

Meeting:	Council
Meeting date:	2 February 2021
Title of report:	Hereford Transport Strategy
Report by:	Cabinet member infrastructure and transport

Classification

Open

Decision type

Budget and policy framework

Wards affected

(All Wards);

Purpose

To consider cabinet's recommendation to stop progress on the western bypass and southern link road schemes which are included in the adopted core strategy and local transport plan and to approve the removal of the Hereford Transport Package and South Wye Transport Package from the capital programme.

Recommendation(s)

That council determines to:

- (a) Stop the progress of the southern link road and western bypass schemes which are included in the adopted policy; and**
- (b) Make amendments to the capital programme such that the Hereford Transport Package and South Wye Transport Package projects are removed from the programme.**

Alternative options

1. To continue delivery of the western bypass and southern link road schemes. This is not recommended as cabinet confirmed its intention to pause and review these schemes in the context of the declared climate emergency in October 2019 and subsequently agreed the scope for a review which has now been completed. The review, which was informed

by public consultation, stakeholder and member engagement considered the western bypass and southern link road alongside alternative options. The results were considered by the general scrutiny committee which recommended that cabinet abandon the western bypass. Cabinet considered the review at its meeting of 3 December 2020 and confirmed its preferred transport strategy for Hereford and its intention to stop progressing the western bypass and southern link road schemes. Confirming this decision will provide greater certainty to those directly affected by the two road schemes and will enable the executive to make progress on its preferred strategy.

2. To retain the Hereford Transport Package and South Wye Transport Package projects in the capital programme. If council is minded to support recommendation (a), then this option is not recommended, as retaining these packages within the capital programme would no longer be supported by a policy commitment to progress the road schemes forming the focus of the packages.

Key considerations

Pausing the western bypass and southern link road and reviewing transport strategy

3. The Council declared a climate emergency at its meeting of 8 March 2019 (details of the decision [here](#)) and the executive committed to an accelerated reduction of its own carbon emissions, with the aspirations to be carbon neutral by 2030 at the cabinet meeting of 26 Sept 2019 (details [here](#)). The cabinet member for infrastructure and transport (the cabinet member) determined to pause and review the new road elements of Hereford and South Wye Transport packages in the decision of 22 October 2019 (details [here](#)) and in the subsequent decision of 24 January 2020 (details [here](#)) confirmed that the purpose of the review was to:
 - ensure that the council's decision making is fully informed by the latest information and best practice;
 - ensure any major scheme has a positive impact on the county to address travel issues, such as congestion and air quality, as these schemes have a permanent impact upon the environment which last for generations to come; and
 - understand how alternative options [to the southern link road and western bypass] address emerging local and national policy such as those resulting from the declared climate emergency, considering new solutions and approaches which have developed over the last twenty years and which are now being implemented in other urban areas.
4. In the decision of 24 January 2020 the cabinet member confirmed the scope of the review and that it would have two principal elements:
 - A peer assessment of the evidence base for the Hereford Transport Package (HTP) and South Wye Transport Package (SWTP) and consideration of the road schemes in the context of emerging policy and guidance on climate emergency; and
 - A review of the transport strategy for Hereford City (the Hereford Transport Strategy Review) including assessment of alternative options to the southern link road and western bypass. This review work would need to include public consultation and stakeholder engagement.
5. Both pieces of work were to be carried out at pace and the cabinet member decision confirmed how they would be procured to secure expert consultancy support. The Peer Assessment for the HTP and SWTP schemes was undertaken following open market tendering process by Mott MacDonald (commissioning decision [here](#)). Mott MacDonald

(Motts) went on to provide critical friend oversight of the final strategy review findings prepared by WSP. The Hereford Transport Strategy Review was undertaken by WSP procured through the Balfour Beatty Living Places public realm contract (commissioning decision [here](#)).

Peer Assessment Process and Findings

6. The peer assessment considered 4 technical aspects of the work done previously on the Hereford Transport Package (HTP) and the South Wye Transport Package (SWTP):
 - Have they been developed in accordance with Department for Transport (DfT) guidance in relation to major transport schemes?
 - Is the evidence base sound?
 - Have the decisions to progress the package been sound and justified?
 - How might changing national policy in relation to climate emergency impact the further development of these packages?
7. The peer assessment reports produced by Motts are included at Appendix A and B to this report for reference. They set out Motts' findings in full and provide details of the process which was followed in reviewing the technical evidence and historic council decision reports for both packages.
8. In summary, the peer assessment findings reported by Motts indicated that both packages had been developed with a sound evidence base which followed DfT guidance and decisions taken by the council were considered to be justified in terms of technical recommendations. Motts identified technical issues which they consider would need to be addressed if either package is progressed which relate to the need for more up to date technical work to be undertaken in relation to carbon and environmental impacts. In relation to the HTP, Motts considered that alternative options to the western bypass had been discarded too early in the appraisal process and advise that alternative options (to the road scheme element) which could fulfil strategy objectives are reconsidered in the next stage of the HTP development if the council wish to progress the HTP and pursue DfT funding through its major transport scheme business case process. As a more advanced project, Motts noted that the SWTP had already progressed through specific checks undertaken by DfT and this had confirmed compliance up to the point at which the major scheme proposal had been developed.
9. In their broader conclusion relating to the possible impacts of national policy changes relating to greenhouse gasses and biodiversity Motts noted that the DfT's technical guidance had not fully developed in relation to the national policy (at the time of their assessment) but considered that this would be likely to be updated and impact the progression of both packages. On this basis Motts have advised that it is likely that both packages would need to be refreshed to more fully consider these important aspects in the event that the council wished to progress either.
10. These findings were reported to and discussed at both the General Scrutiny Committee 9 November 2020 and the cabinet meeting of 3 December 2020.

