes state “see track changes” in the Version Control Log. The version with the track changes should be saved before any are accepted or rejected. Once saved, the active version will be the next sequential number.

## Approvals

Gateway	Approved by	Role	Date
1 - OBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	
	Capital Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
2 - FBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	
	Capital Portfolio Manager	Sense check	
	HPMO	Sense check	
	Assurance Board	Sense check	
	Capital Programme Board	Council Programme oversight	
	Cabinet	Corporate fit	
	Full Council	Approval (capital programme)	
Gateway Review	Director PMO Assurance	Assurance	
3 - Delivery	<i>Project Board / Director / Programme Board</i>	<i>Note major changes and approvals during delivery</i>	



Gateway Review	Director PMO Assurance	Assurance	
4 –Handover & project review	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Board	Programme oversight	
	Assurance Board	Assurance	
	Capital Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
5 – Project Closure	Capital Portfolio Manager/ Head of PMO	Governance	
Gateway Review	Director PMO Assurance	Assurance	

Note: You don't need an actual signature but you should have an e-mail agreement or alternative method of audit trail to refer to.

## Distribution

This document has been distributed to

Name	Role	Date of issue	Version

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# 1.0 PROJECT DESCRIPTION

Microsoft Dynamics CRM 2011, the current system used by the customer services team within Blueschool house was implemented in 2011. It is no longer supported by the supplier and it is no longer possible to develop it to meet our changed needs, which continue to change further. This document outlines the business case for replacing this system and associated works.

This document is submitted requesting an allocation of capital funding to allow a replacement system to be implemented which addresses the current risks of the existing system - it will be a like for like replacement.

The project seeks to implement a replacement solution which allows customers to log and monitor calls and requests in person, by phone and on the council's website for themselves and, where appropriate, on behalf of others. The solution will:

1. Give the customer a consistent and improved quality experience regardless of the channel
2. Allow in-house development which will easily respond to changing demands
3. Provide a combined view of the customer and activity across the council's departments and services – a 'golden' record
4. Enable monitoring and management of the contacts received from start to completion
5. Will enable the analysis of trends and demand so that the council can be proactive in offering services and be timelier in their delivery.

An updated customer services strategy is being developed separately to this project which will detail how, where and when Herefordshire Council will deliver customer services. The extension of the replacement system is fundamental to the implementation of the revised strategy, it can be used both by a wider group of users than the current system and also integrates with more systems, this in turn will save time, costs and improve delivery.

At the heart of both this project and the customer services strategy is the drive to transform our customers' experience when contacting Herefordshire Council. We will ensure that their issues and queries are dealt with as quickly and efficiently as possible, that they receive a quality service that is delivered in a timely way, which guides customers through all their stated requirements but is also predictive, anticipating further queries and service requirements. Crucially, we will be able to monitor what is being delivered to ensure it meets our stated standards and that should this not be the case we will be able to identify these occasions, investigate the causes and carry out any actions necessary to improve.

## 2.0 STRATEGIC CASE

### 2.1 Project aims and objectives

The My Account project aims to provide a single gateway for residents to communicate with the council digitally. It will build on the limited my account function currently on the website to be a platform for different interactions for the individual customer across council services.

The project delivers one of the 4 key ambitions in the [digital strategy](#) 2013-23 "Customer access – to enable users to access council services with ease by maximising digital technology" and especially the programme to "deliver next phase of the council website including integrated account functions". It additionally adheres to 4 of the principles outlined in the digital strategy of digital by default, one Council, one Herefordshire, innovative and agile, and digital inclusion.

The aim is: to create a fully functioning my account for residents to easily interact with the council, bring together different functions across the council, creating a record in one place for the resident and the council and to improve the customer experience.

#### Objectives:

- Design an easily accessible system that improves the customer experience and aligns systems across the organisations enabling streamlined processes.
- Design and purchase an IT system that brings together different CRMs operating across the council into one account function for residents to have a single portal of their contact with the council.
- Create a streamlined process to deal with enquiries and activity required by residents including providing feedback (therefore reducing the need for chase-up contact), and in the process reviewing LEAN principles in service operations.
- Instigate the my account function across the council, include digital adoption in line with the council's engagement standards of digital first, using awareness raising, culture change and training.
- Implement an agile solution that requires no engagement with the supplier to add, create and amend forms and reports, enabling power users and support teams members to adapt the solution as required.

## 2.2 Strategic Drivers

### 2.2.1 National and Regional

National government has been promoting the 'tell us once' principle for public services for over a decade as a means to improve citizen experience and increase the efficiency of public services. A comprehensive CRM which enables personal information, to flow between services reduces the number of times the citizen has to inform the council of the change and reduces time the services need to spend administrating such changes.

Herefordshire Council has gone some way to delivering a 'tell us once' system, but in order to deliver this in its fullest, it must invest in a modern CRM with the ability to receive information from a citizen focused web interface and communicate with other systems.

### 2.2.2 Local

**Your project must directly support at least one of the County Plan priorities. Please indicate in the box below which priority(s) the project addresses:**

County Priority – please select from	Tick <input type="checkbox"/> below where applicable	Delivery Plan Reference(s)
Community	<input checked="" type="checkbox"/>	My Account, the procurement of a new CRM, improves service experience for all customers, including businesses.
Economy		
Environment		
Digital Strategy	<input checked="" type="checkbox"/>	The Digital Strategy 2018-2023 committed the Council to improving Customer access, enabling "users to access council services with ease by maximising digital technology" including "deliver next phase of the council website including integrated account functions".

While the implementation of a new CRM doesn't directly support the delivery of the County priorities, it will enable the council to provide a better service to customers, utilising the combined records of interactions with different services provided by the Council. Such technology, supported by current software innovations, will ensure a better service is provided when people contact the Council, and will enable automated proactive messaging to residents, should they wish to opt in, through a range of platforms to reduce the need for them to make contact themselves. For example, if people regularly do not put their bin out in time for collection, the CRM could prompt reminders, delivered via Messenger, through the Council's ChatBot.

As such, the new CRM will enhance the experience of residents and businesses thus, improving the lives of vulnerable people, extend independent living, and promote new active travel opportunities.

## **2.3 Background and Rationale in Project Mandate**

There are three key drivers for this project:

1. The components of the existing solution (server, application and developments) are no longer supported by their respective suppliers.
2. Current system does not meet our requirements and cannot be changed
3. Customer services delivery is dispersed across many Council teams and partners without the ability to monitor and manage the quality, effectiveness and timeliness of the delivery.

Each of these areas is outlined in more detail below.

### **Components of the solution**

The current CRM solution comprises three main components:-

1. Windows Server 2008
2. Microsoft Dynamics CRM 2011
3. CIBER call guides

Microsoft outlined the support for Windows Server 2008 in an article published in 2019, stating that mainstream support ends on 14/01/2020. This means that they will not release any security updates or enhancements to this product. For customers wishing to pay an additional fee they will provide security updates for a further 3 years. As Herefordshire Council has other systems also using Windows Server 2008 this extended support has been purchased however it cannot be extended beyond January 2023 and so all systems must be migrated or decommissioned by this date.

The support for Microsoft Dynamics CRM 2011 also ended on 13 July 2021.

The Microsoft Dynamics implementation was supported by CIBER as a Microsoft partner. As part of the implementation they provided a separate product called Ciber Callguides, these were designed to provide a tool for building and running scripted process forms for use internally and online. The call guide product overlays the Microsoft Dynamics solution assisting in guiding the customer services staff / members of the public through the necessary data capture and process the different types of calls from customers. The information captured in the call guide forms then feeds back into the Dynamics CRM system to create a "service ticket", and tells Dynamics which workflows to run to pass the form to the relevant back office. Service level agreements (SLA) and the system monitors the case process within SLA timescales – effectively automating these aspects of the case. A web service for updating service requests outside of the case system by back office staff was also provided.

CIBER continued to provide support for the system and development work for both Callguides and Dynamics, however, this company is no longer trading and whilst limited support is available from other suppliers this will cease or is likely to become cost prohibitive once Microsoft no longer support the underlying systems.

### **Our Requirements**

As detailed above, CIBER created components of the system which overlay Microsoft Dynamics. We are unable to make changes to this ourselves and so have to engage a third party to do this work for us, it is not possible for either Herefordshire Council or Hoople staff to carry out all the changes that we already need or will need in future.

As a result of this, during the pandemic, when additional processes and data were required to aid Herefordshire Council's response to the pandemic and support of citizens, this work had to be carried out in a separate system. It would have been possible for it to be done within the Microsoft Dynamics system eventually but this would have been done by a third party and over a significant period of time. The current setup does not allow us to be responsive to changing requirements in a timely, or cost effective, manner.

## **Customer Services Delivery**

When the existing CRM solution was implemented in 2010/11 it was envisaged that a single solution would be used across Herefordshire Council. Whilst the project was closed, the work was never completed and the functionality that was planned was either not rolled out or in the few cases where it was, it was rolled back. The change in direction was mainly the result of significant staff changes in this area of the business. Since that time the customer services team have continued to use the solution however some departments have developed their own solutions. The impacts of this are primarily that there is no single point of contact for Herefordshire Council and it is not possible to monitor calls received, to know whether they are answered, how each call progresses, where there may be bottlenecks or whether they are dealt with in a way which meets our customer service standards. The same applies to any requests received via the website, email or in person.

This use of the Microsoft Dynamics system and the Callguides also prevents Herefordshire Council from being able to respond to changing needs and delivering a complete service, data is held in multiple locations which may not be consistently formatted preventing us from being able to analyse trends, predict demand, train staff appropriately, etc.

## **2.4 Scope**

The project will be implemented in conjunction with a revised customer services strategy which will outline how Herefordshire Council staff will engage with our customers, what tools will be used and the standards that we expect. The customer services strategy is seeking to change the way that we communicate and deliver services. As part of that strategy:

1. My Account solution will ensure that customers can access the services 24 x 7
2. Where possible (for the customer) they are able to access the services that they need online, that are automated to minimise delays
3. Our staff will be available to deal with the extra-ordinary queries and concerns that are not easily predefined.
4. We are looking to use the data gathered about where and when services are requested to predict trends and so ensure that those same services are highlighted and made available to future customers.

The current MS Dynamics CRM solution is only used within the customer services team and on the website. There are limited integrations to other systems and therefore a second phase, following the initial like for like implementation will be to develop integrations between the replacement system and other appropriate systems. This will not only eliminate time taken by those other departments for rekeying of data but improve the accuracy of data and allow calls to be tracked through the other departments to conclusion.

It is intended that the replacement system will be available to extend to other areas of Herefordshire Council business which deliver services to customers, where this is practicable. Future business cases

which have a CRM function should therefore all be considered the solution implemented by this project as an option for their own delivery.

### **2.4.1 In-Scope**

The key deliverables for the project for phase 1 are as follows:

1. Procurement and implementation of a replacement CRM system which meets the documented and agreed specification, this includes all agreed testing and training
2. Review of the existing processes used to capture, log and transfer customer contacts to the appropriate team
3. Review of the existing forms used to identify those still required in the new system, common elements, those no longer required and any new ones

The key deliverable for the project for phase 2 is as follows:

1. Integration with other agreed systems that are used by Herefordshire Council departments and partners to provide seamless solution for the customer

It is currently anticipated that the following services are in scope of this project however the detail of the work including any integrations will be determined following work by a business analyst the cost for which is included in year 1 of this funding request:

- Customer Services
- Waste management
- Public Realm (integrated with BBLP systems)
- Environmental Health and Trading Standards
- Licencing
- Council Tax
- Revenue and Benefits

### **2.4.2 Out of Scope**

The following activities will not form part of this project but may be required in future:

1. Integrations into other replacement systems currently not procured eg refuse collection, telephony
2. Ongoing support for the existing Microsoft Dynamics CRM system and related components as recently purchased by the corporate centre
3. The costs and work required to review the council's customer services strategy.

## **2.5 Benefits**

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

### **2.5.1 Cashable benefits**

My Account is due to create a LEAN approach in dealing with customer interactions and cost avoidance by managing demand (by people not contacting the council to chase up feedback). This could support services in creating savings through reducing the double or triple handling of queries. It could also reduce the BBLP contract that pays for customer service officers –this will need to be explored in more detail.



Jadu is used to support the delivery of some customer service functions on the website. Following the implementation of a new CRM system there will be some aspects of this system that will no longer be required, these benefits won't be realised until year 2 (2023) of the project:

Jadu support costs	
Paybridge	£4,200
Payment adapter	£1,280
Forms support	£6,500
CRM licences (live)	£6,000
CRM licences (test)	£3,000
Total	£20,980

## 2.5.2 Non-cashable benefits

Digital First – the council has stated that it wishes to be digital first however it does not have an on-line account function.

Reputation – there is a current weakness in the interaction with customers in that there is limited feedback on the progress on activity after a resident has submitted an issue. This is more engagement and creates a reputational issue of “never heard back from the council”.

One record – the back office function will be able to understand if a resident is contacting the council several times for the same or different things. This can be reviewed to consider if a different type of intervention is needed for that person.

Non cashable benefits include:

1. Improved customer satisfaction
2. More reliable and resilient systems with better business continuity
3. Higher employee morale from improved systems
4. Better service delivery
5. Improved customer engagement and consultation
6. Reputational gain for the council
7. Demonstrated commitment to council objectives and outcomes
8. Maintains the continuous improvement ethos and reduces audit risks
9. Provides improved capability for inter agency and shared service working.

## 2.5.3 Dis-benefits

No dis-benefits have been identified as a result of this project.

## 2.6 Risks

During the development of this business case a risk register has been maintained which currently includes 11 risks, the risk register is included in appendix A. These are being monitored by the project board that has been setup to support this development phase of the project. The risks are as follows:

**The key project risks identified in the outline business case are:**

- Not able to integrate current systems already in operation

- Partners not participating to take advantage of the system and still wanting to operate independently
- Unexpected costs once committed to a supplier
- Not releasing savings as a result of LEAN approach to operating customer engagement
- Non take up by residents if not easy to use or no awareness
- Covid-19 continues to take resources which could hinder implementation

## 2.7 Constraints and Dependencies

Initiatives which depend on this project are:

The delivery of the revised customer services strategy

This project depends on:

A key dependency is integration between the replacement systems and the other systems that we currently use in our business areas, both current and any future. Through the soft market test companies have indicated there are limited barriers to integration, this needs to be thoroughly tested.

A second dependency is co-operation from services. As we are operating separate CRM systems within various department, work will be needed in aligning information, engagement flows and adapt to a new way of working. Though this should create a more streamlined system in the long run there needs to be time investment upfront and this could be difficult if the current demand on services continues due the Covid-19. Within different teams staff have already developed their own processes to deliver their customer services functions and any centralising of this and/or applying the same processes and standards will require significant stakeholder engagement to develop and gain consensus across the organisation.

## 2.8 Stakeholders

Details of the stakeholders of this project are included in appendix B of this document.

Fundamental to the success of this project is full engagement with the key stakeholders particularly those people, groups and businesses who consume services or information from Herefordshire Council. These may be people living and working within Herefordshire, their representatives and visitors to the county.

In addition other key stakeholders and groups include the following:-

- Councillors – both parish and ward, particularly Cllr Harvey, Cabinet member - finance, corporate services and planning
- Management Board
- Corporate and Digital Programme Board
- Departments within Herefordshire Council, Hoople and other third parties who deliver services on our behalf
- Information governance team
- Suppliers for both current, future and integrated systems

An initially stakeholder analysis has been undertaken and a communications and engagement plan will be developed to ensure successful delivery of the project.

## 3.0 ECONOMIC CASE

### 3.1 Critical success factors

The critical success factors for this project have been identified as the following:

1. Reduction of risk due to software failures

- Any new system will be purchased with a full support package and teams, both internally and in Hoople, will be trained to provide different levels of support. Escalation route within the supplier organisation and a contract which states their responsibilities for maintenance will eliminate the current risk of unsupported. In addition a robust procurement process which ensure that all requirements are documented and met by the supplier including the ongoing maintenance support and upgrade responsibilities will eliminate the current risk of using out of date software.
2. Customer satisfaction
    - As part of this project views of our customers will be sought on the current levels of service and monitored as we progress through the project and beyond. Once a baseline is established, the ability to monitor will in itself be a success factor, however improvements in the level of satisfaction will be key.
  3. Supporting the delivery of good customer services
    - The defining, agreeing and implementing of a revised customer services strategy will be essential to the delivery of the project. The approval of this across the organisation, setting standards and being able to monitor against those standards and performance indicators using the replacement system will enable Herefordshire Council to drive improvements using a plan, do, check, act approach.
  4. Compliance
    - The records held within the system will include personal and potentially sensitive data. It is therefore essential that a CSR of this project is ensuring that all steps have been taken to ensure the security of the data, that Herefordshire Council is able to meet the requirements of the Data Protection Act (DPA) and the General Data Protection Regulation (GDPR).

## 3.2 Options and Do Nothing Option

### 3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Do nothing	Y	This option is the lowest up-front cost of all and therefore the economic case must be considered. However the systems would continue at risk with no support function provided.
Seek support from other suppliers for the current system	Y	In previous years' support for the Ciber call guides has been provided by a third party company and this could continue however this is only 1 element of the solution and the two other components – MS Dynamics and Windows Server - could not be fully supported by other companies. Additionally any security vulnerabilities identified in either of these products or upgraded versions would not be rectified by Microsoft in our versions. This could

		result in the council running systems with documented vulnerabilities, creating an increased security risk. The inability to address security issues and running systems which are out of support will result in failure of information security audits and standards and ultimate the Council's ability to use online and connected services.
Use G-cloud to procure a solution which meets the council's documented specification on a like for like basis	Y	Using the g-cloud framework will allow the time from completion of the specification to commencement of the project to be significantly lower than a tradition procurement
Progress an open tender using the council's procurement portal or a framework on a like for like basis.	N	The timescales and complexity of the procurement using either an open portal or framework will extend the procurement work, this together with the capital funding process will mean that we are running the current system 'at risk' over a pro-longed period.

### 3.2.2 Short-list of options

Option 1 – Detail	
Do nothing	
Cost	None
Benefits	No work will be required for this option
Deliverability	As no work is required it would be feasible to deliver this.
Pros	
Cons	<p>This solution would result in Herefordshire Council running a solution where all components are out of support from the supplier. This is a significant risk to the council particularly as personal and potentially sensitive data is held within it. Any data breach could result in significant costs, both in terms of addressing the issues caused but also in fines. There would also be a reputation impact as a result of a data breach.</p> <p>The current solution does not allow for the changed requirements forcing staff to user other systems which results in</p>

	<p>some data being duplicated in systems and being incomplete in each.</p> <p>Any delay in progressing the work to replace the current system would also mean that should there be a failure, the system may become unusable and new system required at that time leaving business users without a solution for an undefined period of time.</p> <p>Any changes to requirements may not be met by this solution as third party support is required to make changes to the Callguides. This would result in improvements required to deliver a revised customer services strategy not being possible.</p>
Recommendation	This option is not progressed

Option 2 – Detail	
Seek support from other suppliers for the current system	
Cost	<p>Extended support for Windows Server 2008 £12,000</p> <p>Support for Ciber call guides and MS Dynamics from a third party (for 3 calls per annum) £3,000</p> <p>Total cost = £15,000</p>
Benefits	Limited work would be required to implement this solution
Deliverability	
Pros	This solution would allow us to continue running the current system at risk for a further year.
Cons	<p>As with the 'do nothing' option the security vulnerabilities would be the same for this option resulting in a significant financial and reputational risk.</p> <p>Any delay in progressing the work to replace the current system would also mean that should there be a failure, the system may become unusable and new system required at that time leaving business users without a solution for an undefined period of time.</p> <p>Any changes to requirements will incur additional cost as third party support is required to make changes to the Callguides which would not be covered in their support package. The support package is for 3 calls only per annum.</p>

	<p>A replacement system will still be required once support for Windows Server 2008 is no longer required.</p> <p>This solution will not allow Herefordshire Council to meet the existing needs or meet any future requirements.</p>
Observations	
Recommendation	This option is not progressed

Option 3 – Detail	
Use G-cloud to procure a solution which meets the council's documented specification on a like for like basis	
Cost	<p>Supplier costs</p> <p>Hoople IT Costs</p> <p>Project Management</p> <p>Business Analysis</p>
Benefits	Direct financial benefits in the sum of £20980 from year 2
Deliverability	
Pros	<p>Eliminate the significant risk of running a system which is out of support</p> <p>Allow for the development of the system to meet need</p> <p>Avoid future costs of building a new service</p> <p>Eliminate paper based and manual processes</p> <p>Reduce face-to-face contacts and calls from citizens – move to digital</p> <p>Foundation block to delivering revised customer services strategy and further digital services</p> <p>Enable channel shift to digital for ordinary contacts from citizens to allow staff to deal with the extra-ordinary</p> <p>Allows development of MyAccount and single view of the customer.</p>
Cons	A financial and resource investment will be required to deliver this option
Observations	
Recommendation	This option is implemented.

### 3.2.3 The preferred option

## 3.3 Supplier appraisals

This section compares the potential supplier deals and agrees the preferred supplier.

At this stage an appraisal of the potential suppliers has not been carried out however soft market testing and costs directly from two suppliers have been sought along with details of publicly available costs from other suppliers which is available to see on the G-cloud framework. These have been used to assess the costs for this business case.

### 3.3.1 The Procurement process

#### Evidence Based Estimates:

A member of the Herefordshire Council procurement team is included on the project board and will provide advice on the most appropriate route and steps to be taken for this project. In order to progress the procurement as quickly as possible once funding has been made available, whilst still ensuring that a range of suppliers are available to meet our requirements, it has been agreed that the G-cloud framework will be used for the procurement. An initial assessment has been made which showed that the key suppliers for solutions are all available via this framework and we are aware that some of those identified have been successfully used by other authorities for similar implementations. These were invited to demonstrate their products to a groups of stakeholders.

