Appendix E

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.

Project Name	Schools Accessibility Works
Verto Project Code	
Author	QM
Senior Responsible Officer (SRO) *(if different to Author)*	
Project Manager	PH
Service Lead	QM
Agreed Project Type	Major
Programme Board allocated	Assets Delivery Board
Date	9 November 2022

Version Control

Version	Date	Summary of Change	Author
0.1	9/11/22	First issue	QM
0.2			

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	*Project Board / Director / Programme Board*	*Note major changes and approvals during delivery*
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
AL	Director of Resource & Assurance		
LE	Director PMO, Performance & Corporate Support		

Project Description

To adapt up to six schools so that they can meet the physical needs of identified learners with special educational needs.

Background and Rationale

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

The council has a planning duty to improve the physical accessibility of school buildings over time. The council strategy has been

i) Improvement of physical access for known pupils in the system,

ii) Investment to create a geographical spread of accessible schools.

Councils receive no dedicated funding for adaptation, improvement or alteration at any schools. It remains the case, therefore, that central funding for accessibility improvements related to pupils joining or transferring to an individual school will need to be considered by the council. There is a requirement on schools to notify the council of access needs, and parents need to identify on school admission forms that their child has physical access requirements.

There are five known children that require adaptions who are transitioning into schools. The schools that the children will ultimately be attending has not been determined. This will be ascertained as part of the admissions process which takes place at the start of each calendar year. The final places therefore will not be known until April/May 2023, however, these children will need an accessible school for September 2023. Early indications of the preferred school are below with adaptions requirements:

Kington PS – Physio room (PR) and Hygiene room (HR)

Ashfield Park PS – Physio Room (PR) and Hygiene Room (HR)

St Josephs – Hygiene Room (HR)

St Thomas – Hygiene Room (HR)

St Pauls – Level access requirements

In addition, a learner already at Westfield special school requires adaptions to accommodate his needs when he transitions to the secondary school building. The adaptations required are, level access modifications and suitable fire exit that will accommodate in support equipment.

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	X	CO1: Ensure all children are healthy, safe and inspired to achieve CO4: Protect and improve the lives of vulnerable people
Economy	X	EC3: Invest in education and the skills needed by employers EC6: Spend public money in the local economy wherever possible
List key Strategy the project delivers against and explain how	•	

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

Scope

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

In scope:

Accessibility improvement works at primary schools to support identified learners with special educational needs to access education

Out of scope:

Accessibility improvement works at all other schools in the county.

Objectives

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

- **To deliver adaptions by September 2023**

Benefits

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

- Compliance with government guidelines
- Fit for purpose accommodation and associated infrastructure
- A fully accessible school that could meet the needs of all future children as well as staff and visitors.

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

Risks

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

- Adaptations will not be delivered in time for when the learner requires them

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.

- Timescale. Due to the school admission process, it is difficult to predict the number of pupils requiring accessibility works, the level of works required and which schools this will impact. This makes delivering the required works for when the pupils start in the relevant school difficult to achieve.

Options

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

Option	Short-list Y/N	Reasons
No options have been developed at present as the pupils requiring adaptations at the 6 schools have only just been identified. High level costs for the adaptation works has been provided.		

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

•Council does not fulfil their statutory duty to place children with SEN and/or disabilities in schools

•Impact on service delivery

•Reputational risk

Preferred Option

Outline what the preferred option is and why

To proceed with the adaptations with the schools identified.

Environmental and Social

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

Procurement

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

Full adaptation works to be procured should funding has been approved.

Legal

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

The council has a legal duty to make school accessible to all.

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: £1m inclusive of construction costs and fees.

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: High Level costs have been provided only at this point.			
Feasibility		Procurement	
Design		Property	
Project Management Fee (est. 10%)		Legal	
Planning Fees		Consultancy Fees	

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		No	X

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		No	X

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
Approve funding	February 23	
Cabinet Approval	May 23	
Design Works, tender & contract award	May – July 23	
Construction Works	July –Sept 23	It should be noted that due to the tight timescales, some construction works may not be completed in time for September 23.

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Project Name	Schools Capital Maintenance Additional Projects
Verto Project Code	
Author	QM
Senior Responsible Officer (SRO) *(if different to Author)*	
Project Manager	KA
Service Lead	QM
Agreed Project Type	Major
Programme Board allocated	Assets Delivery Board
Date	9 November 2022

Version Control

Version	Date	Summary of Change	Author
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0.2			

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	PMO Assurance		

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LE	Director PMO, Performance & Corporate Support		

Project Description

To deliver a programme of Schools Maintenance projects that will seek to removal all priority 1 items from the 2019 condition surveys and current emergency works.

Background and Rationale

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

The maintenance of maintained school buildings is jointly administered between the Council and schools. Schools receive an annual allocation for capital and maintenance improvements of buildings known as Devolved Formula Capital (DFC). The requirement placed on each school is for them to directly fund all day to day maintenance/wear and tear items and small scale capital improvement activities. The responsibility for larger scale maintenance works falls to the Council who receives an annual Schools Condition Allocation (SCA) from government for significant maintenance issues (Capital Maintenance) that are above the capacity of the school to manage. For the last 5 years the council received an annual SCA of £1.195m. Funding in both areas has been reduced substantially in real terms and the challenge of maintaining the school estate has increased.

The Schools Capital Maintenance Programme (SCMP) looks to address issues in maintained schools through planned maintenance projects with an allocation set aside for reactive emergency works.

The SCMP is informed by Condition surveys, the latest of which were carried out in 2019 across our maintained schools estate. These surveys are comprehensive and identify costed items across each school rated from A (good condition) to D (Life expired and/or serious risk of imminent failure) as well as assessing the urgency of each (on a scale of 1 to 4, with 1 being the most urgent).

The SCA grant that the Council receives from central government is not sufficient to meet the substantial backlog maintenance requirements across our maintained schools estate. This does mean that a number of priority 1 items are still outstanding from the 2019 surveys. Projects thus far have been prioritised such that only those required to ensure that schools remain ‘safe, wind and watertight’ are considered as an essential part of the programme.

As school buildings age, they present age related issues, which if left unattended, incur more costly remedial works in the future. In addition, some of the buildings are nearing the end of their lives and structural issues are beginning to emerge. As a result of the backlog, we are increasingly having to commission reactive emergency works in order to keep schools open. The amount of reactive work having to be carried out annually is increasing. In year ending March 2016, the council spent £60K on reactive works. This has increased year on year, with this years committed spend standing at over £800K with a further £200K already planned using next year’s budget.

This increase in reactive work comes as no surprise. Without investment from council, we will continue to become increasingly reactive in our maintenance approach. This will lead to inefficient use of resources, poor investment decisions with increased costs and the gap of what is received from government and what is required will continue to get wider.

As well as the financial impact, the risks to the safety of building users continues to multiply. There is disruption to the day-to-day running of schools. Whole or part school closure is an imminent reality with teaching areas regularly being taken out of service. As a result, the impact of schools maintenance, quite rightly, remains firmly on the councils corporate risk register.

To mitigate these risks, the council needs to remove the maintenance backlog which would allow the service to adopt a more strategic and planned approach across the educational estate. This should be informed by accurate condition data (currently underway) and seek to reduce the level of expenditure on reactive maintenance to allow greater investment in planned preventative maintenance.

In order to remove the priority 1 maintenance backlog, deliver the capital programme and emergency works, £2.713m of addition funding is required.

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	X	CO1
Economy	X	EC3, EC6
List key Strategy the project delivers against and explain how	•	

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

Scope

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

To deliver the councils maintenance responsibility for maintained schools. In scope, priority 1 items and emergency items identified that are the responsibility of the council. Priority 1 Items that are the

responsibility of the school are out of scope (unless they are delivered as a direct consequence of the council led project).

Objectives

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

- **To** *deliver a specified programme of school maintenance projects, over the next 18 months within a budget of £2.713m. A project board will monitor progress monthly, and will be have a senior project manager assigned to monitor progress and spend.*

Benefits

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

- By removing the backlog of priority 1 maintenance items and emergency works, the risk of H&S issues and of school closures is reduced.
- The amount of reactive works will also reduce allowing for a proactive maintenance programme to be delivered in the future.

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

Monthly project boards will monitor progress and highlight any new emergency works

Risks

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

- Risk of safety issues and or closure of schools. This has been mitigated by prioritisation of the programme to identify

which risk is more likely to be realised by the contractor.

- Addition emergency works could occur during the programme. These will be raised at project board and prioritised where necessary.
- Lack of contractor availability to deliver works in specific periods i.e. summer holidays

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.

Dependencies – Solar PV project with environmental team (Danny Lenain) for schools requiring new roofs

-

Options

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

Option	Short-list Y/N	Reasons
Part fund the backlog with funding from 23/24 maintenance grant	N	We would be unable to address priority items from the condition surveys currently being undertaken, meaning, we would be in a similar position next year with a backlog of works

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

Preferred Option

Outline what the preferred option is and why

Environmental and Social

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

All works will have the climate emergency in mind, and where it is viable to do so, options to reduce the carbon footprint of the school will be adopted.

Local supplier/contractors will be used as much as possible

Procurement

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

A consultant is already in contract following an open tender. It is the intention to extend their contract. We will tender for maintenance contractors through following procurement rules.

Legal

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

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:

Planned Maintenance and emergency shortfall estimated at £1,713,000

School	Scheme	Estimated Works Cost Budget Estimate	Total Forecast Includes contingency, surveys & Professional Fees
Credenhill. St Mary's	Roofing/Ceiling	£261,960	£318,895
Riverside	Roofing	£160,000	£191,453
Westfield	Fire Precautions	£67,620	£84,176
Clifford	External Walls	£24,041	£30,420
Almeley	Boiler	£60,000	£72,883
Bosbury	Boiler	£200,000	£239,316
Eardisley	Boiler	£150,000	£180,575
Michaelchurch	Boiler	£130,000	£157,731
Blackmarston	Tarmac	£37,147	£44,449
Wellington	Structural Movement	£30,000	£42,597
Aylestone	Ventilation	£193,150	£233,839
Wellington	Windows	£80,000	£95,726
Blackmarston	Roofing	£17,250	£20,641
		£1,411,168	**£1,712,701**

Outstanding Priority 1 (2019 condition surveys) items estimated at £1,000,000

School	Scheme	Estimated Works Cost Budget Estimate	Total Forecast Includes contingency, surveys & professional fees
Aconbury	External walls	£29,524	£34,734
Aylestone	External walls; Heating distribution; Roofing; Steps / stairs; Sub-main distribution	£184,901	£217,530
Bosbury	Canopy; Ventilation	£13,129	£15,446
Credenhill, St Mary's	Ventilation	£16,822	£19,790
Gorsley Goffs	Fire precautions; Ventilation	£20,610	£24,247
Hampton Dene	Heating Distribution; Ventilation	£163,664	£192,546
Ledbury	Boundary walls; Hot water plant & equipment; Ventilation	£62,584	£73,628
Little Dewchurch	Heating plant & auxiliaries	£69,397	£81,644
Luston	Roof (asbestos)	£291	£342
Marlbrook	Ventilation	£5,821	£6,848
Michaelchurch	Boundary walls	£6,165	£7,253
Peterchurch	Heating distribution; Ventilation; Roofing; Steps / stairs; Distribution boards	£150,555	£177,123
St David's	Tarmac surfacing	£9,790	£11,518
Trinity	Windows; Ventilation; Surfacing	£103,158	£121,362
Weobley High	Fire precautions	£9,352	£11,002
		£845,761	**£995,013**

These works are likely to include additional items as a package of works, so may include some priority 2 items.

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	
Design		Property	
Project Management Fee (est. 10%)		Legal	
Planning Fees		Consultancy Fees	

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		No	X

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		No	X

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

HARC SAN Lifecycle Replacement

Business Case

Key Details

Senior Responsible Officer:	PR
Author:	PR
Project Manager:	TBC
Service Lead:	SM
Agreed Project Type:	
Programme Board Allocated:	

Version Control

Version	Date	Summary of Change	Author

0.1	First issue	PR

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	
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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

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 HARC Storage Area Network (SAN) & Fibre Chanel 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 HARC Data Centre was installed in 2016 as part of the reconfiguration of the Data Centre environments. The solution is coming to the end of Manufacturer support in August 2023. This means that no further security patches will be developed by the manufacturer for this solution.

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

Data Storage Area Network (HARC)

- Procure replacement equipment
- Install replacement equipment in a like for like configuration
- Migrate all operational services to the new equipment
- 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

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. 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.
Supplier Cost	Post Covid Pandemic the IT industry is seeing huge increases in the costs of both equipment and software licenses. Additional contingency built into the project as well as a competitive tender process to realise the best value.
Supplier Lead Times	Post Covid Pandemic the IT industry is seeing manufacturing lead times extend beyond 200 days. Mitigations will be similar to the "Implementation Delay" risk outlined above.

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 there will be impact at either 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 Solution	Y	Preferred/Appropriate Option

3.2.2 Short-list of options

Option 1 – Do nothing

Cost	Zero
Benefits	None
Deliverability	Yes
Pros	None
Cons	Will place the authority at risk of Data Confidentiality, Integrity and Availability breaches or risks due to the increased probability for Cyber Security or Hardware Failure Incidents. This probability will increase over time and is almost certain to occur in the future particularly in respect of hardware failure due to 'Manufacturer Mean Time to Failure' timescales.
Recommendation	Not recommended.

Option 2 – Replace Solution

Cost	£372k (Capital) + £90k per annum revenue
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.
Deliverability	Yes
Pros	As per benefits and de-risks potential for loss of Confidentiality, Integrity and Availability of Council key Data due to Cyber Attack or Catastrophic Hardware Failure.
Cons	Protects the Councils Data and Service Delivery obligations.
Recommendation	Proceed with this option.

Option 3 – N/A

Cost	
Benefits	
Deliverability	
Pros	

Cons

Observations

Recommendation

3.2.3 The preferred option

Option 2 is the preferred option.

Hoople IT have recently carried out a market appraisal in support of the Plough Lane SAN replacement. The costs have been based on the information gathered from this exercise and look the most realistic in respect of compatibility with the Councils infrastructure and data sizing and performance characteristics.

Table A - Indicative Costs for Solution and Implementation

Description	Supplier	Cost
HARC SAN & FC Switches*	3rd Party	£300,000
Cables and Sundries	3rd Party	£1,000
SAN Implementation & Migration	Hoople (from Table B)	£23,400
Procurement Support	Hoople (from Table B)	£3,600
Hoople Project Management	Hoople (From Table B)	£14,000
Contingency	-	£30,000
	Total	£372,000

Table B - Indicative Costs for Hoople

Activity	IT Team	Cost
SAN – Install & Configure	Architecture	£16,400
SAN – Migration & Decommission	Infrastructure	£7,000
Procurement Support	Procurement	£3,600
Project Management	Project Management	£14,000

5.0 FINANCIAL CASE

5.1 INSERT FUNDING TABLE

Capital cost of project	**2023/24**	**2024/25**	**2025/26**	**Future Years**	**Total**
Detail Table A above	**£372k**	**£000**	**£000**	**£000**	**£372k**

TOTAL	**£372k**				**£372k**

Funding streams **(Indicate revenue or capital funding requirement)**	**2023/24**	**2024/25**	**2025/26**	**Future Years**	**Total**
Prudential Borrowing	**£372k**				**£372k**
TOTAL	**£372k**				**£372k**

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

Revenue budget implications	**2023/24**	**2024/25**	**2025/26**	**Future Years**	**Total**
Support & Maintenance (assume 20% of equipment costs inc contingency)	**£90k**	**£90k**	**£90k**	**£90k**	**-**
TOTAL					

DC Equipment Lifecycle Replacement

Business Case

Key Details

Senior Responsible Officer:	PR
Author:	PR
Project Manager:	TBC
Service Lead:	SM
Agreed Project Type:	
Programme Board Allocated:	

Version Control

Version	Date	Summary of Change	Author
0.1		First issue	PR

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	*Project Board / Director / Programme Board*	*Note major changes and approvals during delivery*
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

1.0 PROJECT DESCRIPTION

The project is to replace critical IT Data Centre solutions which are coming to the end of their manufacturer supported life.

2.0 STRATEGIC CASE

Herefordshire Council runs a modern IT Data Centre Environment 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 undertook a Data Centre refresh project in 2016 and a number of critical data centre solutions are coming to the end of their manufacturer support which means that no further security patches will be developed or released by the manufacturer. This equipment will need to be replaced and is outlined in the following table:

Item	Description	Function	End of Support
1	Network Switches	Data Centre Handoff & Management	October 2023
2	Kemp Load Balancers	Resilient Application Load Balancing and Web Application Firewalls	April 2023
3	Public Network Wireless Access Points	Equipment Supporting Public Access Services for Libraries 32 Wireless Access Point replacement & consolidation onto new wireless Infrastructure.	January 2024 (CT2504 Eol April 2023)

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 capacity 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 solutions in a secure manner protecting the Confidentiality, Integrity and Availability of the Councils service delivery. 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

Data Centre equipment as outlined in section 2.0 above:

- Procure replacement equipment
- Install replacement equipment in a like for like configuration implementing any improvements identified within the design
- Migrate all operational services to the new equipment
- Decommission old equipment

2.4.2 Out of Scope

- Any other Data Centre solutions operated by the Council and not identified in section 2.0.

