

# **Title of report: Hereford Transport Hub - approval of outline design, specification and cost plan**

**Meeting: Cabinet**

**Meeting date: Thursday 27 October 2022**

**Report by: Cabinet member Infrastructure and transport;**

## **Classification**

Part exempt:

The report includes financial information which if revealed could compromise the procurement of services required in the delivery stages of the Transport Hub project.

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

- 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information)
- 5 Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

## **Decision type**

Key

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

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

## **Wards affected**

Aylestone Hill; Central; College; Eign Hill; Widemarsh;

## **Purpose**

This report presents an update on the Hereford Transport Hub project, and seeks approval for the cost plan. It takes forwards steps identified in the 22 July 2021 cabinet report for the Transport Hub.

To approve for the Hereford Transport Hub project:

- The cost plan
- To proceed from Planning and Design (Stage 2) to Delivery (Stage 3)

## **Recommendation(s)**

That:

- a) **Cabinet approves the cost plan for the Hereford Transport Hub design; and**
- b) **Cabinet approves that the project proceeds from Planning and Design stage (stage 2) to Delivery stage (stage 3);**
- c) **Recommend to Council the inclusion of the additional amount of £6.33m into the capital programme.**
- d) **All operational decisions to be delegated to the Corporate Director for Economy and Environment in consultation with the Cabinet Member for Infrastructure and Transport and Section 151 officer.**

## **Alternative options**

1. Not to proceed – this will not allow progression to the next stage of the project and would prevent the completion of the Hereford Transport Hub. This is not recommended as it would result in some package objectives / targets as set out in the 2015 Marches Local Enterprise Partnership (LEP) business case not being achieved. This could result in clawback of monies paid to date and would not be consistent with the council's adopted delivery plan.
2. Not to proceed – this will not allow an update of the 22 July 2021 cabinet decision which authorised the engagement of professional design services to enable cost certainty to be given.
3. Not to proceed – this will mean that the proposed Hereford Transport Hub project will not be delivered and the quality of interchange facilities at Hereford railway station remains poor with negative impacts on the integration of transport modes, connectivity and sustainable travel/access between the city centre, and the railway station.

## Key considerations

4. The Hereford Transport Hub will provide an integrated modern public transport interchange, in the forecourt area of Hereford Railway Station. It will enable passengers to switch easily between different modes of transport (bus, rail, cycle & taxi).
5. This decision will allow officers to progress the Transport Hub project including commissioning of the design team to the council's delivery stages and contractor procurement. All procurements relating to this decision will be in accordance with the council's contract procedure rules and the Public Contract Regulations 2015.
6. The key objectives of the Transport Hub are to support economic growth, improve accessibility and encourage active travel in line with the adopted policies of the council, the Marches LEP and Central Government.
7. The Transport Hub will improve the public realm around the railway station and create better walking, cycling and public transport infrastructure which will allow for improved integration of the new developments with the historic city core; Improve access to Hereford railway station and the new interchange infrastructure; Help address the decline in Hereford's traditional role as a regional economic hub, and meet the national agenda for economic growth; Encourage the transport mode shift away from car use by facilitating travel by public transport and active travel; Enable attractive, seamless transfer between different modes of travel; and welcome visitors to the city and establish an attractive environment for visitors and commuters.
8. [The 22 July 2021 cabinet decision](#) noted that the delivery of the design and consultation would require the procurement of further professional services. A multi-disciplinary design consultancy team was commissioned in April 2022 to carry out design and key stakeholder consultation with different design options (Appendix 3). A "*Drive in Reverse Out*" Option (Appendix 4) was selected, design developed and cost estimates provided (see exempt Appendix 1).
9. Consultation has taken place with key stakeholders, including technical operators: Network Rail (NR), Transport for Wales (TfW), Rail & Bus for Herefordshire RBfh, Taxi operators, Bus and coach operators, Hereford City Council, Hereford Masterplan design team, Hereford BID, Cabinet Members/ Ward Members and the Marches Local Enterprise Partnership (LEP).
10. The "*Drive in Reverse Out*" (DIRO) option and the public realm space in the forecourt of the Hereford railway station incorporates as much greenspace as possible and

provides the best separation of people from vehicle movements, retains the best view and enhances the setting of the Grade 2 listed station building.