### 3.3.2 Preferred supplier

*Following the above appraisals and analysis, the preferred supplier is confirmed below.*

## 4.0 COMMERCIAL CASE

### 4.1 Required services

The following services are required for a replacement system for the current MS Dynamics solution:

- Pre-production, live and test environments
- Staff and customer access portals
- Integration to existing payment system, LLPG, authentication systems, Civica and REST services
- Transition of existing processes and forms
- Training
- Go live and ongoing support

The following services will be required post go-live to develop the system to meet current requirements:-

- BA support to document and agree integrations
- Integrations not included at go-live
- Councillor portal

### 4.2 Potential/Agreed risk transfer

The G-cloud framework enables the procurement of cloud hosting, software and support. By adopting a cloud solution for this system this will transfer the risk of maintaining systems in a locally hosted data centre from Herefordshire Council and Hoople to the supplier who has been awarded the contract.

### 4.3 Proposed/Agreed charging mechanism

The G-cloud framework allows for contracts of a maximum of 4 years to be awarded, this is made up of an initial 2 year award followed by an extension of 1 year and then a further 1 year. The initial payment to the supplier for the first two years is included in this business case. The extension of the contract for each of the subsequent two years will be a revenue cost for which funding will need to be identified. Invoicing will be annually in advance.

### 4.4 Proposed/Agreed contract lengths

Using the G-cloud framework allows Herefordshire Council to enter into an agreement of 2 years, this can then be followed by an extension of 1 year and followed by a further 1 year.

### 4.5 Proposed/Agreed key contractual clauses

The contract for this solution will be the supplied by the framework and appropriate for a cloud software solution. Key clauses relating to data protection and information security processes and risks will be discussed and agreed with colleagues from these business areas and included as appropriate.

### 4.6 Personnel implications (including TUPE)

This is an internal project and it is not expected that any TUPE will apply as a result of this project. A like for like transfer to a new solution would not present any personnel implications. If more services are incorporated with the CRM offer then potential resource transfers would need to be considered.

### 4.7 Procurement Strategy and implementation timescales

*Detail and list below:*

A detailed specification of the requirements for the new solution has already been commenced with representatives of the current system. This will be fully developed over the coming months in anticipation of a successful funding bid. In April 2022 we will be in a position to progress the procurement via the framework with the use of this framework allowing us to progress quickly. Early engagement with suppliers has indicated that an initial implementations will take approximately 6 months. Full details of timescales are included in section 6.4.

## 5.0 FINANCIAL CASE

### 5.1 INSERT FUNDING TABLE

The Capital Request Funding Form (Capital Finance Intranet site) must also be completed and submitted with the Full Business Case documentation.

Capital cost of project	2022/23	2023/24	2024/25	Future Years	Total
	£000	£000	£000	£000	£000
Supplier	200	131			331
Hoople IT	55				55



<b>Project Management Fees</b>	<b>58</b>				<b>58</b>
<b>TOTAL</b>	<b>313</b>	<b>130</b>			<b>444</b>

<b>Funding streams (Indicate revenue or capital funding requirement)</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Future Years</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<i>Corporate capital funds</i>	<b>313</b>	<b>131</b>			<b>444</b>
<i>Revenue - TBC</i>			<b>109</b>	<b>109</b>	<b>218</b>
<b>TOTAL</b>	<b>313</b>	<b>131</b>	<b>109</b>	<b>109</b>	<b>662</b>

## 5.2 Impact on the Council's income and expenditure account (revenue account)

<b>Revenue budget implications</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Future Years</b>	<b>Total</b>
<i>note any impact on revenue budget, good or bad</i>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<i>Supplier</i>			<b>109</b>	<b>109</b>	<b>218</b>
<i>Savings from Jadu</i>		<b>-21</b>	<b>-21</b>	<b>-21</b>	<b>-63</b>
<b>TOTAL</b>		<b>-21</b>	<b>88</b>	<b>88</b>	<b>155</b>

No revenue budget or expenditure is currently allocated to the CRM system, this will therefore create a budget pressure and for which corporate revenue funding will need to be identified. Perpetual licences were purchased for the Microsoft Windows and CRM licences which has allowed Herefordshire Council to continue to use these without support or further licence cost. When originally implemented support was purchased from Ciber for the call guides and additional MS Dynamics support however since the company ceased trading this has not been paid.

## 6.0 MANAGEMENT CASE

### 6.1 Project Management Arrangements

Hoople IT services will be requested to provide project management support who will be required to follow the Herefordshire Council PMO and reporting arrangements.

### 6.2 Use of Consultants

Hoople IT services will be requested to provide business analysis support.

## 6.3 Arrangements for benefits realisation

Delivery of benefits will be owned by the senior users and reported regularly. Implement a benefit framework to identify the potential benefits and the way in which these benefits will be planned for, tracked, measured and reported.

A number of objectives have been recognised that will deliver benefits in the short and long term. A strategy will be created to record baseline figures, collection and calculation methodology and reporting frequency based on improvements in efficiency and effectiveness.

Some desired benefits

- Increase automation of processes Number of processes
- Increase ability of customers to self-serve
- Increase customer satisfaction with the council and website
- Reduce the cost of key processes
- Reduce call handling time
- Increase quality assurance levels
- Increase internal and external user satisfaction

## 6.4 Arrangements for post project evaluation

As part of the project closure an analysis of the benefits achieved to date, a survey of the teams involved in the project and a sample of customers will be carried out to ensure that the project has delivered the stated objectives where these are achievable within the project timeline.

At the renewal of the contract with the supplier at the end of years 2 and 3 of the contract, an evaluation will be made to ensure that the solution is still delivering the stated benefits.

## 6.5 Timeframes

Stage/Milestone	Indicative Date	Comments
Stage 0 - Project Mandate approved		Included within digital strategy
Stage 1 - Outline business case completed	<i>November 2020</i>	Submitted by Natalia Silver
Stage 2 - Full business case completed	<i>July 2021</i>	
Full Council approval	<i>TBC</i>	
Approval to spend obtained	<i>April 2022</i>	
Stage 3 – Delivery	<i>April 2022</i>	Work will commence
<i>Installation of environments by supplier</i>	<i>June 2022</i>	
<i>First phase - configuration complete</i>	<i>October 2022</i>	
<i>First phase - go live</i>	<i>1 December 2022</i>	
<i>Second phase - Integration to additional systems</i>	<i>February 2023</i>	Business analysis work will determine integration work

		will run in parallel to first phase
Stage 4 – Handover	<i>TBC</i>	
Stage 5 - Project Closure	<i>TBC</i>	

## 7.0 THE ENVIRONMENTAL CASE

Less reliance on paper and printing, and also a potential reduction in travel requirements for our customers resulting in an anticipated positive impact on climate change.

## 8.0 LEGAL IMPLICATIONS

The project involves the processing of the personal data of individuals and therefore a data protection by design approach is being taken as required by the UK General Data Protection Regulations (GDPR). Initially, as the CRM functions are replaced on a like-for-like basis the processing conditions regarding personal data will be the same, however as the project develops any new elements will be risk assessed for their impact on the privacy of individuals. Preparations have been made for a data protection impact assessment to be carried out to capture the existing data considerations and will be reviewed at each stage of the project to ensure that data protection compliance is central to the system. This will include reviewing privacy notices for transparency in processing, providing for data rights to be exercised where applicable, and data to be only retained only as long as is necessary. Representation from the council's information governance team is also provided on the Project Board.

The procurement process will include a supplier data security questionnaire and the contract will include data protection clauses and a schedule of processing setting out the expectation for processing by the supplier from the council.

## 9.0 EQUALITY IMPACT IMPLICATIONS

No differential impacts on specific groups. Joining up service delivery information and knowledge to enable us to respond at the right time and meet the needs of our diverse communities, ensuring equality of opportunity for all residents.

## 10.0 HEALTH & SAFETY IMPLICATIONS

There are no health and safety implications arising from this project.

## 11.0 SOCIAL VALUE IMPLICATIONS

Herefordshire Council defines social value as the important additional benefits that go beyond the direct delivery of any services purchased by the council.

These can be:

**Social benefits** that deliver positive outcomes for individuals and/or communities (examples could include, but are not be limited to: supporting the positive wellbeing of your staff, holding/participating in community engagement events, supporting local charities, community groups, residents groups, training staff in mental health first aid and helping to promote positive mental health in the Herefordshire workforce and community, enabling staff to volunteer in the Herefordshire community).

**Economic benefits** that strengthen a workforce, industry, sector and/or the economy- examples could include, but not be limited to: offering long-term job opportunities with training and pay above the Living

Wage to Herefordshire residents, sharing resources, assets and collaborating with other businesses or charities in Herefordshire, actively participating in business networks in Herefordshire to share good practice).

**Environmental benefits** that result in environmentally sustainable business practices and/or an improvement of the environment- examples could include, but not be limited to: commitment to minimising environmental footprint by use of electrical vehicles, support sustainable travel for staff, support for local environmental charities).

Providers will be required to contribute to enhancing the council's social value outcomes, be able to demonstrate positive impact through effective monitoring and be willing to share practice.

For more information about the council's social value expectations, please refer to <https://www.herefordshire.gov.uk/business-1/business-council/2>

# **Hereford Museum & Art Gallery Redevelopment**

## **Business Case**

Date: 28th July 2021

## Version Control

Version	Date	Summary of Change	Author
0.1	January 2021	First issue	
0.2	28th July 2021	Update for grant application submission	

The first draft will be 0.1 and each successive draft of the document should be numbered sequentially 0.2, 0.3 and so on. The final version of the document is 1.0. Any incidental changes to the final live version should be numbered sequentially 1.1, 1.2, etc. If any major changes are made, the version number should be changed to 2.0. The person making the changes e.g. PMO Development Manager or SRO should track them (using tracked changes in Microsoft Word) and write a brief description of what has changed – or if there are major changes state “see track changes” in the Version Control Log. The version with the track changes should be saved before any are accepted or rejected. Once saved, the active version will be the next sequential number.

## Approvals

Gateway	Approved by	Role	Date
1 – OBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	
	Capital Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
2 – FBC	SRO	Owner	
	Project Board	Detailed project oversight	

	Director	Service Director	
	Programme Delivery Board	Programme oversight	
	Capital Portfolio Manager	Sense check	
	HPMO	Sense check	
	Assurance Board	Sense check	
	Capital Programme Board	Council Programme oversight	
	Cabinet	Corporate fit	
	Full Council	Approval (capital programme)	
Gateway Review	Director PMO Assurance	Assurance	
3 - Delivery	<i>Project Board / Director / Programme Board</i>	<i>Note major changes and approvals during delivery</i>	
Gateway Review	Director PMO Assurance	Assurance	
4 – Handover & project review	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Board	Programme oversight	
	Assurance Board	Assurance	
	Capital Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
5 – Project Closure	Capital Portfolio Manager/ Head of PMO	Governance	

Gateway Review	Director PMO Assurance	Assurance	
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Note: You don't need an actual signature but you should have an e-mail agreement or alternative method of audit trail to refer to.

## Distribution

This document has been distributed to

Name	Role	Date of issue	Version

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## **APPENDICES - SUPPORTING EVIDENCE**

**This Outline Business Case has been submitted as requested. Please note the information it contains is subject to change as we continue to develop the Full Business Case. This will be subject to further developing the design, costings, seeking planning approval etc. Herefordshire Council is not committed to the implementation of the project (or related expenditure) until the Full Business Case is approved and funding terms agreed.**

## **1.0 PROJECT DESCRIPTION**

This outline business case supports the proposed redevelopment of the current Hereford Library, Museum and Art Gallery. It would keep the original Victorian gothic façade of the building plus the original rooms and features behind that façade while providing an enhanced museum experience and improved gallery and community space in the rest of the building.

## **2.0 STRATEGIC CASE**

### **2.1 Project aims and objectives**

The project aim is to completely repurpose the building into a contemporary new museum and exhibition centre. The library will relocate to another venue and the current building will be redesigned using EnerPHit principles. EnerPHit is the established standard for refurbishment of existing buildings using the Passivhaus basic principles and components. The aim will be to deliver a modern, world class museum experience making use of the latest technology to provide opportunities for visitors to interact with the county's museum service collections. The project will significantly enhance the city's cultural offer, supporting community engagement to attract visitors and tourists into the city while signposting the wider heritage of the county, thereby creating a significantly enhanced place to attract people to live, study, work and invest in Hereford.

The project will provide a permanent home for the Herefordshire Hoard and will offer opportunities for working with other partners such as the National Museums and regional and local heritage attractions such as Hereford Cathedral. It will support employment and skills through the creation of jobs and volunteering opportunities as well as attracting visitors to the city and county, providing a major boost to the local economy. The project will also facilitate work with colleges, schools, NMiTE and other educational establishments in the county as well as connecting local residents to their heritage.

Objectives:

- Establish a new, modern, world class visitor attraction at the heart of Hereford city centre
- Engage residents of Herefordshire in formal and informal ways of learning about the history of their county, thereby strengthening their sense of place
- Support the growth of the tourism, cultural business and wider hospitality sectors through increased visitor numbers
- Deliver a museum of national renown, incorporating EnerPHit principles in its design standards where possible to limit the building's carbon footprint

- Showcase the county's extensive heritage collections, including new exhibitions of national and international importance such as the Herefordshire Hoard, making extensive use of technology and interactive displays
- Increase engagement with Hereford College of Arts and NMiTE
- Encourage the development of skills and job creation through new roles in the museum and also in shop and café franchises
- Support community engagement and service sustainability through volunteering opportunities and by working with the Herefordshire Museum Service Support Group, local history groups, HVOSS and other interested organisations
- Act as a focal point for heritage and cultural creativity in the city and the county, attracting additional funding to the area. The project would act as the centre of a hub and spoke model, supporting the cultural and heritage offer in the market towns to provide countywide benefits
- Develop new income generation schemes to support the ongoing revenue funding of the building's operation. These include potential shop and café franchises, venue hire, philanthropic giving, sponsorship and donations/admission for visiting the museum and/or special collections

## 2.2 Strategic Drivers

### 2.2.1 National and Regional

The project contributes towards the UK Government's 'Build back better: our plan for growth' document published in March 2021. On page 13 of the report, the section addressing infrastructure says that the Government will 'Connect people to opportunity via the UK-wide Levelling Up Fund and UK Shared Prosperity Fund, as well as the Towns Fund and High Street Fund, to invest in local areas.'

The report also references in a number of places the need to reduce carbon emissions and this will be addressed by the application of EnerPHit principles in the design of the redeveloped museum.

### 2.2.2 Local

Your project must directly support at least one of the County Plan priorities.

Please indicate in the box below which priority(s) the project addresses

County Priority – please select from	Tick ✓ below where applicable	Delivery Plan Reference(s)
Community	✓	CO0.1
Economy	✓	EC2.1 , EC5.1
Environment	✓	EN5.1, EN5.2

CO0.1 – contributing towards the improved overall mental and physical wellbeing of residents of all ages by supporting residents to gain a greater understanding of place and their connection to the history of their community.

EC2.1 – a direct contribution to this element of the Delivery Plan which is to 'Work with partners to develop and implement a £25m Town Investment Plan for Hereford, to be funded through the Stronger Towns Fund.'

EC5.1 – consulting with local businesses in the planning stages as well as providing a new attraction for visitors and locals, thereby encouraging spend in the local economy will directly contribute to this element of the Delivery Plan, the aim of which is to ‘Work with private sector partners to support the growth of the tourism industry across Herefordshire building on our strengths of outdoor activities, heritage and culture; and support the development of a destination business improvement district.’

EN5.1 – the project plans to apply EnerPHit principles where possible to reduce the building’s carbon footprint. This supports directly this particular initiative to ‘Reduce the Council’s own carbon footprint through implementing our Carbon Management Action Plan.’

EN5.2 – Application of EnerPHit principles as mentioned above as well as installation of modern lighting and building improvements will contribute directly to the delivery of this element to ‘improve the environmental and energy efficiency standards of Council buildings through the introduction of...a plan for investing in energy efficiency and renewable energy measures for existing buildings...’

EC2.5 – the project going ahead will support the delivery of this element of the Delivery Plan as it will enable the library which shares the building to move into Maylord Orchards, thereby contributing to the key initiative to ‘Develop Maylord Orchards as a key strategic site; acting as a catalyst for the regeneration of Hereford city centre.’

## **2.3 Background and Rationale in Project Mandate**

The Broad Street building is Victorian and the façade is built in the Victorian Gothic style. The building originally opened to the public in 1874 and was a philanthropic gift to the people of Hereford by Sir James Rankin, a local MP and President of the Woolhope Naturalists’ Field Club. In 1911, following a bequest, land fronting Aubrey Street was purchased and the library was subsequently extended and an Art Gallery added. In 1963 a mezzanine floor was added to the lending library which enabled a separate children’s library on the ground floor. A decade later, the building was entered as a Grade II listing on the Statutory List of Buildings of Special Architectural or Historic Interest. In 1974-75 the existing mezzanine floor was extended and a lift was added to the rear extension. Further minor works have been undertaken in recent years, some of which led to the temporary closure of the building to allow for the removal of asbestos. This work uncovered some historic building features which were previously unknown including some riveted iron ceiling beams and carved wall decorations.

As mentioned above, the entire building was listed as a building of special architectural and historical interest in 1974 at Grade II, with the list description referring specifically to the Broad Street façade, the Woolhope Room (on the first floor overlooking Broad Street), original fire places containing Godwin tiles, the main staircase.

In 2013 a Conservation Management Plan of the building was written. It contained an outline of the overall significance of the building by looking at the heritage values which contributed to this. This included examples of the building’s historical, aesthetic, evidential and communal values. This concluded that there are eleven elements to the building which are of international significance and a further twelve elements that are of national significance. Four additional elements have been noted as being of regional significance while seven more are of local significance.

The building currently houses a library, museum and art gallery. Each of these elements are smaller and have a more limited offer than would reasonably be expected for a city the size of Hereford. The Museum Resource Learning Centre at Friars Street houses some 100,000 items in its store which tell the story of Herefordshire. Because of lack of space and resources, only a limited number of these items ever see the light of day. The items in the collection have been acquired by, or given to, the museum service over a period of many decades but there is not currently the facility to share them with the residents of Herefordshire or with visitors.

The development of the building would also address longstanding issues with the fabric of the structure. In 2017-18 the museum was closed for four months due to work on the roof and in the last twelve months there have been two further instances of partial ceiling collapse or water ingress in the museum space.

Between 1998 and 2013, annual visitor numbers to the current museum ranged from 25,242 to 33,708 with an annual average of 29,768, as outlined in the table below

Year	Visitor Numbers
1998-99	29,461
1999-00	31,671
2000-01	33,424
2001-02	33,708
2002-03	31,300
2003-04	29,072
2004-05	25,242
2005-06	27,910
2006-07	30,790
2007-08	30,293
2008-09	21,116
2009-10	26,776
2010-11	27,855
2011-12	29,179
2012-13	28,726

Since 2013, a number of factors have impacted on the provision of the service such as cuts to the budget and resulting staff reductions which in turn led to a reduction in opening hours and visitor numbers. Issues with the fabric of the building have also affected ability to open. Access to the museum has been maintained by the use of volunteers. Visitor figures for the years since 2013 are in the table below with accompanying notes.

Year	Visitor Numbers	Comment
2013-14	23,467	Budget reductions and staff restructure in this year
2014-15	14,077	Opening hours halved
2015-16	6,666	Closed from 9 <sup>th</sup> September 2015 due to discovery of asbestos

2016-17	2,420	Only open for February and March 2017 due to asbestos removal etc.
2017-18	10,413	Further budget reductions. Closed for four months for work on roof
2018-19	10,345	No staffing on site, museum opening supported by volunteers
2019-20	19,430	Increased visitors due to charged-for Lego exhibition
2020-21	2,068	Closed for most of the year due to Covid-19

The creation by the Government of the Stronger Towns Fund as well as the opportunity to bid for additional external funding via the National Lottery Heritage Fund allows for the possibility of a revised plan to deliver a world class museum, redesigned to operate on EnerPHit principles, thereby reducing ongoing revenue costs for running the building and reducing the building's carbon footprint.

During 2021, Herefordshire Council is working towards acquiring the Herefordshire Hoard, Viking artefacts discovered on land in the north of the county during 2015. The redevelopment of the current Broad Street site would enable the provision of an appropriate venue in which to display the Hoard. It would also provide the opportunity to exhibit more of the tens of thousands of items currently in storage at the Museum Resource Learning Centre on Friars Street. In addition, the redeveloped museum would enhance and be enhanced by its situation close to other visitor attractions, in particular Hereford Cathedral, providing synergies beneficial to all.

The proposed development would maintain and enhance the historical architectural features of the building while providing a modern visitor experience.

Development of the building would add to the attraction of a visit to Hereford, driving footfall into the city centre and supporting economic activity in local business and the hospitality sector.

## 2.4 Scope

### 2.4.1 In-Scope

- Building designs, plans and surveys as required
- Procurement
- Building refurbishment
- IT systems
- Installation of equipment and new technology
- Communications, marketing and engagement
- Development of monitoring and reporting mechanisms
- Confirmation of ongoing costs and resourcing requirements
- Plans for staffing and running of the building

### 2.4.2 Out of Scope

- Development of building usage post project delivery

## 2.5 Benefits

### The anticipated benefits of the proposed project are:

#### 2.5.1 Cashable benefits

In July 2021 Prince & Pearce were commissioned to prepare a report on the possible income generation opportunities that the redevelopment could provide. Their report is provided as an appendix to this business case. The summary table from the report which presents their findings around the revenue budget and cashable benefits from the first five years of a redeveloped site is included in section 5.2 below.