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.
- Improved performance due to improvements in modern solutions.
- Cost avoidance through simplification and re-use of in life equipment.

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. Data Centre solutions 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.
Supplier Cost	Post Covid Pandemic the IT industry is seeing huge increases in the costs of both equipment and software licenses. Additional contingency built into the project as well as a competitive tender process to realise the best value.
Supplier Lead Times	Post Covid Pandemic the IT industry is seeing manufacturing lead times extend beyond 200 days. Mitigations will be similar to the “Implementation Delay” risk outlined above.
Strategic Objectives	The equipment specification may change should the Strategic objectives of the Council change between the submission of the business case and procurement/delivery. The requirement and suitability will be reviewed at project commencement to ensure that the project is still relevant and in alignment with strategy.

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 there will be impact at either 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 Solution	Y	Preferred/Appropriate Option

3.2.2 Short-list of options

Option 1 – Do nothing

Cost	Zero
Benefits	None
Deliverability	Yes
Pros	None
Cons	Will place the authority at risk of Data Confidentiality, Integrity and Availability breaches or risks due to the increased probability for Cyber Security or Hardware Failure Incidents. This probability will increase over time and is almost certain to occur in the future particularly in respect of hardware failure due to 'Manufacturer Mean Time to Failure' timescales (i.e. there is an understanding that equipment has an expected lifespan and will fail beyond this).

Recommendation	Not recommended.

Option 2 – Replace Solution

Cost	£329k Capital + £50k per annum
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.
Deliverability	Yes
Pros	As per benefits and de-risks potential for loss of Confidentiality, Integrity and Availability of Council key Data due to Cyber Attack or Catastrophic Hardware Failure.
Cons	Protects the Councils Data and Service Delivery obligations.
Recommendation	Proceed with this option.

Option 3 – N/A

Cost	
Benefits	
Deliverability	
Pros	
Cons	
Observations	
Recommendation	

3.2.3 The preferred option

Option 2 is the preferred option.

Hoople IT have engaged with suppliers to understand the replacement options and associated costs. The costs have been based on the information gathered from this exercise and look the most realistic in respect of compatibility with the Councils infrastructure and performance characteristics.

Table A - Indicative Costs for Solution and Implementation

	Description	Supplier	Cost
1	Network Switches	3rd Party	£102,000
2	Kemp Load Balancers	3rd Party	£35,000

3	Public Access Access Points	3rd Party	£19,200
4	Cables and Sundries	3rd Party	£500
	Equipment Total 1+2+3+4		£156,700
	Contingency (Price Increase) 5*50%		78,350
	Engineering (a+b+c+d+e+f)	Hoople (from Table B)	£27,200
	Procurement Support (g)	Hoople (from Table B)	£4,500
	Hoople Project Management (h)	Hoople (From Table B)	£17,500
	Contingency @ 10%	-	£44,095
		Total	£328,345

Table B - Indicative Costs for Hoople

	Activity	IT Team	Cost
a	Network – Install & Configure	Architecture	£8,200
b	Network – Migration & Decommission	Infrastructure	£3,500
c	Load Balancer – Install & Configure	Architecture	£8,200
d	Load Balancer – Migration & Decommission	Infrastructure	£3,500
e	Public Access Point – Install & Configure	Architecture	£2,050
f	Public Access Point – Migration & Decommission	Infrastructure	£1,750
g	Procurement Support	Procurement	£4,500
h	Project Management	Project Management	£17,500

4.0 FINANCIAL CASE

4.1 INSERT FUNDING TABLE

Capital cost of project	2022/23	2023/24	2024/25	Future Years	Total
Data Centre Equipment (Lifecycle)	**£329k**	**£000**	**£000**	**£000**	**£329k**
TOTAL	**£329k**				**£329k**

Funding streams (Indicate revenue or capital funding requirement)	2022/23	2023/24	2024/25	Future Years	Total
Prudential Borrowing	**£329k**				**£329k**
TOTAL	**£329k**				**£329k**

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
Support and Maintenance (assume 20% of equipment costs per annum)	**£50k**	**£50k**	**£50k**	**£50k**	**-**
TOTAL					

Windows Server 2012 OS Upgrade Project

Business Case

Key Details

Senior Responsible Officer:	PR
Author:	PR
Project Manager:	TBC
Service Lead:	SM
Agreed Project Type:	
Programme Board Allocated:	

Version Control

Version	Date	Summary of Change	Author
0.1		First issue	PR

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	*Project Board / Director / Programme Board*	*Note major changes and approvals during delivery*
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

1.0 PROJECT DESCRIPTION

The project is to replace critical IT Data Centre solutions which are coming to the end of their manufacturer supported life.

2.0 STRATEGIC CASE

Herefordshire Council runs a modern IT Data Centre Environment 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.

The Councils server and application portfolio is made up of a mix of differing technologies both on premises and hosted/cloud.

The majority of on premise services are virtualised utilising hypervisor technology (VMWare) with a small number still on individual servers due to licensing constraints or resilience requirements.

Most servers within the environment run the Microsoft Windows Server operating system with a mixture of 2012, 2016 and 2019 versions.

Out of the 400+ Windows operating system servers live in the environment, 230 are still running the 2012 version of the operating system.

The Windows Server 2012 operating system is coming to the end of its supported life in October 2023.

https://docs.microsoft.com/en-us/lifecycle/products/windows-server-2012

The Council is licensed for the Windows Server 2019 version which is supported to January 2029.

https://docs.microsoft.com/en-us/lifecycle/products/windows-server-2019

The Council will need to migrate any Windows Server running the 2012 operating system to at least version 2019 before October 2023 in order to maintain a secure operating system environment for its Windows Server Estate.

It is not recommended to move beyond the 2019 version as part of this project until such time as a corporate strategy has been agreed. This way the existing investment in licensing at the 2019 version can be sweated whilst a wider longer term strategy is drawn together.

2.1 Project aims and objectives

The aim of the project is as follows:

- Upgrade any server operating the Windows Server 2012 version.
- Ensure line of business systems are able to operate with the newer operating systems.
- Maintain the Windows Server estate on a supported and secure operating system.
- Maintain systems on supportable operating systems with access to vendor support (Microsoft).

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 solutions in a secure manner protecting the Confidentiality, Integrity and Availability of the Councils service delivery. 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 obsolete Windows operating systems for the server estate with supported versions where security patches will be issued in line with emerging vulnerabilities and Cyber Security threats and vendor support can be accessed where issues are encountered.

2.4 Scope

2.4.1 In-Scope

- Identify Servers Operating the 2012 Version of Windows Server.
- Engage with application suppliers and subject matter experts in order to establish the upgrade process.
- Identify running order based on risk and capability.
- Migrate servers to new Operating system version (at least 2016).

2.4.2 Out of Scope

- Any other server operating system not identified in section 2.0.

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 vendor support for operating system issues and faults or bugs.
- Support of application portfolio and upgrades which may rely on supported current operating systems.
- Improved performance leveraged through improvements in modern operating systems.

- Potential Cost avoidance through the use of additional features available in modern operating systems.

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. Applications will be run in parallel during the upgrade process and applications/ 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 with a roll back to the previous version maintained to minimise risk.
Implementation Delay	Should any server have a delay in upgrading the operating system then additional security mechanisms may have to be implemented to mitigate any risk. Each prevailing risk 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.
Supplier Cost	Post Covid Pandemic the IT industry is seeing huge increases in the costs of software licensing and professional services. Additional contingency is built into the project but best value will be sought wherever possible.
Supplier Resource	Supplier intervention will be needed in a number of cases where the solution cannot be upgraded in place or requires a new version of the application. This resource can be difficult to engage especially where alignment to business need and departmental availability is required to support an upgrade.
Strategic Objectives	The Strategic objectives of the Council may change between the submission of the business case and delivery. The requirement and suitability will need to be reviewed and validated at project commencement and suitable milestones within the project delivery to ensure that the project is still aligned to strategy and business need.

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 there will be impact at either departmental or organisational level.

3.0 ECONOMIC CASE

3.1 Critical success factors

- Successful upgrade of server 2012 estate.
- Maintenance of a secure server operating system environment.
- Vendor access to support for maintained operating systems.
- Successful engagement with suppliers to ensure smooth upgrades take place.
- Positive engagement with business departments to ensure that any upgrade or migration takes place without disruption to business delivery.

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
Upgrade Operating systems	Y	Preferred/Appropriate Option

3.2.2 Short-list of options

Option 1 – Do nothing

Cost	Zero
Benefits	None
Deliverability	Yes
Pros	None
Cons	Will place the authority at risk of Data Confidentiality, Integrity and Availability breaches or risks due to the increased exposure to Cyber Security virus, malware or ransomware events associated with operating unsupported operating systems. This probability will increase over time as exploits are discovered and no manufacturer security patches released.
Recommendation	Not recommended.

Option 2 – Replace Solution

Cost	£330k Capital
Benefits	• Continued Cyber Security protection through vendor support for vulnerabilities • Continued access to vendor support for faults and bugs.

	• Exploitation of new features provided with modern operating systems. • Maintain alignment with application suppliers to ensure compatibility with future released which may not be able to run on version 2012.
Deliverability	Yes
Pros	As per benefits and de-risks potential for loss of Confidentiality, Integrity and Availability of Council key Data due to Cyber Attack or Catastrophic Hardware Failure.
Cons	Protects the Councils Data and Service Delivery obligations.
Recommendation	Proceed with this option.

Option 3 – N/A

Cost	
Benefits	
Deliverability	
Pros	
Cons	
Observations	
Recommendation	

3.2.3 The preferred option

Option 2 is the preferred option.

Hoople IT have reviewed similar activity with other customers to understand the considerations with this project. As the recommendation is to upgrade within the constraints of current licensing investment (i.e. Windows Server 2019) the Council can maximise its investment to 2029 whilst future strategies are drawn together. The costs are mainly internal Hoople costs and 3rd party application/system suppliers.

Table A - Indicative Costs for Solution and Implementation

Description	Supplier	Cost
3rd Party Application Supplier	Various	£150,000
Engineering	Hoople (from Table B)	£130,250
Hoople Project Management	Hoople (From Table B)	£40,250
Contingency	-	£9,500
	Total	£330,000

Table B - Indicative Costs for Hoople

Activity	IT Team	Cost
Architecture Support	Architecture	£30,750
Infrastructure – Upgrade/Migration	Infrastructure	£70,000
Database Administrator Support	DBA	£29,500
Project Management	Project Management	£40,250

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 FINANCIAL CASE

5.1 INSERT FUNDING TABLE

Capital cost of project	**2023/24**	**2024/25**	**2025/26**	**Future Years**	**Total**
Windows Server Upgrade	**£330k**	**£000**	**£000**	**£000**	**£330k**
TOTAL	**£330k**				**£330k**

Funding streams **(Indicate revenue or capital funding requirement)**	**2023/24**	**2024/25**	**2025/26**	**Future Years**	**Total**
Prudential Borrowing	**£330k**				**£330k**

Corporate Backup Solution (Growth) Project

Business Case

Key Details

Senior Responsible Officer:	PR
Author:	PR
Project Manager:	TBC
Service Lead:	SM
Agreed Project Type:	
Programme Board Allocated:	

Version Control

Version	Date	Summary of Change	Author
0.1		First issue	PR

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	*Project Board / Director / Programme Board*	*Note major changes and approvals during delivery*
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

1.0 PROJECT DESCRIPTION

The project is expand data storage capacity for the Councils backup Solution (Veeam), in support of continued data growth for structured data (line of business solutions) and unstructured data (files, SharePoint and email).

2.0 STRATEGIC CASE

Herefordshire Council runs a modern IT Data Centre Environment 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).

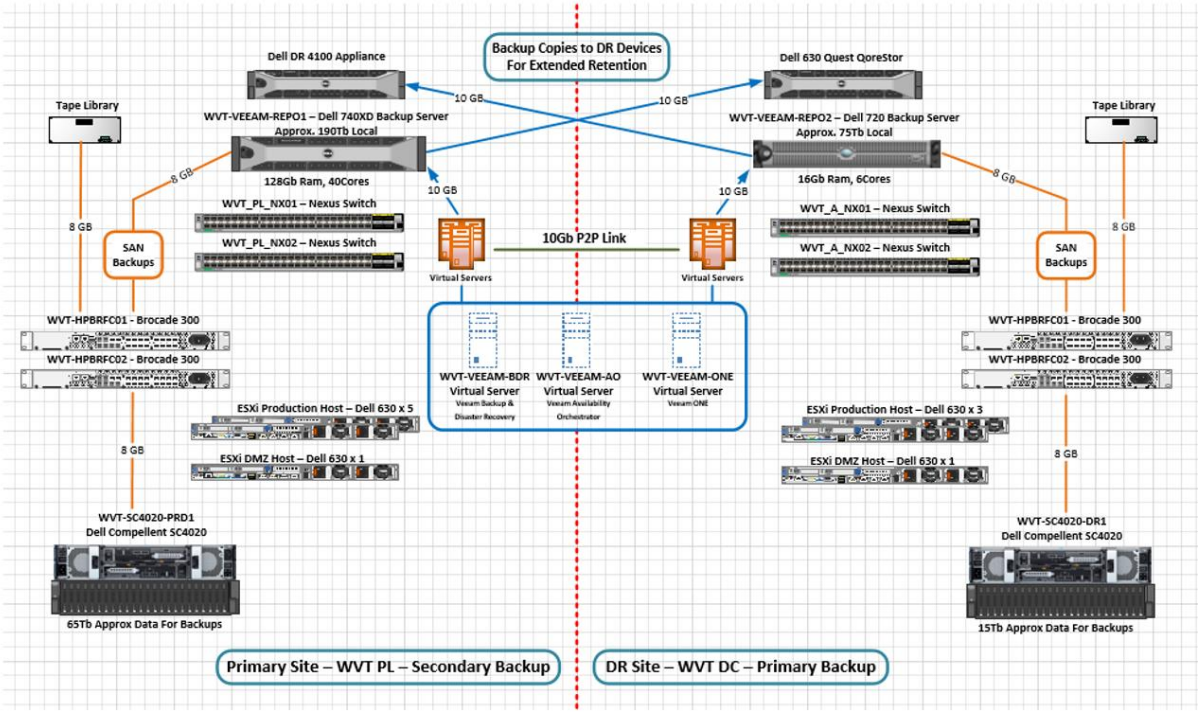
Due to these guidelines, the authority is obliged to ensure that data is protected in line with the Councils statutory obligations to meet confidentiality, integrity and availability requirements.

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

The Councils backup solution (Veeam) was implemented in 2020 and the data environment was sized in accordance with the system requirements and growth profiles prevailing at that time.

The data volumes have continued to grow year on year particularly with the introduction of Lincolnshire County Council for Business World and also database environments for EDRMS, Capita EDM and Mosaic.

There is also a further emerging issue where the data throughput (disk speeds) from the disk repository in the secondary data centre cannot keep pace with the Tape repository. This means that there is a risk that as data continues to grow there will be a point at which the data cannot be committed to tape within the required time window.



2.1 Project aims and objectives

The aim of the project is as follows:

- Implement the upgraded equipment and hardware.
- Configure and Test with Backup Solution (Veeam).
- Cut over from old equipment/hardware.

- Decommission old equipment/hardware.

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 solutions in a secure manner protecting the Confidentiality, Integrity and Availability of the Councils data assets.

Continued evolution of the Line of Business Application Portfolio and associated Data Growth means that capacity within the backup solution needs to be maintained in order to meet the obligations of the Council.

This project is to replace data storage equipment within the backup solution in order to maintain the ability to capture and recover both from a volume and time performance perspective.

This supports the Councils required Recovery Point Objective (RPO) and Recovery Time Objectives (RTO).

2.4 Scope

2.4.1 In-Scope

- Disk Data Storage for the Corporate Backup Solution (Veeam)
- Tape Media for the Corporate Backup Solution (LTO8)

2.4.2 Out of Scope

- Any other data centre equipment and assets.

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.

- Ability to capture the expected data assets in line with backup targets to fast recovery areas (disk).
- Ability to capture the expected data assets in line with backup retention policies to archive recovery areas (Tape).
- Ability to recover archived data assets in a timely fashion from Tape to fast recovery areas (disk).
- Ability to recover backup data assets from fast recovery areas (disk) in a timely fashion.
- Provide the required data backup data storage capacity to support recovery operations without impacting on backup activity.

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	Backup storage solutions will be run in parallel during the upgrade process and applications/ 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 with a roll back to the previous version maintained to minimise risk.
Implementation Delay	Should any implementation delays occur, then additional mechanisms may have to be implemented to mitigate any risk. Each prevailing risk 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.
Supplier Cost	Post Covid Pandemic the IT industry is seeing huge increases in the costs of software licensing and professional services. Additional contingency is built into the project but best value will be sought wherever possible.
Strategic Objectives	The Strategic objectives of the Council may change between the submission of the business case and delivery. The requirement and suitability will need to be reviewed and validated at project commencement and suitable milestones within the project delivery to ensure that the project is still aligned to strategy and business need.

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 there will be impact at either departmental or organisational level.

3.0 ECONOMIC CASE

3.1 Critical success factors

- Successful upgrade of the backup data storage capacity and performance.
- Maintenance of Confidentiality, Integrity and Availability of Council Data Assets during the upgrade of the equipment.
- Maintenance of backup and recovery KPIs during the upgrade of the equipment.
- Positive engagement with business departments to ensure that any upgrade or migration takes place without disruption to business delivery.