Hereford Transport Strategy Review Process and Findings

11. It was agreed that the review should start from first principles and follow established process for strategy development and that a key component of this approach was to incorporate new public and stakeholder engagement and consultation so that the problem identification, objectives, option development and identification of preferred options could be tested in respect of public acceptability. The process (summarised below) is in line with

government guidance and best practice in relation to reviewing and future proofing transport strategy and has comprised:

- Defining the transport challenges
- Establishing a baseline of current conditions
- Setting objectives
- Identifying options
- Assessing options both in isolation and combined as packages
- Public consultation and stakeholder engagement

12. The cabinet was keen to take into account the views of the public and stakeholders and an engagement programme was progressed alongside the technical work for this purpose. The key elements of the engagement programme included:

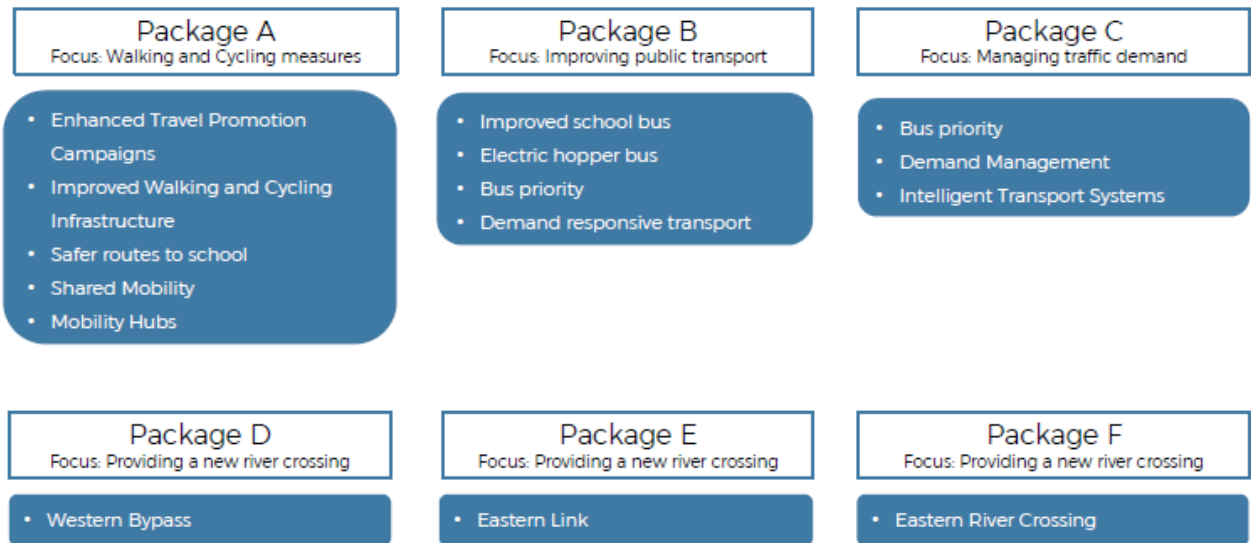
- Public consultation on transport issues in Hereford (February to April)
- Engagement and consultation with council members and stakeholders for feedback at the following stages:
 - i. Evidence base/challenges/objectives/options and appraisal framework (April)
 - ii. Option Assessment and approach to packaging (June-July)
- Transport seminar for all councillors to explore best practice transport solutions and innovations (August)

13. In addition to the consultation progressed within the review process, consultation has also fed into the governance process and was reported to cabinet for it to consider alongside the technical review reporting. This included:

- Consultation with general scrutiny committee
- Political groups consultation

14. Copies of the Hereford Transport Strategy Review (WSP) and the Hereford Transport Strategy Review - Critical Friend Summary of Findings (Mott MacDonald) are included at Appendix C and D to this report for reference. The review identified 18 individual transport options ranging from active travel measures (walking and cycling) to public transport proposals, demand management and new road links. These were assessed using an option appraisal framework developed following stakeholder and member engagement and 4 options were discarded with 14 being taken forward into packaging proposals. These are identified in their themed packages below:

Figure 1: Extract from the Hereford Transport Strategy Review, November 2020 (Appendix C, page 72) indicating the selection of transport options and groupings which went forward for packaging and assessment



15. The review then sought to develop combinations of these grouped interventions into strategic transport packages which could be assessed using the package assessment framework and help indicate the relative merits of different approaches to addressing the city's transport challenges:

- Package A: **Active travel** (focus on cycling and walking)
- Package A+B: Active travel + **investment in bus**
- Package A+B+C: Active travel + bus + **demand management**
- Package A+C+D: Active travel + demand management + **western bypass** (including southern link road);
- Package A+C+E: Active travel + demand management + **eastern link** (Rotherwas to Ledbury Road link); and
- Package A+C+F: Active travel + demand management + **eastern river crossing** (Rotherwas to Hampton Park Road link).