#### 2.5.2 Non-cashable benefits

Non-cashable benefits from the project could include – but would not be limited to:

- Supporting the delivery of several of the aims outlined in the Herefordshire County Plan 2020-2024. For example:
- EN4 *Invest in low carbon projects* – This project, if conducted to EnerPHit standards, would greatly reduce the carbon footprint of the building. As an example, the heating system and hot water supply at the HARC building, which was built on Passivhaus principles, is operated by the equivalent of one household boiler
- EC3 *Invest in education and the skills needed by employers* – The project would support learning across all of the education sectors in Herefordshire from Primary to Higher Education. The redeveloped space would offer the facility for skills development through training and courses. There would be opportunities for apprenticeships, NVQs and other appropriate training and qualifications both through the museum service and also the café. The project will include increased volunteering opportunities for people to develop skills and experience and would extend the current 1,300 hours plus per year of volunteering that are already provided at the current museum. The project will support artists, creators, film makers, digital developers, historical researchers and students and will enable the development of skills in those areas
- EC5 *Protect and promote our heritage, culture and natural beauty to enhance quality of life and promote tourism* – The new museum would act as a hub for the whole county and the Marches region in promoting the heritage, culture and natural beauty of the area. It would enable more of the tens of thousands of items in the museum collection to be made available for visitors to view and would encourage community engagement in the stories, histories and places of the city, county and region. The development would also be an opportunity to promote other Herefordshire Council services and cultural sites within the city such as the relocated library and the Black & White House Museum. The development would raise the profile of Hereford and, by extension, of Herefordshire as a whole

The project would reflect several aspects of the three key themes of the County Plan.

In terms of connectivity it would allow connection with partners such as the City Council, businesses and the public and community sectors. Bringing increased numbers of visitors to the city centre to visit the Museum with an incentive to stay in the city and wider area for longer would have the benefits of supporting local and independent shops and traders, providers of overnight accommodation as well as the wider hospitality sector. The project would also improve digital connectivity, exploring exciting and innovative opportunities for visitors to interact creatively with the museum and its collections through the use of Virtual Reality and other mediums.

The project would support the theme of wellbeing. Through encouraging creativity and innovation it would recognise the value of art and culture as a contributor to wellbeing, both to those visiting the site and also those involved in exhibiting.

### **2.5.3 Dis-benefits**

There will be disruption to service continuity in the delivery of this project. Depending on the delivery schedule for this and the related Maylord project which would see the library move to a new location, there would be a period of time when there is no library service available. This could be mitigated by ensuring preparation of the new library site before a decant from the current building and this may mean that there is a period of a few weeks where there is no library service available.

Construction work on the Broad Street building would mean that the museum provision in its current form would not be available for the duration of the construction project, possibly up to two years or more.

Mitigation will be the continuation of an element of the museum service being delivered at the Black & White House Museum. There is also the possibility of exploring community 'pop ups' by having display cases with items from the museum collections in community buildings.

## **2.6 Risks**

The key project risks are identified in the current edition of the risk register which is attached as an appendix to this business case.

## **2.7 Constraints and Dependencies**

Initiatives which depend on this project are:

The move of the library element within the building to a new site. Options for this are being developed separately as part of the project to develop the Maylord shopping centre. This is one of the other projects in the Hereford Town Improvement Plan which has received funding via the Stronger Towns programme.

This project depends on:

In its current form, this project depends on the library moving out of the building to another venue.

The project mentioned in the section above involves moving the library out of the building in which it currently co-locates with the museum, to a new destination. Any delay in the progress of that project may hinder the progress of the Museum redevelopment.

## **2.8 Stakeholders**

The key stakeholders for the project are the people of Herefordshire.

Herefordshire Council and the museum service has a long standing relationship with the Herefordshire Museum Service Support Group who represent users of the Museum service and advocate on the service's behalf. Officers of the group have already been involved in conversations with Herefordshire Council officers and Cabinet Member about the proposed project and are highly supportive. The group is currently in discussion with Council officers about how they might be able to act as the lead body in any public fundraising campaign to obtain the aforementioned Herefordshire Hoard as they would be eligible to claim an additional 25% in gift aid on any donations to support the project.



As the project plan develops, an engagement strategy for consultation will be formed. The project will make use of digital engagement and online surveys, existing networks and contacts as well as broadening its approach to reach and work with new areas of the community. Partners and stakeholders will be consulted during the concept and planning stages to make use of their experience, knowledge and expertise. Engagement during the project will be via project board membership, commissioned work, surveys, targeted events, displays and social media and other campaigns.

A list of non-council stakeholders and partners is being regularly reviewed and currently includes, but is not limited to, Herefordshire residents, Herefordshire Museum Service Support Group, Woolhope Naturalist's Field Club, Herefordshire Cultural Partnership, Hereford College of Arts, NMiTE, local cultural and heritage organisations, National Lottery Heritage Fund, Arts Council England, British Museum, West Midlands Museum Development Group, Hereford Cathedral, museum service volunteers, Herefordshire Voluntary Organisations Support Service (HVOSS), Hereford Civic Society, Hereford Tourism Group, HBID, Hereford Business Board, Marches Local Enterprise Partnership, Hereford City Council, Heritage England, local businesses, local schools, local museums, local colleges, other museums that have undertaken similar developments, organisations that represent diversity, organisations that promote accessibility.

Ahead of any formal consultation, a letter of support for the scheme has been received from Bartonsham History Group.

## 3.0 ECONOMIC CASE

### 3.1 Critical success factors

The critical success factors will be:

- A full understanding of the physical infrastructure of the building to provide assurance that the redevelopment of the site can be supported
- The securing of the necessary capital funding from a variety of sources to enable the delivery of the project
- The development of a full and robust revenue business case over the forthcoming months to ensure the ability to operate in the years ahead
- The involvement of stakeholders and the community in shaping, supporting and championing the offer at the redeveloped site
- Provision of a site and service that directly contributes to the delivery of priorities in the County Plan

### 3.2 Options and Do Nothing Option

#### 3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Redevelopment of the museum site in a project with a budget of up to £20 million	Y	<ul style="list-style-type: none"> <li>• Outline plan identified in feasibility study produced by Architype</li> <li>• £5 million already allocated as part of Government Stronger Towns funding</li> <li>• Possibility of match funding from Heritage Lottery,</li> </ul>

		<p>Herefordshire Council and other sources</p> <ul style="list-style-type: none"> <li>• Option for a major redevelopment provides possible opportunities to host major exhibitions thereby increasing revenue income through ticket sales and potential high value sponsorship</li> </ul>
Redevelopment of the museum site in a project with a budget of up to £15 million	Y	<ul style="list-style-type: none"> <li>• Outline plan identified in feasibility study produced by Architype</li> <li>• £5 million already allocated as part of Government Stronger Towns funding</li> <li>• Possibility of match funding from Heritage Lottery, Herefordshire Council and other sources</li> </ul>
Redevelopment of the museum site in a project with a budget of up to £10 million	Y	<ul style="list-style-type: none"> <li>• Outline plan identified in feasibility study produced by Architype</li> <li>• £5 million already allocated as part of Government Stronger Towns funding</li> <li>• Possibility of match funding from Heritage Lottery, Herefordshire Council and other sources</li> <li>• Possible reduction in required funding from Herefordshire Council compared with the two options outlined above which may reduce pressure on ongoing revenue costs if capital loan repayments are reduced or eliminated</li> <li>• A reduced scheme may mean that revenue income would be lower than the two schemes outlined above and the offer to customers would not be of such high quality and variety</li> </ul>
Redevelopment of the museum site in a project with a budget of up to £5 million	N	<ul style="list-style-type: none"> <li>• No feasibility study on this option has yet been commissioned</li> <li>• No guarantee that the level of expenditure would deliver a sufficiently enhanced offer</li> <li>• Risk that the Government may not agree to a project scaled down to this extent and would not agree to sign off and fund the project</li> </ul>

Library stays in its current building and is part of a redevelopment of the current site	N	<ul style="list-style-type: none"> <li>• Would significantly impair the proposed museum redevelopment and reduce the planned offer</li> <li>• Would not generate adequate income</li> <li>• Reputational risk to the Council of not delivering on its proposed projects</li> </ul>
Do nothing	N	<ul style="list-style-type: none"> <li>• Hereford will continue to have an inadequate library and museum offer for a city of its size</li> <li>• Missing out on the opportunity to secure major external investment to develop a scheme that will enhance the offer to both visitors and residents and would encourage footfall and economic activity in the city centre</li> <li>• Reputational risk to the council of failing to deliver on the project and of having to reject the offer of government funding</li> </ul>

### 3.2.2 Short-list of options

<p>Option 1 – Detail</p> <p>Redevelopment of the museum site in a project with a budget of up to £10 million</p>	
Cost	<p>Up to £10 million</p> <p>This option was identified in the Feasibility study of January 2021 conducted by Architype (Section B, Preliminary Cost estimate) which is an appendix to this business case.</p> <p>This would involve a minimum intervention with the provision of a new lift core and main staircase; construction of new</p>

	<p>circulation elements; a new stair core and goods lift to the Aubrey Street entrance at the rear of the building; insulation improvements to the retained existing building elements; basic structural repairs and an allowance of £5 million for museum fit out works</p>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Outline plan identified in feasibility study produced by Architype</li> <li>• £5 million already allocated as part of Government Stronger Towns funding</li> <li>• Possibility of match funding from Heritage Lottery, Herefordshire Council and other sources</li> <li>• Possible reduction in required funding from Herefordshire Council compared with the two options outlined above which may reduce pressure on ongoing revenue costs if capital loan repayments are reduced or eliminated</li> </ul>
<b>Deliverability</b>	<p>£5 million of the required funding has been allocated through the Stronger Towns Fund. Initial conversations with the Regional Director of the Heritage Lottery Fund have indicated support for the submission of an Expression Of Interest for a bid of up to £5 million to support the scheme. This may mean that Herefordshire Council may not need to provide any capital funding which would reduce the risk of not being able to meet loan repayments.</p> <p>Confirmation would need to be sought from external funders whether they expect any level of match funding from Herefordshire Council as a condition of their funding.</p> <p>As a major construction project involving a listed building on a city centre site, there is a risk around the granting of planning permission. Pre-panning advice is being sought at this stage to discuss issues concerning the various options.</p>
<b>Pros</b>	<p>The scheme would deliver an improved museum and cultural hub for the city, county and region and raise the profile of Hereford nationally and internationally. It would provide options for increased income generation and support increased spend in the local economy by encouraging visitors to the city and county.</p> <p>A reduction in or the removal of the need for Herefordshire Council capital funding may reduce the pressure on the amounts of income revenue required annually.</p>

	This scheme could be used as the preferred fallback option if the development of the business case gives insufficient certainty that another option is deliverable.
Cons	<p>There is a risk to being able to secure sufficient funding to undertake the development. Detailed conversations would be required to receive advice around the planning process and this may impact on the timeframe of the project delivery.</p> <p>A project on this scale may not generate the visitor numbers and increased spend in the local economy that other options might provide.</p>
Recommendation	<b>Not to proceed at this stage</b>

<p>Option 2 – Detail</p> <p>Redevelopment of the museum site in a project worth around £15 million</p>	
Cost	<p>Up to £15 million</p> <p>In their feasibility study of January 2021, Architype identified this option as maximising the existing building fabric while introducing additional gallery and activity space by extending the building upwards. It would provide a new lift core and main staircase, construction of new circulation elements, new stair core and goods lift to the Aubrey Street entrance at the rear of the building, insulation improvements to the retained existing building elements, basic structural repairs and approximately £5 million allowance for museum fit out works.</p> <p>Following a preliminary high level review of costs, in the time and within the budget allocated, Architype chose to further develop the costings around this option which would maximise the existing building fabric.</p> <p>The feasibility contains an ‘order of magnitude cost estimate’ which provides a high level outline of the costs involved in delivering this option</p>
Benefits	<ul style="list-style-type: none"> <li>• Would provide a new facility which would be of major national and international standing</li> <li>• At least 65% of the funding would be from sources other than Herefordshire Council</li> </ul>

	<ul style="list-style-type: none"> <li>• Would raise profile of Hereford and Herefordshire nationally and internationally</li> <li>• Would increase number of visitors to the city and the county, thereby supporting increased spending in local businesses and hospitality sector providing growth in the local economy</li> <li>• Redevelopment would apply EnerPHit principles where possible, thereby limiting the carbon footprint of the building</li> <li>• Would deliver a key element of the Town Improvement Plan</li> <li>• Would support the development of skills and provide new job and volunteering opportunities</li> <li>• Would provide opportunities to contribute to learning across the community both through informal means and also by engagement with educational establishments from young children through to Higher Education</li> <li>• Would enable residents of the county to learn more about their history, thereby strengthening a sense of place</li> </ul>
<b>Deliverability</b>	<p>£5 million of the required funding has been allocated through the Stronger Towns Fund. Initial conversations with the Regional Director of the Heritage Lottery Fund have indicated support for the submission of an Expression Of Interest for a bid of up to £5 million to support the scheme. The remaining £5 million could be sought from a capital loan or other funding streams. If this additional £5 million – or any portion of it – is not forthcoming – then the project could still be delivered to the level of option 3, with additions to that project depending on the amount of money available over and above £10 million</p> <p>As a major construction project involving a listed building on a city centre site, there is a risk around the granting of planning permission although as this option involves maximising the existing structure, the risk is probably reduced compared to option 1 which involved major demolition and reconstruction works. Pre-planning advice is being sought at this stage to discuss issues concerning the various options.</p>
<b>Pros</b>	The scheme would deliver a high quality museum and cultural hub for the city, county and region and raise the profile of Hereford nationally and internationally. It would provide options for increased income generation and support increased spend in the local economy by encouraging visitors to the city and county.
<b>Cons</b>	There is a risk to being able to secure sufficient funding to undertake the development although the risk is reduced compared to option 1 as the amount of funding sought is lower for this option. Detailed conversations would be required to

	receive advice around the planning process required and this may impact on the timeframe of the project delivery.
Observations	This is the option which has been worked up in most detail in the feasibility study and provides a greatly enhanced museum offer which would attract increased visitor numbers and spend in the local economy. External expertise has been commissioned to develop the architectural plans to RIBA stage 2 and support has also been commissioned to look at income generation opportunities, the amount that could be generated and a risk analysis of various models.
Recommendation	<b>This option be progressed to Full Business Case development as the preferred option.</b>

<p>Option 3 – Detail</p> <p>Redevelopment of the museum site in a project worth up to £20 million</p>	
Cost	<p>Up to £20 million</p> <p>This option was identified in the Feasibility study of January 2021 conducted by Architype (Section B, Preliminary Cost estimate) which is an appendix to this business case.</p> <p>This would involve a major construction process, maintaining and refurbishing the existing building frontage on Broad Street, demolishing all remaining building elements and constructing a new, purpose designed five storey building behind the frontage. The cost included an allowance of approximately £5 million for fit out works</p>
Benefits	<ul style="list-style-type: none"> <li>• Would provide a new facility which would be of major national and international standing</li> <li>• 75% of the funding would be from sources other than Herefordshire Council</li> <li>• Would raise profile of Hereford and Herefordshire nationally and internationally</li> <li>• Would increase number of visitors to the city and the county, thereby supporting increased spending in local businesses and hospitality sector providing growth in the local economy</li> <li>• Redevelopment would apply EnerPHit principles where possible, thereby limiting the carbon footprint of the building</li> <li>• Would deliver a key element of the Town Improvement Plan</li> </ul>

	<ul style="list-style-type: none"> <li>• Would support the development of skills and provide new job and volunteering opportunities</li> <li>• Would provide opportunities to contribute to learning across the community both through informal means and also by engagement with educational establishments from young children through to Higher Education</li> <li>• Would enable residents of the county to learn more about their history, thereby strengthening a sense of place</li> </ul>
<b>Deliverability</b>	<p>£5 million of the required funding has been allocated through the Stronger Towns Fund. Initial conversations with the Regional Director of the Heritage Lottery Fund have indicated support for the submission of an Expression Of Interest for a bid of up to £5 million to support the scheme. If £5 million is made available through a capital loan, it still leaves a further £5 million to be found from other unidentified funding sources which is a major risk to the deliverability of the project.</p> <p>As a major construction project involving a listed building on a city centre site, there is a risk around the granting of planning permission. Pre-panning advice is being sought at this stage to discuss issues concerning the various options.</p>
<b>Pros</b>	The scheme would deliver a high quality museum and cultural hub for the city, county and region and raise the profile of Hereford nationally and internationally. It would provide options for increased income generation through sponsorship of high quality exhibitions and support increased spend in the local economy by encouraging visitors to the city and county.
<b>Cons</b>	There is a risk to being able to secure sufficient funding to undertake the development. Detailed conversations would be required to receive advice around the planning process required and this may impact on the timeframe of the project delivery
<b>Observations</b>	If additional external funding can be secured to take the available budget above £15 million, enhancements to move towards the £20 million project can be considered
<b>Recommendation</b>	<b>Not to proceed at this stage</b>

### 3.2.3 The preferred option

The preferred option is option 2

## 3.3 Supplier appraisals

*This section compares the potential supplier deals and agrees the preferred supplier.*



### 3.3.1 The Procurement process

*Please outline your procurement process including the following:*

- *Procurement route e.g. via OJEU/framework agreement*
- *The long list criteria*
- *The short list criteria*
- *Economic appraisals – an overview of the costs and benefits associated with each of the selected service providers*
- *Non-financial benefits appraisals – an overview of non-cash releasing benefits, their weighting, score and impact on supplier ranking*
- *Non-financial risk appraisal – an overview of non-financial risks - their impact, probability and score on supplier ranking*

The process for procurement and the appointed suppliers will need to be identified as the project develops and the requirements are clearly known.

### 3.3.2 Preferred supplier

*Following the above appraisals and analysis, the preferred supplier is confirmed below.*

The preferred supplier(s) will be identified once the extent of the project and funding available is clear.

## 4.0 COMMERCIAL CASE

### 4.1 Required services

Based on the original feasibility study that was provided to inform the initial submission for inclusion in the Stronger Towns Fund Bid, work is currently underway to progress the architectural understanding of the building to RIBA Stage 2. As this work progresses it will be possible to develop the understanding of the services and goods required for the next phase and for the development of the Full Business Case for submission to Government in June 2022. At this stage the expectation is that the redeveloped building will provide

- A high quality museum experience which will involve permanent and changing exhibitions
- Art Gallery
- Shop
- Café
- Meeting rooms
- Space for events and activities
- Roof-level catering and hospitality facility

### 4.2 Potential/Agreed risk transfer

As owner of the property the Council would bear the ultimate responsibility for risk. The risk will be managed and mitigated by the adoption of appropriate processes through the stages of development via the following approach

- Procuring appropriately qualified professionals to design and develop the necessary building works including surveys

- Procuring an appropriately qualified contractor to deliver the relevant building works within an agreed timetable
- Procuring appropriately qualified and experienced external advice and guidance to advise on income generation and opportunities including modelling different approaches and providing appropriate risk analyses
- Options for the operation of the proposed shop and café will be assessed by appropriate external advisors to advise on levels of risk and possible income
- Existing qualified and experienced museum staff will provide the core of the staffing and provide expert professional advice in the planning and design stages

#### **4.3 Proposed/Agreed charging mechanism**

- The development will be funded by the revenue income streams outlined in Section 2.5 of this Outline Business Case
- Expert external advice on income generation opportunities and possible levels of income has been commissioned and a report is expected before the end of July 2021 to inform the next review of the current Outline Business Case

#### **4.4 Proposed/Agreed contract lengths**

- Professional advisor contract lengths for the period of the design and implementation
- Relevant contractor contract lengths for the duration of the construction
- Length of contract for the provision of shop and café to be determined, dependent upon the current commissioned work to look at options for models of delivery

#### **4.5 Proposed/Agreed key contractual clauses**

- All external contractors, suppliers and advisors will be required to meet the Council's standard contractual obligations
- Wherever possible, contractual arrangements will be made to minimise the risk to the Council, for example in the operating models and obligations surrounding café and shop franchises

#### **4.6 Personnel implications (including TUPE)**

It is anticipated that TUPE will not apply to this project as salaried staff are already part of the Herefordshire Council staffing establishment.

#### **4.7 Procurement Strategy and implementation timescales**

*Detail and list below:*

- For RIBA Stage 1 (Feasibility stage) and 2a, direct appointments will be sought via procurement waivers for professional advisers who have been involved in the project development to date. This is because of the urgent need to progress the project to a particular stage by the end of July 2021
- For RIBA Stage 2 and beyond, a procurement of the relevant professional teams will follow in order to support the design stage up to planning approval
- A contractor(s) will be procured for the implementation stage
- Dependent upon the preferred delivery model, a procurement process will be undertaken for the delivery of a shop and cafe

## 5.0 FINANCIAL CASE

The intention is to seek funding for the project from a number of sources. A sum of £5 million has already been allocated from the Government's Stronger Towns Fund. Conversations have also taken place with the Regional Director of the Heritage Lottery Fund who has seen the Hereford Town Improvement Plan as well as the feasibility study for the redevelopment of the building produced by Architype in January 2021. On the basis of those discussions a verbal invitation has been received to submit an initial Expression of Interest document requesting permission to apply for funding of up to £5 million. This Expression of Interest is currently being drafted and will be submitted to Management Board for consideration in July 2021, with subsequent submission to Heritage Lottery if approved.