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
Upgrade backup data hardware.	Y	Preferred/Appropriate Option

3.2.2 Short-list of options

Option 1 – Do nothing

Cost	Zero
Benefits	None
Deliverability	Yes
Pros	None
Cons	Will place the authority at risk of Data Confidentiality, Integrity and Availability breaches or risks due to the increased risk of not being able to capture or recover Council data assets in line with business requirements.
Recommendation	Not recommended.

Option 2 – Replace Solution

Cost	£82k Capital - £50k pa from 2025/26 (support previously capitalised)
Benefits	• Ability to backup data assets within the required time window (speed). • Ability to capture the data assets based on volume (size). • Ability to recover data assets in line with business requirements (time). • Ability to recover data assets without impacting on backup activity (size).
Deliverability	Yes
Pros	As per benefits and de-risks potential for loss of Confidentiality, Integrity and Availability of Council key Data due to hardware capacity and performance limits.
Cons	Protects the Councils Data and Service Delivery obligations.
Recommendation	Proceed with this option.

Option 3 – N/A

Cost	
Benefits	
Deliverability	
Pros	
Cons	
Observations	
Recommendation	

3.2.3 The preferred option

Option 2 is the preferred option.

Hoople IT have reviewed similar activity with other customers to understand the considerations with this project. As the recommendation is to upgrade within the constraints of current licensing investment (i.e. Windows Server 2019) the Council can maximise its investment to 2029 whilst future strategies are drawn together. The costs are mainly internal Hoople costs and 3rd party application/system suppliers.

Table A - Indicative Costs for Solution and Implementation

Description	Supplier	Cost
3rd Hardware – Backup Storage	3rd Party	£30,000
3rd Party Magnetic Media	3rd Party	£7,500
Cables and Sundries	3rd Party	£200
Contingency (Price Increase) 50%		£18,850

Engineering	Hoople (from Table B)	£11,100
Procurement Support	Hoople (from Table B)	£900
Hoople Project Management	Hoople (From Table B)	£1,750
Contingency @ 10%	-	£10,800
	Total	£81,100

Table B - Indicative Costs for Hoople

Activity	IT Team	Cost
Architecture Support	Architecture	£4,100
Infrastructure – Upgrade/Migration	Infrastructure	£7,000
Procurement Support	DBA	£900
Project Management	Project Management	£1,750

4.0 FINANCIAL CASE

4.1 INSERT FUNDING TABLE

Capital cost of project	**2023/24**	**2024/25**	**2025/26**	**Future Years**	**Total**
Data Centre Equipment (Lifecycle)	**£82k**	**£000**	**£000**	**£000**	**£82k**
TOTAL	**£82k**				**£82k**

Funding streams (Indicate revenue or capital funding requirement)	**2023/24**	**2024/25**	**2025/26**	**Future Years**	**Total**
Prudential Borrowing	**£82k**				**£82k**
TOTAL	**£82k**				**£82k**

Laptop and PC Replacement Programme

Business Case

Date: 15th July 2022

Key Details

Senior Responsible Officer: MP

Author: SP

Project Manager: SP

Service Lead: AL

Agreed Project Type:

Programme Board Allocated:

Version Control

Version	Date	Summary of Change	Author
0.1	15/7/2022	First issue	SP

Distribution

This document has been distributed to

Name	Role	Date of issue	Version
MP	Project Supplier	15/7/2022	0.1

1.0 PROJECT DESCRIPTION

This document contains information that describes the justification for the continuation of Herefordshire Councils Laptop and PC replacement programme and includes devices and peripherals to be purchased for 'business as usual' purposes. This Initial Business Case is to be submitted to the Capital Strategy Board and if accepted, a more detailed Business Case can be developed.

2.0 STRATEGIC CASE

This Initial Business Case is to recommend the provision of a rolling programme of device replacements for staff computing across Herefordshire Council. Each year it is anticipated that 25% of the estate will need to be replaced to ensure that device performance is maintained.

If approved it will also provide the necessary equipment to allow the continuation of service deliverability unhindered (otherwise known as Business as Usual) taking into account the various issues received on a daily business which consist of break/fix repairs new starter devices and replacement of any lost devices and associated peripherals.

If this Business Case is approved Hoople can begin a rolling programme of device replacement. This will be carried out by identifying devices older than four years or that require fixing or replacing.

As previously stated each year approximately 25% of the device estate will be replaced to ensure that device performance is maintained.

Hoople Project Management, Desktop Support and Procurement will be involved in planning and carrying out this work.

2.1 Project aims and objectives

An implementation phase will begin and deliver the following:

- Replacement of existing devices older than four years will maintain functionality for all end users
- Business as usual device and peripheral replacement. This will include, but will not be limited to, break/fix repairs, new starter devices and replacement of any lost devices and associated peripherals

2.2 Strategic Drivers

This project, by providing the tools for staff to carry out their roles, underpins the functions of Herefordshire Council and in doing so will support the strategic priorities.

2.2.1 National and Regional

N/A

2.2.2 Local

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

This project specifically supports the objective to secure better services, quality of life and value for money.

2.3 Background and Rationale in Project Mandate

a) A laptop or desktop device enables staff to interact with critical council applications. Old equipment is generally of a specification which is below the minimum standard for the modern applications which run on it. This often results in poor performance and devices becoming frequently unresponsive to the user

b) Devices within the current desktop and laptop estate have previously been supported with a 4 or 5 year hardware warranty. The devices scheduled for replacement will be of an age where they are now out of warranty, unsupported and prone to failure

c) Older devices have high failure rates and poor performance. This increases demand on the IT services (to manage device repair and replacement) and impacts staff productivity while devices are exchanged

d) Devices which are subject to poor performance will have an impact on staff's experience of using critical council applications which hold citizen information and facilitates service delivery to the public (Mosaic, Tribal, Civica, Unit 4 Business World, e-mail) and could lead to a deterioration in customer service performance

2.4 Scope

2.4.1 In-Scope

All laptops, PCs and associated peripherals used by Herefordshire Council staff.

2.4.2 Out of Scope

Any specialist devices which have been purchased individually by teams i.e. devices which are bespoke or not part of the standard estate e.g. any iPads and mobile phones

2.5 Benefits

The anticipated benefits of the proposed project are:

2.5.1 Cashable benefits

- Simplifying and rationalise the device estate to remove legacy costs

- Price fluctuations for devices will be reduced

2.5.2 Non-cashable benefits

- Maintain staff productivity levels by replacing ageing, lost or damaged equipment
- Support the agile working principles by replacing PCs with laptops where possible

2.5.3 Dis-benefits

2.6 Risks

Replacing devices on ad hoc basis as they fail will have significant impact on the following costs:-

1) The purchase price of each device will be higher if procured only as and when devices are needed
2) Adverse impact on staff productivity while using failing equipment
3) Engineers will be needed to prepare and deliver devices at short notice. This will impact on other scheduled work which will have to be delayed to accommodate the unscheduled device replacement
4) If a device fails there is potential for work to be lost on the device, this could be small amounts that the user was progressing at the time of the failure or could be significant if documents had been saved locally and had not been transferred to the network
5) Devices which are subject to poor performance could lead to a drop in customer service performance

2.7 Constraints and Dependencies

Unknown at this time.

2.8 Stakeholders

Project Sponsor: Andrew Lovegrove

Stakeholders: IT Service Delivery Board

Senior Supplier: Mark Pearson (Hoople)

The designated Project Manager or Senior Supplier will report project progress and performance to the Project Sponsor. This will normally be a progress report or highlight report at regular intervals.

3.0 ECONOMIC CASE

3.1 Critical success factors

- Replace approximately 25% or devices older than four years to ensure that device performance and functionality is maintained for all end users
- Ensure business as usual device and peripheral replacement is adequate to maintain performance and functionality for all end users

3.2 Options and Do Nothing Option

3.2.1 List of options

Option	Short-list Y/N	Reasons
Option 1 - Do Nothing Leave device estate as is	N	*See section 2.3*
Option 2 - Do Minimum Purchase devices on a as and when basis	Y	*Pros: Initial cost outlay will be lower. Cons: See section 2.6*
Option 3 – Do Something Purchase and provide a rolling programme of replacement devices	Y	*Pros: See section 2.5*

3.2.2 The preferred option

The recommended preferred option is Option 3 – Do Something

Purchase and provide a rolling programme of replacement devices

4.0 COMMERCIAL CASE

4.1 Required services

Costs will be based on the resource requirements listed, and the time period that each resource is required, in order to develop the Full Business Case.

Costs would normally include resources for:

- Project management and procurement team support for the initial procurement
- Technical appraisal to support the procurement
- Engineering resource and project management for the device planning and roll out

4.2 Potential/Agreed risk transfer

N/A

4.3 Proposed/Agreed charging mechanism

N/A

4.4 Proposed/Agreed contract lengths

N/A

4.5 Proposed/Agreed key contractual clauses

N/A

4.6 Personnel implications (including TUPE)

N/A

4.7 Procurement Strategy and implementation timescales

A procurement exercise will be carried out to find a suitable supplier from which Herefordshire Council can obtain devices. Currently this is undertaken on a three year basis and prices are usually lower than can be obtained by spot purchasing. It is expected that by carrying out a procurement for a four year period further savings can be made.

5.0 FINANCIAL CASE

The price of replacements devices fluctuates each year and as technology matures and becomes standard in the industry the point price of devices will potentially reduce. If there are supply issues for any of the components then the price will potentially increase. As a consequence of this a year to year programme will be developed which will allow for the replacement of as many devices as possible within the budget constraints.

5.1 FUNDING TABLE

Capital cost of project	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Replacement Kit	**365**	**365**	**415**	**448**	**1,593**
TOTAL	**365**	**365**	**415**	**448**	**1,593**

Funding streams **Capital funding requirement**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Corporate Funded Borrowing					
TOTAL	**365**	**365**	**415**	**448**	**1,593**

5.2 Impact on the Council's income and expenditure account

TBC

6.0 MANAGEMENT CASE

6.1 Project Management Arrangements

Hoople will provide PM capability.

6.2 Arrangements for benefits realisation

N/A

6.3 Arrangements for post project evaluation

N/A

6.4 Timeframes

Yearly programme of replacements with a 4 year plan.

Replacing Microsoft Office E1 with M365 E5

Business Case

Date: 2nd Nov 2022

Key Details

Senior Responsible Officer: tbc – will report to Transformation Board

Author: MI

Project Manager: MI (until June 2023)

Service Lead: SM/MI

Agreed Project Type:

Programme Board Allocated:

Version Control

Version	Date	Summary of Change	Author
0.1		First issue	MI

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	HPMO	Sense check	
	Assurance Board	Sense check	

	Capital Programme Board	Council Programme oversight
	Cabinet	Corporate fit
	Full Council	Approval (capital programme)
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	Assurance Board	Assurance
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Distribution

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Name	Role	Date of issue	Version
KM	Capital Finance		
PMO			

1.0 PROJECT DESCRIPTION

The project is to replace the current Microsoft perpetual licence productivity suite software (E1, 2016 version) with the up to date Cloud computing equivalent, E5. This gives access to a range of software including collaboration, security, telephony and the Power Platform tools which can enable analytics, automation etc. E1 2016 Office products will not be sold from Oct 2023.

2.0 STRATEGIC CASE

- We have choices to make:
    - Oct 2025 Windows 10 and Microsoft Office 2016 support expires (and end of sale for Perpetual Office is October 2023)
    - During 2025 the telephony and wide area network contracts also expire

We have a current set of products which meet minimum requirements but are lagging behind and are complex to maintain (these include Office suite, VPN, Telephony, Security etc). We could sustain this at least for a few years more but most business areas are pushing for better solutions. Our digital and customer transformation ambitions would likely be inhibited. Senior leaders and most staff (based on recent staff survey) are expecting more of their technology toolset.

Security is particularly relevant – behind the best & other LA's, a risk:

- Lacking modern toolset & ability to lever Microsoft knowledge
- Limited ability to recover quickly - most data held and backed up on premise

The alternative is to move to what is becoming the local government standard; the Microsoft M365 suite and tools (E5):

- 'Evergreen' Office suite & route to Windows 11
- Defender – proactive and reactive security & threat protection
- Cloud storage – 1TB per user free and SharePoint Online
- Simplified identity management – facial recognition & single sign on – everything available in one click (no more VPN sign on)
- Voice & collaboration in one place – Teams
- Access to the PowerPlatform – automation tools, PowerBI reporting, easy to build and integrate applications, virtual agents (chatbots)
- Access to monitoring/collaboration/learning tools (Viva)

Adopting this alternative does move the Council to 'consumption computing' – evergreen solutions, but at annual revenue cost rather than cyclical capital investment. However the technology landscape can be simplified and many products can be retired.

2.1 Project aims and objectives

The aim of the project is as follows:

- Implement the M365 E5 suite
- Retire products which are no longer required
- Realise the benefits of the toolset (principally this is likely to be driven by the forthcoming Digital and Customer strategy)
- Skill up the technology support teams for the new product set

The work will require careful phasing to realise the most important benefits quickest and balance costs by retiring the more expensive current software soonest.

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.

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 background & rationale has been presented to CLT – paper attached

ICT Future CLT 04_10_22 v0.3 MI.ppt

2.4 Scope

2.4.1 In-Scope

Technology Productivity Suite (MS Office & related software)

- Procure replacement software
- Install
- Retire products which are replaced by new software
- Decommission old equipment
- Train support staff
- Realise benefits

2.4.2 Out of Scope

- Any technology not related to M365 product

2.5 Benefits

The anticipated benefits of the proposed project are:

2.5.1 Cashable benefits

Revenue payments will cease on the technology which will be retired after implementation, current list anticipated as the following (subject to further detail planning, it may increase); total £254,711

Forrester (2021) analysed ROI for M365/E5 and found an ROI of 46%

- Increased automation
- Decreased time wasted/money spent in data discovery
- Decreased risk/cost of data breach
- Software retirement
- Unquantified – ease of use, adoption, administration & productivity

But….cost ROI hangs on adoption of suite – a challenge and cannot be guaranteed.

2.5.2 Non-cashable benefits

These include:

- Ease of use
- Improved cost management
- Collaboration advantages
- Security
- Ability to exploit later iterations of technology

There is a significant reduction in Capital budget requirement – currently forecast as c£1-1.2m over the period FY 23/24 to 25/26

2.5.3 Dis-benefits

Increased revenue costs in the region of £450,000 in 22/23 but falling significantly in future years

None

2.6 Risks

Risk	Mitigation
Engineering Resource & skillset to implement	Can use specialist suppliers & draw on Microsoft advice
Disruption to services during migration	Low risk but possibly a factor for services such as telephony. All implementations need detailed planning.
Implementation Delay	This is a complex programme which needs careful planning due to the interdependencies. The highest risk of implementation delay is not realising benefits or not achieving cost savings from retired products in a timely way.

Change	It will require all ICT users to adapt to different technology. This is thought to be very low risk but adaptation as well as being able to use the benefits is required and that is a higher bar.

2.7 Constraints and Dependencies

Initiatives which depend on this project are:

Describe any existing or future projects which will need this work to happen in order to progress?

None

This project depends on:

None but the close relationship with the Digital and Customer strategy is noted.

2.8 Stakeholders

Wide range of senior level stakeholders, both Councillors and Officers.

3.0 ECONOMIC CASE

3.1 Critical success factors

- Successful Procurement and planning.
- Successful implementation (likely over 2 years for full value realisation).
- Retirement of software no longer required.
- Successful use of new capability
- Support for new product set
- 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	Possible but rejected by CLT on 4.10.22
Alternative updated software such as Google Docs	Y	Rejected by CLT – lack of track record and any known reference sites plus complexity of change

3.2.3 The preferred option

The proposal to move to M365 E5.

Table A - Indicative Costs for Solution and Implementation of M365 E5 product purchased on Microsoft 'ramp' terms

Generic Year	M365 E5 RAMP Costs (users)	Library & Standalone Devices - See C33	Contracts unable to consolidate or already committed to (parallel run)		True down of existing EAs	Consolidation of other products	Wider Avoidance (guestimates at	(A+B+C)-(D+E+F)

							this point)	
One	£509,178.60	£27,100.00	£254,711.02		£75,212.94	£-	£200,000	£515,776.68
Two	£564,629.52	£27,100.00	£57,222.00		£121,270.26	£151,431.70	£247,690	£128,559.56
Three	£631,465.80	£27,100.00	£57,222.00		£121,270.26	£151,431.70	£756,997	-£313,911.16
Four	£631,465.80	£27,100.00	£57,222.00		£121,270.26	£151,431.70	£0	£443,085.84
Five	£631,465.80	£27,100.00	£57,222.00		£121,270.26	£151,431.70	£0	£443,085.84

B. Implementation costs

Currently estimated at £300,000 in first year and £150,000 in second year.

3.3 Supplier appraisals

3.3.1 The Procurement process

- Direct award to Microsoft using UK HMG Public Service Agreement pricing.
- Implementation partner assistance (if required) – to be competed via a suitable route.