16. A key element of the review was to establish clear objectives which would help guide the assessment of options and packages of options. :

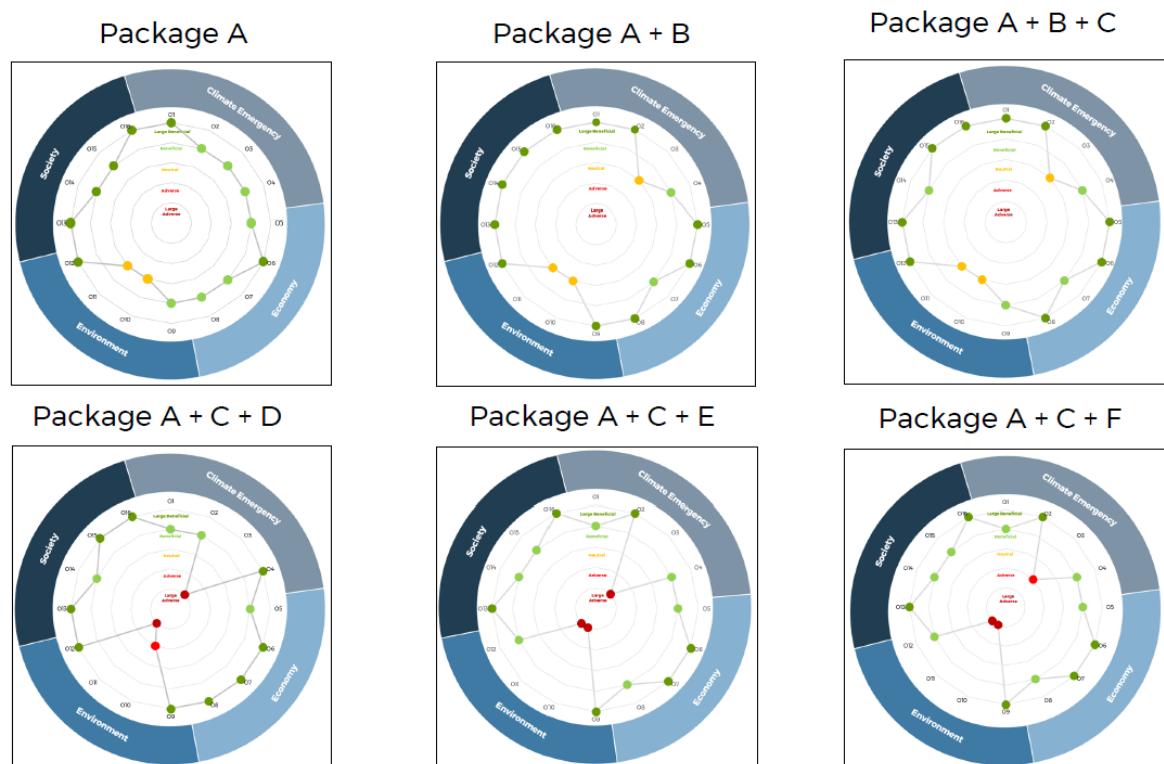
- **Climate Emergency:** Reducing carbon emissions from the transport sector to meet 2030 local target for net zero emissions.
- **Economy:** Creating a resilient transport system which allows reliable and efficient movement of people and goods and which supports more sustainable development and a thriving local economy.
- **Environment:** Reducing air pollutants to create attractive and high quality places to live, work and visit whilst also protecting, conserving and enhancing the natural environment and Herefordshire's built environment.

- **Society:** Providing an affordable, safe and secure transport system for all sectors of society which facilitates improved public health and has limited adverse impacts on communities.

These objectives were developed following consultation and engagement and each is expressed through 4 outcome based indicators (hence 16 outcomes in total). These were assessed on a 5 point scale from large beneficial to large adverse. Supporting text and tables in the review report explain how these outcomes had been assessed (using both qualitative and quantitative information).

- The review's findings were set out graphically using radar diagrams which illustrated performance of each package combination against 4 key objectives/16 outcomes. The figure below illustrates how the relative performance of the package combinations was presented and helped inform discussion with the general scrutiny committee and subsequently cabinet when it met to consider the review and set out its preferred strategy:

Figure 2: Extract from the Hereford Transport Strategy Review, November 2020 (Appendix C, page 91) illustrating the assessment of performance of the strategic transport package combinations



- The review also provided commentary on the deliverability considerations of the packages which identified issues including public acceptability, legal and process considerations and affordability based on the estimated revenue and capital costs of full scheme implementation.

Consideration by cabinet

- The Peer Assessment of the Hereford Transport Package and South Wye Transport Package (completed by Mott MacDonald), the Hereford Transport Strategy Review (completed by WSP) and the recommendations made by the General Scrutiny Committee were presented to the cabinet to consider at its meeting of 3 December 2020 (agenda

papers and minutes [here](#)). Cabinet was asked to consider the technical work and the recommendations put forward by the committee and confirm:

- **its preferred strategic transport package or combination of packages for Hereford which it would like to take forward; and**
- **determine how it wished to proceed with the regard to the southern link road and western bypass including:**
 - i. **stopping either or both schemes;**
 - ii. **continuing to pause either or both schemes;**
 - iii. **undertaking further review of either or both schemes; and**
 - iv. **progressing either or both schemes.**