A further amount of up to £5 million is being sought. This has been identified as coming through Herefordshire Council's Capital funding but may be in the form of a loan which will need to be paid back over a period of forty years. If the full amount of £5 million is obtained in this way, then total repayments over the 40 year period would be £9,716,056 with annual repayments of £242,901.

The revenue income generated by the project would need to be sufficient to cover this amount annually as well as covering any additions to the staffing establishment to service the museum's operation.

A piece of work modelling opportunities for income generation and the sort of income that those models could generate has been commissioned to assess the risks associated with this level of loan and repayment structure and will inform the development of the business case and project.

A reduction in the overall amount of capital loan that is accessed will reduce proportionally the level of monthly repayments and the total sum of the loan plus interest that would need to be repaid.

Details of the repayment schedule for a capital loan of £5,000,000 over a forty year period are outlined in the table below. A review of the ongoing revenue position for the first five years of operation of a redeveloped site is included in section 5.2 below and takes into account the proposed requirement to make an annual loan repayment of £240,000.

	A	B	C	D	E	F	G	H	I	J	K
	Year	Life Remaining	b/fwd	PB Spent	MRP	c/fwd	Interest	Total Capital Financing Costs		Average cost per annum	
							4.00%				
21/2				5,000,000		5,000,000		0			
22/2		40	5,000,000		52,617	4,947,383	190,284	242,901			
23/2		39	4,947,383		54,722	4,892,660	188,179	242,901			
24/2		38	4,892,660		56,911	4,835,749	185,990	242,901			
25/2		37	4,835,749		59,187	4,776,562	183,714	242,901			
26/2		36	4,776,562		61,555	4,715,007	181,346	242,901			
27/2		35	4,715,007		64,017	4,650,990	178,884	242,901			
28/2		34	4,650,990		66,578	4,584,412	176,324	242,901			
29/3		33	4,584,412		69,241	4,515,171	173,660	242,901			
30/3		32	4,515,171		72,011	4,443,160	170,891	242,901			
31/3		31	4,443,160		74,891	4,368,269	168,010	242,901			
33/3		30	4,368,269		77,887	4,290,383	165,015	242,901			
34/3		29	4,290,383		81,002	4,209,380	161,899	242,901			
35/3		28	4,209,380		84,242	4,125,138	158,659	242,901			
36/3		27	4,125,138		87,612	4,037,526	155,289	242,901			
37/3		26	4,037,526		91,116	3,946,410	151,785	242,901			
38/3		25	3,946,410		94,761	3,851,649	148,140	242,901			
39/4		24	3,851,649		98,551	3,753,097	144,350	242,901			
40/4		23	3,753,097		102,494	3,650,604	140,408	242,901			
41/4		22	3,650,604		106,593	3,544,011	136,308	242,901			
42/4		21	3,544,011		110,857	3,433,154	132,044	242,901			
43/4		20	3,433,154		115,291	3,317,862	127,610	242,901			
44/4		19	3,317,862		119,903	3,197,959	122,998	242,901			
45/4		18	3,197,959		124,699	3,073,260	118,202	242,901			
46/4		17	3,073,260		129,687	2,943,573	113,214	242,901			
47/4		16	2,943,573		134,875	2,808,699	108,027	242,901			
48/4		15	2,808,699		140,270	2,668,429	102,632	242,901			
49/5		14	2,668,429		145,880	2,522,549	97,021	242,901			
50/5		13	2,522,549		151,715	2,370,833	91,186	242,901			
51/5		12	2,370,833		157,784	2,213,049	85,117	242,901			
52/5		11	2,213,049		164,095	2,048,954	78,806	242,901			
53/5		10	2,048,954		170,659	1,878,294	72,242	242,901			
54/5		9	1,878,294		177,486	1,700,809	65,416	242,901			
55/5		8	1,700,809		184,585	1,516,224	58,316	242,901			
56/5		7	1,516,224		191,968	1,324,255	50,933	242,901			
57/5		6	1,324,255		199,647	1,124,608	43,254	242,901			
58/5		5	1,124,608		207,633	916,975	35,268	242,901			
59/6		4	916,975		215,938	701,036	26,963	242,901			
60/6		3	701,036		224,576	476,460	18,325	242,901			
61/6		2	476,460		233,559	242,901	9,342	242,901			
62/6		1	242,901		242,901	0	0	242,901			
				5,000,000	5,000,000		4,716,056	9,716,056		242,901	

Other funding streams area also being explored which could reduce the requirement for Council capital funding. Initial discussions have been held with regional representatives of Arts Council England and discussions have also taken place with the Marches Sustainable Energy Project Manager to look at opportunities to access funding to support the reduction of the carbon footprint of the building through the SEPUBU (Sustainable Energy in Public Buildings) grants programme. These conversations will continue once more information is available following the current commissioned work to move the project to RIBA Stage 2.

## 5.1 INSERT FUNDING TABLE

The capital cost figures below are **indicative** and are based on a start date of the summer of 2022. This project is dependent upon the library service element moving out of the building so the timeline and spread of proposed costs across the years will need to be more accurately profiled as work on both projects progresses over the coming months.

Further work is currently being carried out by Architype with a structural engineer providing more detailed assessments of and costings for the proposed work, the results of which will inform the capital spending requirements and timeframe

It is assumed at this stage that as final sign off for the project may not occur until July 2022 at the earliest, resultant procurement processes will mean a lower capital spend in 2022/23 with most spend occurring in the following years.

Work to profile spending will continue as the OBC is developed to Full Business Case stage.

## 5.2 Impact on the Council's income and expenditure account (revenue

Capital cost of project	2022/23	2023/24	2024/25	Future Years	Total
	£700,000	£6,000,000	£6,000,000	£800,000	£13,500,000
Project Management Fees & Development Costs	£300,000	£700,000	£400,000	£100,000	£1,500,000
<b>TOTAL</b>	<b>£1,000,000</b>	<b>£6,700,000</b>	<b>£6,400,000</b>	<b>£900,000</b>	<b>£15,000,000</b>

Funding streams (Indicate revenue or capital funding requirement)	2022/23	2023/24	2024/25	Future Years	Total
Stronger Towns Fund (secured capital)					£5,000,000
Heritage Lottery (capital)					£5,000,000
Herefordshire Council funding and/or other external funders					£5,000,000
<b>TOTAL</b>					<b>£15,000,000</b>

account)

External consultants Prince & Pearce were commissioned in July 2021 to provide a report addressing the possible impact on the council's revenue budget of the development. They assessed the expected number of visitors, the amount of potential income that could be generated and the possible staffing requirements for the development. Their full report is attached as an appendix to this business case. Below is a summary table from the report which presents their findings and indicates their conclusions around the revenue budget relating to the first five years of a redeveloped site.

1	Year	1	2	3	4	5	Average	%
2	General visitors, free entry	39,600	45,540	50,094	52,599	52,599	48,086	46%
3	Annual uplift factor	1.000	1.150	1.100	1.050	1.000		
4	Special exhibition visitors	46,200	53,130	58,443	61,365	61,365	56,101	54%
5	Annual uplift factor	1.000	1.150	1.100	1.050	1.000		
6	<b>Total number of visitors</b>	<b>85,800</b>	<b>98,670</b>	<b>108,537</b>	<b>113,964</b>	<b>113,964</b>	<b>104,187</b>	<b>100%</b>
7								
8	Special exhibitions income	219,450	252,368	277,604	291,484	291,484	266,478	34%
9	Gift Aid at 25% of special exhibition income @ 50%	27,431	31,546	34,701	36,436	36,436	33,310	4%
10	Space hire, corporate hospitality etc	59,400	59,400	59,400	59,400	59,400	59,400	7%
11	Corporate sponsorship for special exhibitions	31,500	31,500	31,500	31,500	31,500	31,500	4%
12	Retail income at £1.30 per visitor (ex VAT)	111,540	128,271	141,098	148,153	148,153	135,443	17%
13	Catering income at £1.80 per visitor (ex VAT)	154,440	177,606	195,367	205,135	205,135	187,536	24%
14	Hereford museum net revenue budget 2020-2021	80,000	80,000	80,000	80,000	80,000	80,000	
15	<b>Projected annual income (£)</b>	<b>683,761</b>	<b>760,690</b>	<b>819,669</b>	<b>852,108</b>	<b>852,108</b>	<b>793,667</b>	<b>100%</b>
16								
17	Staff (12.5 ftes at £22,000 x 1.25)	343,750	343,750	343,750	343,750	343,750	343,750	65%
18	Direct advertising and promotion	17,094	19,017	20,492	21,303	21,303	19,842	4%
19	Cost of retail and catering (excluding staff)	88,651	91,763	100,939	105,986	105,986	98,665	19%
20	Hired-in exhibition costs	63,000	63,000	63,000	63,000	63,000	63,000	12%
21	FM costs at £30 per m2 measured over GIA	71,280	71,280	71,280	71,280	71,280	71,280	14%
22	FM costs discounted by 100%	-71,280	-71,280	-71,280	-71,280	-71,280	-71,280	-14%
23	<b>Projected annual costs (£)</b>	<b>512,495</b>	<b>517,530</b>	<b>528,181</b>	<b>534,039</b>	<b>534,039</b>	<b>525,257</b>	<b>100%</b>
24								
25	<b>Operational outturn (£)</b>	<b>171,266</b>	<b>243,160</b>	<b>291,488</b>	<b>318,069</b>	<b>318,069</b>	<b>268,410</b>	
26	Cost of capital loan repayment	240,000	240,000	240,000	240,000	240,000	240,000	
27	<b>Annual outturn including cost of capital loan repayment</b>	<b>-68,734</b>	<b>3,160</b>	<b>51,488</b>	<b>78,069</b>	<b>78,069</b>	<b>28,410</b>	

## 6.0 MANAGEMENT CASE

### 6.1 Project Management Arrangements

The project will be managed by a Project Management Officer (PMO) allocated by Herefordshire Council. There will be a Project Board which will meet at a regularity to be determined. As well as the PMO the Project Board will consist of the Museums, Libraries and Archives Manager, the Museum Team Leader and officers representing Legal Services, Property Services, Finance (both capital and revenue), Communications Team and Commercial Services. As required and when relevant, other officers will be invited to attend Project Board meetings. These officers will represent – but not be limited to – service areas such as Human Resources, Insurance and ICT provision.

### 6.2 Use of Consultants

In the first stage of the business case development, Architype will be used to develop the architectural design process through to RIBA Stage 2. Prince & Pearce consultancy will be used to advise on the development of opportunities for income generation to support ongoing revenue costs and they will also work with Architype through to the end of August 2021 to look at options for building layout and segmentation to maximise opportunities for income generation while maintaining the integrity of the building in its primary role as a museum and art gallery.

The use of external consultants after August 2021 will be subject to the next phase of business case developments and the requirements that are identified.

## 6.3 Arrangements for benefits realisation

This will be developed as part of the Full Business Case.

## 6.4 Arrangements for post project evaluation

Reports will be made during the project as required by Herefordshire Council and also to comply with any requirements of the Hereford Stronger Towns Board. An end of project evaluation and assessment will also be undertaken.

## 6.5 Timeframes

Stage/Milestone	Indicative Date	Comments
Stage 0 - Project Mandate approved	January 2021	Project mandate was approved and submitted.  £5 million allocated to the project by Stronger Towns in June 2021
Stage 1 - Outline business case completed	28 <sup>th</sup> July 2021	Submission to Hereford Stronger Towns Board
Stage 2 - Full business case completed	30 <sup>th</sup> June 2022	Final date for completion of Full Business Case
Full Council approval	T.B.C.	
Approval to spend obtained	July 2022	Approval to be obtained upon satisfactory Full Business Case submission
Stage 3 – Delivery	August 2022	Subject to expert advice on appropriate scheme of works
<i>Insert key milestone</i>	<i>Insert Date</i>	
<i>Insert key milestone</i>	<i>Insert Date</i>	
Stage 4 – Handover	March 2025	Indicative date subject to appropriate advice on scheme of works
<i>Insert key milestone</i>	<i>Insert Date</i>	
Stage 5 - Project Closure	T.B.C.	Subject to requirements

## 7.0 THE ENVIRONMENTAL CASE

As part of their initial feasibility study, Architype conducted an initial one day site survey and some subsequent modelling using the Passivhaus energy spreadsheet, PHPP9. The report of their work and findings can be found on pp. 19-20 of the feasibility study. The study looked at factors such as fenestration, insulation and temperature control. While the initial study was limited and more work will need to be done on this, comments in the study say that

‘the Passivhaus Enerphit standard should be achievable with modest levels of insulation’

and

‘initial explorations...highlight the significant savings in energy use that can be achieved by quite small reductions in average temperature but without any compromise on staff comfort’

While more extensive work needs to be done on the environmental case, it is clear that there are significant opportunities in applying EnerPHit principles to reduce the building’s carbon footprint.

## 8.0 LEGAL IMPLICATIONS

There are historic covenants in place on the use of the building which would need to be reviewed to ensure compliance. The original agreement in 1893 was for the building to be given to be a ‘free library’ for the city of Hereford. In 2000 the covenant was amended to allow the building to provide a museum and art gallery as well. The agreement is between the Chapter of Hereford Cathedral and Herefordshire Council.

Herefordshire Council’s Legal Team is currently reviewing the covenant and will provide advice on the required course of action and a strategy to support compliance with and/or request amendments to the existing covenant.

There is a legal obligation under the 1964 Museums & Public Libraries Act for Herefordshire Council to provide a ‘comprehensive and efficient’ library service. As the library is currently in the building due to be redeveloped for the museum project, the interdependencies of this project and the project to move the library to Maylord would need to be recognised and the legal obligation outlined to be borne in mind.

## 9.0 EQUALITY IMPACT IMPLICATIONS

Equality Impact Assessments will be carried out at the appropriate stage(s) of the project development. Guidance has been received from the Equality and Compliance Manager about the requirements for the project. An Equality Impact Assessment covering the project at the current position is attached as an appendix and will be reviewed on a regular basis as the project progresses.

## 10.0 HEALTH & SAFETY IMPLICATIONS

The health and safety of visitors to the site is paramount at all times. All staff and visitors will be expected to adhere to the health and safety guidance in force at the site at the time of their visit and to comply with any additional measures that might be in place to minimise the risks associated with Covid-19. Any external contractors working at site will be expected to wear the appropriate PPE for the task they are undertaking.



## 11.0 SOCIAL VALUE IMPLICATIONS

The project development and procurement processes will be guided by Herefordshire Council's Social Value Toolkit and Framework. This Framework ensures that for each procurement exercise with a value of over £75,000, Herefordshire Council will identify which of the Social Value Pledges and Key Value Indicators are relevant and proportionate to be included in each contract for inclusion.

To enable Herefordshire Council to ensure their commissioning and procurement provides the most effective response to Social Value, it is important to provide clear information on the council's Social Value position. Herefordshire Council's Social Value Pledges are:

- **Social and Community** - strengthen communities to ensure that everyone lives well and safely together.
- **Health and Wellbeing** - sustain resilient people and communities, increasing both physical and mental wellbeing.
- **Crime and Justice** - support our local people, communities, and businesses to feel safe in their homes, communities, and places of work.
- **Economy** - develop a strong local economy which builds on our rural county's strengths and resources.
- **Education and Skills** - develop and increase high quality education and training that enables local people to fulfil their potential.
- **Jobs** - support local businesses to grow jobs and keep unemployment rates low to help our rural county prosper.
- **Environment** - protect and enhance our environment and keep Herefordshire a great place to live and work.
- **Leadership** - Herefordshire Council to lead and encourage others to adopt forward-thinking strategies that develop, deliver, and measure social and local value.

Through understanding the priorities for the county, the council can promote the delivery of Social Value where it will have the most significant impacts for the residents of Herefordshire. Aligned to each of the pledges are key value indicators and their associated supplier commitments. These are provided in the framework spreadsheet available to all suppliers during the tender process. This approach ensures transparency for all types, legal structures, and sizes, of organisations when responding to social value questions in tender opportunities.

## APPENDICES - SUPPORTING EVIDENCE

Appendix 1 – Architype Feasibility Study for Hereford Museum and Art Gallery development, January 2021

Appendix 2 – Prince & Pearce report 'Income generation for a redeveloped Hereford Museum', July 2021

Appendix 3 – Risk Register. July 22<sup>nd</sup> 2021

Appendix 4 – Equalities Impact Assessment, July 2021

# Greening the City

## Business Case

Date: 24/6/21

## Version Control

Version	Date	Summary of Change	Author
0.1		First issue	

The first draft will be 0.1 and each successive draft of the document should be numbered sequentially 0.2, 0.3 and so on. The final version of the document is 1.0. Any incidental changes to the final live version should be numbered sequentially 1.1, 1.2, etc. If any major changes are made, the version number should be changed to 2.0. The person making the changes e.g. PMO Development Manager or SRO should track them (using tracked changes in Microsoft Word) and write a brief description of what has changed – or if there are major changes state “see track changes” in the Version Control Log. The version with the track changes should be saved before any are accepted or rejected. Once saved, the active version will be the next sequential number.

## Approvals

Gateway	Approved by	Role	Date
1 - OBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	
	Capital Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
2 - FBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	
	Capital Portfolio Manager	Sense check	
	HPMO	Sense check	

	Assurance Board	Sense check	
	Capital Programme Board	Council Programme oversight	
	Cabinet	Corporate fit	
	Full Council	Approval (capital programme)	
Gateway Review	Director PMO Assurance	Assurance	
3 - Delivery	<i>Project Board / Director / Programme Board</i>	<i>Note major changes and approvals during delivery</i>	
Gateway Review	Director PMO Assurance	Assurance	
4 – Handover & project review	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Board	Programme oversight	
	Assurance Board	Assurance	
	Capital Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
5 – Project Closure	Capital Portfolio Manager/ Head of PMO	Governance	
Gateway Review	Director PMO Assurance	Assurance	

Note: You don't need an actual signature but you should have an e-mail agreement or alternative method of audit trail to refer to.

## Distribution

This document has been distributed to

Name	Role	Date of issue	Version

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**The Outline Business Case has been submitted as requested below. Please note - the information contained is subject to change as we continue to develop the Full Business Case (developing design, costings, seek planning approval etc). The council is not committed to the implementation of the project (or related expenditure) until the Full Business Case is approved, and funding terms agreed.**

## **1.0 PROJECT DESCRIPTION**

Greening the city project will significantly improve the appearance and attractiveness of the city through the commencement of a range of interrelated cycling/walking, greening, public realm, and digital connectivity projects - significantly enhancing Hereford as a place to visit, learn, live, work and invest.

The programme will contain a suite of individual but complementary projects, including the following activities:

- Improvements to the cycle and walking infrastructure across the city, supporting the development of a free flowing network by increasing the number of access points on the network, provide additional ATM routes and improve the visual appearance and improve security on existing routes.
- Enhancements to the public realm at key entry points to introduce a welcoming public environment.
- Enhancing the visitor experience by providing digital information points across the city to provide visitors with key information about local attractions and features such as the river, as well as signposting to business clusters such as independent retailers, food and drink outlets.
- Introducing Green infrastructure at prominent locations across the city centre to improve the visual appearance of the city, increase the biodiversity, reduce carbon and differentiate the city as a “green” city. Green infrastructure could include – green walls, trellis systems, green screens, parklets, or street furniture incorporating greenery.

## **2.0 STRATEGIC CASE**

### **2.1 Project aims and objectives**

The project will significantly improve the environment of the city centre, through the commencement of a range of projects that are both complementary to, and add value, to a number of current and planned initiatives; aiming to make Hereford an accessible, vibrant and bustling centre that people want to visit and explore. The suite of interrelated projects include building and open space greening, additional public realm improvements, cycling/walking and digital connectivity projects which will significantly enhance Hereford as a place to visit, learn, live, work and invest.

The project objectives are:

- Support the overall vision of Active Travel, to make active travel in Hereford the natural choice for journeys in and around the city centre
- Enable economic growth by delivering and supporting an active travel network that supports mobility innovation and is suitable for all users
- Support Herefordshire Council’s target of becoming carbon neutral by 2030 by following the green infrastructure plan (Map at Annex 1, greening the city and providing the infrastructure for active travel, resulting in improved air quality.
- Encourage modal shift to walking and cycling and promote active travel as an affordable, cost effective, convenient, safe and healthy mode of transport - resulting in numerous benefits including improved physical health and well-being, improved air quality, reduced city centre

congestion, improved access to the city centre and associated services, as well as supporting the development of a free flowing network (including integration with the wider ATM network)

- Increase the number of visits to the city centre, increase dwell times and create positive first and lasting impressions that result in repeat visits
- Improve the sense of pride and place within the city for both residents and visitors by enhancing the local distinctiveness; through greening the city centre and creating calming, inviting public open spaces that encourage people to interact in different ways with the city centre
- Improve accessibility to the city centre through improved cycle and walking routes, overcoming physical barriers
- Encourage easier navigation and orientation from key entry points with the addition of digital signage and key focal points
- Improve access to the city centre and associated employment, recreation, health and transport services for residents south of the river through enhanced walking and cycling routes.

## 2.2 Strategic Drivers

### 2.2.1 National and Regional

- Stronger Towns Fund is part of the Government's plan to improve the UK economy
- The Environment Bill, which is currently progressing through Parliament, is anticipated to be the most radical environmental legislation to date and includes the introduction of general duty to enhance biodiversity in England and Wales, as well as the introduction of biodiversity net gain for any future developments
- Department for Transport's Cycling and walking Investment Plan (2016); NICE: Physical Activity and the Environment
- The Marches LEP Strategic Economic Plan identifies that growth will be enabled through the generation of high quality places to live and invest and that Hereford, along with Shrewsbury and Telford, is a node for employment generation and wider service delivery as envisaged within the TIP

### 2.2.2 Local

Your project must directly support at least one of the County Plan priorities.