3.3.2 Preferred supplier

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

Microsoft – only supplier

4.0 FINANCIAL CASE

4.1 INSERT FUNDING TABLE

Capital cost of project	**2023/24**	**2024/25**	**2025/26**	**Future Years**	**Total**
	£300k	**£150k**	**£000**	**£000**	**£350k**
TOTAL	**£300k**	**£150k**			**£350k**

Funding streams **(Indicate revenue or capital funding requirement)**	**2023/24**	**2024/25**	**2025/26**	**Future Years**	**Total**
Prudential Borrowing	**£350k**				**£350k**
TOTAL	**£350k**				**£350k**

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.

Project Name	Estates Building Improvement Programme 2023-25
Verto Project Code	
Author	GCP
Senior Responsible Officer (SRO) *(if different to Author)*	SJ
Project Manager	*To be completed by the Portfolio Manager*
Service Lead	GCP
Agreed Project Type	*To be completed by the Portfolio Manager*
Programme Board allocated	*To be completed by the Portfolio Manager*
Date	28/07/22

Version Control

Version	Date	Summary of Change	Author
0.1	29/07/22	First issue	GCP
0.2	30/07/22	Rev A	GCP
0.3	08/11/22	Rev B	GCP

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	*Project Board / Director / Programme Board*	*Note major changes and approvals during delivery*
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

Project Description

These building improvement works are supplemental projects to the 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 figure 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

This is an improvements programme, for all works that arose from historic operational requirements, based on a risk assessment analysis.

The Council's Estate includes 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 key reasons set out in the Objectives described below.

Building Improvement Works

Further projects have materialised since the three year Estates Building Improvement programme 2022-2025 initiated and these are included herein for capital funding on a project by project basis. Projects have been assessed prior to inclusion in the programme and those that neither meet key criteria nor are 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 improvement 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 will self-deliver.

Other projects will be procured in line with the Council's procurement process.

Improvement Works to Maylord Orchard

This is a programme of works identified from recent condition surveys.

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

Hoople will be acting as managing agents on behalf of the Council to assist in the delivery of some of the works and where appropriate will self-deliver elements.

The remaining elements of the projects will be procured in line with the Council's procurement process.

Funding of these works will be from Reserves and Future Revenues.

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	x	Deliver initiatives to reduce the Council's carbon footprint (supporting objectives EN5 & EN7)
Community	x	Council's modernisation programme (supporting objectives CO0 & CO4) Management of the Council's assets to maximise their use (supporting objective CO0)
Economy	x	Support economic opportunity through business support (supporting objectives EC2 & EC6)

List key Strategy the project delivers against and explain how

- Installation of new energy efficiency measures in Council buildings to improve the environmental and energy efficiency standards and reduce the Council's carbon footprint.
- Carry out improvement works to Council buildings to modernise and create better working environments for employees.
- Spending more locally by working with large local employers to build strong local supply chains and increase the amount of money which stays in the local economy.

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

The diverse range of projects will directly address the priorities through improving digital communication via building management systems, reducing our carbon footprint, improving the environment, protecting our historic buildings and promoting our heritage and addressing social values by actively engaging local contractors supporting the local economy.

Scope

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

The works to all properties identified within Appendices A and B are included in scope.

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

Maintenance and running costs of buildings not included.

Objectives

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

This programme of works aims to achieve the following:

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

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 project are as follows:

- Reduced revenue costs
- Reduced depreciation of buildings and assets
- Heritage protection

- Energy efficiency
- Sustainability
- Protected income
- Increased revenue (from investment portfolio)
- Risk management / mitigation
- Protecting service delivery
- Statutory Compliance
- Growth of our local economy

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

The works will be delivered under the guidance of the PMO by:

- Engaging external consultants to augment the internal resources to plan, design, administer and finally sign off the programme of works.
- Utilising Hoople for the management and delivery of the works where appropriate.
- Appointing suitable contractors in line with the Council's procurement rules to carry out the works.

Benefits realisation will be measured in terms of:

- Reduced revenue expenditure on reactive maintenance.
- Maintaining Business Continuity

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:

- Shortage of resources, labour and materials
- Rising costs – reducing the extent or quality of completed works
- Insufficient funding
- Impact on service delivery

- Loss of income
- Loss in value/deterioration of property assets
- Reputational risk
- Non-Compliance with statutory regulations
- Health and safety risks
- Pandemics

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 e.g.: 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
- 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
- Contractor availability
- Rising costs of materials and labour

Preferred Option

Outline what the preferred option is and why

Allowing investment and undertaking this 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 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 Council's objectives to reduce its carbon footprint.

Each project will aim to incorporate the use of local labour and materials to address social values.

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, Hoople and utilisation of existing frameworks as appropriate.

Some of the procurement for Maylord Orchard will be merged with the Library Stronger Towns Project so the most effective method of procurement including Hoople, tender or via the Library project will be taken.

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.

Building Improvement Works (Appendix A) cost **£2,602k**

Improvement Works to Maylord Orchard (Appendix B) cost **£1.105k**

Total project cost of Estates Building Improvement Programme 2023-25: **£3,707k**.

This sum is based on high level estimated figures i.e. detailed evaluation has not been undertaken. Consultant expertise will be required for technical feasibility and design work and an allowance has been included for professional fees and contingency.

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	£46k
Design	£130k	Property	£111k
Project Management Fee (est. 10%)	£185k	Legal	£56k
Planning Fees	£28k	Consultancy Fees	£556k

		Construction Costs	£2,595k

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		No	x

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		No	x

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 2023	2 year program
Completion	March 2025	2 year program

APPENDICES (List)

Appendix A – Details of projects included in the Building Improvement Works – Rev A

Appendix B – Details of Improvement Works to Maylord Orchard

Appendix A

BUILDING IMPROVEMENT WORKS

PROGRAMME	2023/25	Rationale	Reasons	Ward
	£k	Health and Safety, Business Continuity, Asset Deterioration, Landlords Responsibility		
Improving the power distribution at Gypsy and Traveller sites	65	Health and Safety, Business Continuity	A requirement has been identified to resolve an operational risk across the Gypsy and Travellers sites. These works are to address electrical power outages on sites by improving and upgrading the electrical infrastructure.	Arrow, Bromyard Bringsty, Red Hill, Hope End, Bircher, Dinedor Hill
Fire precautions and improvement works	250	Health and Safety, Business Continuity	Fire Doors - The condition and effectiveness of the fire doors throughout the corporate estate are audited on a 6 monthly basis to ensure compliance with fire safety legislation. FRA's have highlighted issues with fire doors that require attention. Fire Stopping - FRA's have highlighted area where fire stopping in compartment walls/floors has been breached or is missing. Fire strategy/ Fire Compartmentation surveys to be carried out as part of the fire precaution improvement works.	Various
Replacement of hot water cylinders at G&T sites from vented to unvented	100	Health and Safety, Asset Deterioration	The existing vented hot water cylinders across four sites are reaching the end of their serviceable life and therefore need to be replaced. By utilising unvented rather than vented systems the cold water storage tanks will no longer be needed and can therefore be decommissioned and removed which will also reduce risk from Legionella.	Arrow, Bromyard Bringsty, Red Hill, Hope End, Bircher, Dinedor Hill
Public Toilets emergency assist alarms and lighting	60	Health and Safety	FRA and H&S audits have highlighted a need for emergency lighting and disabled call alarm assist for public toilets to mitigate risk to the public using the facilities	Various

Ross Leisure Centre - Flood defences	50	Health and Safety, Business Continuity	The building has sustained flood damage in recent years increasing the insurance policy excess and any future claims for ingress of water are likely to be met by the Council. Flood precaution works are required to mitigate against further flood events to a council asset, to demonstrate to insurers that we are taking measures to prevent/mitigate future losses and safeguard the building for business continuity. A report on flood defence options has been obtained and this bid is for additional capital to top up insurance funding.	Ross West
St Katherine Master's House Roofing works (ridge tiles)	50	Health and Safety	The ridge tiles at the masters house which is a grade II listed building are debonding allowing water ingress and internal damage to the building fabric. Unless attended to the tiles will completely debond and be a hazard and continue to allow deterioration of the building fabric.	Ledbury North
Tarsmill Court Inds Unit 16-22 Roof replacements	375	Asset Deterioration, Landlords Responsibility	The asbestos cement roofing is deteriorating allowing water ingress and internal damage to the building fabric affecting business continuity. This is Landlords Responsibility and the Tenant is threatening legal action.	Dinedor Hill
Leominster MAO car parking	60	Business Continuity	Provision of forming new car parking area and cycle shelter on council owned land near the Multi Agency Offices.	Leominster East
Bromyard Linton Quarry and adjacent wooded area - provision of CCTV Installation	40	Health and Safety	Provision of CCTV to monitor site that contains a deep water filled clay quarry to the west side and a wooded area to the east side. Site is adjacent to Council owned Gypsy & Traveller site where there is continued breaches of the security fencing between the premises. There has in the past been a fatality due to drowning in the quarry which is now filled with water. CCTV installation will help support further security measures.	Bromyard Bringsty

Plough Lane Air Conditioning	35	Business Continuity, Asset Deterioration	The air conditioning systems serving the 1st and 2nd floor Comms Rooms and UPS room at Plough Lane are coming to the end of their serviceable life and therefore need to be replaced. Replacement of these systems will ensure that the rooms in question can continue to be sufficiently cooled. This will prevent ICT/UPS equipment from overheating which could shorten the lifespan of the equipment. It will also ensure that important resilience systems are available when needed and important HC data is not lost.	Widemarsh
Plough Lane and HARC Gas Suppression	50	Business Continuity	The current gas suppression cylinders are due for replacement in 2024. Replacement of these cylinders will ensure that the gas suppression systems remain operational and are available to use in the event of a fire, allowing important ICT data equipment and artefacts to be protected.	Dinedor Hill
Crematorium Mechanical Works	30	Health and Safety Business Continuity	The current extract fan used to remove heat during the cremation process is located internally above the cremators at high level. Recently the fan failed and H&S advised that the cremators needed to be shut down due to the elevated temperature in the room. Relocating the extract fan externally will make access much easier if and when future failures occur and reduce H&S implications of working above the cremators.	Greyfriars
Upgrade Building Monitoring System	65	Business Continuity	The software currently used to monitor the Trend BMS system is coming to the end of its lifecycle and is being phased out and replaced with a new bespoke software package. Upgrading this software will ensure that HC can continue to effectively monitor vital building services such as heating, ventilation and ICT server room air conditioning across various corporate sites and thus optimise energy efficiency and reduce carbon emissions.	Widemarsh

Car Park Lining	45	Health and Safety Business Continuity	Car parks provide for essential city and town centre parking for visitors, employees and residents, marked out to achieve maximum safe capacity at each location. Car park inspection reports highlight the poor condition of car park lining and signage including a lack of disabled parking spaces and safety issues arising from incorrect separation of pedestrians and vehicles and their movements. Improvements are required to ensure car parks are operated at their maximum safe capacity (loss of visitor space, and income) and to maintain enforcement.	Various
Lady Hawkins Roofing works and rainwater goods improvement works	110	Business Continuity, Asset Deterioration	Improvements to metal sheet roofing and defective metal gutters, rainwater goods and surface water drainage to mitigate blocking and water ingress into the building causing external and internal deterioration of the fabric of the building.	Kington
Plough Lane and Hereford Crematorium UPS replacements	45	Business Continuity, Asset Deterioration	UPS system 1 at Plough Lane and the UPS system at Hereford Crematorium are reaching the end of their useful lives and therefore will need to be replaced. If the UPS system at Plough Lane were to fail then this would prevent the mains power switching seamlessly to generator power in the event of a mains power failure. This will cause the A/C in the data centre to go into fault and cause a loss of cooling that in turn will result in the ICT equipment overheating and risking catastrophic data loss. If the UPS system at Hereford Crematorium were to fail then this would interrupt the operation of the cremators in the event of a mains power failure which would cause damage to the cremator equipment.	Widemarsh, Greyfriars
Merchant House Cycle Storage	10	Sustainable Travel	A service requirement has been identified for bicycle shelter facilities.	Widemarsh

HARC Data Centre Air Conditioning	15	Business Continuity	Installation of additional wall mounted A/C system in the second floor data centre at HARC to provide additional resilience in the event of a failure to one of the existing A/C systems. This will reduce the risk of vital ICT equipment from overheating which would lead to ICT equipment failure and catastrophic loss of HC data.	Dinedor Hill
Merton Meadow Pump House Rationalisation	125	Health and Safety, Asset Deterioration	The storm water pumping facility on Merton Meadow car park is currently non-functional and the pump house building is in a poor state of repair. Improvement works are needed to reinstate surface water drainage lines, remove redundant equipment, demolish current pump house and water storage tank and construct smaller building in its place to house storm water pumping equipment and associated mechanical and electrical installations to ensure transfer of storm water away from the car park to prevent flooding in inclement weather. This should not interfere with any future plans for the site.	Widemarsh
Ross-on-Wye Library Cold Water Storage Tank Removal	12	Health and Safety	The existing cold water storage tank (CWST) at Ross-on-Wye Library only provides cold water to the wash hand basins and WCs in the staff toilets. This tank has tested positive for Legionella previously because there is an insufficient turnover of water to prevent Legionella proliferation. By removing this CWST and reconfiguring the pipework so that the staff toilets are fed from the mains water supply this will reduce the risk from Legionella within the building.	Ross East
Maylord Orchard Public Toilets Refurbishment	150	Health and Safety, Asset Deterioration	To refurbish the redundant public toilets that are accessed from the northern side of the Maylord Centre, close to the bus stop, and put them back into use so that they meet modern statutory requirements and have facilities that are available to use by all members of the community. This will	Central

			support the library project given expected increased footfall and the removal of the escalators.	
Former Shopmobility Facilities	175	Health and Safety, Asset Deterioration	A service requirement has been identified for usable space to support the Corporate Asset Review by providing suitable accommodation for services.	Central
Demolish the tennis courts at Bishops Meadow Hereford and return them to amenity grass	475	Health and Safety, Asset Deterioration	The facilities are currently closed and remain a health and safety risk. The location of the courts and their proximity to the river and the damage inevitably caused by repeated winter flooding which without any new flood precautions as part of any improvement works would result in an ongoing maintenance repair cost. The proposal is to replace the tennis courts in their entirety at a cost of £475k but this will need the £180k from the Lawn Tennis Association that they have set aside for 2023/24 towards fencing, automated gate and resurfacing to these tennis courts but they have yet to give a formal decision whether they will provide this funding.	Hinton & Hunderton
Demolition Blackfriars St Football Stand	110	Health and Safety, Asset Deterioration	The condition survey has highlighted the poor general structural condition of the overall stand in its current state, it recommends that spectators/public should continue to be excluded from the site until it is either substantially refurbished or demolished and rebuilt/redeveloped.	Widemarsh
Decarbonisation Assessments	100	Business Continuity, Asset Deterioration, Tenants Obligation	Herefordshire Council has committed to becoming net zero carbon by 2030. With a move towards low carbon, it is therefore necessary to undertake building decarbonisation assessments which will allow the identification of suitable low carbon heating alternatives and also how to target other elements of a building's energy usage, thereby identifying further reductions in carbon.	Various
Total cost of works (inclusive of Construction, Contingencies and Fees)	2,602			

Appendix B - Details of improvement works to Maylord Orchard

IMPROVEMENT WORKS PROGRAMME	2023/25	Rationale	Reasons	Ward
	£k	**Health and Safety, Business Continuity, Asset Deterioration, Landlords Responsibility**		
Replacement of electrical distribution boards	55	Health and Safety, Business Continuity, Asset Deterioration	The service reports highlighted issues with the distribution boards which have not been upgraded since being installed and the boards are no longer in production. The manufacturer was taken over and the fitment of breakers changed in 2009 making the parts obsolescent and dramatically increasing cost. Any major change to the electrical installation will require new distribution boards.	Central
Replacement of Goods Lift control panel	40	Health and Safety, Business Continuity, Asset Deterioration	The condition report provided by Jackson Lift Group in April 2022 highlighted the need to upgrade the main control panel on both goods lifts. The existing control panel is obsolete, the manufacturer is no longer trading and the control system parts are difficult to obtain. Replacement is recommended to ensure long term maintainability, reliability and safety of the lift system.	Central
Replacement of flat roof finishes and associated upstands, flashings, rainwater goods etc	450	Health and Safety, Business Continuity, Asset Deterioration	A recent roof survey recommended replacing the felt roof with a single ply membrane in the immediate future. The original purchase report in June 2020 recommended replacement in 2 to 3 years. The need to replace the flat roof is further demonstrated by ongoing leaks. Successive large patch repairs have been unsuccessful and water ingress is damaging tenanted areas.	Central

Rationalisation and improvement works to mechanical installation and associated electrical works	150	Health and Safety, Business Continuity, Asset Deterioration	An investigation identified a need to determine which equipment at the site is live and which is redundant to provide a rationale going forward and inform further works required. In addition works to replace items that are coming to the end of their useful life including the pressurised air system which automatically opens atrium windows in the event of a fire, the first floor toilet extract ventilation system and the water heater currently serving Poundland with unvented equivalent. Furthermore there will be a need to decommission, drain down and remove redundant cold water storage tanks and associated equipment to reduce risk from Legionella.	Central
Improvements to Trinity Square and Blueschool Street elevations.	250	Health and Safety, Asset Deterioration	The existing facia to the atrium and fenestration to the facades has been in place over 30 years since the centre was constructed and requires improvement. This will provide an opportunity for rebranding and modernisation of the centre providing a more welcoming experience, bringing in more footfall and making the centre more attractive to potential tenants thereby keeping the units fully utilised to generate maximum revenue to the council.	Central
Upgrading atrium lighting with LED energy efficient lighting	95	Health and Safety, Asset Deterioration	To replace the existing end of life lighting with new energy saving lighting scheme to the atrium to modernise and provide suitable lighting levels and emergency lighting to the area.	Central
Redecoration of atrium including replacement of handrails and stair nosing's	65	Health and Safety, Asset Deterioration	To replace the existing handrails and redecorate the tired atrium area to brighten up the area and to improve DDA with colour differentiation.	Central
Total cost of works (inclusive of Construction, Contingencies and Fees)	1,105			

Highways Infrastructure Investment

Business Case

Date: 29/07/22

Key Details

Senior Responsible Officer: MA

Author: BE

Project Manager: TBA

Service Lead: BE

Agreed Project Type: Investment in Highway Infrastructure

Programme Board Allocated:

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	
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	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)
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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

1.0 PROJECT DESCRIPTION

2.0 STRATEGIC CASE

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. (See appendix A)

2.1 Project aims and objectives

The condition of the various assets are such that the annual plan needs support to prevent the assets deteriorating.