20. The joint presentation and reporting of the two technical studies enabled cabinet to consider how it wished to proceed with the two paused road schemes in the context of the Peer Assessment, which examined the evidence base for the schemes, but also as part of a refreshed transport strategy guided by updated transport objectives (see paragraph 16 above).
21. The western bypass and southern link road were shortlisted during the strategy review (identified as package D in the review) alongside other transport options ranging from active travel measures, passenger transport improvements, demand management and alternative road schemes (as outlined in paragraphs 14-17). Hence, cabinet had the opportunity to consider the paused schemes as part of the strategy review findings and in the context of updated objectives which incorporated the council's declaration of the climate emergency and aspirations for carbon reduction as well as objectives relating to economy, society and the environment. In addition, these and the other transport schemes included in the review package assessment were also assessed in terms of deliverability and affordability enabling a fresh comparison with alternatives.
22. Cabinet took into account all of the technical work, recommendation made by the committee and consultation responses provided by political groups in confirming its preferred transport strategy for Hereford and how it wished to proceed with regard to the paused road schemes at its meeting 3 December 2020.

Cabinet confirmed that its preferred strategy would comprise:

- Package A – active travel measures
- Package B – investment in passenger transport
- Package C – parking management
- Package E – eastern road link (from B4399 at Rotherwas to the A438 Ledbury Road)

Cabinet also confirmed its intention to stop progress on the western bypass and southern link road schemes.

23. A summary of all of the specific elements of the preferred package combination is set out in the table below:

Table 1: Summary of the preferred transport strategy selected by Cabinet

Package A – Active Travel
Option 1: Behavioural change programme
Option 2: Walking and cycling infrastructure
Option 3: Safer routes to school
Option 9: Shared mobility
Option 10: Mobility hubs
Package B – Passenger Transport
Option 4: Improved school bus service
Option 5: Electric hopper bus
Option 6: Bus priority
Option 8: Demand responsive transport
Package C – Demand Management
Options 11: Parking management (pricing and rationalisation)
Package E – new road link
Option 15c: Eastern link – connecting the B4399 to the A438 to the east of Hereford

24. Cabinet confirmed that its preferred strategy would support its important priorities and provided a clearer focus to progress these priorities:

- Package A - investment in active travel measures including walking, cycling and mobility hubs to provide attractive alternatives for short distance journeys in the city. This would help reduce carbon emissions, provide congestion relief reducing the impacts of traffic and enable healthier modes of travel. Cabinet noted that this package performed consistently strongly across all of the objectives as assessed in the review, presented the highest value for money, was consistent with local and national policy.
- Package B – Increased investment in buses and school transport would provide an attractive alternative for car users who may be less likely or able to transfer to active modes supported by Package A. It was also considered that increasing options for access to school would integrate well with behavioural change measures and safer routes to school elements of Package A providing a comprehensive set of alternatives to reduce travel to school by car.
- Package C – noting that this package shared bus priority with the Package B option, cabinet specifically wished to include parking management elements from this package recognising that this would provide an opportunity to help manage some car based travel such that drivers might be encouraged to transfer to walking, cycling or bus and could also provide a recurring revenue stream to support the increased revenue required to subsidise increased bus services (Package B) and behavioural change programme (Package A).
- Package E – cabinet noted the importance of increasing resilience in the city's transport network and considered that another bridge crossing was essential to provide an alternative route for vehicular traffic and would address resilience risk associated with the single A49 river crossing in the city. This was important in terms of supporting local economic activity and also to provide congestion relief within the city which would help support active travel measures. Cabinet considered this scheme in relation to other road schemes including the western bypass (including the southern link road) and an eastern river crossing (from the B4399 to the B4224 Hampton Park Road). In relation to the western bypass (including the southern link

road) cabinet felt that the eastern river crossing provided significantly better value for money (estimated cost of delivery being £55m compared with £190m) and would have lower requirements in terms of embodied carbon. In relation to the more limited eastern river crossing, cabinet considered that this scheme, whilst lower cost than the eastern link, would not provide sufficient traffic relief and would have potentially significant impacts on communities accessed from the Hampton Park Road in the east of the urban area and also to the east of this link towards Mordiford. It was also noted that full eastern bypass options (from the B4399 Rotherwas to the A49 north with and without the southern link road) were also included in the review and rejected at the shortlisting stage as the schemes were not considered deliverable due to the environmental constraints of the River Lugg SSSI to the north of the Ledbury Road.

25. In reaching its decision at the meeting of 3 December 2020 cabinet was advised by the monitoring officer that the decision to stop the western bypass and southern link road schemes would need to be referred to council for consideration as a change to the council's adopted policy framework. A further report was considered by cabinet at its meeting of 21 January 2021 to confirm that it wished to refer this item to council and also seek council's approval to remove these projects from the capital programme (report [here](#)). This report also confirmed that cabinet would instruct the chief finance officer to allocate ear marked reserves to cover the costs associated with the decapitalisation of the two schemes in the event that council is minded to agree to stopping the two schemes.

Community impact

26. The review has been undertaken in the context of the County Plan 2020-24, adopted by council February 2020 which sets out that:

"We know that in the future transport systems must, and will, change, so we need to rethink our investment now in transport infrastructure to tackle the 21st century challenges of climate emergency and to support the wellbeing of our population. This will be central to the review of the Hereford bypass and southern link road schemes and the urgent update of our Core Strategy and planning policies."