Please indicate in the box below which priority(s) the project addresses

County Priority – please select from	Tick ✓ below where applicable	Delivery Plan Reference(s)
Community		
Economy	✓	EC5 - Protect and promote our heritage, culture and natural beauty to enhance



		quality of life and support tourism
Environment	√	<p>EN2 - Improve and extend active travel options throughout the county</p> <p>EN7 - Protect and enhance the county's biodiversity, value nature and uphold environmental standards</p>

Cycling and walking improvements – by delivering improvements to cycle and walking infrastructure within the city this aspect of the programme will directly address the priority to improve and extend active travel options throughout the county (see map – TIP projects highlighted in yellow).

Specifically, the project will provide enhanced active travel infrastructure between communities in the deprived areas south of the river and the range of services, leisure facilities and employment in and around the city centre by making improvements to the Great Western Way cycle route from Belmont through to Widemarsh. In addition, improvements will be made on the Old Wye Bridge gateway and upgraded to a shared use path on Hinton Road.

In addition, improved cycle infrastructure will be developed to connect the Railway Station with the education facilities at Aylestone Hill (first tranche is funded via Active Travel Fund) and beyond that to the Park and Choose facilities at Aylestone Park. This will connect students and commuters with dedicated cycle and walking infrastructure to the city centre, as well as residential areas to the north of the city centre.

Enhancing the visitor experience – delivering digital information points across the city, which signpost visitors to local attractions and features, will enhance their experience and guide them to/make them aware of places of interest. This will directly address the priority to promote our heritage and culture by supporting tourism in the city. It has the ability to increase tourism dwell times, improve footfall across the city, and benefit businesses / attractions located outside of the city core.

Enhancements to the public realm and greening – introducing greenery to the city, both in the city centre and at key entry points, will provide a unique and distinctive feature that will differentiate Hereford from other towns and cities as well as boosting biodiversity and bringing a range of other benefits. Through the use of native species this project will directly contribute to the priority - seeking to enhance the county's biodiversity. There is an additional cross over with the priority to promote and support tourism.

The proposed projects will support the recovery of the local economy following Covid 19.

Both the connectivity and accessibility - and the sense of place elements - of the project align with international climate emergency and contributes to the aims and objectives in the Carbon Management Plan 2020/21 (supporting carbon neutral target by 2030).

## 2.3 Background and Rationale in Project Mandate

The focus of this programme of projects is to improve accessibility into the city, mitigate the access issues presented by physical infrastructure (such as the ring road and A49T through the city) through the provision of enhanced cycling and walking routes.

Hereford has limited access routes that join the predominately residential areas to the south of the river with the range of employment, leisure, culture and retail. By providing a unique and welcoming environment that features green infrastructure at key entry points, and providing easy to access, up to date and accurate information through new digital information points, the project will enhance the visitor offer, increase visits (day and overnight) and dwell times which are proven to lead to increased spend. The significantly enhanced environment, connectivity, and digital information will also help attract higher education students to study in the city, critical to addressing our long term economic challenges (developing higher level skills, and retaining a younger generation to live and work in the county).

There is considerable potential to increase the number of non-vehicular journeys within Hereford city. Increasing the popularity of active travel measures (cycling and walking) will relieve pressure on the road network and offer a more sustainable and healthy form of transport across the city.

The intention is to improve one of the principle active travel routes – the Great Western Way - which runs from the Belmont and Newton Farm residential areas northwards across the river to Widemarsh. This route runs parallel to the A49 and connects residential areas with employment and service areas in and around the city centre. Improvements would include upgraded and additional lighting, widening and carriageway improvements, crossing and access upgrades, and safety measures.

The project also includes improvements to another north/south link across the river at the Old Wye Bridge and onto Hinton Road – upgrading to a shared use path improving the safety to both pedestrians and cyclists.

In addition, the active travel route from the city centre and railway station to, and beyond, Aylestone Hill, will be improved and extended (part of which is funded via Active Travel Fund) and beyond, which forms part of this project. This will link the Railway Station and education provision at Aylestone Hill, and the Park and Choose facility at Aylestone Park. This provision will provide better active travel access for students and commuters coming from the north of the city.

The programme will improve the visitor experience through the provision of improved public open spaces and greening key focal points within town and assistance with navigation and orientation with the use of digital signage.

The visitor economy is a key sector to the Herefordshire economy, although currently only a relatively small proportion of visitors to the wider county visit the city. The project is seeking to redress this by encouraging visitors to come into the city by sustainable means and when there, to provide an enhanced experience through the provision of information and a unique environment which uses green infrastructure to enhance the public realm.

These sense of place elements will look to change perceptions of the city by introducing significant amounts of greening. This will lead to a more welcoming and unique place to visit and spend time within, leading to increased footfall in the city centre as well as longer dwell times.

The sense of place element involves introducing green infrastructure on and around prominent buildings and key access points / vistas within the city, such as Widemarsh Street, Commercial Road/Street, Broad Street and High Town. Introducing green infrastructure will significantly change the impression and experience within the city and help differentiate Hereford as a city with local distinctiveness and connections into its surrounding landscape.

Complementing these installations, the project will look to introduce enhanced signage at key visitor access points where improvements are required to create a welcoming experience and provide a clear sense of arrival and direction to the city centre.

This element will introduce new digital visitor signage highlighting routes into and across the city, directing to points of visitor interest such as the river, cathedral and museum, and giving real time information on traffic, activities and events taking place within the city, and the retail offer.

These interrelated projects will significantly improve the environment of the city and will complement, and add value to, a number of current and planned initiatives including Hereford City Centre Improvements Project, Hereford City Centre Transport Project, countywide Active Travel Measures and two projects that have received funding as part of the Accelerated Funding phase - eBikes and tree planting.

These projects also aim to emphasise the importance of green interventions to help achieve the targets not only outlined in the Towns Fund Guidance but those set by the council in the Carbon Management Plan 2020/2021, Local Transport Plan including the Local Cycling and Walking Infrastructure Plan, The County Plan and the Herefordshire Biodiversity Action Plan.

Collectively the projects in this package will generate increased connectivity and accessibility, create an enhanced sense of place, and generate a different visitor offer leading to increased visitor numbers and subsequent increased employment.

## **2.4 Scope**

### **2.4.1 In-Scope**

The programme will contain a suite of individual but interlinked projects, including the following activities:

- Improvements to the Great Western Cycleway by improving the visual appearance, improving security, increasing the number of access points, to increase the number of people who regularly use the cycle route to travel across the city in north to south orientation, reducing congestion and addressing some inequalities by improving access to the city centre and associated services.
- Improvements to the Aylestone Hill cycle route by improving the connectivity from the Park and Choose to the city centre. With improved safety, access points, and connectivity this will lead to an increased number of people who regularly use the cycle route to travel across the city to employment or education, reducing congestion and making travel more accessible and affordable.
- Enhancing the visitor experience by providing digital information points across the city to provide visitors with key information about local attractions and features such as the river, Hereford Cathedral, Castle Green as well as signposting to business clusters such as independent retailers, food and drink outlets, and key public buildings like the museum.
- Gateway improvements at key road access points providing a welcoming environment and delineating Hereford from its hinterland.
- Green infrastructure at prominent locations and public and private buildings across the city centre to improve the visual appearance of the city, increase the biodiversity, reduce carbon and differentiate the city as a “green” city.

### **2.4.2 Out of Scope**

Public realm and active travel improvements within the city centre are out of scope of the Greening the City project as these interventions will be included within the Hereford City Centre Improvements Programme (HCCIP).

Any sustainable or active travel measures required of a development and included within either the conditions of a planning permission or as part of a S106 agreement will be out of scope.

## **2.5 Benefits**

## The anticipated benefits of the proposed project are:

### 2.5.1 Cashable benefits

It is predicted that there is potential for additional dwell time and visitor spend within the city as a result of the increased connections, improved wayfinding information, and more pleasant environment. Providing a definable measurement of these benefits has not yet been achieved and some specialist economic modelling work will be required to provide these benefits.

### 2.5.2 Non-cashable benefits

- Improved access into and around the town through enhanced walking and cycling infrastructure.
- 
- The improved signage in and around the city will give a clearer direction to visitors and residents of the various focal points within the city and the availability of car parking and other attractions. This will lead to reduced congestion and a higher approval rating for the city.
- 
- The improved cycle path infrastructure will lead to increased use of sustainable travel measures across the city as the greater number of access points and improved security encourages people to use the infrastructure.
- 
- Greening will add to the local distinctiveness of Hereford as a place to live, visit, work and learn and provide an enhanced environment, encouraging longer dwell times by all who use the town.
- 

Protecting and enhancing local biodiversity and air quality, reduced greenhouse gas emissions from transport

Improving Public Health & Wellbeing

Support for local businesses by increasing footfall within the town and visitor dwell times

Benefits of introducing “Green” infrastructure such as green walls, trellis systems and green screens:

Social Benefits	Private Benefits
<b>Aesthetics</b> Planting patterns with varied species provide a stunning alternative to common building products.	<b>Aesthetics</b> Planting patterns with varied species provide a stunning alternative to common building products.
<b>Increased Biodiversity</b> Living walls provide an alternative ecological habitats for insects, bats and birds.	<b>Branding Opportunity</b> Presenting brand logos with foliage is a unique environmental statement.
<b>Social Impact</b> Enhancing public areas can reduce vandalism including graffiti. Positive impact on both physical health and mental well-being.	<b>Staff Morale</b> Many studies have shown the positive effect that plants can have on staff morale in the workplace.
<b>Sound Insulation</b>	<b>Sound Insulation</b>

Whether indoors or outside, plants absorb and deflect noise.	Whether indoors or outside, plants absorb and deflect noise.
<b>Temperature Regulation</b> Reduces the effects of 'urban heat island' in cities. Also acts as insulation to regulate. A building's temperature can allow for the reduction in air conditioning requirements.	<b>Property Value</b> Living walls have the potential to increase residential and commercial property value, and can also help secure planning permission.
<b>Improved Air Quality</b> Plant leaves filter out pollutants from the air and absorb dust particles.	<b>Structure Protection</b> Outdoor structural protection from both ultraviolet rays and acid rain is increasingly important. Plants provide a natural answer to both of these considerations.

### 2.5.3 Dis-benefits

None identified at this stage.

## 2.6 Risks

The key risks identified are:

Risk	Mitigation
Cost overruns could occur due to construction or cost inflation of materials, a change of project scope, or change of legislation or design and this could impact on the scale of project delivery.	Mitigation – Council Project Management Team will be engaged to manage the project and ensure that project scope is kept to the brief. The green infrastructure works will present a range of potential interventions that can be scaled. Cost overruns would inevitably then mean that less is delivered but the risk of overall budget being exceeded would be significantly reduced.
Permissions will be required for the projects from a range of parties to include Highways, Planning and building owners specifically for installations of green walls. This will be facilitated by the fact that Herefordshire will be delivering the schemes themselves and there is opportunity to use their own buildings throughout the town centre.	Mitigation – early engagement with the planners has already occurred to investigate the broad planning requirements. Formal pre app advice has been sought concerning greening of buildings.
Existing buildings may not be structurally sound for the proposals to be taken forward. Surveys need to be taken at the next stage to identify feasible locations.	Mitigation – building survey costs will be included within the feasibility costs for setting up greening. A number of potential locations will be identified that could be green walled, these will be prioritised, with the assistance of the Steering Group mentioned below. If a building is considered to be structurally unfit for green wall infrastructure then the next location on the list will be approached.

The proposed model for the green walls is to engage with private sector landlords to install infrastructure on or around their buildings. There is a risk that they may not have an interest in pursuing this. Engagement needs to be undertaken at the next stage to determine interest.	Mitigation – early engagement of organisations such as Hereford BID, Hereford City Council, Chamber of Commerce, and Hereford in Bloom to establish potential demand at full business case stage.
It is unclear currently how much infrastructure is in place for the digital signage such as AV or data.	Further exploration at FBC stage including potential engagement of specialist utility consultants.
Stakeholder engagement needs to be well-planned and regular, to ensure local buy-in and engagement. This will include local businesses and town centre users.	Mitigation – involve Hereford BID, Hereford in Bloom and Hereford City Council as key stakeholders in the project through a combined Steering Group that brings in their experience and knowledge of the city and the business base. Undertake early business consultation, in particular where it impacts on open space and physical public realm.

## 2.7 Constraints and Dependencies

Initiatives which depend on this project are:

None identified.

This project depends on:

There are no project dependencies, but the project does complement a number of on-going projects including the range of active travel measures in the city, the Hereford City Centre Improvement Scheme, and the Accelerated Funding financed St Owens Street cycle contraflow, eBikes scheme and tree planting scheme.

## 2.8 Stakeholders

Hereford City Council as the local parish council with elected representation

Hereford BID as a representative of over 500 businesses including multiples and independents from a range of sectors

Hereford Civic Society as the local interest group in the public realm and built environment.

Businesses across the city who may be directly impacted

Hereford based businesses and investors/property owners

Hereford City Tree Wardens

Herefordshire Tree Forum

Herefordshire Wildlife Trust – Hereford Group

Hereford in Bloom

Cyclists – navigating the town

Several partners identified in the above list could be directly involved in the project delivery, either as a potential source of revenue income or through use of their resources. It is proposed to form a Steering Group from these direct partners, these are likely to be the Hereford BID and Hereford City Council. The other interested parties will be asked to join a consultative group that is engaged to inform the composition and delivery of the project. Whilst the strategic intent and ambition will be broadly set out by the council, representative views will be sought on the detailed delivery – for example, the proposed implementation of green infrastructure – the appropriate mix of species – the best locations for interventions.

## 3.0 ECONOMIC CASE

### 3.1 Critical success factors

- Support the overall vision of Active Travel, to make active travel in Hereford the natural choice for journeys in and around the city centre and integrate with the wider network
- Connect the more deprived communities south of the city with the jobs and range of leisure, retail, health, and transport services that are located north of the city through enhanced walking and cycling routes including two ATM river crossings
- Support Herefordshire Council's target of becoming carbon neutral by 2030
- Increase the number of visits to the city centre, increase dwell times and create positive first and lasting impressions that result in repeat visits
- Complement public realm improvement projects and add value by extending these two key areas and key gateways into the town
- Improve the sense of pride and place within the city for both residents and visitors by enhancing the local distinctiveness; through greening the city centre and creating calming, inviting public open spaces that encourage people to interact in different ways with the city centre
- Encourage easier navigation and orientation from key entry points with the addition of digital signage and key focal points

### 3.2 Options and Do Nothing Option

#### 3.2.1 Long-List of options

*The long list of options identified below has been based on their ability to deliver the critical success factors identified above.*

Option	Short-list Y/N	Reasons
Do nothing	Y	There is circa £2m cost pressure on the overall Towns Fund budget. Cutting this as a project would significantly reduce the budgetary pressure and enable all other Towns Fund projects to proceed -benefiting a wide range of community groups

Deliver a wider range of Active Travel Measures as opposed to green infrastructure or signage	Y	Improving connectivity across the city has been identified during the public consultation as a key driver for the project, and one of the critical success factors
Deliver a wider range of green infrastructure measures as opposed to active travel measures or signage	Y	Providing increased green infrastructure within the city has been identified during the public consultation as a key driver for the project and one of the critical success factors due to its ability to differentiate the city from other locations and improve the perception of the city
Provide a balance of green infrastructure and Active Travel Measures	Y	This approach meets a wide range of critical success factors without excluding others. It is a complementary suite of projects that also aligns with other projects within the TIP
Provide a range of sustainable transport options to include electric buses, tram systems, ebikes, or other measures to better connect the city and improve green credentials	N	Projects are likely to be either outside of the scale of the Towns Fund in terms of remit or price – tram systems, or already being considered by other Towns Fund projects or the council – electric buses/ebikes.

### 3.2.2 Short-list of options

Option 1 – Do Nothing	
Cost	£0
Benefits	None
Deliverability	No delivery risk.
Pros	There is circa £2m cost pressure on the overall Towns Fund budget. Not delivering this project would significantly reduce the budgetary pressure and enable all other Towns Fund projects to proceed -benefiting a wide range of community projects
Cons	<p>There would be nothing within the TIP to address the connectivity issues north / south across the city. Communities south of the river would not benefit from improved walking and cycling routes in the city centre and benefits of improved connections on the Aylestone ATM routes would not be recognised.</p> <p>The benefits associated with improved ATMs at the river crossings and green infrastructure, specifically those relating to</p>



	enhancement of the public realm and increased dwell time for visitors would not be realised.
<b>Recommendation</b>	Not taken forward

**Option 2 – Deliver a wider range of active travel measures as opposed to green infrastructure or signage.**

<b>Cost</b>	£1.5m
<b>Benefits</b>	Improving connectivity across the city has been identified during the public consultation as a key driver for the project and one of the critical success factors
<b>Deliverability</b>	Would require permissions for works within highway. Would require detailed design for the works. Ownership of the significant majority of work would be within the public highway and within council control
<b>Pros</b>	Would maximise the benefit of connectivity elements to the TIP and enable an increased focus on improving the connectivity across the city
<b>Cons</b>	Would detract from the green infrastructure and improve wayfinding elements of the project that were identified as important within the community consultation
<b>Observations</b>	
<b>Recommendation</b>	Reject

**Option 3 – Deliver a wider range of green infrastructure measures as opposed to active travel measures or signage.**

<b>Cost</b>	£1.5m
<b>Benefits</b>	Improving the visual appearance of the city through the targeted use of green infrastructure has been identified during the public consultation as a key driver for the project and one of the critical success factors
<b>Deliverability</b>	Depending on the interventions undertaken would require permissions for works on privately owned buildings. Securing this might take time and there is no certainty that the buildings / areas most in need of enhancement would be available to

	participate within the project. Would require detailed design for the works
Pros	Would maximise the benefit of green infrastructure elements to the TIP and enable an increased focus on improving the physical appearance of the city
Cons	<p>Would detract from the active travel and improved wayfinding elements of the project that were identified as important within the community consultation</p> <p>There is uncertainty whether the project would get sufficient private sector engagement to spend the whole budget on green infrastructure. this is particularly an issue when green infrastructure would be required to be located on private sector owned buildings</p>
Observations	
Recommendation	Reject

Option 4 – Provide a balance of green infrastructure and Active Travel Measures.	
Cost	£1.5m
Benefits	<p>Improving connectivity across the city and enhancing its visual appearance have both been identified during the public consultation as a key drivers for the project and one of the critical success factors</p> <p>Would enable a blended approach to the delivery of the project and ensure that two elements identified within the TIP are addressed</p>
Deliverability	<p>Depending on the interventions undertaken would require permissions for works on privately owned buildings. Securing this might take time and there is no certainty that the buildings / areas most in need of enhancement would be available to participate within the project. Would require detailed design for the works</p> <p>Would require permissions for works within highway. Would require detailed design for the works. Ownership of the</p>

	significant majority of work would be within the public highway and within council control
Pros	<p>Enables two elements of the TIP that the Board, and community engagement, considered important to be taken forward.</p> <p>Brings both Active Travel connectivity and green infrastructure benefit</p> <p>Having a more limited expenditure on green infrastructure enables the testing of the market to establish whether the range of potential interventions are deliverable and enjoy private sector engagement.</p>
Cons	Having a blended approach may mean that the benefit is diluted and benefit from focusing on one of the two main elements is not achieved
Observations	
Recommendation	Approve

### 3.2.3 The preferred option

Option 4 – Provide a balance of green infrastructure and Active Travel Measures.

## 4.0 COMMERCIAL CASE

### 4.1 Required services

New interactive signage to allow signposting to points of interest, routes to the city centre and route circuit walks. Style to match existing city centre finger post and mapping signage.

Improvements to the Great Western Way cycle and pedestrian infrastructure to include: improved access points, new lighting, vegetation removal, and repaved cycleway. The exact range of services to be procured will be influenced by the detailed design of the route.

Path widening at the Old Wye Bridge and onto Hinton Road to improve safety of pedestrians and cyclists and improve river crossing.

Improvements to the Aylestone Hill cycleway, to include crossing improvements for Active Travel, improved segregation and connection, improved pedestrian and cycle crossings and upgrade to existing Park and Choose (improving capacity and attractiveness).

A range of green infrastructure services to include sedum roofed bus and cycle shelters, green wall installation, trellis system installation, green parklets to enable on street activity / café seating / cycle parking, moss sculptures. Service cost to be provided on a per item or per sqm basis to allow scaling and flexibility when determining the required infrastructure.

## 4.2 Potential/Agreed risk transfer

The council as the project promoter will ultimately be responsible for risk generated by the project costs, timescales and delivery. A risk assessment has been undertaken which identifies risks and required mitigation.

Discussions are ongoing between the council and the Hereford BID and City Council with regard to the ongoing operation and responsibility for the interactive signage. The council are negotiating that either the BID or City Council become the responsible party for updating, managing and maintaining the signage. Either of these parties would be the risk owner for the ongoing costs associated with this element of the project.

The location and type of the green infrastructure will determine who is the risk owner and responsible for ongoing costs and maintenance:

- Sedum roofed bus shelters will be the responsibility of the council.
- Green walls will be the responsibility of the building owner.
- Parklets could be either the responsibility of the council if community orientated or business if used for specific business purposes.
- Trellising or green fencing will be the responsibility of the building owner.

The council will be the risk owner for any active travel measure infrastructure.

## 4.3 Proposed/Agreed charging mechanism

Details to follow at FBC stage but considerations already being taken into account include:

Depending on location and size there is the potential for building owners to be requested to make a contribution towards the cost of installing green wall infrastructure. Private sector landlords will be required to sign up to a minimum term period (potentially 5 years) for management and maintenance costs.