11. This project is co-ordinated with other developments in the City with the overall aim of removing barriers to public transport, making it easy for pedestrians and cyclists, and improve public spaces
12. Engagement will continue with key stakeholders, and extend to residents and organisations in the local area including the medical centre, the Royal National College for the Blind, the wider community and the general public. There is a plan for media communication at key points throughout the project.
13. Regular reporting of the Transport Hub and the project outputs has taken place with the Marches LEP. The Marches LEP are aware of the 22 July 2021 Cabinet decision, the appointment of the design team and that further funding will be required to complete the Transport Hub. The next meeting is scheduled for 7 November 2022.
14. This decision enables the variation of the LEP Hereford City Centre Transport Package (HCCTP) funding agreement. The outputs in the funding agreement delivered to date include; are detailed in the table below:

The outputs are on track, and some have overachieved:

Output/Outcomes /Activity	Contracted- re-profiled outputs	Actual Claimed to Date	Variation
Jobs Created*	803	803	
Housing Units	800	240	2014-18 – 107 2019/20 - 133 2020/21 - 151 2021/22 – 355 <b>746 – Total as at April 2022.</b>
Length of Newly Built Road (km)	0.8	0.8	

Table 1: HCCTP Outputs/Outcomes to date

## Community impact

15. The Local Transport Plan 2016 – 2031 sets out the council's strategy for supporting economic growth, improving health and wellbeing and reducing the environmental impacts of transport. It also highlights that reducing congestion and emissions and switching to walking and cycling will improve public health, fitness and wellbeing. By improving public transport infrastructure and providing a more pedestrian and cycle friendly environment; it is intended that there will be less congestion and a benefit to a wider range of people and groups within the business and resident community. The Transport Hub contributes to the delivery of significant improvements to the transport network as part of that overall strategy.
16. The Transport Hub also contributes to the County Plan 2020 – 2024 which outlines the ambitions for the council over the next four years and how they will be delivered.

Deliver the **Hereford Transport Strategy** and **City Centre Masterplan** (supporting objectives EN2 & EN4)

## **Environmental Impact**

17. This decision will support the delivery of the council's environmental policy commitments and aligns to the following success measures in the County Plan.
- Increase the number of short distance trips being done by sustainable modes of travel – walking, cycling, public transport
  - Work in partnership with others to reduce county carbon emissions/ Improve the air quality within Herefordshire
  - Improve residents' access to green space in Herefordshire
18. The environmental impact of this proposal has been considered and includes appropriate requirements on the design team/contractor to zero waste targets, reduce energy usage and adopt the Councils carbon reduction targets, utilising local suppliers, improve local air quality, active and sustainable transport options, zero waste targets and to consider opportunities to enhance biodiversity. There is a score measuring this criteria in the sifting analysis of the design options (see Appendix 3)
19. The environmental impact will be managed and reported through contract management. The development of this project has sought to minimise any adverse environmental impact and will actively seek opportunities to improve and enhance environmental performance.

## **Equality duty**

20. 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.
  - d) The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of

policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.

21. Wider community engagement and public consultation will be undertaken as the transport hub design is developed further and as part of the statutory planning process.
22. Consultation has taken place with the Equality Team. There are no negative impacts on the Protected Characteristics identified in the Equality Act 2010 while acknowledging that changes in the public realm has the potential to have a high impact on those with protected characteristics.
23. The proposed design provides a large, connected public realm through landscape layouts and forms which lead pedestrians safely through from City Link Road to the station and bus exchange. The design deliberately prevents any road crossing to provide a safe public space for all users. The planting strategy has focused on providing maximum overview and transparency which supports parenting on site and make it possible for adults to maintain visual contact to younger users throughout the public realm area.
24. While redesigning the public realm around the Transport Hub, we are committed to working with user groups to ensure the design improves access for all. Through careful design of layouts, materials and the use of measures such as tactile paving helps make to easier to move around and access shops and services.
25. Structured workshops have been held with key stakeholders and representatives of key user groups to stimulate a focused and collaborative environment allowing the design team to refine the design to achieve a design solution that optimises the benefits to all within the remit of the schemes. An online platform has been created for further feedback after the workshops.
26. To ensure that consultation is accessible to all, easy read material and any other materials or assistance considered appropriate will be produced and made available including an online platform - commonplace.