27. The County Plan's Delivery Plan 2020-22 was agreed by cabinet November 2020 and this includes specific reference to completing the Hereford Transport Strategy Review and beginning the implementation of preferred options (EN2.1). The Delivery Plan also sets out other related key projects and initiatives which will be supported by progressing the development of transport strategy and delivery of preferred options including:
- a. EN0.1 – developing evidence base to inform update of the core strategy
 - b. EN2.2 – continue to deliver and extend Choose How You Move sustainable and active travel programme to increase levels of walking and cycling
 - c. EN2.3 – significantly increase electric vehicle charging infrastructure
 - d. EN2.4 – explore the feasibility for the development of a cycle super highway
 - e. EC2.1 – development of £25m Town Investment Plan for Hereford
 - f. EC2.4 – continue to support development of the Hereford Enterprise Zone

Environmental Impact

28. There are no specific environmental impacts as a result of this report relating to the stopping of the two road schemes. As set out in the report to cabinet 3 December 2020, the Hereford Transport Strategy Review identified key objectives in respect of environmental impacts and climate emergency, expressed by 8 outcomes. The outcomes were used to help assess package contributions to carbon reduction (operational and embodied carbon), reducing the need to travel by private motor vehicle, impacts on air quality, and impacts on natural and built environment. These outcomes were set out in the review report to enable cabinet to determine its preferred combination of package elements.

Equality duty

29. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:
A public authority must, in the exercise of its functions, have due regard to the need to –
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
30. There are no specific equality duty implications as a result of this report relating to the stopping of the two road schemes. In terms of the wider review work which has assisted cabinet in determining a preferred strategy and as was reported to cabinet 3 December 2020, the assessment of options and packages of options took into account a range of outcome indicators which provide an assessment of impacts on society and this includes the following outcome O14 and indicator 14.1 which considers those with protected characteristics.

O14: All sectors of society have easy and affordable access to the services and facilities they need	14.1 What impact does the option have on meeting the accessibility needs of all sectors of society, including those with protected characteristics or those without access to a car?
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31. Whilst at this stage most options have not been subject to detailed design, the infrastructure measures which would change the physical characteristics of the transport network will be subject to the appropriate design standards and will follow the principles set out in the governments 'Inclusive Transport Strategy' 2018 if they are to be taken forward.

Resource implications

32. In considering this report and the recommendation to stop the western bypass and southern link road council is also requested to confirm an amendment to the capital programme. The capital programme currently includes two capital projects: Hereford Transport Package and South Wye Transport Package which have funded development

of the western bypass and southern link road schemes respectively. Whilst there is no funding for the SWTP following the Marches LEP's decision to remove the local growth deal grant which had been secured for the SWTP, the Hereford Transport Package has £3.75m remaining for capital expenditure on the western bypass, after all final costs have been settled as detailed below.

33. Subject to confirmation of council's decision in relation to this report, cabinet will exercise its authority to allocate ear marked reserves required to fund the decapitalisation of these schemes. Details of these costs are provided below for reference.
34. As reported to cabinet 3 December 2020 stopping the two road schemes requires that they both be decapitalised and capital costs incurred in their development need to be funded from revenue. Decapitalisation of costs for the transport packages involves reversing capital costs incurred to date, less any eligible capital costs that can remain (for example for the purchases of premises). The funding of the decapitalised costs also requires reversing meaning that the cost requires funding from revenue resources. The table below sets out total spend to date (capital and revenue) including estimated outstanding costs and identifies the amount of funds, £11.833m, which will be required to de-capitalise both packages.

Table 2: Summary of the HTP and SWTP costs and revenue required for decapitalisation

Package		Spend up to March 2020	Spend in 2020/21	Estimated outstanding costs	Totals package Costs	Capital costs subject to de-capitalisation
£000s						
HTP	Rev	5,110	0	0	5,110	
	Cap	3,970	100	350	4,420	4,420
					9,530	
SWTP	Rev	0	0	0	0	
	Cap	7,334	29	50	7,413	7,413
	Assets *	821	0	0	821	
Totals		17,235	129	400	17,764	11,833
Total required from ear marked reserves to fund decapitalisation of the HTP and SWTP						11,833

*Retained assets to a value of £821k are costs of purchasing properties. These do not need to be decapitalised as they will remain as an asset to the council.

35. The outstanding costs estimated for each package included in the figures provided above comprise:
- v. HTP – estimate remaining project costs - £350k
 - Gain share contractual payment associated with works completed during 2018/19 and 2019/20 prior to decision to pause scheme £200k (see details at paragraph 15)
 - Removal of boreholes £140k
 - Final payment on Peer Assessment commission £10k
 - vi. SWTP – estimated remaining project costs - £50k
 - Gain share contractual payment associated with works completed financial year 2018/19 £40k (see details at paragraph 15)
 - Outstanding compensation payments to landowners £10k