Parklets have potential to be charged to specific business owners depending on use and location. For example, they could accommodate external seating for a restaurant/café/public house where there has been no previous provision.

## 4.4 Proposed/Agreed contract lengths

Details to follow at FBC stage but considerations already being taken into account include:

Should Parklets be leased to specific business owners it is likely that contracts would be renewable annually.

Interactive signage would be renewed on an annual basis to ensure that information and maintenance is up to date, contract length could be for three years to maintain continuity of supply.

## 4.5 Proposed/Agreed key contractual clauses

Details to follow at FBC stage.

## 4.6 Personnel implications (including TUPE)

It is anticipated that TUPE will not apply to this investment.

## 4.7 Procurement Strategy and implementation timescales

*Detail and list below:*

Detailed procurement advice will be required to inform the procurement strategy. The procurement and installation of green infrastructure is likely to be undertaken on a per item basis, for example x number of sedum bus shelters, y sqm meters of green wall. The infrastructure for Active Travel Measures is likely

to be procured in a single package. The Project Team will follow the procurement route published on the council thresholds for each element of the project, for example, invitation to quote, open tender, framework etc.

## 5.0 FINANCIAL CASE

Please complete these tables if you are able and where the funding and/or income is known or can be accurately estimated. It is accepted that accurate costs may not be known at the start of the full business case where the preferred option is yet to be developed.

It is vital however, that you assess and note any future revenue funding requirements as a result of the project, for example: additional or new building costs, service, licence or maintenance charges, and changes to staffing or services.

If figures are not available, then provide a written statement outlining the anticipated costs, funding and changes, accompanied by an explanation of how these will be funded in the explanatory text box within each section.

### 5.1 FUNDING TABLE

Estimated total Capital cost of project (if known)	2022/23	2023/24	2024/25	Future Years	Total
	£000	£000	£000	£000	£000
Active Travel Improvements	225	646	120		991
Green Infrastructure	134	135			269
Interactive Signage		90			90
Project Management Fees (est. 10% project value)	40	100	10		150
<b>TOTAL</b>	<b>399</b>	<b>971</b>	<b>130</b>		<b>1,500</b>
<b>EXPLANATORY TEXT:</b> Once initial designs are undertaken					

Potential Funding streams (if known)	2022/23	2023/24	2024/25	Future Years	Total
	£000	£000	£000	£000	£000
Towns Fund capital	399	971	130		£1.5m
<b>TOTAL</b>					<b>£1.5m</b>
<b>EXPLANATORY TEXT:</b> <p>This is the total awarded by the Towns Fund Board for the project at TIP submission date. It is now known that the government award requires a reduction in the overall budget by at least £1.6m and that there is the potential for a reduction in the funding awarded to this project. Should this be the case then the project scope would be scaled back to reflect the available budget.</p> <p>It is unlikely that there are any other immediate funding sources for this activity. The Active Travel Measures have been high level costed as part of the Designated Funds Bid to Highways England, however, as yet, the three elements contained within this project do not have funding.</p> <p>It may be possible to encourage individual private sector partners to introduce green infrastructure on or around their premises at their cost but would result in an uncoordinated and disparate programme of installation over which the Towns Fund Board and council would have no control.</p>					

Project Revenue budget implications (if known)	2021/22	2022/23	2023/24	Future Years	Total
note any impact on revenue budget, good or bad	£000	£000	£000	£000	£000

<b>TOTAL</b>					
<b>EXPLANATORY TEXT:</b> <p>In terms of an ongoing revenue budget it is anticipated that both the connectivity and accessibility, and the greening the city project elements and the sense of place element will both have some form of ongoing revenue implications.</p> <p>In terms of the sense of place element this will involve working with a range of partners such as the Hereford City BID, the City Council, and individual business and building owners. This range of partners and their roles and responsibilities will determine the location of ongoing revenue costs for example the revenue costs of maintaining a green walled private building will be incurred by the building owner.</p> <p>It is anticipated that the revenue costs for the connectivity and accessibility element will be managed through the council's public realm contract in the same manner that any other network infrastructure improvements would be funded.</p>					

## 6.0 MANAGEMENT CASE

### 6.1 Project Management Arrangements

The project will be delivered as a programme of interrelated projects, each with their own Lead Officer/Team within Herefordshire Council. The Lead Officer will be supported by internal corporate project management and a Programme Manager will be required to oversee the programme delivery.

Each element of the programme will be delivered in a different way. It is envisaged that the physical work making improvements to the cycle infrastructure will be operated as construction contracts procured through an open competitive tender process. Other elements such as the greening infrastructure of buildings and public open spaces, will be delivered via direct procurement of goods and services, some elements may operate both as a grant scheme where private landlords receive grant support to introduce greenery to their premises, and operate as a construction contract which is procured through an open competitive tender.

The interactive signage project will be commissioned through a competitive tender process in the case of the signage.

### 6.2 Use of Consultants

As the project develops, and to inform the FBC, engineering support will be required to undertake detailed designs for the active travel infrastructure, this will need to be commissioned via a procurement process.

The green infrastructure element, with its flexibility of interventions, will require different support depending on the activity. An intervention such as a parklet for use by a café will need design support but this is likely to be provided by the supplier, whereas greening a building will need specialist support in terms of building surveyors, designers, and ecologists.

Utility design engagement may be required to ensure that the interactive signage is able to access the required connectivity.

### 6.3 Arrangements for benefits realisation

To be confirmed as project business case develops.

## 6.4 Arrangements for post project evaluation

To be confirmed but the evaluation could cover;

- The usage of the Great Western Way, Old Wye Bridge gateway and Aylestone Hill cycle routes
- Footfall and dwell times within the city centre
- Air quality within the city
- Visitor perceptions

## 6.5 Timeframes

Stage/Milestone	Indicative Date	Comments
Stage 0 - Project Mandate approved	<i>January 2021</i>	Project mandate was approved and submitted.  £1.5 million allocated to the project by Stronger Towns in June 2021
Stage 1 - Outline business case completed	<i>July 2021</i>	
Stage 2 - Full business case completed	<i>April 2021</i>	
Full Council approval	<i>Insert Date</i>	
Approval to spend obtained	<i>Insert Date</i>	
Stage 3 - Delivery	<i>From August 2022</i>	This is a target date that will depend on when government release funds for Towns Fund works.
<i>Insert key milestone</i>	<i>Insert Date</i>	
<i>Insert key milestone</i>	<i>Insert Date</i>	
Stage 4 – Handover	<i>Insert Date</i>	
<i>Insert key milestone</i>	<i>Insert Date</i>	
Stage 5 - Project Closure	<i>Insert Date</i>	

## 7.0 THE ENVIRONMENTAL CASE



There is a strong environmental case to be made for all elements of this project. The Active Travel Measures are intended to improve non-vehicular travel within the city, reducing congestion and improving air quality.

The green infrastructure elements are intended not only to improve the physical appearance of the city but also to improve biodiversity, improve air quality, provide sound insulation and temperature regulation of buildings.

The specific environmental benefits of the projects will be developed in more detail as the FBC progresses and the detailed design and interventions are known.

## 8.0 LEGAL IMPLICATIONS

There is no legal obligation to undertake these works.

Legal Agreements with owners of buildings.

## 9.0 EQUALITY IMPACT IMPLICATIONS

Equality Impact Assessments will be carried out at the appropriate stage(s) of the project development. Guidance is being sought from the Council's Equality Compliance Manager on the appropriate time(s) in the development of the project when such assessments should be undertaken.

## 10.0 HEALTH & SAFETY IMPLICATIONS

## 11.0 SOCIAL VALUE IMPLICATIONS

The project development and procurement processes will be guided by Herefordshire Council's Social Value Toolkit and Framework. This Framework ensures that for each procurement exercise with a value of over £75,000, Herefordshire Council will identify which of the Social Value Pledges and Key Value Indicators are relevant and proportionate to be included in each contract for inclusion.

To enable Herefordshire Council to ensure their commissioning and procurement provides the most effective response to Social Value, it is important to provide clear information on the council's Social Value position. Herefordshire Council's Social Value Pledges are:

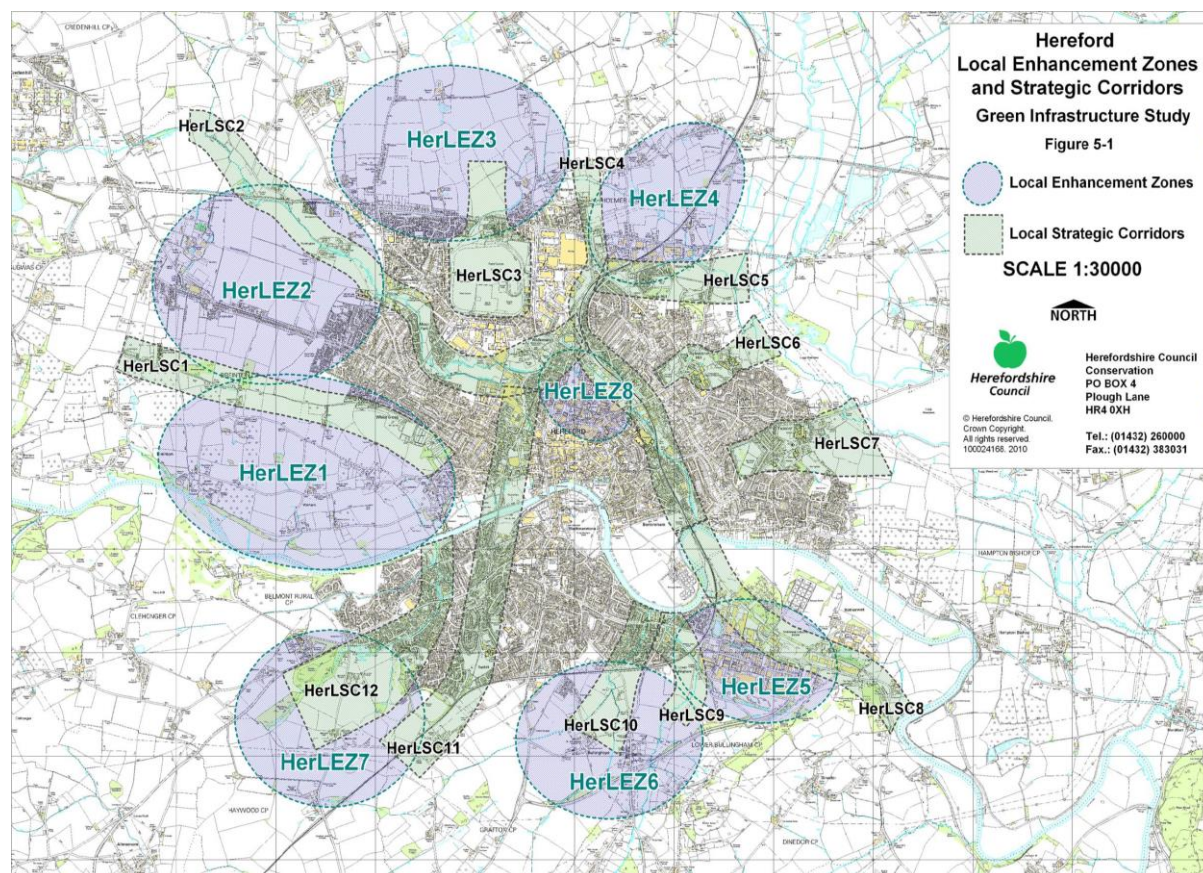
- **Social and Community** - strengthen communities to ensure that everyone lives well and safely together.
- **Health and Wellbeing** - sustain resilient people and communities, increasing both physical and mental wellbeing.
- **Crime and Justice** - support our local people, communities, and businesses to feel safe in their homes, communities, and places of work.
- **Economy** - develop a strong local economy which builds on our rural county's strengths and resources.
- **Education and Skills** - develop and increase high quality education and training that enables local people to fulfil their potential.
- **Jobs** - support local businesses to grow jobs and keep unemployment rates low to help our rural county prosper.
- **Environment** - protect and enhance our environment and keep Herefordshire a great place to live and work.
- **Leadership** - Herefordshire Council to lead and encourage others to adopt forward-thinking strategies that develop, deliver, and measure social and local value.

Through understanding the priorities for the county, the council can promote the delivery of Social Value where it will have the most significant impacts for the residents of Herefordshire. Aligned to each of the pledges are key value indicators and their associated supplier commitments. These are provided in the framework spreadsheet available to all suppliers during the tender process. This approach ensures transparency for all types, legal structures, and sizes, of organisations when responding to social value questions in tender opportunities.

## APPENDICES - SUPPORTING EVIDENCE

Annex 1 – Green Infrastructure Plan – map of Hereford city

Annex 2 – Towns Fund Active Travel Schemes Context Map



# **Maylord Orchard Redevelopment and Learning Resource Centre**

## **Outline Business Case**

Date: 12/7/21

## Version Control

Version	Date	Summary of Change	Author
0.1	January 2021	First issue	
0.2	12 <sup>th</sup> July 2021	Update for Grant Application Submission	

The first draft will be 0.1 and each successive draft of the document should be numbered sequentially 0.2, 0.3 and so on. The final version of the document is 1.0. Any incidental changes to the final live version should be numbered sequentially 1.1, 1.2, etc. If any major changes are made, the version number should be changed to 2.0. The person making the changes e.g. PMO Development Manager or SRO should track them (using tracked changes in Microsoft Word) and write a brief description of what has changed – or if there are major changes state “see track changes” in the Version Control Log. The version with the track changes should be saved before any are accepted or rejected. Once saved, the active version will be the next sequential number.

## Approvals

Gateway	Approved by	Role	Date
1 - OBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	
	Capital Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
2 - FBC	SRO	Owner	
	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Delivery Board	Programme oversight	

	Capital Portfolio Manager	Sense check	
	HPMO	Sense check	
	Assurance Board	Sense check	
	Capital Programme Board	Council Programme oversight	
	Cabinet	Corporate fit	
	Full Council	Approval (capital programme)	
Gateway Review	Director PMO Assurance	Assurance	
3 - Delivery	<i>Project Board / Director / Programme Board</i>	<i>Note major changes and approvals during delivery</i>	
Gateway Review	Director PMO Assurance	Assurance	
4 – Handover & project review	Project Board	Detailed project oversight	
	Director	Service Director	
	Programme Board	Programme oversight	
	Assurance Board	Assurance	
	Capital Programme Board	Council Programme oversight	
Gateway Review	Director PMO Assurance	Assurance	
5 – Project Closure	Capital Portfolio Manager/ Head of PMO	Governance	
Gateway Review	Director PMO Assurance	Assurance	

Note: You don't need an actual signature but you should have an e-mail agreement or alternative method of audit trail to refer to.

## **Distribution**

This document has been distributed to

Name	Role	Date of issue	Version

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## **APPENDICES - SUPPORTING EVIDENCE**

**This Outline Business Case has been submitted as requested. Please note the information it contains is subject to change as we continue to develop the Full Business Case. This will be subject to further developing the design, costings, seeking planning approval etc. Herefordshire Council is not committed to the implementation of the project (or related expenditure) until the Full Business Case is approved and funding terms agreed.**

## **1.0 PROJECT DESCRIPTION**

The purpose of the project is establish a new Learning Resource Centre (LRC), creating a mixed development to support the regeneration of the city centre as a whole, and to modernise the atrium space of Maylord Orchard Shopping Centre.

Maylord Orchard Shopping Centre is a strategically significant site located at the heart of Hereford city centre. The council secured control of the site in June 2020 to enable its redevelopment to support the regeneration and the diversification of the city centre as a whole.

The previous leasehold owners had stopped investing in the site, there were an increasing number of empty retail units, and through seeking to sell their interest there was a risk any new owner would potentially look to asset strip (taking the value out of remaining leases without reinvesting/ proactively seeking new tenants) a key location at the heart of the city centre. Through gaining control of the site the council's intention it is to create a new mixed use purpose, ensuring city centre's long term viability - creating a vibrant dynamic focal point to the city, maximising the social value benefits for local communities whilst creating a new purpose for people to visit the city centre.

The impacts of the Covid 19 pandemic in 2020/21 and 2020/22 has further accelerated the decline of retail in city centres, with many national and local retailers closing stores. This has further enhanced the need for urgent action to re-purpose and regenerate Hereford city centre as the local economy seeks to recover from the economic crisis as soon as possible.

As demonstrated in the picture below the Maylord Orchard site is a very significant footprint at the heart of Hereford, over 145,000 sq ft.





The proposed development of a LRC in Maylord Orchard's will create a new mixed use purpose at the heart of the city centre, diversifying the shopping centres offer and moving away from a dependence on retail. The creation of the LRC (alongside other Towns Fund projects such as Powerhouse and the Rural Media Digital Creative Hub) will attract people to return to/ visit the city centre as a whole as leisure and education become an increasingly important part of the city's future.

The LRC will include a new library (relocated from Hereford Museum and Art Gallery, enabling the development of the linked Town Investment Plan project), meeting rooms/ facilities to access training and public services, and a re-use community café.

As well as enabling the physical regeneration of the city centre, the LRC will also support local residents to recover from the impacts of Covid 19. The LRC will provide access to opportunities to access local training and support as people look to re-skill and potentially seek new employment opportunities post the pandemic. As of July 2021 Herefordshire has experienced a 123% rise in people receiving unemployment benefits compared to March 2020. Younger generations have been particularly badly affected by the economic impacts of the crisis, with a 111% rise in 16 to 24 year olds seeking unemployment benefits since March 2020.

## 2.0 STRATEGIC CASE

The proposed project will regenerate a strategically significant site at the heart of Hereford, creating a new mixed use purpose through the development of a LRC which will support the physical and social recovery of the city centre from Covid 19.

The proposed project will deliver the following strategic priorities.

**County Plan 2020 to 2024** – A priority of the County Plan 2020 to 2024 is to ‘Use council land to create economic opportunities and bring higher paid jobs to the county’, and to ‘Invest in education and the skills needed by employers’. The County Plan also states ‘We will work with partners to maximise the Stronger Towns Fund grant (up to £25m) awarded to Hereford and to support investment programmes across all our market towns’.

**Herefordshire Council Delivery Plan 2020 to 2022** – The proposed project will deliver the following actions identified in the Delivery Plan;

- *EC2.1: Work with partners to develop and implement a £25m Town Investment Plan for Hereford, to be funded through the Stronger Towns Fund*
- *EC2.5: Develop Maylord Orchards as a key strategic site; acting as a catalyst for the regeneration of Hereford City Centre*
- *EC3.2: Work with partners to expand our adult and community learning programme, with a particular focus on those at risk of long term unemployment, and young people at risk of not being in education, training or employment*

■  
**Hereford Town Investment Plan** – the proposed project has been identified as a priority in the Town Investment Plan within the ‘cultural assets package’, which was considered by government and included in their £22.4m award to the city announced on the 8<sup>th</sup> June 2021. The Town Investment Plan states the project ‘will deliver the following Towns Fund Intervention Framework outcomes: 1. New, upgraded or protected community centres, sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens 2. Delivery of quality residential or commercial space in key locations (town centres, gateway areas, employment sites) 3. Delivery of new public spaces’.

## 2.1 Project aims and objectives

**Aim:** To repurpose the Maylord Orchard shopping centre as a key strategic site to support the regeneration of Hereford City Centre through creating a Learning Resource Centre to drive footfall in to the city centre and provide enhanced services to the Herefordshire community.

**Objectives:**

- Regeneration of a key city centre site through the refurbishment and re-use of the current underutilised atrium space creating a new focal point to drive footfall and spend into Hereford as a whole.
- Within Maylord Orchards create a LRC including public and higher education library space, improving the quality of life for local people, the infrastructure required to support the development of critical skills in the county addressing the gap identified in the Town Investment Plan , and an ‘attractor’ to bring people into the city centre.

## 2.2 Strategic Drivers

### 2.2.1 National and Regional

The proposed project will deliver the governments ‘**Build Back Better Strategy: our plan for growth**’, specifically ‘*Regenerate struggling towns in all parts of the UK via the UK Shared Prosperity Fund and the UK-wide Levelling Up Fund*’. Government have reviewed the Hereford Town Investment Plan and relate projects, selecting those to go forward which meet their national priorities.

The project will deliver the following **Marches Strategic Economic Plan 2019** priorities;

- A growing place, attracting more people to come, stay and build their careers and businesses.
- A destination not a boundary - gateway to markets in the Midlands, Wales, South West, North and Europe. A visitor destination with significant natural and cultural resources that is well known and attracts people looking for a high-quality experience.
- An inclusive place that enables residents from all communities to thrive and develop with quality jobs offering good wages, training and progression.

The project will also deliver the following priority with the draft **Marches Local Industrial Strategy**:  
 'Place – develop prosperous and resilient places for people to live, work and visit, and for businesses to succeed by improving infrastructure, delivering the Opportunity Towns programme, developing a campaign to attract people to the Marches, and developing a co-ordinated Visitor Economy Strategy'.

## 2.2.2 Local

Your project must directly support at least one of the County Plan priorities.  
 Please indicate in the box below which priority(s) the project addresses

County Priority – please select from	Tick ✓ below where applicable	Delivery Plan Reference(s)
Community	✓	<ul style="list-style-type: none"> <li>• EC3.2: Work with partners to expand our adult and community learning programme, with a particular focus on those at risk of long term unemployment, and young people at risk of not being in education, training or employment</li> </ul>
Economy	✓	<ul style="list-style-type: none"> <li>• EC2.5: Develop Maylord Orchards as a key strategic site; acting as a catalyst for the regeneration of Hereford City Centre</li> <li>• EC3.2: Work with partners to expand our adult and community learning programme, with a particular focus on those at risk of long term unemployment, and young people at risk of not being in education, training or employment</li> </ul>
Environment		

## 2.3 Background and Rationale in Project Mandate

Across the country physical retail has been in decline for some time, given an ever increasing shift to on line buying of goods and services which has been further exacerbated by Covid 19. Prior to the pandemic £1 of every

£5 of retail spend had moved to online purchases. The following graph highlights the rise in online sales over recent years, including the significant increase caused by Covid 19. Although in terms of total retail sales, volumes decreased by 4.8% up to August 2020 as all sectors except for food and non-store retailing saw a fall in sales (ONS Great Britain Retail Sales August 2020).