## **Resource implications**

27. The January 2021 [Cabinet Member decision report](#) reduced the forecast for the transport hub and public realm to £5.172m, within the approved budget of £40.651m for the HCCTP in the council's capital programme.

28. The 22 July 2021 [cabinet report](#) acknowledged that this budget was insufficient to complete the Transport Hub without additional funding. The forecast outturn cost for CLR land acquisition was £17.75m, an increase of £1.5m from the £16.25m in the 22 July 2021 decision.
29. The land budget was updated in the 16 February 2022 [cabinet member decision report](#). £5.7m for the transport hub was reduced by £1.5m to £3.672m with the overall HCCTP budget remaining at £40.651m.
30. Once the final land acquisition payments are made within the £17.75m of total £40.651m budget, the balance will be allocated to the Transport Hub. The final outstanding land payment is a combined CPO claim which the council external advisers are in negotiation with the claimants. Until final agreement is made there is a risk that the final costs will be higher than the £17.75m, which will then reduce the funds for the Transport Hub and subject to a further cabinet member decision.
31. The cost plan of the recommended “*Drive In Reverse Out*” (DIRO) design option is presented for approval. Only the total cost is included in the table 2 below and details are in the exempt appendix 1. The difference between the cost estimates and existing funds in the capital programme is for inclusion in the budget of the active capital programme and for which funding is still being sought. The approx. £10m is the total investment required to deliver the Transport Hub.

S. no.	Scope of Works Description	Total Costs
1	<b>TOTAL COST ESTIMATE</b>	Approx. £10, 000, 000.00
2	Less Existing funding	£3,672,000.00
3	Balance funds required	<b>£6,328,000.00</b>

**Table 2: DIRO COST PLAN SUMMARY**

32. Medium Term Finance Strategy (MTFS) identifies that further funding is needed for the Transport hub in addition to current budget in of £40.651m. The additional funding of £6.33m in the capital programme is required to deliver the entire Transport Hub project to completion, based on the current design. (See detail breakdown costs in exempt Appendix 1)
33. Application for funding has been submitted for LUF 2 bid. If the request for external funding is unsuccessful then there will be a requirement for council to fund the project from prudential borrowing.

<b>Funding streams (indicate whether base budget / external / grant / capital borrowing)</b>	<b>Previous Years</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Future Years</b>	<b>Total</b>
	£000	£000	£000	£000	£000
<i>Marches LEP</i>	16,000				16,000
<i>Capital Programme/Prudential Borrowing</i>	18,042	989	2,199	3,421	24,651
<i>LUF 2 bid / Prudential Borrowing</i>			1,350	4,978	6,328
<b>TOTAL</b>	<b>34,042</b>	<b>989</b>	<b>3,549</b>	<b>8,399</b>	<b>46,979</b>

Table 3: Funding Streams

<b>Revenue budget implications</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Total</b>
	£000	£000	£000	£000	£000
<i>Maintenance costs post completion</i>				50	50
<b>TOTAL</b>				<b>50</b>	<b>50</b>

Table 4: Revenue Budget Implications

34. Table 4 includes an estimated annual maintenance cost of £50k to water plants, empty bins, cleaning, lighting, toilet & waiting room etc. This will cause a pressure on the revenue public realm budget and therefore may require an increase to that budget.
35. The Transport Hub Business Case is attached as Appendix 2

## Legal implications

36. This project is in part funded under the terms of a 2015 grant funding agreement between the council and Shropshire Council (as accountable body for the Marches LEP) and therefore the project will need to ensure that it complies with the terms of that grant funding agreement and the required outcomes and objectives as set out in the grant funding agreement. If the terms and conditions of the grant funding agreement are not met Shropshire Council have the ability to terminate the grant funding agreement and clawback monies paid to date.
37. Any variation to the terms of the grant funding agreement will need to be agreed with Shropshire Council.
38. Any contract awards arising from this decision and in the delivery of the project should be in accordance with the council's contract procedure rules and the Public Contract Regulations 2015.

- 39. Any amendment to the capital programme requires a decision of full Council as an amendment to the capital programme is not an executive function.
- 40. There are no other legal implications arising from this report.