The investment is to mitigate various assets such as carriage and structure (bridge) condition as well as invest in replacement outdate street lighting columns and drainage. In addition there is a number of local concerns around safety, the parishes have provided requests for support, and these will be reviewed and complimented with additional local funding through S106, PCC or Parish Funding.

The project will mitigate the immediate concerns in the various assets and will in turn will ensure the network is safe for all users.

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. The council's Highways Asset Management Strategy is for:

- Major investment which started in 2014.
- To have sustained investment,
- Reduce the need for reactive temporary repairs
- Move resources to preventative rather than reactive.
- Provide the support that enables routine maintenance work to be delivered locally. Activities

The County Plan ambitions support the proposal as this bid is focused on maintaining the integrity of the network. The Economic and Community is connected by the Highway /Public Realm network, supporting the economy and strengthening communities, the programme of works will also maintain Herefordshire as a great Place to live.

The plan is invest in the assets whose condition is such that the consequence of not investing is such that highway safety can be compromised.

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	√	C04, C00
Economy	√	EC2, EC5
Environment	√	EN3

Community and Economy: The project ensures localities remain connected, there is a risk of severance due to bridge or road failures, the project is to invest to maintain the network.

Environment: in maintaining the network, the investment will result in reduced reactive works which would add to the materials, transport and additional works in keeping the network safe. Minimising the risk of failure and closures will reduce the diversions needed for transport.

2.3 Background and Rationale in Project Mandate

The Public Realm is funded through the Dft, this is minimal in compared to the value of the asset. The pressures on the network are significant with the backlog in investment is recorded in Appendix A. There is a risk of significant failure of structures or roads which this bid seeks to reduce.

2.4 Scope

To improve the network condition and safety, the Public Realm condition is well recorded, the network is being managed but with the risk of deterioration.

Bridge and Road Structure element is to improve the condition and reduce the reported red condition in the network and grow the green condition.

Drainage issues are prevalent, this is to continue the investment and reduce the risk to flooding and highway safety.

Street lighting pole replacement is to ensure the asset is of good condition and not prone to failure.

Parish Safety Schemes are to address local concerns and support funding to deliver benefits in the locality.

2.4.1 In Scope

Works within the Public Realm

2.4.2 Out of Scope

Works not identified in the Bid and outside of the Public Realm.

2.5 Benefits

The anticipated benefits of the proposed project are:

2.5.1 Cashable benefits

Backlog of maintenance to reduce and becomes manageable with the DfT funding.

2.5.2 Non-cashable benefits

Connectivity maintained, the network remains safe, minimal claims due to network condition. Safer environment due to key elements of the bid.

2.5.3 Dis-benefits

None

2.6 Risks

- Deliverability due to rising costs and available resources, these will be managed in line with the PRC with early sight of any issues.
- Demand outweighing available budget, this will be managed through design and delivery and assessment of future needs.

2.7 Constraints and Dependencies

Initiatives which depend on this project are:

County Plan delivery is dependent on the network being safe and available for use, this bid ensures this will be available.

This project depends on:

The Public Realm Contract and Contract Management Team to deliver and ensure Value for Money.

2.8 Stakeholders

Local communities, parish councils and local members are key stakeholders, they will be engaged directly through the Annual Plan programme, and a Comms Plan will be developed and delivered.

3.0 ECONOMIC CASE

3.1 Critical success factors

The project will be measured against the condition and change this will facilitate, number of structures repaired, the lengths of road treated, columns replaced and the parish council engagement.

3.2 Options and Do Nothing Option

3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Not to invest.	N	Deterioration of the network must be mitigated with a planned investment programme.
Increase investment to curtail the backlog over a number of years.	N	At this stage this is not deemed affordable, this doesn't preclude future major
To invest as set out in the BBLP submission, this would see a first year investment of £9.5 million and will minimise the risk to the public.	Y	Potential to address concerns
Invest in the network, roads, bridges, PROW structures, Parish Safety and Street lighting.	Y	This will invest in the key infrastructure elements, addressing part of the pressures on the network and will complement the DfT investment. There will be an element of public satisfaction in the Parish and PRoW investment.

3.2.2 Short-list of options

Option 1 – Detail

Cost	23/24 £9.5m first year, £7.5m for next 2 years.
Benefits	Increased resilience on the network keeping communities and businesses connected.
Deliverability	Achievable
Pros	Minimises the risk on the network

Cons	Doesn't not address other concerns on the network.
Recommendation	Further consideration required to include in future bids.

Option 2 – Detail

Cost	23/24 £3.9m for first 2 years, overall investment over 5 years = £20m.
Benefits	Sustainable investment in line with the asset management strategy.
Deliverability	Deliverable
Pros	Sustained investment across the highway assets.
Cons	Not the sustained investment required to abate the issues concerns but sustainable.
Observations	Sustained investment will extend past the current PRC contract, the investment will ensure continued improved condition.
Recommendation	This option taken forward as preferred.

3.2.3 The preferred option

Option 2 To invest over a 5 year period in the key elements, carriageway, structures and street lighting columns, this will be complimented with investment in Parish safety Schemes and PRoW infrastructure..

3.3 Supplier appraisals

The proposal is to utilise the Public Realm Contract and Contract management Team for delivery and to ensure value for money.

3.3.1 The Procurement process

The procurement will be in the delivery of the Annual and Forward programme.

3.3.2 Preferred supplier

The Public Realm service provider is the preferred supplier, the councils Contract Management Team will support the commission and ensure Value for Money.

4.0 COMMERCIAL CASE

4.1 Required services

Investment in the network infrastructure

4.2 Potential/Agreed risk transfer

Risk is with the service provider and the council in so far as condition of the network and available funding. The bid addresses concerns about the shortfall in investment and managing the network.

The scheme risks are with the service provider.

4.3 Proposed/Agreed charging mechanism

Parish Safety Schemes

4.4 Proposed/Agreed contract lengths

Delivered through the Public Realm Contract, Annual and Forward Plans

4.5 Proposed/Agreed key contractual clauses

Value for money is the key driver, the Public Realm Contract

4.6 Personnel implications (including TUPE)

N/A

4.7 Procurement Strategy and implementation timescales

Procurement with the PRC, looking at alternative options if delivery through the PRC doesn't provide the VFM confidence.

5.0 FINANCIAL CASE

5.1 INSERT FUNDING TABLE

Capital cost of project	**2023/24**	**2024/25**	**2025/26**	**2026/27 & 2027/28**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Carriageway Investment	**1500**	**1500**	**1500**	**3000**	**7500**
Structures	**1500**	**1500**	**1500**	**3000**	**7500**
Drainage	**500**	**500**	**500**	**1000**	**2500**
Parish Safety Schemes	**100**	**100**			**200**
Street lighting	**200**	**200**	**200**	**400**	**1000**
PRoW Structures	**100**	**100**	**100**		**300**
Project Management Fees (est. 10% project value)	**185**	**185**	**185**	**370**	**925**
TOTAL	**4085**	**4085**	**3985**	**7770**	**19925**

Funding streams **(Indicate revenue or capital funding requirement)**	**2022/23**	**2023/24**	**2024/25**	**Future Years**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Prudential Borrowing	**4085**	**4085**	**3985**	**7770**	**19925**

TOTAL	**4085**	**4085**	**3985**	**7770**	**19925**

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**
note any impact on revenue budget, good or bad	**£000**	**£000**	**£000**	**£000**	**£000**
TOTAL					

6.0 MANAGEMENT CASE

6.1 Project Management Arrangements

Contract Management Team will manage the procurement, for info, the CMT are implementing a Contract Improvement Plan to ensure appropriate management of the contract and to ensure VFM.

6.2 Use of Consultants

None

6.3 Arrangements for benefits realisation

Through the PRC, managing the network and liaising with key stakeholders.

6.4 Arrangements for post project evaluation

Monitoring the network through performance and risk management through the PRC.

6.5 Timeframes

Stage/Milestone	**Indicative Date**	**Comments**
Stage 0 - Project Mandate approved	*Insert Date*	
Stage 1 - Outline business case completed	*Insert Date*	
Stage 2 - Full business case completed	*1/8/2022*	

Full Council approval	*Feb 2023*
Approval to spend obtained	*Feb 2023*
Stage 3 - Delivery	*April 2023*
Insert key milestone	*Annual Plan development 1st April each year*
Insert key milestone	
Stage 4 – Handover	
Insert key milestone	
Stage 5 - Project Closure	*31/32028*

7.0 THE ENVIRONMENTAL CASE

The delivery will minimise the impact on the Environment by reducing the need for reactive maintenance, closure of routes will be minimised and ensure connectivity. This will prevent unnecessary vehicle movements and allow for shortest time journeys which will also open up active travel routes. Specific schemes will review the Environmental Issues and where necessary, mitigate through design and delivery.

8.0 LEGAL IMPLICATIONS

9.0 EQUALITY IMPACT IMPLICATIONS

There are no implications, the projects are to enable access for all and to include all.

10.0 HEALTH & SAFETY IMPLICATIONS

Managed through the contract, scheme specific risks will be managed through procurement.

11.0 SOCIAL VALUE IMPLICATIONS

The Parish and local member engagement will benchmark the benefits and ensure the value is provided.

APPENDICES - SUPPORTING EVIDENCE

Appendix A

Highway Maintenance Backlog

Maintenance Backlog
Supporting informatic

Appendix B

BBLP Briefing Not on Structures

Briefing Note - 2023
HC Capital Funding Pı

Appendix C

BBLP Briefing Note on Carriageways

Briefing Note - 2023
HC Capital Funding Pı

Ash Dieback: Managing the Network

Business Case

Date: 31/07/22

Key Details

Senior Responsible Officer: MA

Author: BE

Project Manager: TBA

Service Lead: BE

Agreed Project Type: Investment in Highway Infrastructure

Programme Board Allocated:

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	*Project Board / Director / Programme Board*	*Note major changes and approvals during delivery*
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

1.0 PROJECT DESCRIPTION

2.0 STRATEGIC CASE

Ash Dieback is becoming prevalent in Herefordshire, the trees within the public realm and council owned and managed land have the disease, and it is at various stages. The project is to ensure the public are safe removing the trees that are dead or in such a condition, they must be removed. The risk has been identified and is on the corporate risk register.

Ash dieback disease is a fungal disease of Ash trees, Fraxinus species, commonly known as Chalara Ash dieback or just “Chalara”. The fungus has two phases to its life cycle, an asexual stage that grows in affected trees, and a sexual stage as small white fruiting bodies on stalks that burst open in summer to release infective spores. These spores then spread by wind to other trees continuing the contagion. Forest research (2022) quotes that spores have been known to travel from as far as Europe and that these are typically produced between June to September.

Figures for Herefordshire show over 500,000 ash trees (The Tree Council 2016), making up 50% of non-woodland canopy cover and dominating as a hedgerow species and woodland cover of over 6500 ha. Ash species also make up 79% of the council’s registered Tree Preservation Orders. In regards to council managed land there are over 2600 recorded ash trees. The density of Ash trees in Herefordshire is considered medium-high placing it as one of the top 10 counties in regards to Ash trees percentage.

As an estimate there are in excess of 100,000 Ash trees beside Herefordshire’s >3250km of public roads and equal or even greater number potentially impacting the 3360KM of public rights of way in the county. Although it is estimated 95% of these trees will be the responsibility of private landowners, the council’s duty still requires it to serve legal notice on private trees that are an identified risk to the highway network, in addition to managing the trees it is directly responsible for.

2.1 Project aims and objectives

The project aims to remove the trees whose condition requires action, the recovery phase will then plant to minimise the impact of the disease.

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.

The risk has been identified and as such a strategic plan is being developed to manage the project. If this were not to progress there is a real risk to public and employees safety.

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.
Economy	√	EC 5
Environment	√	EN 3

The project will ensure the trees in Hereford are healthy and safe.

The public will remain safe to enjoy the county.

The economy of the county will be safe ensuring disruption caused by dead trees is managed and removed with delay.

2.3 Background and Rationale in Project Mandate

The disease is a national concern, all authorities are impacted though the councils are at varying stages of mitigating the risk. Herefordshire is in a similar position as the immediate neighbouring authorities. The financial burden is significant and impacts on the county. The project is to be delivered to manage the risk and remove the dead and significantly impacted species. It is predicted that at some stage, all Ash trees will succumb to the disease, some will be resilient but removal of the dead trees and replanting is essential.

2.4 Scope

To programme over the next 5 years, removal of dead and significantly diseased trees. The project will invest in a recovery phase to mitigate the loss of the significant assets.

The Ash trees within the Public Realm and in land owned and managed by Herefordshire Council are in scope.

The scale of the project may vary as the impact of the disease becomes known, the various stages of the disease can change over a relatively short period of time. This will be managed as part of the project.

2.4.1 in Scope

Ash trees in land owned and managed by the council.

Recovery phase, replanting with an appropriate species.

2.4.2 Out of Scope

Maintenance work

2.5 Benefits

The anticipated benefits of the proposed project are:

2.5.1 Cashable benefits

Healthy Assets County wide.

2.5.2 Non-cashable benefits

Removal of risk within the county

Recovery plan to mitigate the impact.

2.5.3 Dis-benefits

The project is to remove the risk and to invest in a recovery plan. In undertaking the project, neighbouring land owners will need to inform and they will need to manage their assets, there is potential for the council to serve legal notices which will need to be action.

2.6 Risks

- Corporate Risk Register to implement the Ash Die Back Action Plan, this is being developed in tandem with the funding bid which will remove and replace diseased trees.
- Not doing the project has the potential for significant severe impact and the further potential for claims for loss of life or property damage.

2.7 Constraints and Dependencies

Initiatives which depend on this project are:

The Ash Die back Action Plan implementation is dependent on the funding. The recovery plan is part of the project.

This project depends on:

This project is dependent on appropriate resources being allocated to the project.

2.8 Stakeholders

The public, adjacent land owners, property owners, parish councils and local members. As part of the project a detailed comms plan will be developed. The links within the Public Realm contract will also be used to deliver the message informing as necessary.

3.0 ECONOMIC CASE

The Conservation Team will be the councils specialist resource used to inform and support the project.

The Public Realm Contract is the mechanism to deliver the project due to the majority of the trees and impact is within the Public Realm. The network of specialist contractors that can be used and the inspections undertaken as part of the business as usual will assist in monitoring the change in condition.

The council property team will manage the assets within land owned and managed by the council.

The project will be scrutinised for value for money through the PRC contract management team and Property Team.

3.1 Critical success factors

Safe network and the replacement of trees removed.

3.2 Options and Do Nothing Option

3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Do Nothing	N	Risk and Safety concerns
Remove Trees only	N	Removes the risk but doesn't support the councils County Plan ambitions.
Remove Trees and replace only within the Public Realm	N	Removes the risk but doesn't support the councils County Plan ambitions.
Remove Trees, replace within the council owned and managed assets. To look at funding opportunities to support property and land owners.	y	Removes the risk, invests in the asset and supports the county.

3.2.2 Short-list of options

Option 1 – Remove Trees, replace within the council owned and managed assets. To look at funding opportunities to support property and land owners.

Cost	Estimated cost with the information available is circa £1,782.00. This will change as the number of trees impacted by the disease become known.
Benefits	Recovery, replacement of the asset is key in minimising the impact of removal.
Deliverability	Deliverable with resources within the county, council will need to resource within the various council teams to support the project, this will be revenue.
Pros	Managing the risk and removal of dead and seriously damaged trees.
Cons	None

Recommendation	Work to remove the risk and re plant must be undertaken, the risk is significant and must be managed, therefore the recommendation is to start with the known assets, develop the action plan and implement.

3.2.3 The preferred option

Option 1 is the preferred Option.

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:

- *The procurement will utilise the existing property and public realm management contracts. Part of managing the network is managing the risk and change in condition, this will trigger the removal of trees in a timely manner.*

3.3.2 Preferred supplier

The Public Realm Contract, the Property maintenance Contract with appropriate challenges to ensure value for money through the Contract Management Team.

4.0 COMMERCIAL CASE

4.1 Required services

Tree Surveys

Tree Removal

Supply and planting of trees as part of the recovery phase.