For a number of years retailers located in town centres have encountered falling footfall, reduced trade, whilst still encountering costs not incurred to the same degree by online retailers such as business rates and building related costs (lease, utilities etc). In recent weeks large retail chains such as Debenhams and the Arcadia Group have announced they are going into administration with the loss of significant numbers of jobs across the country.

The KPMG 'The Future of Towns and Cities report' (January 2021) states that 'We expect that 40-50% of all non-essential retailing will be transacted online going forward, up from around 30% pre-COVID'. The report states that 'Those that succeed will be likely to have a range of cultural assets as well as easy access to green space, which will serve to boost the quality of living in the area'

Where retail has been the primary footfall driver for many years, town centre (local residents as well visitors from other places) are now looking for a range of experiences. For example, leisure, events, café culture, socialising, meeting friends and/ or seeking retail experiences not readily available of line, for example through distinctive independent shops. 64% of all retail and leisure units nationally are now independent (BIRA/Local Data Company).

The Towns Funding guidance recognises the challenges cities such as Hereford face. The national guidance states that: 'Town centres may be hit hard by the impacts on retail, adding to longer-running trends and pressures. In particular, towns may want to consider how they can reconfigure town centres for mixed uses'.



Source: ONS Jan 2021



## 2.4 Scope

Since acquiring the Maylord Orchards in June 2020 the council has already made some significant progress in reinvigorating the shopping centre. Units along Gomond Street have been successfully marketed for pop up independent retailers, initially offering cost covering rents. This has brought opportunities for businesses to start up or expand in a prominent city centre location, filling vacant units and creating new interest in visiting the city centre.

[Powerhouse](#) theatre company have taken a large unit in the shopping centre, creating a completely new attraction/ culture, and reason to visit the shopping centre.

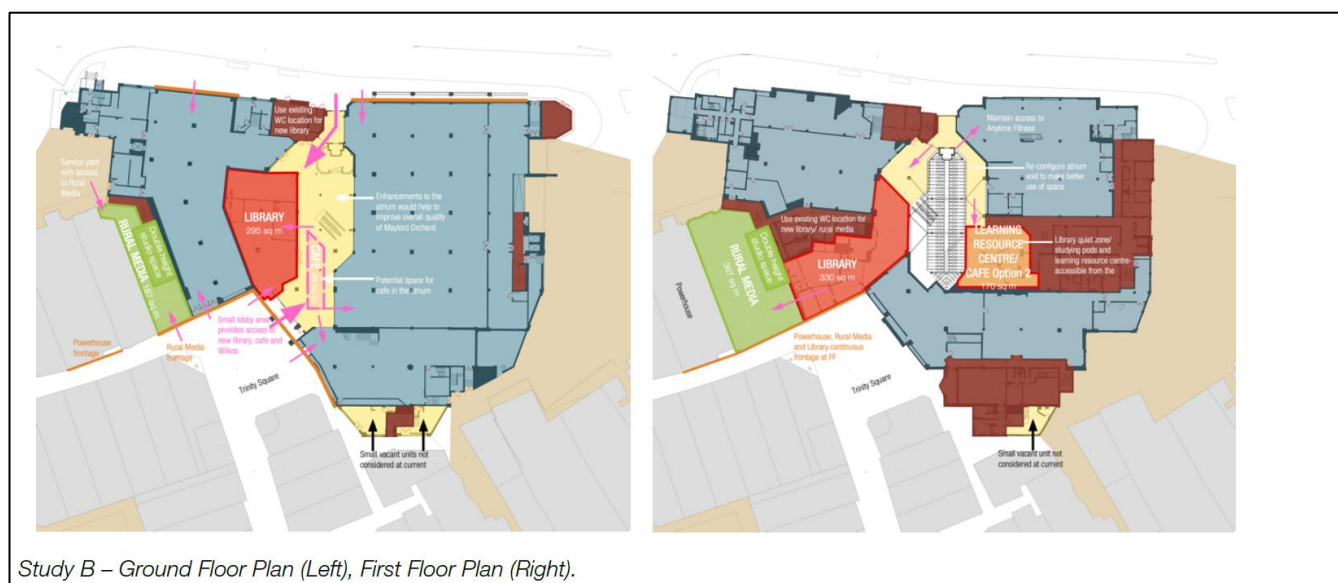
### Learning Resource Centre Including New Library

A key feature of the project/ refurbishment of the atrium building will be the development of a Learning Resource Centre including a new public library (including study space) and community café. The LRC located in a prominent city centre location will provide the whole community with a wide range of services to support the development of their skills, advice and support in seeking new career or personal development opportunities.

For example the LRC will have flexible space such a rooms available (for hire to cover costs) for a wide range of community focussed services to be provided at a central and accessible location such as the DWP Youth Employment Hub, the council's Adults and Community Learning Service, the Skills Foundry, HE/ FE providers, health and wellbeing service provision (such as the NHS Health on the High Street Strategy).

The new library will provide space for students to study, supporting the growth of Higher Education services in the city such as through the development of the New Model Institute in Technology and Engineering (NMITE) and the growth of the Hereford College of Arts (HCA).

The following is an indicative plan of the potential location of the LRC in the Maylords shopping centre. Archtype architects have been appointed to review options and develop to Riba stage 2a.



### Refurbishment of the Atrium

The project will also refurbish the atrium (60,000 sqft) area of the shopping centre as far as possible within the available grant. The building was constructed in the 1980s, and is now very dated in appearance externally and internally. The space is underutilised. Through refurbishing the atrium area the project will create a modernised mixed use space, including opening the area for activities, meeting/ socialising area. The project will also ensure that wherever possible the refurbishment of the building will include measures to improve its energy efficient and reduce the buildings environmental impact.

### Hub for Learning/ Skills Service Delivery

A number of other skills focussed projects being developed as part of Hereford Town Investment Plan require a prominent city centre location as an element of their delivery such as the Rural Media Digital Culture Hub and Powerhouse. The redevelopment of Maylord Orchards could potentially accommodate some of these linked added value uses, creating a learning hub at the heart of the city centre. This would provide enhanced services to local residents, encourage people from outside the county to live and study in the city, and drive new footfall and related spend in the centre of Hereford.

### Community Café

In the LRC or one adjoining units in the atrium building the project would establish a community café (social enterprise). The not for profit community enterprise would generate an income to support the Learning Resource Centre and other social value activities. The previous café in the shopping centre has closed leaving a gap in the available services in the area. The provision of a café would provide an additional draw to the shopping centre, but also provide facilities for those that are visiting and studying in the Learning Resource Centre to be able to socialise. This could for example provide opportunities for young people (such as through the Kickstart scheme) and or those with learning difficulties to gain work experience working in the café.

It is also anticipated that the community café will play a role in wider community engagement – providing a place for community groups to meet, an engagement point for communications regarding health and wellbeing, and a social and welcoming space to help those suffering isolation and loneliness.

## **2.4.1 In-Scope**

- Relocation of the library from the Museum and Art Gallery to Maylord Orchards, to create a Learning Resource Centre.
- Refurbishment of the Maylord Orchard atrium, creating a more modern and attractive environment for residents and visitors (as far as possible within the available grant, following development of the LRC).

## **2.4.2 Out of Scope**

- Structural changes to the wider Maylord Orchard site.
- Consideration of any other Town Investment Plan projects considering location options in Maylord Orchards.

■

## **2.5 Benefits**

### **The anticipated benefits of the proposed project are:**

The project will deliver the following benefits;

### **2.5.1 Cashable benefits**

- Potential income from the community café supporting the operational cost of the LRC
- Potential income from meeting room hire/ learning facilities supporting the operational cost of the LRC.

### **2.5.2 Non-cashable benefits**

- Refurbished and modernised mixed use centre (60,000 sq ft) attracting people to visit and spend.
- Creating new job opportunities in the city through encouraging increased trade.
- Improving quality of life for local people through the new LRC
- Providing a prominent city centre location for public services to engage local people.
- Supporting the improvement of skills of local residents.
- Improved public sector service delivery through enhanced community engagement.

### **2.5.3 Dis-benefits**

- Disruption to library users during the relocation of the service. We will seek to ensure disruption is minimised as far as possible.
- Disruption to tenants and visitors to Maylord Orchards during construction works – particularly any significant changes to the atrium entrances, escalators and lift. We will seek to ensure disruption is minimised as far as possible.

## **2.6 Risks**

<i>Risk</i>	<i>Mitigation</i>
Trade in the city centre continues to decline as high street retail continues to reduce, without alternative uses to attract people to visit and spend.	The proposed project and others in the Town Investment Plan (such as the redevelopment of the Museum and Art Gallery) will re-purpose/ regenerate the city centre.
The current atrium site will continue to be under-utilised and come increasingly dated. Without an alternative mixed use focus there is the potential for vacant units and for a key part of the city centre to become run down.	The proposed project will support the creation of a Learning Resource Centre (mixed use purpose), and refurbish the atrium building.
The capital costs are indicative at this stage, based on an early feasibility study.	Additional professional advice, including architectural, building condition surveys and specialist design are being commissioned to further support the development of the project. The LRC will be the priority focus as the outputs relate to the operation of the new centre. Atrium refurbishment works will be in line with remaining budget.
The revenue income generated by the community café and meeting room/ training facilities may not meet the increased operational costs of the LRC. The LRC will need to meet the cost of business rates.	Specialist consultancy support has been procured to consider income generating opportunities. It may be possible for the income generated from the wider site could support some of the social value operational costs of the LRC. The focus of the project is to bring currently unused areas of the site back into use minimising the loss of any potential alternative income.
The refurbishment work may cause significant disruption to existing businesses during the construction phase. Although they would benefit from enhanced facilities and new mixed use offering attracting more potential customers as an outcome.	The implementation programme for the project will wherever possible limit disruption to other businesses and visitors.

## 2.7 Constraints and Dependencies

Initiatives which depend on this project are:

- The extent of the changes to the building and the space will be constrained by current uses and tenants.



- The project is dependent on the library moving out of the Museum building, which is subject to another towns fund application.
- The LRC will be dependent on generating income from the community café and the hire of meeting rooms etc from the service providers identified above.

## 2.8 Stakeholders

The council owns the Maylord Orchard shopping centre, and responsible for the delivery of a number of the identified services in the Learning Resource Centre such as the library, and the adult and community leaning service.

Tenants of the site and adjoining premises would be impacted through the construction phase and changes to use. They will be consulted throughout the development of the project.

The council will work in partnership with all local skills providers such as NMITE, Hereford College of Arts, Hereford and Ludlow College, and Hereford and Worcester Group Training, promoting the opportunity to utilise the Learning Resource Centre to engage local residents and deliver their services.

The council will work in partnership with other local public sector public service providers who may also benefit from utilising the centrally located Learning Resource Centre space, such as DWP and Wye Valley NHS Trust.

## 3.0 ECONOMIC CASE

The [Hereford Town Investment Plan](#) identifies a broad range of economic challenges and opportunities for the city. Hereford and the surrounding county face some significant long term economic challenges, such as;

- Low average wage levels (18% lower than national weekly average).
- Low productivity - Gross Value Added per head of population is 27% lower than the national average. Productivity per hour (£24.20) is the lowest in England.
- 24% population aged 65 or over (18% nationally).
- Higher rates of self-employment, 16.8% compared to 10.7% nationally.
- Skills – 35.8% of the population has a qualification at NVQ level 4 compared to a national average of 40.3%.
- 4,700 people aged 16+ claiming unemployment related benefits in April more than double the number in March 2020 (+123%); compared to England (+114%)
- At end of March 2021, 9,900 people on furlough through the Job Retention Scheme

The proposed project will seek to regenerate a key strategic site at the heart of Hereford City Centre, creating a new mixed use purpose which will create a new reason for people to visit and spend time and money in the city centre as a whole. The LRC will also provide local people with access to an enhanced library and access to public services in the centre of Hereford.

### 3.1 Critical success factors

- Securing the Town Investment Plan grant.
- Identifying a suitable location in the Maylord Orchard site to create the Learning Resource Centre, relocating the current library.
- Securing planning permission.
- Design and fully procured services within the available budget.
- Construction works delivered to time and budget.
- Timing of library relocation aligned to the museum redevelopment project.

- Revenue income can sustain increased operational costs.

## 3.2 Options and Do Nothing Option

### 3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Do nothing	Y	Base case
Develop Learning Resource Centre in the current Maylord Orchards atrium building.	Y	Project as currently proposed.
Refurbish Maylord Orchard site without relocating the library.	Y	Option could reduce capital costs.
Undertake major redevelopment of site, demolishing current buildings to create a more significant mixed use development.	N	Costs would be very high given need to secure vacant possession of the current units and to re-build.
Extend the current premises into the service yard to create more operational space.	N	Costs would be prohibitive, access rights from surrounding land owners (including fire safety) would prohibit.

### 3.2.2 Short-list of options

Option 1 – Do nothing. Do not pursue the grant funding, do not create the LRC or refurbish the wider site.	
Cost	£3m
Benefits	No disruption to library services, existing tenants and visitors to Maylord Orchards.
Deliverability	N/A
Pros	<ul style="list-style-type: none"> <li>• No disruption to library services, existing tenants and visitors to Maylord Orchards.</li> </ul>
Cons	<ul style="list-style-type: none"> <li>• Loss of grant funding (£3m)</li> </ul>

	<ul style="list-style-type: none"> <li>Library remaining in the museum building likely to impact upon the separate Towns Funding project.</li> <li>Maylord Orchard building could fall further into disrepair.</li> <li>Lack of mixed use purpose in the city centre may result in a further decline to footfall, impacting future economic viability.</li> </ul>
Recommendation	<b>Rejected</b>

Option 2 – Delivery of the project as proposed, developing a Learning Resource Centre (relocating the library) in the refurbished the current shopping centre.	
Cost	£3m
Benefits	Creates new repurposed city centre offer, modernising the current shopping centre and uplifting trade in the wider city centre.
Deliverability	Deliverable subject to further development of the design and costs, and revenue income generation meeting operational costs.
Pros	<ul style="list-style-type: none"> <li>Provides a new Learning Resource Centre to re-purpose the city centre and provide residents with access to services.</li> <li>Supports physical and social recovery from Covid 19.</li> <li>Redevelops a dated site that may otherwise fail to retain/ attract tenants.</li> <li>Creates learning opportunities for local people.</li> <li>Enables the linked Museum and Art Gallery project to proceed due to relocation of the library.</li> </ul>
Cons	<ul style="list-style-type: none"> <li>Possible disruption to other businesses during capital works.</li> <li>Possible disruption to library users during the relocation.</li> <li>Current library operational costs will increase, such as business rates and service charge.</li> </ul>
Observations	The development of the full business case will further explore this option, better understanding costs and outcomes.
Recommendation	<b>Proceed.</b>

Option 3 – Refurbish Maylord Orchard site without relocating the library.	
Cost	C £3m

Benefits	Would enable more significant redevelopment of the Maylord Orchards site
Deliverability	Subject to design and costing
Pros	<ul style="list-style-type: none"> <li>• More extensive redevelopment of the current shopping centre, a strategically significant site at the heart of the city centre.</li> </ul>
Cons	<ul style="list-style-type: none"> <li>• Likely to negatively impact the museum redevelopment project as the library won't be relocated.</li> <li>• More significant disruption to current tenants and visitors.</li> <li>• Town Investment Plan outputs relate to learning opportunities from the Learning Resource Centre.</li> <li>• Failure to create a mixed use purpose.</li> </ul>
Observations	Significantly limits outcomes and purpose of the project, and impairs another linked project.
Recommendation	<b>Rejected</b>

### 3.2.3 The preferred option

Subject to the successful development of the full business case (including full design, tendered costs and planning permission), the preferred option is option 2.

## 4.0 COMMERCIAL CASE

### 4.1 Required services

- LRC established and successfully operated, including community café provision, and meeting rooms/training rooms.
- Refurbished Maylord Orchards atrium space, modernising the current offer, improving the tenant and visitor experience. Opening up the atrium space through for example removing the escalators to provide an open space for a modern, accessible and flexible library.

### 4.2 Potential/Agreed risk transfer

As the owners of the shopping centre and operator of the proposed Learning Resource Centre the council would ultimately be responsible for the risks relating to the projects. However, this will be mitigated through;

- Procuring appropriately qualified (with relevant indemnity insurance) professional services to design the development, undertake full building condition surveys etc.
- Procuring qualified contractor to deliver the capital works to time and budget.
- Seeking appropriately qualified (with relevant indemnity insurance) professional advisers regarding the development and operation of the LRC, including review of revenue income opportunities.
- Currently experienced and qualified council staff will operate the library.
- Options for the operation of the proposed community café will be fully explored, for example franchising to or creation of a social enterprise.

### **4.3 Proposed/Agreed charging mechanism**

- Income from the proposed community café and meeting/ training room hire will support the operational cost of the LRC.
- Establishing the library in the current atrium will utilise current unused space, so will now result in any lost revenue income from the existing units, and services charges will be minimal.

### **4.4 Proposed/Agreed contract lengths**

- Professional adviser contract lengths for period of design and implementation.
- Contractor contract length for construction period.
- Community café operator contract length to be determined.

### **4.5 Proposed/Agreed key contractual clauses**

- Professional advisors and contractors to meet standard council contractual clauses.
- Should the community café element be franchised, a contract will need to be established which minimises any risk to the council.

### **4.6 Personnel implications (including TUPE)**

- No TUPE implications. Council's current library staff will operate the LRC following relocation.

### **4.7 Procurement Strategy and implementation timescales**

- RIBA Stage 1 (Feasibility)/ 2a – given the urgent need to establish an Outline Business Case by the 30<sup>th</sup> July, direct appointments to professional advisers who have supported the development of the project to date will be sought.
- RIBA stage 2b onwards – Professional team to be procured to support the detailed design stage of the project up to planning approval.
- Implementation – Contractor to be procured to implement the development of the LRC and wider refurbishment works.
- Community café operation – subject to preferred delivery method, possible procurement of a café operator.

## **5.0 FINANCIAL CASE**

### **5.1 FUNDING TABLE**

Estimated total Capital cost of project (if known)	2021/22	2022/23	2023/24	Future Years	Total
Learning Resource Centre/ Atrium Improvements		£500,000	£2,200,000	£0	£2,700,000
<i>Project Management/ Development 10%</i>	£200,000	£70,000	£30,000	£0	£300,000
<b>TOTAL</b>	£200,000	£570,000	£2,230,000	£0	£3,000,000
<b>EXPLANATORY TEXT:</b> Estimates of phasing – Development of full business case by June 2022 (professional fees to this point), contractor mobilisation factored into lower 2022/23 spend.					

Potential Funding streams (if known)	2021/22	2022/23	2023/24	Future Years	Total
Town Investment Plan	£200,000	£570,000	£2,230,000		£3,000,000
<b>TOTAL</b>	£200,000	£570,000	£2,230,000		£3,000,000
<b>EXPLANATORY TEXT:</b>					

Project Revenue budget implications (if known)	2021/22	2022/23	2023/24	Future Years	Total
<b>Expenditure</b>					
<i>Business Rates for Learning Resource Centre</i>			£TBC		£TBC
<i>Rental Service Charge (replacing current income, please see notes below)</i>			£14,600		£14,600
<i>Library staffing and operation (as per current provision)</i>			£131,590		£131,590
<i>Indicative Community Café including staffing (based on the Prince and Pearce costs for the museum)</i>			£100,000		£100,000
<b>Total Expenditure</b>			<b>£246,190</b>		<b>£246,190</b>
<b>Income</b>					
<i>Community Café average of £1.50 per visitor (based on Prince and Pearce Museum review)</i>			£221,177		<b>£211,177</b>
<i>Current Library Services Budget (as above)</i>			£131,590		<b>£131,590</b>

Meeting Room Hire			£10,000		<b>£10,000</b>
<b>TOTAL Income</b>			<b>£362,767</b>		<b>£362,767</b>
<b>EXPLANATORY TEXT:</b> <p>The current rental income for the Enchanted Kingdom unit where the library would be located is £2,600 per annum excluding utilities, rates but inclusive of service charge (shown in the expenditure line above).</p> <p>The unit adjoining Enchanted Kingdom on the first floor and the former café unit on the ground floor (also shown in the plan for the library and community café) are currently vacant. The former café unit on the ground floor used to pay a service charge of £12,000 (included in the expenditure line above).</p> <p>Indicative café costs based on the Prince and Pearce report for the museum project, they have been commissioned to undertake a review specific to the library once available space defined.</p> <p>Indicative cafe income also based £1.50 per visitor – Prince and Pearce museum report based on £1.80. Library visitor numbers based on average for three years prior to Covid 19 (147,451 visitors).</p> <p>Meeting room income conservatively based on council HARC building income – likely to be significantly higher or city centre location, for range of public services. Size and number of meeting rooms not yet known.</p>					

## 5.2 Impact on the Council's income and expenditure account (revenue

Capital cost of project	2022/23	2023/24	2024/25	Future Years	Total
To be funded from TIP grant	£000	£000	£000	£000	£000
Project Management Fees (est. 10% project value)					
<b>TOTAL</b>					

Funding streams (Indicate revenue or capital funding requirement) Or Grant funding that may be sought?	2021/22	2022/23	2023/24	Future Years	Total
Town Investment Fund (capital)	£200,000	£570,000	£2,230,000		£3,000,000
Indicative Re-use café/ meeting room hire (revenue)			£231,177		£231,177
Existing Hereford library revenue service budget			£131,590		£131,590
<b>TOTAL</b>	<b>£200,000</b>	<b>£570,000</b>	<b>£2,592,767</b>		<b>£3,362,767</b>

account)

## 6.0 MANAGEMENT CASE

Revenue budget implications	2021/22	2022/23	2023/24	Future Years	Total
<i>Business Rate of LRC units (expenditure)</i>			£TBC		£TBC
<i>Library operation (current base budget)</i>			£131,590		£131,590
<i>Current Income from units proposed for library (expenditure)</i>			£14,600		£14,600
<i>Indicative Community Café Operational Cost</i>			£100,000		£100,000
<b>Total Expenditure</b>			<b>£246,190</b>		<b>£246,190</b>
<i>Indicative Café (income)</i>			£221,177		£221,177
<i>Indicative Meeting/ Training Room (income)</i>			<b>£10,000</b>		<b>£10,000</b>
<b>TOTAL Income (excluding current service operational budget)</b>			<b>£231,177</b>		<b>£231,177</b>

### 6.1 Project Management Arrangements

A Project Board is in place to oversee the development of the project, including representation from the council's legal, finance (revenue and capital), property services, service area and procurement.