**Risk management**

41. Key Risks associated with this decision are outlined in the table below:

<b>Risk / opportunity</b>	<b>Mitigation</b>
There is a risk that the objectives of the Transport Hub are not met as a result of the reduced budget available for the Transport Hub. This could result in claw back of funding from the Marches LEP.	<p>The revised budget and the scheme objectives will be utilised to shape the further development of the Transport Hub to ensure that these are met.</p> <p>The cost estimates for the works will continue to be updated as the design develops to monitor and inform further decisions on project funding.</p>
There is a risk that reaching a consensus on the approach to the Transport Hub takes more time and design input as a result of diverging stakeholder aspirations.	The design brief was agreed with members and key stakeholders prior to a consultation exercise by the specialist design team.
There is a risk that agreement with Network Rail on the delivery of the Transport Hub on land in their ownership which is part of the the site cannot be reached or incurs additional costs.	Early discussions have been held with Network Rail regarding the scheme and continue such that their requirements are incorporated into the designs such that agreement can be reached. Application for Network Rail procedural approvals have been submitted.
There is a risk that further land may be required to deliver the aspirations for the Transport Hub.	The land requirements have been identified from the design process and there are ongoing negotiations to enter into an agreement with Network Rail/Transport for Wales.
There is a risk that the balance of the payments for land acquired under the CPO process for the CLR will exceed the current allocation for land costs within the budget. This would impact the available budget for the remaining element.	<p>Extended period to reach settlement on plots that have been identified as potentially exceeding budget has been agreed.</p> <p>Further input from specialist land agents being provided to support the settlement of the remaining claims.</p>

42. The risks are managed in a risk register which is reviewed at the HCCTP Project Board meetings with options to escalate to the Transport & Place Making delivery board where necessary.

## **Consultees**

43. WW+P designed and coordinated the stakeholder consultation strategies. Their programme was founded on and structured around a thorough understanding of the key challenges to be addressed, designed for the audiences it was seeking to engage, using basic simple language and not stray into professional jargon.
44. Consultation was by email or virtually using Microsoft Teams and Zoom with client requirements workshop, design workshops with key stakeholders, technical operators, Hereford City Council, Transport Officers, Taxi, bus and coach operators. Feedback was provided by email, minutes, by consultees who were given access to an online platform for further comments.
45. A summary of their comments on the outline design options were: reduce the proposed Canopy size, improve visibility of Grade 2 listed train station building, Improve visibility of bus stands from station building, provide more internal waiting area, create framed views of the listed building, thin canopy edge down and create a more simplistic design.
46. The recommended design option was revised following the feedback from consultees like reducing the length of the proposed bus canopy.
47. Consultation took place face to face with the relevant ward member for Widemarsh and their views are copied below:
- On the whole very positive about the design and appreciative of the constraints
  - Apple trees should be an absolute no-no due to potential litigation from slips on fallen fruit
  - Shelter must have good weather protection even though we've designed an internal waiting room. A lot of elderly people use buses.
  - Forget the canopy on the station building
  - Better understanding of the financial constraints
48. Political Groups Consultation has been undertaken.

## **Appendices**

Appendix 1: Exempt appendix

Appendix 2: Hereford Transport Hub (HTH) Business Case

Appendix 3: HTH Design Options Sift Analysis

Appendix 4: Drawings of the Proposed recommended design option

## Background papers

None

## Glossary of terms, abbreviations and acronyms used in this report.

s/no.	terms, abbreviations and acronyms	Meaning
1	HCCTP	Hereford City Centre Transport Package
2	NR	Network Rail
3	TfW	Transport for Wales
4	RBfH	Rail & Bus For Herefordshire
5	MTFS	Medium Term Finance Strategy
6	WW+P	Weston Williamson + Partners
7	HTH	Hereford Transport Hub

## Report Reviewers Used for appraising this report:

**Please note this section must be completed before the report can be published**

Governance	Sarah Buffrey, Democratic Services Officer	Date 26/09/2022
Finance	Karen Morris, Strategic Capital Finance Manager	Date 09/09/2022
Legal	Alice McAlpine, Senior Lawyer	Date 12/09/2022
Communications	Luenne Featherstone, Communications Manager	Date 12/09/2022
Equality Duty	Carol Trachonitis, Head of Info. Compliance & Equality	Date 05/09/2022
Procurement	Mark Cage, Commercial Services Manager	Date 02/09/2022
Risk	Kevin Lloyd, Performance Lead	Date 02/09/2022

Approved by Ross Cook, Corporate Director, Economy & Environment Date 30/09/2022