4.2 Potential/Agreed risk transfer

The risks are managed within the Public Realm Contract and Property Contract.

The risk is best placed within the contracts as the inspection and change in condition is part of the maintenance requirements of the contracts.

4.3 Proposed/Agreed charging mechanism

Through the contract mechanisms.

4.4 Proposed/Agreed contract lengths

The proposal is for 5 years but this may extend due to the condition of the trees, the proposal is to only remove those that have a risk. Trees will still have life, therefore will remain until such time as the condition dictates removal. This is a long term project which will need to change with the development of the disease.

4.5 Proposed/Agreed key contractual clauses

The contracts already manage trees, this is another branch to the existing due to the significant impact.

4.6 Personnel implications (including TUPE)

None

4.7 Procurement Strategy and implementation timescales

The current contracts can facilitate the works. The council will need to resource.

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	**2023/24**	**2024/25**	**2025/26**	**Future Years**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Revenue budget implications	**2023/24**	**2024/25**	**2025/26**	**Future Years**	**Total**
note any impact on revenue budget, good or bad	**300**	**350**	**350**	**700**	**1700**
Project Management Fees (est. 10% project value)	**£000 15**	**£000 17**	**£000 17**	**£000 34**	**£000 83**
TOTAL	**315**	**367**	**367**	**734**	**1783**
Staff Revenue to support the project, already in place	**115**	**115**	**115**	**230**	**575**
Funding streams					
(Indicate revenue or capital funding requirement)	**2023/24**	**2024/25**	**2025/26**	**Future Years**	**Total**
	115	**115**	**115**	**230**	**575**
	£000	**£000**	**£000**	**£000**	**£000**
Prudential Borrowing	**315**	**367**	**367**	**734**	**1783**
TOTAL	**315**	**367**	**367**	**734**	**1783**

6.0 MANAGEMENT CASE

6.1 Project Management Arrangements

The Built and natural Environment Team, Contract Management Team, Property and Engineering teams will have a role in ensuring the successful implementation of the Ash Die Back Action Plan.

6.2 Use of Consultants

None

6.3 Arrangements for benefits realisation

Public Realm Contract and the Hoople contract with Property.

6.4 Arrangements for post project evaluation

These will be identified in the Ash Die Back Action Plan.

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	*1/8/22*	
Full Council approval	*02/23*	**Full Council**
Approval to spend obtained	*03/23*	**Cabinet Member Report** **Record of Operational Decision to implement.**
Stage 3 - Delivery	*01/04/23*	**Commencement of project.**
Insert key milestone	*Insert Date*	**Quarterly reporting**
Insert key milestone	*Insert Date*	**Quarterly reporting**
Stage 4 – Handover	*Insert Date*	**Quarterly reporting**
Insert key milestone	*Insert Date*	**Quarterly reporting**
Stage 5 - Project Closure	*Insert Date*	**Not known due to known number of trees and condition, this will develop with quarterly and annual reporting.**

7.0 THE ENVIRONMENTAL CASE

Ash Dieback is impacting on the tree stock in Herefordshire, of specific concern is the impact on Ash Trees within the public realm and council owned land. The risk to the public is not limited to the managed estate but in the immediate areas adjacent which if they were to fail, could impact on the Public Realm or Herefordshire Council managed estate.

Ash dieback disease is a fungal disease of Ash trees, Fraxinus species, commonly known as Chalara Ash dieback or just “Chalara”. The fungus has two phases to its life cycle, an asexual stage that grows in affected trees, and a sexual stage as small white fruiting bodies on stalks that burst open in summer to release infective spores. These spores then spread by wind to other trees continuing the contagion. Forest research (2022) quotes that spores have been known to travel from as far as Europe and that these are typically produced between June to September.

Since the infection is widely spread by these fungal spores there are no preventative methods to prevent or mitigate spread. Research from Europe found that there was a mortality rate of 70-85% depending on the type of plantation (DEFRA, 2019) and the current scientific consensus is that around 95% of Ash trees will die or be severely affected by the disease. Depending on the age of the tree, once ash are infected there is a 3-5 year window before the tree starts to show high percentages of infection, although this could also be much quicker. Ash dieback has a high mortality rate, with a greater effect on young trees. Therefore current management guidelines focus on ensuring public safety and not disease eradication.

8.0 LEGAL IMPLICATIONS

Under Section 41 of the Highways Act Herefordshire Council has a duty to maintain the highway.

The risk has been identified and as such a strategic plan is being developed to manage the project. If this were not to progress there is a real risk to public and employees safety.

9.0 EQUALITY IMPACT IMPLICATIONS

None

10.0 HEALTH & SAFETY IMPLICATIONS

The project is to manage the health and safety risk on the network.

The contractor will manage site safety and risk to the employees.

11.0 SOCIAL VALUE IMPLICATIONS

Removing the risk and implementing the recovery plan will ensure the benefits to the public and businesses.

APPENDICES - SUPPORTING EVIDENCE

Appendix A

Ash Dieback Background Information.

Ash Dieback DMT presentation.docx

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.

Project Name	Phase 2 – Implementation of Moving Traffic Enforcement
Verto Project Code	
Author	JH, Parking Services Manager
Senior Responsible Officer (SRO) *(if different to Author)*	MA, Service Director Highways and Transport
Project Manager	LB, Project Manager (PMO)
Service Lead	JH, Parking Services Manager
Agreed Project Type	*Light Touch*
Programme Board allocated	*To be completed by the Portfolio Manager*
Date	

Version Control

Version	Date	Summary of Change	Author
0.1		First issue	
0.2			

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	*Project Board / Director / Programme Board*	*Note major changes and approvals during delivery*
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

Project Description

A key decision taken on 22 July 2022 approved the application of powers, and the spending of £100k of agreed capital toward a Moving Traffic Enforcement scheme which will cover two Hereford sites. The decision (below) approved the Full Business case for the scheme.

https://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?IId=50040690&Opt=0

This light touch business case makes reference to that business case noting that an extension of the scheme to more locations will require more funding in order to improve the capacity of the service. It also notes that any phase 2 of the scheme is invested on the basis as an invest-to-save due to the income derived from penalties issued.

Background and Rationale

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

Further funding is being sought to extend and enhance this scheme as outlined in this decision and detailed within the Full Business Case (appended) as follows:

Applying the costs from the model, each additional site costs on average £35,000. This means the four remaining surveyed locations and two additional sites could be added in year 2 at a capital setup cost of £221,000

In addition to fixed cameras, there is the option to use a mobile camera (attached to a vehicle), that potentially allows for any site to be enforced. This costs on average £70,000 for purchase and £10,000 in annual maintenance.

Six additional fixed cameras and a mobile camera could be added for year 2 at a capital setup cost of £291,000 (this includes a 40% optimisation bias and contingency.

If the average of the income of the remaining surveyed sites is applied to these new sites (revenue per site of £27,000 in the first year and £57,000 in the second year), this would mean a first year additional revenue of £189,000 and a year 2 additional revenue of £399,000.

It is proposed to procure an additional two camera sites at this time at a cost of £74k which can be relocated as required and determined based on operational requirements. There is however associated maintenance costs in relocating the devices, and setting up a new location so this should be minimised.

In addition a mobile camera vehicle can be procured at a further cost of £70k and can be used to enforcement a wider range of restrictions including parking at schools.

This request is therefore for £144k in capital funding with repayments satisfied using net income derived from penalties. Income forecasted to fund the investment is £68k per annum from year 2. The repayments will be taken over 5 years to repay the full cost of borrowing.

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	X	Improve and extend active travel methods in the county, by enforcement of poor driving behaviour to promote safer streets.
Community		
Economy		
List key Strategy the project delivers against and explain how		• Local Transport Plan 2016 -2031 *Considering the enforcement of moving traffic offences where it causes congestion or impacts road safety including enforcement of yellow boxes.*

Scope

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

Two sites are being delivered as part of 2022/23 (phase 1) capital funding, where the remaining locations identified can be delivered through this phase 2 funding.

The appended business case set out the locations where enforcement may be applicable where cameras procured under this scheme can be deployed.

Objectives

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

- The key objective is to secure sufficient enforcement capacity across the county to allow for the council to properly manage these locations. This can be measured against the number of proposed sites for enforcement and the number delivered with this funding.
- Reductions in contraventions at enforced sites. Benchmark data can be used in week one of enforcement to establish the number of vehicles contravening each site without enforcement. Data can be collected at regular intervals when enforcement is taking place to establish improvements in driver behaviour at these locations.

Benefits

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

The core purpose of the UK Government advancing the regulations nationwide is to reduce congestion, improve air quality, improve bus service reliability, and encourage cycling whilst promoting a generally safer environment for all road users.

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

The benefits arising from better enforcement are a gradual reduction in contraventions at these sites. Contraventions either cause delays, safety concerns for vulnerable road users or a reduction in air quality due to congestion.

The sites will be managed as part of the Parking Service where cameras will be monitored and deployed to locations where the highest number of contraventions occur, or where there is a serious safety concern.

The cameras, whilst fixed, can be demounted and re-located to another site should further issues arise or that location become well managed from the enforcement it is no longer required.

Drivers may wish to challenge the issue of an enforcement notice, and they can do this by way of the legislated process which is set out to mirror parking notices. These challenges will be managed to ensure that consistent and robust decision making is in place.

Risks

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

1. The council do not get powers (submitted July 2022).

   No finance will be committed until the powers are confirmed.

2. The costs of equipment exceed this capital allocation.

   Whilst efforts have been made to benchmark costs and detail the plans, should the cost rise unexpectedly then the scheme will be reduced to match the budget available.

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.

Phase 1 of this project currently being delivered, expected April 2023 (subject to receipt of powers)

http://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?IId=50040690

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

Then Phase 1 of the scheme will be the only enforcement capacity the council have this would operate at two Hereford sites only and without a mobile enforcement vehicle to cover illegal and dangerous parking at schools.

Preferred Option

Outline what the preferred option is and why

This is outlined in the below decision and the appended full business case.

http://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?IId=50040690

Environmental and Social

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

This is outlined in the below decision and the appended full business case.

http://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?IId=50040690

Procurement

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

This is outlined in the below decision and the appended full business case.

http://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?IId=50040690

Legal

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

This is outlined in the below decision and the appended full business case.

http://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?IId=50040690

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: £144,000

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.

3. Is this cost indicative (estimate during business case development), ☒
4. actual (procured) or ☐
5. Evidence based estimate? ☐

Spend Profile:			
Feasibility	£0	Procurement	£120,000
Design	£2,000	Property (highway)	£2,000
Project Management Fee (est. 10%)	£10,000	Legal	£0
Planning Fees	£0	Consultancy Fees	£0
Risk and Contingency	£10,000		

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		No	X

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		No	X

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**
Application for Powers	*July 2022*	
Receipt of Powers	Dec 2022	
Go live with Phase 1 (other capital)	April 2023	
Receipt of phase 2 capital	April 2023	
Procurement of extended scheme	June 2023	
Go live	September 2023	

The Master’s House Landscaping Ledbury

Business Case

Date: 16th August 2022

Key Details

Senior Responsible Officer: MA

Author: DF

Project Manager: DF

Service Lead: LE

Agreed Project Type: Capital scheme

Programme Board Allocated: Project board appointed

Version Control

Version	Date	Summary of Change	Author
0.1	16 08 22	First issue	DF
1.0	02 09 22	Finance update	DF
1.1	05 09 22	Revenue update	DF

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	*Project Board / Director / Programme Board*	*Note major changes and approvals during delivery*
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
MA	Interim Service Director, Transport & Highways	2nd September 2022	1.0

1.0 PROJECT DESCRIPTION

This project will deliver a fitting destination public space for the local community and visitors. It will complement the recent investment by HC in the £3.2m renovation of 16th Century Master's House building, which accommodates a library, indoor events space and local museum.

The landscaping proposals include:

1. Over 580sqm of public realm, including levelling and repaving with sandstone and buff coloured surface to accord with built heritage context. This will be supplemented with the installation of electrical sockets to enable flexible programming of events including weekly market and seasonal events.
2. Improved accessibility between car park and town centre uses, including wheelchair-accessible paths, one from a high street entrance to the rear of a popular hotel, the introduction of levelled paving at St Katherines Square and the second path from St Katherines square to the main entrance of The Master's House
3. Enhancement to this historic setting and increased biodiversity, including tree and shrub planting to the north and west elevations of The Master's House and to the west and south perimeter margins, public art, feature lighting and illumination of a feature wall. Information boards will also be introduced depicting the splendour of the original gardens, all improving visitors' ability to appreciate the listed buildings.

2.0 STRATEGIC CASE

Completed in 1488 The Master's House was built as a private residence for the Master of St Katherine's Hospital. The building has been subject to modifications by numerous masters over the years.

The Master's House and the Hospital were set amongst a range of service and farm buildings at the centre of owned estate lands around Ledbury in excess of 1,600 acres. In the late 16th Century St Katherine's Hospital Site, with boundary hedging and The Master's House at its centre, included an array of farm buildings, an orchard, gardens and a pool, all contained within the area now used as the car park. The farm would have been largely self-

sufficient in food and in its day The Masters House was one of the grandest mansions in the area.

Circa 1771 much of the original timber framed building was shrouded with fashionable brickwork façade. Records show that from the quantity of brickwork used, this included all the boundary walls to the gardens. The enclosure of the gardens within the fashionable walls, added to the stature of the property.

The 700 year traditional use of The Master's House was brought to an end in 1941 when taken over by the Ministry of Food. It seems at some stage between 1941 and 1962 the stunning gardens of The Master's House was raised to the ground to create vehicular access and parking. The Master's House is now surrounded by St Katherine's car park. Clearly, this surface level car park does not form part of the original characteristic or setting of the prestigious Master's House.

During years of painstaking restoration between 2011 & 2015, HC have invested extensively both in commitment and financially, to transform The Master's House into a vibrant library, archive and community services hub.

As a result The Master's House, St Katherine's was awarded the RIBA Building of the Year Award on the basis that the commitment to deliver was sustained by HC. In a statement, RIBA commented 'Together they (the 3 main stakeholders) have successfully integrated an accessible design into the historic fabric of The Masters House and reconnected the building to its context and local community'

However, the surroundings of the House do not reflect the status of the property or characterise its history. It has long been the objective of the Council and others (e.g. friends of the Master's House) to enhance the setting of the Master's House to reflect the significance of this centre of Ledbury history, all the while maintaining the parking provision for the Town. Every effort will be made to mitigate the loss of parking spaces with an innovative new layout within the car park greening.

Whilst realising the importance of parking to support trade, the Authorities strategy is to support active travel and this must also be taken into consideration despite the demographic of the market town.

2.1 Project Aims & Objectives

The aim of this project is to take an austere car park and turn it into The Masters House garden with ample parking. The objective is to utilise scope within St Katherine's to enhance the civic architecture and townscape. To provide a much more attractive public environment and better use of civic buildings. To ensure a better performing physical estate in Ledbury and more effective use of public assets.

This project will deliver a destination public space for the local community and visitors, complementing recent investment by HC in the £3.2m renovation of 16th Century Master's House building.

Briefly it will provide 582sqm of public realm, including levelling and repaving with sandstone and buff coloured surface to accord with built heritage context, installation of electrical sockets to enable flexible programming of events including weekly market and seasonal events. It will also improve accessibility between car park and town centre uses, including a wheelchair-accessible path from the rear of a popular hotel and high street entrance with ramped paving.

The ultimate objective is to create enhancement to this historic setting and increase biodiversity with tree, shrub and medieval herb planting. The introduction of public art and illumination of a feature wall, will improve visitors' ability to appreciate listed buildings.

The scheme will re-establish character and setting by creation of a new town square away from the traffic in the busy streets. This central feature will be a meeting place attracting visitors to an events area providing additional market space and other seasonal activities

2.2 **STRATEGIC DRIVERS**

The project was identified as a priority in the Ledbury MTIP through engagement with Ledbury Town Council, local businesses and the voluntary sector. The full planning application was supported by Historic England, Friends of Master's House and Ledbury Civic Society. The proposals were subject to public consultation during the determination of the full planning application between January 2015 – November 2018.

This is a long-standing delivery aspiration by the Town Council. It has significant local support for the visual improvements delivered and the potential to extend the town market.

The scheme supports the ambitions of the County Plan, numerous Herefordshire Plans and Programmes and the Strategy of the Ledbury Neighbourhood Plan (the reviewed Regulation 14 draft plan was submitted 2nd February '22)

The County Plan 2020 – 2024 sets out the Councils priorities:

ENVIRONMENT – Protect and enhance our environment and keep Herefordshire
a great place to live
COMMUNITY – Strengthen communities to ensure that everyone lives well and Safely together
ECONOMY- Support an economy which builds on the county's strengths and resources

-

The landscaping proposals established by the Project Board strongly supports the Environment and Economy ambitions and contributes to the Community ambition.

-

County Priority – please select from	Tick √ below where applicable	Delivery Plan Reference(s)
Community		
Economy	√	Protect and promote our heritage, culture and natural beauty to enhance quality of life and support tourism

Environment	√√	The council will consider the impact of climate change and the opportunity for carbon reduction in every aspect of our operation……. We will support this commitment by ensuring that tree planting and habitat enhancement is prioritised. Improve residents' access to green space in Herefordshire

2.3 **Background and Rationale in Project Mandate**

The whole area surrounding The Masters House is dedicated to a surface level tarmac car park, save for an unmaintained shrub border to the south and west, two unkempt shrubs flanking an entrance at the north of The House and a small strip of poor quality grass between the south carpark and the main entrance to the house which, due to this initiative, now has two beautiful semi mature trees.