A Project Manager will be assigned to the project as soon as available.

The development and implementation of the project will follow the council's Project Management Office systems and processes.

### 6.2 Use of Consultants

Professional services will be appointed (procured in accordance with the council's contract procedure rules) to support the development and implementation of all stages of the project.

Contractors will be procured (in accordance with the council's contract procedure rules) to implement the project.

### 6.3 Arrangements for benefits realisation

In developing the full business case, a business plan for the operation of the Learning Resource Centre will be established, outlining costs, income, staffing, services to be delivered and how the outputs will be delivered.

### 6.4 Arrangements for post project evaluation



The council will report on delivery of the project to the Towns Fund Board in accordance with any grant funding agreement requirements. At the end of development and output delivery period, and evaluation will be undertaken to understand the full impact of the project and identify lessons learnt.

## 6.5 Timeframes

Stage/Milestone	Indicative Date	Comments
Stage 0 - Project Mandate approved	<i>Insert Date</i>	
Stage 1 - Outline business case completed	<i>30<sup>th</sup> July 2021</i>	To be submitted to the Hereford Towns Fund Board.
Stage 2 - Full business case completed	<i>30<sup>th</sup> June 2022</i>	Full business case required by end of June 2022
Full Council approval	<i>Insert Date</i>	
Approval to spend obtained	<i>July 2022</i>	Once business case approved
Stage 3 - Delivery	<i>August 2022</i>	
<i>Insert key milestone</i>	<i>Insert Date</i>	
<i>Insert key milestone</i>	<i>Insert Date</i>	
Stage 4 – Handover	<i>March 2024</i>	To be informed by professional advice on construction timeframe.
<i>Insert key milestone</i>	<i>Insert Date</i>	
Stage 5 - Project Closure	<i>TBC</i>	Subject to contract reporting period.

## 7.0 THE ENVIRONMENTAL CASE

The project will modernise a dated 1980 shopping centre, seeking wherever possible to improve the environmental impact of the dated building. Refurbishing rather than seeking to demolish and rebuild the

current atrium space will re-use the core of an existing building. The creation of a more open streetscape will reduce the heating and air management requirements of the current atrium space. Replacement of internal lighting will utilise LEDs. The council will investigate the potential to remove the current escalators (energy inefficient) and replace the existing lift with a more energy efficient alternative.

The proposed reuse café will provide a focal point for recycling, and will focus on the use of local produce and potentially offering employment opportunities to disadvantaged groups.

## 8.0 LEGAL IMPLICATIONS

Other than the Heads of Terms, the contractual conditions associated with the grant are not currently known.

## 9.0 EQUALITY IMPACT IMPLICATIONS

Please see attached Equality Impact Assessment.

## 10.0 HEALTH & SAFETY IMPLICATIONS

The detailed design of the building will fully assess all H&S implications.

## 11.0 SOCIAL VALUE IMPLICATIONS

The project development and procurement processes will be guided by Herefordshire Council's Social Value Toolkit and Framework. This Framework ensures that for each procurement exercise with a value of over £75,000, Herefordshire Council will identify which of the Social Value Pledges and Key Value Indicators are relevant and proportionate to be included in each contract for inclusion.

To enable Herefordshire Council to ensure their commissioning and procurement provides the most effective response to Social Value, it is important to provide clear information on the council's Social Value position. Herefordshire Council's Social Value Pledges are:

- **Social and Community** - strengthen communities to ensure that everyone lives well and safely together.
- **Health and Wellbeing** - sustain resilient people and communities, increasing both physical and mental wellbeing.
- **Crime and Justice** - support our local people, communities, and businesses to feel safe in their homes, communities, and places of work.
- **Economy** - develop a strong local economy which builds on our rural county's strengths and resources.
- **Education and Skills** - develop and increase high quality education and training that enables local people to fulfil their potential.
- **Jobs** - support local businesses to grow jobs and keep unemployment rates low to help our rural county prosper.
- **Environment** - protect and enhance our environment and keep Herefordshire a great place to live and work.
- **Leadership** - Herefordshire Council to lead and encourage others to adopt forward-thinking strategies that develop, deliver, and measure social and local value.

Through understanding the priorities for the county, the council can promote the delivery of Social Value where it will have the most significant impacts for the residents of Herefordshire. Aligned to each of the pledges are key value indicators and their associated supplier commitments. These are provided in the

framework spreadsheet available to all suppliers during the tender process. This approach ensures transparency for all types, legal structures, and sizes, of organisations when responding to social value questions in tender opportunities.



## Capital Programme position April 2022/23

Appendix F

Scheme Name	Spend in	2021/22	2022/23	2023/24	2024/25 onwards	Total	Capital receipts	Grant & funding cont	Prudential borrowing	Total	Prior Years	Total Funding
		Prior Years	Total Budget	Total Budget	Total Budget							
		£000	£000	£000	£000		£000	£000	£000	£000	£000	£000
Hereford City Centre Transport Package	34,042	1,789	1,880	2,940	0	40,651	-	-	6,609	6,609	34,042	40,651
Hereford City Centre Improvements (HCCI)	178	1,925	2,947	950	0	6,000	-	2,839	2,982	5,822	178	6,000
Hereford ATMs and Super Cycle Highway	0	1,000	0	0	0	1,000	-	0	1,000	1,000	0	1,000
Emergency Active travel Fund	19	119	0	0	0	137	-	119	-	119	19	137
Passenger Transport Fleet (Electric)	0	0	7,800	15,600	15,600	39,000	-	35,000	4,000	39,000	0	39,000
<b>Transport &amp; Place Making Delivery Board</b>	<b>34,239</b>	<b>4,832</b>	<b>12,627</b>	<b>19,490</b>	<b>15,600</b>	<b>86,788</b>	<b>0</b>	<b>37,958</b>	<b>14,591</b>	<b>52,549</b>	<b>34,239</b>	<b>86,788</b>
Local Transport Plan (LTP)	0	15,466	12,272	12,272	12,272	52,282	-	52,282	-	52,282	0	52,282
Pothole & Challenge Fund 20/21	5,311	2,363	0	0	0	7,674	-	2,363	-	2,363	5,311	7,674
Priority Flood Repair Works	1,547	853	1,627	0	0	4,027	-	-	2,480	2,480	1,547	4,027
E & P's S106	0	784	0	0	0	784	-	784	-	784	0	784
Extra Ordinary Highways Maintenance & Biodiversity Net Gain	0	1,369	930	0	0	2,299	-	-	2,299	2,299	0	2,299
Public Realm Maintenance - Mitigating Risk on the Network	0	0	3,685	1,265	0	4,950	-	-	4,950	4,950	0	4,950
Winter Resilience	0	0	532	145	725	1,402	-	-	1,402	1,402	0	1,402
Highways Equipment	0	0	548	0	0	548	-	-	548	548	0	548
Investment in Infrastructure Assets	943	1,057	0	0	0	2,000	-	-	1,057	1,057	943	2,000
Highway asset management	0	1,868	0	0	0	1,868	-	-	1,868	1,868	0	1,868
<b>Highways Maintenance Delivery Board</b>	<b>7,802</b>	<b>23,759</b>	<b>19,594</b>	<b>13,682</b>	<b>12,997</b>	<b>77,835</b>	<b>0</b>	<b>55,429</b>	<b>14,604</b>	<b>70,032</b>	<b>7,802</b>	<b>77,835</b>
Integrated Wetlands	66	775	1,159	0	0	2,000	-	1,934	-	1,934	66	2,000
Marches Renewable Energy Grant	159	261	0	0	0	420	-	261	-	261	159	420
Solar Photovoltaic Panels	642	350	1,142	0	0	2,134	-	-	1,492	1,492	642	2,134
SEPUBU Grant	76	101	255	0	0	432	-	356	-	356	76	432
Warm Homes Fund	491	469	0	0	0	960	-	469	-	469	491	960
<b>Schools Transport Route Planning</b>	<b>74</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>90</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>16</b>	<b>74</b>	<b>90</b>
Air Quality Monitoring Station Resource Improvements	0	192	0	0	0	192	-	-	192	192	0	192
Green Homes Grant - Local Authority Delivery	0	1,820	0	0	0	1,820	-	1,820	-	1,820	0	1,820
<b>Sustainable Landscape Sustainable Places</b>	<b>163</b>	<b>31</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>195</b>	<b>-</b>	<b>31</b>	<b>-</b>	<b>31</b>	<b>163</b>	<b>195</b>
<b>Environment &amp; Sustainability Delivery Board</b>	<b>1,671</b>	<b>4,016</b>	<b>2,556</b>	<b>0</b>	<b>0</b>	<b>8,243</b>	<b>0</b>	<b>4,871</b>	<b>1,700</b>	<b>6,572</b>	<b>1,671</b>	<b>8,243</b>
Hereford Enterprise Zone	12,111	2,336	500	0	0	14,947	2,836	-	-	2,836	12,111	14,947
<b>Hereford Enterprise Zone - Further funded dev</b>	<b>5,297</b>	<b>135</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,432</b>	<b>-</b>	<b>135</b>	<b>-</b>	<b>135</b>	<b>5,297</b>	<b>5,432</b>
Hereford Enterprise Zone - Infrastructure Works	0	675	0	0	0	675	-	675	-	675	0	675
Herefordshire Enterprise Zone Shell Store	6,923	393	0	0	0	7,316	-	94	299	393	6,923	7,316
Marches Business Investment Programme	701	1,250	1,273	205	0	3,428	-	2,728	-	2,728	701	3,428
Employment Land & Incubation Space in Market Towns	341	0	9,265	10,350	745	20,701	7,214	2,053	11,093	20,360	341	20,701
Leominster Heritage Action Zone	0	1,009	2,217	374	0	3,600	1,800	1,800	-	3,600	0	3,600
Safer Streets / CCTV	0	278	0	0	0	278	-	278	-	278	0	278
Stronger Towns Fund - Hereford Museum & Art Gallery	0	250	750	6,700	7,300	15,000	-	10,000	5,000	15,000	0	15,000
Redevelopment	0	0	230	180	0	410	-	410	-	410	0	410
Stronger Towns Fund - Greening the City	0	0	230	180	0	410	-	410	-	410	0	410
Stronger Towns Fund - Maylord Orchard Redevelopment and Learning Resource Centre	0	150	620	2,230	0	3,000	-	3,000	-	3,000	0	3,000
Herefordshire Hoard	0	0	1,500	0	0	1,500	1,500	-	-	1,500	0	1,500
Development Partnership activities	10,415	346	4,422	5,418	0	20,600	140	-	10,045	10,185	10,415	20,600
<b>Economic Development Delivery Board</b>	<b>35,788</b>	<b>6,822</b>	<b>20,777</b>	<b>25,456</b>	<b>8,045</b>	<b>96,888</b>	<b>13,489</b>	<b>21,173</b>	<b>26,438</b>	<b>61,100</b>	<b>35,788</b>	<b>96,888</b>
Fastershire Broadband	21,460	7,259	7,020	0	0	35,738	-	5,311	8,967	14,278	21,460	35,738
PC Replacement	819	349	349	0	0	1,516	-	-	697	697	819	1,516
Electronic Document Management Storage	24	356	0	0	0	380	-	-	356	356	24	380
Capital Development Fund	0	250	750	0	0	1,000	-	1,000	-	1,000	0	1,000
Technology Enabled Communities	38	462	1,000	0	0	1,500	-	1,462	-	1,462	38	1,500
Key Network Infrastructure (Core Data Centre Switches & Corporate Wi-Fi)	0	0	490	0	0	490	-	-	490	490	0	490

Primary Data Storage Area Network (Plough Lane)	0	0	335	0	0	335	-	-	335	335	0	335
My Account	0	0	313	130	0	443	-	-	443	443	0	443
Flexible Futures	22	260	568	0	0	850	-	-	828	828	22	850
<b>Corporate &amp; Digital Delivery Board</b>	<b>22,363</b>	<b>8,935</b>	<b>10,824</b>	<b>130</b>	<b>0</b>	<b>42,252</b>	<b>0</b>	<b>7,773</b>	<b>12,116</b>	<b>19,889</b>	<b>22,363</b>	<b>42,252</b>
Colwall Primary School	0	66	0	0	0	66	-	-	66	66	0	66
Schools Capital Maintenance Grant	0	2,410	1,195	1,195	1,195	5,995	-	5,995	0	5,995	0	5,995
Peterchurch Area School Investment	10	300	3,193	7,350	0	10,853	5,655	-	5,188	10,843	10	10,853
Expansion for Marlbrook school	5,642	499	0	0	0	6,141	-	-	499	499	5,642	6,141
Brookfield School Improvements	141	283	3,520	0	0	3,945	1,195	713	1,895	3,803	141	3,945
High Needs Grant	0	648	0	0	0	648	-	648	-	648	0	648
C & F's S106	0	554	0	0	0	554	-	554	-	554	0	554
Healthy Pupils	91	8	0	0	0	99	-	8	-	8	91	99
Short Breaks Capital	19	99	0	0	0	118	-	99	-	99	19	118
Basic Needs Funding	0	2,080	3,426	3,385	0	8,891	-	8,629	262	8,891	0	8,891
Preliminary works to inform key investment need throughout the county	35	481	0	0	0	516	-	-	481	481	35	516
School Accessibility Works	0	240	0	0	0	240	-	-	240	240	0	240
Property Estate Enhancement Works	0	110	0	0	0	110	-	-	110	110	0	110
Leisure Centres	221	147	0	0	0	368	-	-	147	147	221	368
Leisure Pool	317	244	0	0	0	561	-	56	188	244	317	561
Estates Capital Programme 2019/22	1,439	3,835	1,628	0	0	6,902	-	-	5,463	5,463	1,439	6,902
Residual property works identified in the 2019 condition reports	0	0	1,292	100	0	1,392	-	-	1,392	1,392	0	1,392
Estates Building Improvement Programme 22-25	0	0	1,454	1,289	264	3,007	-	-	3,007	3,007	0	3,007
Car Parking Strategy	151	95	0	0	0	246	-	-	95	95	151	246
Upgrade of Herefordshire CCTV	156	28	0	0	0	184	-	-	28	28	156	184
Grange Court Loan	0	359	0	0	0	359	-	-	359	359	0	359
Hereford Library	142	203	0	0	0	345	-	-	203	203	142	345
Temporary school accommodation replacement	0	450	0	0	0	450	-	-	450	450	0	450
<b>Schools &amp; Corporate Property Assets Delivery Board</b>	<b>8,365</b>	<b>13,141</b>	<b>15,708</b>	<b>13,319</b>	<b>1,459</b>	<b>51,992</b>	<b>6,850</b>	<b>16,703</b>	<b>20,074</b>	<b>43,627</b>	<b>8,365</b>	<b>51,992</b>
Disabled facilities grant	0	2,538	2,000	2,000	2,000	8,538	-	8,538	-	8,538	0	8,538
Hillside	559	1,841	150	0	0	2,550	1,991	-	-	1,991	559	2,550
Carehome & Extra Care Development	0	0	1,050	8,150	4,800	14,000	6,081	451	7,468	14,000	0	14,000
Super Hubs	0	0	2,000	0	0	2,000	2,000	-	-	2,000	0	2,000
Homelessness Hub & Property Investment	60	44	0	0	0	104	-	44	-	44	60	104
Empty Property Investment & Development	0	810	1,088	0	0	1,898	-	-	1,898	1,898	0	1,898
Gypsy & Traveller Pitch development	694	608	575	0	0	1,877	-	-	1,183	1,183	694	1,877
Strategic Housing Development	7	1,674	10,000	8,319	0	20,000	-	-	19,993	19,993	7	20,000
Private sector housing improvements	2	51	146	0	0	199	197	-	-	197	2	199
<b>Housing Delivery Board</b>	<b>1,322</b>	<b>7,565</b>	<b>17,009</b>	<b>18,469</b>	<b>6,800</b>	<b>51,165</b>	<b>10,268</b>	<b>9,032</b>	<b>30,542</b>	<b>49,843</b>	<b>1,322</b>	<b>51,165</b>
<b>Total Capital Programme</b>	<b>111,550</b>	<b>69,070</b>	<b>99,094</b>	<b>90,546</b>	<b>44,901</b>	<b>415,162</b>	<b>30,608</b>	<b>152,938</b>	<b>120,065</b>	<b>303,612</b>	<b>111,550</b>	<b>415,162</b>

**Key:**

RCCO
Project Complete
Reserve to be topped back up by future receipts

Current 21/22 Budget Position      111,550      69,070      87,346      78,507      36,612      383,085

**Change in Capital Programme**      **0**      **0**      **11,749**      **12,039**      **8,289**      **32,077**

**Overall Change Financed By**

	£000	£000	£000	£000	£000	£000
Prudential Borrowing			8,982	5,162	3,423	17,567
Grant and funding contributions (Inc Reserves)			1,267	6,877	4,866	13,010
Capital receipts			1,500	0	0	1,500
	<b>0</b>	<b>0</b>	<b>11,749</b>	<b>12,039</b>	<b>8,289</b>	<b>32,077</b>

### **MTFS 2022/2023**

#### **Covid-19**

**Grant related funding update  
for General Scrutiny  
27 January 2022**

# MTFS 2022/2023

## Covid-19 Grant Related Funding - update

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COVID-19 Related Grant Funding Allocated by Government (April 2021 to December 2021)		
Grant	Funding Source	£m
Contain Outbreak Management Fund	DHSC	£1.236
Adult Social Care Infection Control & Rapid Testing Fund	DHSC	£4.230
Adult Social Care Omicron Support Grant	DHSC	£0.220
Workforce Recruitment & Retention Fund for Adult Social Care	DHSC	£1.697
Test & Trace Support Payment Scheme	DHSC	£0.188
Covid Winter Grant Scheme	DWP	£0.047
Household Support Fund	DWP	£1.330
Covid-19 Additional Support Funding for Local Government in 2021 to 2022	DLUHC	£4.789
Local government income compensation scheme for lost sales, fees and charges	DLUHC	£0.754
Local Council Tax Support Grant	DLUHC	£1.367
COVID-19 Business Rates Relief	DLUHC	£10.863
Coronavirus Restart Grant	BEIS	£16.752
Additional Restrictions Grant	BEIS	£2.232
New Burdens 4- Restart & Additional Restrictions Grant	BEIS	£0.127
Omicron Hospitality & Leisure Grant	BEIS	£3.996
Welcome Back Fund	DLUHC / ERDF	£0.172
Local Transport Authority Bus Recovery Fund	DfT	£0.061
Practical Support for Those Self-Isolating	DHSC	£0.454
Protect and Vaccinate (Homelessness & Rough Sleeping)	DLUHC	£0.150
<b>TOTAL</b>		<b>£50.666</b>



**Adults and Wellbeing Scrutiny 10 January 2022**
**Update regarding Mental Health All Ages Commissioning.**

Scrutiny requested an update on the imminent proposals for All Ages Commissioning with particular emphasis on Mental Health.

**1. All Ages Commissioning Design Principles:-**

An integrated structure; Council first.

Learning from recent developments - Focus on market resilience/emergency response

Leading commissioning for ICS

Strengthening quality assurance & value for money – All Age brokerage/placements, contract compliance and QA of contracts.

Sustaining & protecting commissioning resources with a modest increase in posts overall. An agile and integrated structure.

All age/life cycle pathways and teams.

- All age disability.
- All age mental health/wellbeing
- All age quality/review
- All age residential/nursing

Building expertise and career opportunities More gradated structure with career steps. New apprenticeship proposals.

**Strategic objectives - Commissioning Cycle**


## **2. Mental health approach**

Within the All Ages Community Commissioning Function we will have a Senior Commissioner dedicated solely to Mental Health and 3 other Senior Commissioners with wider remits such as Community Services which will have an element of Mental Health within their portfolio.

The Council recruited a dedicated Mental Health Commissioner during 2020 and will continue with this commitment. The total HC10 Senior Community Commissioner resources are £262K

The commissioned spend that the All Ages Commissioning function will be responsible for in the proposed 2022/23 budget is “Mental Health client budgets - £3.394m”.

The Councils overall approach to Mental Health Commissioning is detailed on numerous pages within the Councils Published Market Position Statement (MPS) and in particular page 28 (see link)

<https://www.herefordshire.gov.uk/downloads/file/22292/market-position-statement-2021-care-and-support-demands-and-supply-in-herefordshire>

Paul Smith

Acting Director of Community Wellbeing