36. It is important to note that gain share contractual payments are not penalty payments for early termination of contracted works and that no penalty payments have either been claimed or paid as a result of stopping work on the HTP or SWTP. A target cost value was agreed for the HTP programme of works during the 2018/19 financial year following selection of the red route for the western bypass. These works extended into the 2019/20 financial year and the original target cost continued into this financial year up to the point where works were stopped. During the delivery of the works changes were captured in compensation events which provided the revised target cost. When the decision was taken to stop work on the HTP project a compensation event was prepared which removed from the target cost the value of activities which would not to be completed. This provided the final target cost. In line with the terms of the contract the defined (actual) cost up to the point where works were stopped was compared to the final target cost and this is the basis for the calculation of the gain share element for the project. The SWTP gain share calculation followed the same process as set out above. In both cases the gain share payments represent costs for works completed prior to the decision to pause the projects. In commissioning this work through the public realm contract a robust process for commissioning and managing the work has taken place. The scope of work and target cost for each commission were scrutinised in detail prior to being agreed and all changes were managed using a change control process to ensure the final target reflects correctly any changes to scope of work. Calculation of the gain share against actual cost (which can be accessed and validated) ensures costs are controlled, transparent and ensures value for money for this work

Legal implications

37. Recommendation (a) of this decision is contrary to the council's existing policy framework namely the Local Transport Plan and Core Strategy. As a result cabinet on 3 December made the recommendation to full council.
38. Recommendation (b) is a change to the capital programme so reserved to full council for a decision.

Other legal implications Southern link Road

39. The SLR was being progressed as the first stage of the Hereford Relief Road which is included in the Core Strategy. The Hereford Relief Road will continue to be included in the core strategy until it is reviewed and removed or replaced.
40. The compulsory purchase order (CPO) for the South Wye Transport Package (SWTP) was confirmed in March 2019 pursuant to the Acquisition of Land Act 1981 for the SLR along with the side roads order (SRO) being made pursuant to the Highways Act 1980.
41. The CPO provides the council with the authority to progress with the purchase of land required for the SWTP. The CPO in place allows the council to compulsorily purchase all land that falls within the CPO corridor of the SLR for the purposes of building the road if the general vesting declaration is executed. The general vesting declaration has to be executed within three years of the date of confirmation of the CPO (March 2022) otherwise the CPO lapses.
42. The council have negotiated land option agreements with 4 of the landowners but these have not been completed. If completed, they will allow the council to purchase the land but

only if the general vesting declaration is executed. 2 further option agreements have been completed but again will only allow the council to purchase the land if the general vesting declaration is executed. As a result of the Cabinet recommendation the vesting declaration will not be executed.

43. The council have completed acquisition of one parcel of land prior to the confirmation of the CPO which contractually requires the council to offer the landowner the first opportunity to re-acquire the land at the originating purchase price if the SLR does not proceed.
44. Planning permission for the SLR has been granted and implemented in accordance with the Town and Country Planning Act 1990. If the SLR were to be progressed further planning applications may be required to implement the scheme.
45. Where there is planning blight, the property/landowner can serve a blight notice which requires the authority to purchase the affected land at the market value ignoring the effect of the proposed highway project on the value of the land. Once planning blight occurs, the affected landowner can bring forward the acquisition of their interest in the blighted land within a timeframe that suits the landowner rather than the project programme of the council.
46. Blight notices could be served by claimant landowners whose land falls within the confines of the CPO corridor, if blight notices are received the council assesses them and either accepts or rejects them. There are currently no live blight notices on the SLR scheme.

Other legal implications: Western bypass

47. The Hereford Transport Package (HTP) has not been designated as a specific type of road scheme, requiring either a CPO and planning permission for its construction, or a development consent order but it has undergone a number of public non statutory consultations involving statutory bodies and public representations. Planning has not been secured for the HTP.
48. The HTP is included in the Core Strategy as the Relief Road Corridor (shown in Figure 4.2 of the Core Strategy) and referred to as the Red Route on previous decisions made. This will continue to be the case until the core strategy is reviewed and replaced. Blight notices can be served by claimant landowners whose land falls within the Relief Road Corridor, and or the Red Route. If blight notices are received the council assesses them and either accepts or reject them. There are no current blight notices being considered by the council.
49. Legal advice has previously been sought with regard to the ability of the 3 strategic housing sites in Hereford, Holmer West, Three Elms and Lower Bullingham, in the core strategy to come forward if the HTP did not proceed. The advice was that they could if they accorded with transportation and traffic management policies; and complied with the site specific housing policies in the core strategy.
50. Only one of the strategic housing sites, Holmer west (Northern Urban Expansion) has been granted planning permission which has been commenced, and is subject to a section 106 agreement to provide amongst other obligations, a financial transport contributions toward the Western Relief Road and a package of sustainable transport infrastructure to serve the development. As the other two schemes are at application stage, they will require planning obligations secured by way of a section 106 agreement to make them acceptable in planning terms to comply with policy and for planning permission to be granted. This could include obligations toward transport and traffic management.