The tarmac is in poor condition showing signs of foundation failure in several large areas.

Between the Barn and the main entrance to The Master's House, there is a very uneven surface and an informal loose gravel ramp, both of which are hazardous. This poor surfacing is attracting criticism from the public and has the potential to lead to local press interest.

One entrance to the town centre at the rear of a popular hotel has hazardous steep steps and thus can only be accessed by the able bodied.

The austere tarmac surrounding the Master's House does not reflect the status of the property or characterise its history. It also does not support the investment that HC has undertaken to restore this exceptional property, which according to English Heritage may be the only one of its kind in England.

2.4 Project Scope

PHASE ONE - With existing planning permission obtained in 2018, that the Barn Square area (BSA - now referred to as St Katherine's Square - SKS) by St Katherine's car park design is completed as per the same surface area of the current planning permission (see Appendix 4 - diagram D1 attached). However, noting the variations below:

The SKS design is re-considered and potentially amended to create a more level area which is relevant to events and markets, the current gradient is 1:19, so it is recommended that a re-design is considered (a gradient of around 1:40 would be more suitable.)

It is anticipated that the amendment to the design will be over split level incorporating a retaining wall and railings with a graded paved ramp pathway access.

However, the Barn owns a circumference area /curtilage around their building. This curtilage has a width of 2 metres on the north and 2 metres width to the western side of its venue, which is situated within the proposed SKS area. It is proposed that this area owned by 'The

Barn' will not be included in the proposed scope. 'The Barn' owns this area; the paving of this area would need to be completed by the owners of the land.

The current planning permission includes a small slither of land to the left of the Barn nearest to the car park that is owned by Herefordshire Council, this land will not be included in the Phase One work stream. Paving of this area is to be included in Phase Two. This will result in cost savings, and to allow work to be re-imagined for the ramped area from the Feathers Hotel (see Phase Two).

The SKS area is levelled, re-paved; power points are installed to the square with basic lighting and underground ducting in preparation for lighting installed in Phase Two, it is anticipated that the plans for more detailed lighting for Phase Two are confirmed in Phase One. It should be noted that this proposal would not include the benches, planters and integral seating as well as the planting due to a restrictive budget, however the new designs should allow these to be added later. (In Phase Two, further lighting will be installed with the aim to lighting up stones, trees and possibly additional recessed lighting in new Public Square lighting up the back wall of St Katherines Hall.)

The works in Phase One will require a budget of £164,860. This budget is secured by using the remaining balance of the Aldi S106 financial contribution of £109,860 plus an agreed allocation of £55,000 from unspent capital estates budget within the estate capital programme 2019/22.

Remove and repair the stone-etched ground map by October 2022 to take advantage of grant funding. In addition, re-position the stone-etched ground map at the final stages of Phase One.

PHASE TWO - Main Work Streams approved within the 2018 Planning Permission

Work stream No	Current Planning Permission	Completed	Comments / Risks / Issues
4	Paving around 3 sides of the Master's House building	NO	• To pave ONLY gritted areas • Costs may be higher due to supply costs and/or inflation. It is highly recommended that a new ITT is completed to ascertain new costs for this work before commitment. • **This is to reconsidered if pre-existing problem has been resolved by other measures**
5	Assessment if additional seating, and planters and lighting, are required in the St Katherine's Square area	NO	• Costs are likely to have increased due to Brexit and supply chain and inflationary increases. • St Katherine's Square area is extended in Phase One. **Therefore, the street furniture is to be re-considered, to enable larger events to occur in the space.**

Work stream No	Current Planning Permission	Completed	Comments / Risks / Issues
6	Rumble Strip in entrance road (Near Bye Street, north of site)	NO	• Rumble strip is part of planning application
7	Planting of Trees, medieval herbs and planting across all remaining site	NO	• Planting may need to be staggered if plants are not available in seasons.
8	Reassignment /Amendments to car park – • Removing western promontory grassed area • Creating two new spaces in location of ticket machine on Western Promontory.	NO	• A study will be required to consider the impact of amendments to car parking capacity and mitigation measures agreed. See Appendix 4 - diagram D3b attached diagram above.
10	Lighting	NO	• Lighting up stones, trees and additional recessed lighting in new Public Square, also see lighting in proposed additional work streams below – for lighting up St Katherines Hall.

*Noting – that minor works may be required as part of Project One – not listed above.

** Work stream numbers – noting some numbers may be already completed and appearing in Project One

PHASE TWO – Additional Work Streams requiring Amendment to Planning Permission

Stakeholders and the Ward Member have requested a number of additional amendments. It is necessary for Cabinet members to consider the suggested amendments to the existing designs. It is likely that these will require an amendment to planning, many are considered as non-material amendments and will incur a cost of £234 for each application to planning; all approved variations to planning will be applied for in Phase One to ensure they can be included in Phase Two.

Work stream No	Title	Description	Comments / Risks / Issues
11	New car park planting in centre of Western end of car park - to replace lost trees	See point 2 of diagram D4 attached within appendix 4	• The new planting will replace some trees that will not be planted on the Northern end of car park (Point 5) and one tree that will not be planted in front of Master's House. • However, this amendment may remove further spaces from the Western side of the car park. Consideration to be given to car parking capacities that are required for the Town, opportunities to re-locate parking, or provide improved management of on-street parking to accommodate off street reductions.
12	New car park disabled ramp access to Feathers Hotel	See point 3 of diagram D4 attached within appendix 4	• Will offer more disabled access to residents with a short cut through the Feathers Hotel and onto New Street from St Katherine's car park. • Pathway into Feathers Hotel is not a Public Right of Way; there could be a risk that the Feathers Hotel may close access to non-residents. • The proposal would reduce potential planting opportunities. • Cost of build • This amendment should be known prior to the start of Phase one – due to the extension of St Katherine's Square area. • **Reconsider the provision of DDA compliant access**
13	Further extension of St Katherine's Square area. Extending area from The Barn (further into car park)	See point 4 of diagram D4 attached within appendix 4	• This amendment would result in the loss of 4 parking spaces. • Paving cannot be completed on 2m around the venue – The Barn. • Small slither of land – that was to be completed in Phase One (left hand side of the SKS) is to be completed within Phase Two.
14	Amend landscaping to retain parking spaces along north house side	See point 5 of diagram D4 attached within appendix 4	• Current planning permission states – that 3 spaces will be removed for planting and to enhance the entrance to the area. • Stakeholder's disagreement with decision. • **Reconsider if the spaces will remain.** ▪

Work stream No	Title	Description	Comments / Risks / Issues
15	New tinted and embossed tarmac to car park on east house side	See point 6 of diagram D4 attached within appendix 4	• To create a defined area that 'seems' to be connected to the St Katherine's Square area for events for improved flexible space. • Expensive to complete for benefits obtained. • Stakeholder consultation including English Heritage may be required. • **Reconsider the proposed surface material**.
16	New car park planting on west house side to improve amenity	See point 7 of diagram D4 attached within appendix 4	• The "new design" plans could remove parking spaces. • With the aim to improve and enhance the setting. • The re-design is currently optimising car parking spaces. • Planting will be in the front of car parking spaces, pedestrians may walk on planting. • This planting will restrict exit points onto pathways from cars/ forcing the public into the car park to access pathways and avoid planting. • Further checks are required to evaluate if there is adequate space for planting, while maintaining a wide enough path. If not, a potential of 9 car parking spaces may be removed to create room for parking.
17	Amend landscaping to include public art installation	See point 8 of diagram D4 attached within appendix 4	• The public art is a sculpture of suitcases; this had been funded by HLF and commissioned to celebrate Armistice. The Artwork is part completed. • The artist has been storing artwork since during Covid 2020 -2021 and would like to complete. The artist would be asked to store for a further potential 18 months if capital is secured. This may not be possible • Artwork – would potentially be displayed low on the ground, this would be shielded by cars and not seen, a raised plinth and information plaque may be required. • Further design and installation costs and potential planning permission may be required.

Work stream No	Title	Description	Comments / Risks / Issues
18.	Amend landscaping to include up lighting inset in paving to illuminate feature wall to rear of St Katherine's Hall ▪	See point 10 of diagram D4 attached within appendix 4	• Lighting to SKS and St Katherine's Hall feature wall will be completed in Phase One. • Power and lighting design will be completed in Phase One. • Power and ducting will be laid during Phase One to minimise the disruption. • Any improvements to car park lighting to be agreed • Lighting will need to be maintained increasing costs. • Lighting will need to be turned off by 10.59pm each night.
19.	Resurfacing of the entire car park and re-lining	New addition (not included in diagram above)	• Budget from Highways may be secured. • Works to be completed at the end of Phase Two.

2.4.1 Out of Scope – No activities will take place outside the boundary of the St Katherine's.

2.5 Benefits

The anticipated benefits of the proposed project are:

2.5.1 Cashable Benefits

Revenue income stream from the newly created 582sqm public realm events area in St Katherine's Square and the coloured surfacing area east of The Master's House. The extension of the St Katherine's Square area will provide more event space and a larger town square for events. This space will accommodate weekly markets, seasonal events and be hired to The Barn.

Additional 13,900 additional visitors annually as a direct result of creating St Katherine's Gardens surrounding the exceptional Master's House.

2.5.2 Non-Cashable Benefits

Removal of the Health and Safety risk from the Barn Square area, which is currently an area of uneven mixed surface.

Additional and safe access for disabled residents with a ramp from the Feathers Hotel through the car park to assist easy movement around the town.

A town square area for Ledbury residents and tourists to hold events and meet. This event space will be safe and separate from roads.

Encouraging visitors into the Master's House area due to enhancement of the historic surroundings with more appropriate planting and lighting.

The ability for public artwork to be displayed

Increased biodiversity, including tree and shrub planting, public art and illumination of a feature wall, improving visitors' ability to appreciate listed buildings.

2.5.3 The dis-benefits

The impact of lost parking spaces - Analysis of the current parking provision reveals that there are 130 designated parking spaces available. The current design reduces this capacity to 120 designated spaces. There is a study to be conducted which will review reallocation of spaces in Bye Street car park and the improved management of off street parking. Consideration would then have to be given to offsetting the nett loss of parking revenue by reviewing the parking charge in the new **Master's House Gardens** parking facility.

The cost of delivering the project - The cost of delivering Phase One is secured by the remaining Aldi Section 106 monies £109,860 and the agreed Capital Estates funding of £55,000. The full scope and cost of the Phase Two works is set out within this Capital Bid. application. There are a number of decisions yet to be presented to the Members of the Cabinet by the Project Board which will inform the ultimate cost of delivering Phase Two. This application presents the anticipated full scope delivery of Phase 2 of this scheme, but there are immediate compromise decisions that must be made to protect the budget and the security of the investment.

The increased revenue cost of landscape maintenance – An exercise is required to scope the maintenance cost of the additional landscaping. No allowance has been included in the capital cost of the scheme for maintenance

2.6 **RISKS**

Summary of Risks – Phase One

Risk of insufficient budget, as costs for building work, design and material costs are likely to have escalated since August 2021. However, contingency costs have been built into the estimations. The Project Board will assess costs before any progression of the project.

The costs and time required do not take into account any amendments or the cost of the detailed drawings for construction purposes. This expected to add circa £23,000 to the overall cost.

Resistance from Stakeholders and the public to the re-design of the St Katherine's Square area, Stakeholders will be informed and opinions taken into account throughout the design and work stages.

Risks to the levelling up St Katherine's Square, with the abutment up to St Katherines Hall. This will be considered by the design team as well as considered by the Project Board. A Risk assessment will be completed and further insurances will be sought.

Owners of land and neighbours who have access rights to travel over the St Katherine's Square Area do not give permissions for work, as it could temporarily restrict their access to their building. It is advised that the provision of an alternative and easy route of access will be planned or seek minimum disruption and neighbour agreement.

Artworks may require planning permission for its location.

The use of St Katherine's Square by the Barn must be subject to a legal agreement restricting its use and imposing a charge when used.

Availability of materials and resources

Summary of Risks – Phase Two

Costs incurred to agree the full business case.

The work streams within this Project may be more costly than set out in the LUF bid due to, uncertainty in scope, current construction demand and price escalation.

The scope of works to be included in Phase Two must be considered in consultation with the Project Board, Cabinet member and S151 officer.

The latest revised design reconsidered and removed some of the additional planting in the west car park; this has reduced the risk of income loss. A study of the nett parking loss and potential mitigation measures is required.

Access to the rear of The Feathers Hotel is not a public right of way. The proprietors could restrict the use of the improved access to patrons only, which would not achieve the aim of providing improved access to the centre of town.

Availability of materials and resources

2.7 **Constraints and Dependencies**

The revised scheme will require amendments to the current planning consent.

Stakeholder resistance will arise as a result of the loss of 10 parking bays.

Lack of budget for Phase Two works.

There are no other projects that dependent on the delivery of this scheme.

2.8 STAKEHOLDERS

-

The key stakeholders in this project are:

2.8.1 Herefordshire Council
2.8.2 Hereford Town Council
2.8.3 The Master's House friends
2.8.4 The Civic Society
2.8.5 Herefordshire Bid
2.8.6 Residents
2.8.7 Business's

2.8.8 HC Parking
2.8.9 HC Property
2.8.10 St Katherine's Hall
2.8.11 The Barn
2.8.12 The Feathers
2.8.13 Other HC internal consultation

Much of the internal consultation has taken place with the formation of the Project Board, which has directed the scope of works. When the design has been reviewed and approved by the Project Board, consultation can take place with the wider audience via a Stakeholder Representative Group meeting.

3.0 ECONOMIC CASE

Ledbury Town Council is responsible for markets' management in the town centre, pursuant to its historic charter. Based on the assumption that stallholders continue to be charged £17 per market day for their stall and the weekly Tuesday/Saturday market day cycle (48 weeks p.a.), stallholders would generate circa. £17,952 annually based on 11 potential market stalls.

This would be supplemented by the hire of St Katherine's Square for other activities on non-market days at £100 per day (assuming four events each quarter, throughout the year), contributing up to £1,600 annually.

This would be in addition to the 12No. High Street stalls contributing up to £19,584 p.a. in stallholder fees.

The annual cost of maintaining the additional public realm will be considered as part of HC's annual plan of works implemented by Balfour Beatty Living Partnerships as HC's delivery partner. This will be funded by HC's Public Realm or Property Services budget and be coordinated and managed via the term contract.

-

Ledbury Town Council has extensive experience in markets and events management, managing the 12No. Existing stalls on a twice-weekly basis and delivering an annual events programme including a Christmas market, Great Ledbury Celebration (food/drink/music festival) and poetry festival.

Herefordshire Council will potentially suffer a reduction in parking revenue of £14,700 annually due to the loss of 10 parking spaces. There are three potential solutions which require an exercise to determine the most acceptable outcome:

1 – The revised layout for The Master's House parking has been optimised using industry standard parking bay sizes. This standard could be reduced in size to introduce a slight reduction in the spaces lost. This I believe would meet considerable resistance.

2 – It is thought that potential efficiencies could be made in the layout of Bye Street Car Park which would offset some of the losses. The cost of any modification to allocated parking in Bye Street would be met by The Master's House Landscaping budget.

3 – It is thought that a review of the efficiency of onstreet parking may potentially mitigate some of the lost allocated spaces in The Master's House Gardens.

However, an exercise will be conducted to establish the strategy for Revenue replacement prior to the implementation of the Phase Two works. Any remaining Revenue pressure will be dealt with by the Service Budget.

3.1 **Critical Success Factors**

Critical to the success of the project is for the existing car park to be turned into an enhanced setting for the restored Master's House attracting more visitors, creating a meeting place and a venue for markets and events.

The provision of information boards signifying the history of the medieval listed buildings.

The provision of quality mature planting to represent the splendour of the original gardens with feature lighting the accentuate the created atmosphere

Reintroducing the refurbished etched stone map in a location where it can be fully appreciated and depict the 800 year history of this central Ledbury site.

3.2 Options

This report identifies the scope of works required as a minimum and leaves very few options to be considered for Phases One or Two of the project.

Some works originally scoped for Phase One may not be affordable within the available budget. Benches and planters have already been taken from the Phase One scope. The provision of planters and benches will require review as they will take up valuable amenity space in the Square and restrict options for its use.

Options for Phase One should consider

The budget for Phase One is fixed at £164,680 with anticipated cost being £212,116. The paving to St Katherine's Square has been priced using Buff Sandstone. Alternatives could be considered to limit the cost of Phase One works whilst not detracting from the character of the created space.

Options for Phase Two should consider

Whether to include the construction of improved access to the rear of The Feathers Hotel as this is not a public right of way at an estimated cost of £23,250

What material is to be used to surface the events area to the east of The Master's House as the approved Planning Consent calls for this area to be a colour matching St Katherine's Square. At an estimated cost of £16,560

To include the entire car park area to be re-surfaced and re-lined? Large areas of the car park foundation have failed and the re-arrangement will cause even further patching. Then burning off existing lines will cause more damage. This will seriously detract from the finished quality of the delivery. The estimated cost of this exercise is likely to be £175,000

The 'do nothing' or 'do minimal' work is not an option, as the £3.2m Master's House restoration investment would be seriously compromised. Visitors to the market town are not attracted to the building as the current setting in the austere car park does not demonstrate the significance and stature of this unique building. It has long been the objective of Herefordshire, Town Council and the Friends of The Master's House to enhance the setting whilst optimising the parking provision for the town.