51. The transport contribution referred to in the Holmer West section 106 agreement is in the total sum of £1,934,765.00 for sustainable transport measures, and the Western Relief Road. The sums due are payable in 4 tranches and payment is linked to the amount of open market housing built out. The first tranche of 25% of the total transport contribution index-linked, which covers the Western Relief Road and sustainable transport measures has been paid to the council.
52. If the decision taken is to stop progressing the Western Relief Road, then the proportion of index-linked contributions paid to date toward the Western Relief Road may need to be paid back to the developer. The sustainable transport measures payment and successive payments will still need to be made by the developer, as they form part of the agreement and heads of terms for the development and are required to make the development acceptable in planning terms; however the split is not specific in the agreement and will need re-negotiating by way of variation to the section 106 agreement.
53. With regard the remaining two strategic housing sites at Lower Bullingham and Three Elms, there are two planning applications with the council and tentative discussions have been ongoing before and in light of the pause and review of the Hereford Transport Package. The requirement to comply with the site specific policies and those of the transport and traffic management policies may not enable the predicted numbers of housing on the strategic sites in the applications (1300 and 1200 respectively), due to the current road capacity, to come forward. The developers will need to remodel their transport impacts without the Western Relief Road to ascertain the housing numbers that each development can provide.
54. This will also be the case for other housing sites within Hereford in relation to compliance of the transport and traffic management policies. This may leave the council with a potential loss in housing development affecting the ability to provide the requisite numbers within the Core Strategy period upto 2031. However, the council has commenced an update of the core strategy and this will cover the period to 2041 and it is anticipated will enable a full review of housing sites across the county to ensure that sufficient sites are identified to satisfy revised targets over the longer term.
55. Prior to adopting an updated core strategy if the housing land supply is reduced at strategic sites this will affect the 5 year land supply. If the housing land supply figure drops below 3 years, it will have ramifications in policy terms for the neighbourhood development plans. Discussions are ongoing with developers for the strategic sites which will help ascertain potential housing capacity with a change to the policy. This indicates that some housing development could be feasible at these sites which helps maintain the supply of housing.
56. The core strategy is now the subject of a statutory review under the Planning and Compulsory Purchase Act 2004, the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) and paragraph 33 of the National Planning Policy Framework following a cabinet decision on 9 November 2020 to commence the review process. If a resolution is made as per recommendation (a) then that decision will be taken into account in the core strategy review.
57. The council are looking to produce a western bypass specific discretionary purchase policy pursuant to Section 246(2A) of the Highways Act 1980, following various enquiries into discretionary purchase of properties near the Red Route and or the Relief Road Corridor. If the full council decision is to stop the western bypass the specific discretionary purchase policy will not continue to adoption.

Risk management

58.

Risk	Mitigation
Financial	
Financial implications in relation to not progressing the western bypass or southern link schemes are set out in the resource implications section.	The risk that the incurred capital costs of either scheme would be decapitalised if either was stopped has been identified in governance reports on this item since the decision was taken to pause the schemes October 2019. As such cabinet has been able to consider this impact over a period of time and in its decision of 21 January 2021 confirmed its intention to allocate ear marked reserves for this purpose. The statutory officers have confirmed that funds are available and that cabinet has authority to make this allocation.
The core strategy sets out a link between strategic housing site development and contributions to the bypass scheme. Contributions could be impacted by a decision to stop the scheme.	<p>Financial contributions may need to be repaid where agreements have already been completed but future agreements would be subject to negotiation and this would enable contributions to be secured in line with the preferred transport strategy.</p> <p>In terms of maintaining housing land supply it is envisaged that this will be resolved with the update of the core strategy to identify longer term provision and discussions with developers will assist with delivery of additional housing in the shorter term.</p>
Policy and strategy	
This decision would confirm the council's intention to change policy included in core strategy and local transport plan and hence the adopted policies would need to be updated.	Both the core strategy (local plan) and local transport plan are subject to periodic review and these can be progressed so that adopted policy reflects a change made by this council decision.
This decision would confirm the council's intention to change policy included in the core strategy and could impact strategic development proposals in Hereford.	Counsel advice has confirmed that inclusion of the western bypass in the core strategy does not constitute a binding commitment for the scheme to be delivered for the strategic sites to be progressed. Counsel has advised that developments would be able to progressed on their own merits and with sufficient supporting evidence provided by the developer to confirm that the development's transport impacts can be appropriately mitigated.
This decision would impact regional policy commitments included in the Midlands	Strategic regional partners have been engaged in the review and have been able

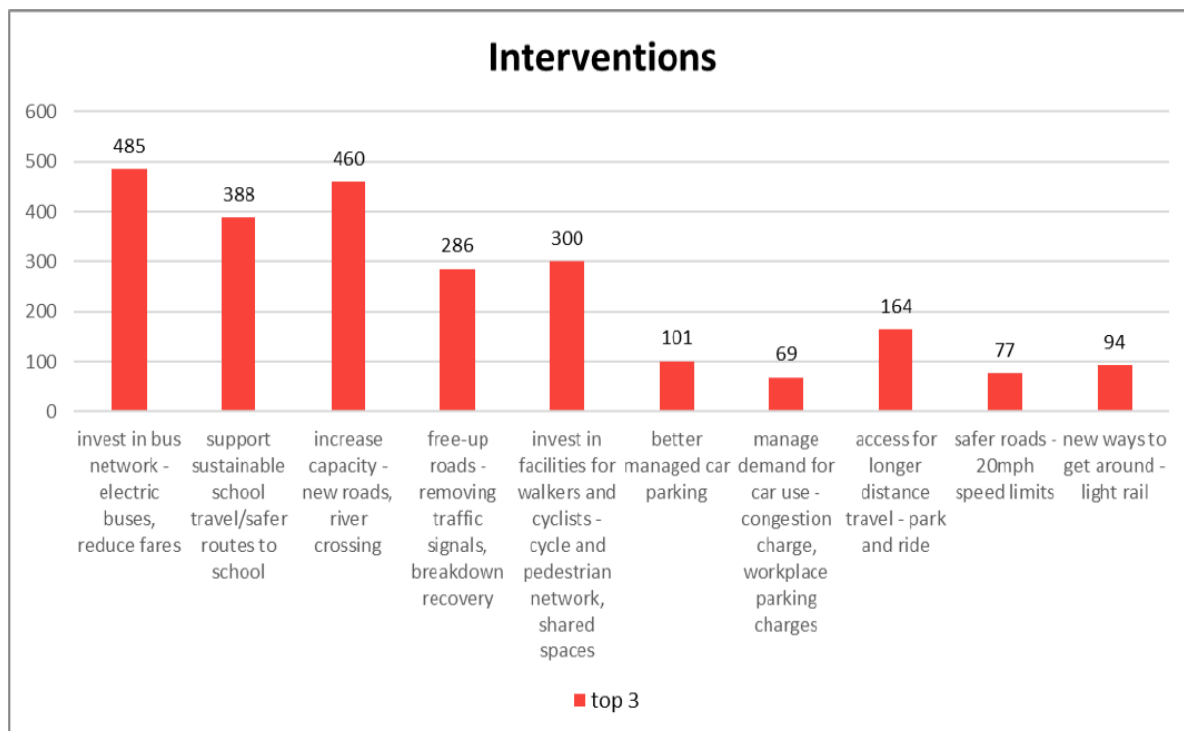
Connect Transport Strategy Marches LEP Strategic Economic Plan which include support for the western bypass.	to provide comments on the options and packages considered in the review. The Midlands Connect Transport Strategy is currently in the process of being refreshed and this is being guided by an increased interest in carbon impacts. It is considered that the preferred strategy identified by cabinet and the process by which the review has been undertaken locally will be supportive of the Midlands Connect refresh and as a local partner the council will continue to engage with Midlands Connect to assist with and update its strategy.
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Consultees

Hereford Transport Strategy Review

59. People directly affected by the southern link road and western bypass and other individuals and organisations which have taken part in previous transport consultations and expressed an interest in strategy development have received direct communications to explain the purpose of the review and ability to feedback comments through online consultation.
60. Consultation and engagement has been integrated within the process of undertaking the Hereford transport strategy review and this has helped inform cabinet's determination of its preferred strategy and its related consideration of whether or not it wished to progress the western bypass and southern link road. In summary, this consultation has comprised:
 - Public consultation on transport issues in Hereford (February to April 2020)
 - Engagement and consultation with council members and stakeholders for feedback at the following stages:
 - i. Evidence base/challenges/objectives/options and appraisal framework (April 2020)
 - ii. Option Assessment and approach to packaging (June-July 2020)
 - Transport seminar for all councillors to explore best practice transport solutions and innovations (August 2020)
61. The public online consultation ran from February to April and resulted in 2163 responses from 1044 respondents. The outputs from the consultation were taken into account during the review and have informed assessing the key challenges, setting objectives and consideration of transport options. Figure 3 below provides a summary of the consultation feedback on its priorities for transport interventions confirming high levels of support for investment in buses, sustainable travel and new roads/river crossings. Further details on consultation and engagement are included in the technical report at Appendix C.

Figure 3: Extract from the Hereford Transport Strategy Review, November 2020 (Appendix C, page 18) illustrating the public consultation response to priorities for transport interventions



General Scrutiny Committee, 9 November 2020

62. The general scrutiny committee was consulted on the strategy review and peer assessment. Committee was also informed of the draft recommendations for cabinet so that it would be able to make specific recommendations to cabinet as to how it determined how to proceed with regard to the two paused road schemes included in the HTP and SWTP. This included the options cabinet was likely to consider in respect of these two projects and this was set out for committee as follows:

[cabinet] determine how it wishes to proceed with the regard to the two road schemes (the southern link road and western bypass) including:

- i. stopping either or both schemes***
- ii. continuing to pause either or both schemes***
- iii. undertaking further review of either or both schemes***
- iv. progressing either or both schemes***

63. Committee made a range of recommendations to cabinet and of specific relevance to this item for consideration by council was committee's recommendation K which recommended that the executive:

"abandon the Western Bypass and reject other major road infrastructure schemes, barring only the eastern river crossing option"

64. It is considered that this recommendation supports the subsequent decision taken by cabinet to stop the western bypass and southern link road schemes.

Political Groups Consultation (reported to cabinet 3 December 2020)

65. Political groups were consulted in advance of the cabinet meeting of 3 December 2020 and responses were received from Cllr Kenyon (non aligned) in support of Package A+C+E and from Cllr Hardwicke (Group Leader Herefordshire Independents) in support of Package A+C+E.
66. No political groups or non-aligned members responded in support of progressing the western bypass/southern link road Package D either on its own or in combination with any other package.

Appendices

Appendix A: Peer Review South Wye Transport Package Technical Report

Appendix B: Peer Review Hereford Transport Package Technical Report

Appendix C: Hereford Transport Strategy Review – Technical Report

Appendix D: Hereford Transport Strategy Review - Critical Friend Summary of Findings

Background papers

None

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

HTP – Hereford Transport Package (which includes the western bypass)

SWTP – South Wye Transport Package (which includes the southern link road)

SLR – Southern Link Road