4.0 COMMERCIAL CASE

The Landscaping of The Master's House surroundings is the last piece of the jigsaw in the restoration of this unique and rather splendid medieval landmark.

Despite the exceptional workmanship that has been invested in the restoration of the building, the impact of this quality is lost in the sea of tarmac surrounding the house. The car park is not characteristic of the original setting in any way. The building once surrounded by gardens and farm building deserves as much landscaping as reasonable possible without compromising too many allocated parking spaces.

At one stage the total number of spaces lost would have been as much as twenty two, however the layout has been optimised and currently there are only ten spaces being sacrificed. The proposed improvements and planting works will present the building very effectively, provide a safe new square for the town away from traffic suitable as a meeting space, provide additional market space and a venue for events. This will offer social, environmental and economic benefits to the town.

4.1 Required services

To be reviewed when designs are further progressed.

4.2 Potential/Agreed risk transfer

The key element of the risk management process is the preparation of a Risk Register which gives an overview of risks facing a scheme at a particular stage of development. The Risk Register lists any identified risks that are likely to impact upon the delivery and operation of the scheme.

The Risk Register for the scheme is being developed by the Project Board.

The Risk Register will identify all potential risks under the main classification of: Construction, Design and Appraisal, Funding, Key Stakeholders and Procurement including the possible impact of the identified risk on the final cost of the scheme and/or the timescale for completion.

The Risk Register will also identify the way the risk is proposed to be managed including who owns the identified risk and, where possible, to whom the risk is transferred.

The Risk Register sets out the assessment of the impact of each risk, or combination of risks, should they be realised. This quantitative assessment is based on the cost outcomes of the risk, considering both the upper and lower extremes of the possible range, taking into account any reasonable constraints. The assessment uses empirical evidence wherever possible, along with the experience of specialist consultants.

In line with Green Book [HMT, 2003] guidance, a risk mitigation plan will be identified within the Risk Register. This will detail the response to the identified risks and involve a combination of tolerating, treating, transferring or terminating the activity giving rise to the risk.

The risk register is a live document and it is to be reviewed at the Project Board meetings. The aim of this is to review the status of existing risks on an on-going basis as the scheme

progresses through the life cycle of the project, to add any new risks that arise and remove any risks that are closed.

Upon appointment of the construction contractor a risk workshop will be held to review the Risk Register and identify any additional risks. The Risk Register will be updated to reflect changes to risk. The maintenance and updating of the Risk Register will form part of the construction contract. It will be a requirement that the Risk Register be reviewed at the monthly site progress meetings and updated as necessary.

4.3 Proposed/Agreed charging mechanism

To be reviewed and agreed.

4.4 Proposed/Agreed contract lengths

The following contract lengths will be considered:

Phase One Contract Period - 6 Months with anticipated Programme Period of 2 months

Phase Two Contract Period - 9 Months with anticipated Programme Period of 7 months

4.5 Proposed/Agreed key contractual clauses

Not applicable

4.6 Personnel implications (including TUPE)

Not applicable

4.7 Procurement Strategy and implementation timescales

The contractor procurement will be through an open competitive procurement process in line with the council's Contract Procedure Rules.

Detail and list below:	Completed by:
Phase One Contract Documents completed and approved	Mid-September 2022
Documents issued to Contractors	End September 2022
Tender period 4 weeks	End October 2022
Tender analysis and interviews	Mid November2022
Contract award	End November 2022
Material procurement	December 2022
Mobilise to site	Mid-January 2023
Construction phase	Mid-March 2023

Phase Two programme will be determined by the success of bid funding. Anticipated commencement May 2023, allowing 6 month construction period ending with planting in appropriate season Oct/Nov 2023.

5.0 FINANCIAL CASE

Phase 1 works	£			212,116
Phase 2 works	£			377,985
Sub-total	£			590,101
Extra over for full area surfacing	£160,750			
Replace car park markings	£			15,000
Total			£	765,851
Risk & Project Management 76,585	(10%)			£
			£	842,436
Inflation Contingency		(10%)	£	84,244
Grand Total	**£ 926,679**			

5.1 INSERT FUNDING TABLE

Capital cost of project	**2022/23**	**2023/24**	**2024/25**	**Future Years**	**Total**
		£755,319	**£000**	**£000**	**£000**
Additional Design and supervision fees		**£ 6,500**			
Project Management Fees (est. 10% project value)		**Inc**			
TOTAL		**£761,819**			

Funding streams (Indicate revenue or capital funding requirement)	2022/23	2023/24	2024/25	Future Years	Total
Dependent on LUF or other grant award	**£000**	**£761,819**	**£000**	**£000**	**£761,819**
TOTAL	**£000**	**£761,819**	**£000**	**£000**	**£761,819**

5.2 Impact on the Council's income and expenditure account

(revenue account)

6.0 MANAGEMENT CASE

Revenue budget implications	2022/23	2023/24	2024/25	Future Years	Total
Maintenance of landscape planting	**£000**	**£2,160**	**£9,504**	**£10,454**	**£22,118**
*Loss of parking revenue (without offset in Bye Street car park and other parking review measures) **	**£000**	**£14,700**	**£14,700**	**£14,700**	**£44,100**
Electricity for additional lighting is offset by the upgrade of old street lighting with LED replacements	**£000**	**£000**	**£000**	**£000**	**£000**
Income generated from rental of event space	**£000**	**-£4,888**	**-£19,552**	**-£19,552**	**-£43,992**
TOTAL		**£11,972**	**£4652**	**£5602**	**£22,226**

- Following a study to mitigate the effect of allocated parking space losses, any remaining pressure on the Revenue Budget will be dealt with by the Service Budget.

ONE Environmental Ltd were appointed mid-August 2022, to modify the design drawing and produce construction detailed drawing for Phases 1&2 to RIBA Stage 4. This to be completed within an eight week period, giving priority to Phase 1 documents. The availability of these design drawings dictates the programme for commencing the procurement of a contractor to commence Phase 1, for which funds are available. The procurement and implementation timescale has been set out previously in the report.

In advance of the Phase 1 works, the St Katherine's map etched on stone paving slabs is to be raised and taken to be refurbished. Plans are in place for this to happen in September 2022 to take advantage of the Great Places to Visit grant funding.

The main planting is seasonal and this will dictate when this aspect of the works can be undertaken. There will be very little chance of securing funds and procuring the Phase 2 works including landscape planting before the end of February 2023. Hence the Phase 2 works will need to be planned around planting from October 2023 onward.

6.1 Project Management Arrangements

The project will be directed by HC Senior Project Manager David Fall. ONE Ltd will be retained to undertake site visits during construction and planting. They will also administer the Contract, between HC and the appointed Contractor.

6.2 Use of Consultants

ONE Environmental Ltd – To design all aspects of the Civils Infrastructure, landscape planting, preparing the specification, Contract administration and site monitoring. This has been included to RIBA Stage 4 for Phases 1&2 also RIBA 5 to 7 for Phase 1. An anticipated fee has been included in the costs for RIBA 5 to 7 for Phase 2.

Specialist designers will be deployed for the design of feature lighting, the replacement of existing car park lighting and the provision of pop-up power sockets.

RINGO will be consulted with regard to the relocation of parking ticket dispensers.

WPD will be consulted with regard to power distribution for all intended applications such as car park lighting, feature lighting and pop-up power socket feeds.

6.3 Arrangements for benefits realisation

The strategy, framework and plan for dealing with the management and delivery of benefits revolves around every aspect of communication available by all Stakeholders. This will range from all Stakeholders advertising the improvements and enhancements, through to the provision of signage to inform visitors when they view the surroundings.

6.4 Arrangements for post project evaluation

Post project evaluation will be monitored by:

- Value for money
- Innovation.
- Footfall
- Principals, stakeholders, and public acceptability of the design.
- Future proofing

6.5 Timeframes

The funding for Phase One works is secured and can progress at the earliest possible opportunity subject to:

- Committing only to works within the available budget
- Obtaining revised planning consent
- Approval of the S151 Officer

For Phase two works: Set out and maintain proposed timeframes as per the table in Project Mandate. This will aid the management of the project and keep it focused and achievable.

Stage/Milestone	Indicative Date	Comments
Stage 0 - Project Mandate approved	*24th May 2018*	Non Key Officer decision published to allocate S106 monies
Stage 1 - Outline business case completed	*2nd September 2022*	
Stage 2 - Full business case completed	*30th Nov 2022*	
Full Council approval	*9th Dec 2022*	
Approval to spend obtained	*9th Dec 2022*	
Stage 3 - Delivery	*May 2023*	
Landscape planting	*After October 2023*	
Stage 4 – Handover	*January 2024*	
Following Maintenance	*January 2026*	
Stage 5 - Project Closure	*January 2026*	

7.0 THE ENVIRONMENTAL CASE

The Council's Environmental Ambition states:

The council will consider the impact of climate change and the opportunity for carbon reduction in every aspect of our operation.

How this will be achieved:

We will support this commitment by ensuring that tree planting and habitat enhancement is prioritised.

Also we will:

Improve residents' access to green space in Herefordshire.

The Master's House scheme supports the ambition in every way.

8.0 LEGAL IMPLICATIONS

There are no legal problems with doing what is proposed as the recommendation is in accordance with, and progression of the cabinet member decisions in May 2018, October 2021 and November 2021, subject to budgetary changes.

Additional legal agreements will be required regarding the use and hire of the event space by The Barn, market trading and other seasonal events.

9.0 EQUALITY IMPACT IMPLICATIONS

It is considered that there is no negative impacts on the Protected Characteristics identified in the Equality Act 2010 as part of this project however it is noted that changes in the public realm have the potential to have a high impact including the potential for negative impacts on those with protected characteristics.

It will be essential that the needs of users are reflected in the design process as the remaining elements of the scheme develops. Further Equality Impact Assessments (EqIA) will be carried out during their development process to understand potential positive and negative impacts the scheme may have on each of the nine protected characteristics and on any other vulnerable groups.

When redesigning the public realm in our city and town centres 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 we can help make it easier to move around and access shops and services.

To ensure that consultation is accessible to all, easy read material, online platforms and any other materials or assistance considered appropriate will be produced and made available

10.0 HEALTH & SAFETY IMPLICATIONS

This project will be carried out under CDM Regulations and the principal contractor will provide on-site supervision and manage all risk based elements.

11.0 SOCIAL VALUE IMPLICATIONS

The main objective of The Master's House Landscaping comprises of its ability to enhance the surrounding to this exceptional and unique medieval landmark; thereby attracting more visitors and event opportunities, supporting economic growth.

Waste Collection Fleet

Business Case

Key Details

Senior Responsible Officer:	AL
Author:	BB
Project Manager:	SP
Service Lead:	BB / NP
Agreed Project Type:	TBC
Programme Board Allocated:	Waste Project Board

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	*Project Board / Director / Programme Board*	*Note major changes and approvals during delivery*
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

1.0 PROJECT DESCRIPTION

To provide the capital financing for the purchase of the new waste collection fleet and to install electric vehicle charging infrastructure at the two waste collection depots.

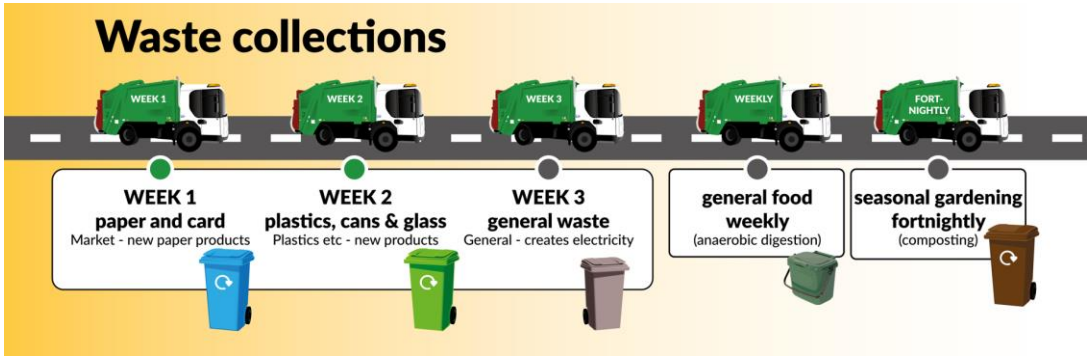
2.0 STRATEGIC CASE

In July 2021 Cabinet approved the new Integrated Waste Management Strategy setting out ambitious new targets to deliver the vision:

> *"Waste not, want not… we value resources and their use. We will reduce resource consumption and embrace the circular economy to maximise the life of products and materials. We treat the materials we collect as resources not waste. We will achieve this by prioritising the waste hierarchy, maximising waste prevention and reuse."*

- **To set out the councils new Integrated Waste Management Strategy and Waste Handling Pilots -(Cabinet 29/07/21)**
  - https://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=8086

In November 2021 Cabinet approved the new waste collection service model as illustrated below



- Waste Management Review – Waste Collection (Cabinet 25/11/21)
  - https://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=8380

In July 2022 Cabinet approved the procurement process for this new waste collection service (Cabinet 21/07/22)

  - https://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?IId=50041294&Opt=0

This new service, which introduces new weekly food waste collections, new fortnightly garden waste collections and a change to the existing service will require:

- A new and extended fleet of collection vehicles
- New electric vehicle charging facilities at the two collection depots in Hereford and Leominster.

Following internal discussions, a best practice review by 'Woods' and recommendations from both our technical advisors 'Woods' and our legal advisors 'DWF' the recommended approach is for the Council to provide the capital finance for the new vehicle fleet.

This has been identified as the lowest financing cost, best value for money and lowest risk option to the Council as this also helps to mitigate significant risk of reduced market interest and service continuity if there was a contractor failure.

Vehicle Financing Note (draft) – Woods Ltd (22/05/22)

220523_Vehicle_Financing_Note_DRAFT_Rev

Draft report to the County of Herefordshire District Council on the use of Capital Funds for RCVs, Waste Receptacles and other Assets – DWF (05/09/22)

Capital Investment Note and Risk framew

It is important to note that this business case has been developed utilising the service modelling undertaken by Frith Resource Management in July 2019, although this will need to be further refined as the procurement process commences in August 2022 where bidders will propose their fleet and capital requirements as part of their tenders.

Waste and recycling collection service options modelling – Frith Resource Management July 2019

- https://councillors.herefordshire.gov.uk/documents/s50095886/Appendix%201%20-%20Waste%20Collection%20Options%20Assessment%202019.pdf

2.1 Project aims and objectives

To provide the lowest cost and lowest risk option to the Council for the provision of the required new waste collection fleet and to install electric vehicle charging infrastructure at the two waste collection depots.

2.2 Strategic Drivers

To ensure value for money delivering the new waste collection service in order to meet the County Plan, and Integrate Waste Management Strategy objectives to:

County Plan (2020-2024)

- **Protect and enhance our environment and keep Herefordshire a great place to live**
- **Minimise waste and increase reuse, repair and recycling**
- **Build understanding and support for sustainable living**
- **Invest in low carbon projects**
- **Identify climate change action in all aspects of council operation**
- **Support the an economy which builds on the county's strengths and resources;**
- **Seek strong stewardship of the county's natural resource**
- **Develop environmentally sound infrastructure that attracts investment**
- **Support an economy which builds on the county's strengths and resources and spend public money in the local economy wherever possible**

Corporate Delivery Plan

- **Priorities**
    - **We will respond to the climate and ecological emergency including tackling pollution and will protect the countryside, all of which will improve quality of life for all.**
    - **We will reduce the amount of waste generated in the county, change how it is collected and increase reuse and recycling.**
- **Commitments**
    - **Implement a new waste strategy in preparation for collection changes in 2024.**
    - **Promote changes to the new collection system for refuse and recycling throughout the year.**

Integrated Waste Management Strategy (2021-2035)

- **Net zero carbon by 2030**
- **Reduce residual household waste arising's to less than 330kg /hhld/year by 2035**
- **Achieve national municipal reuse and recycling rate targets of 55% by 2025, 60% by 2030 and 65% by 2035**
- **To meet the requirements of the Environment Bill**
- **No more than 1% of municipal waste to be sent to landfill from 2025 and zero waste to landfill by 2035**
- **Improve reuse and recycling at all HWRC sites to achieve a reuse and recycling target of 85% by 2035.**

2.2.1 National and Regional

- **The Circular Economy Package 2020 (CEP)**
- **The Resources and Waste Strategy 2018 (RWS)**
- **The Environment Act 2021**

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)
Wellbeing		
Sustainability	√	• We will reduce the amount of waste generated in the county, change how it is collected and increase reuse and recycling. • We will respond to the climate and ecological emergency including tackling pollution and will protect the countryside, all of which will improve quality of life for all.
Connectivity		

2.3 Background and Rationale in Project Mandate

- The council has statutory duties in relation to collection of waste as set out in section 45 of the Environmental Protection Act 1990 these duties include as amended by the Environment Act 2021 which amongst other matters has imposed a new duty in relation to separate receptacles or compartments of receptacles to be used for the purposes to ensure that the council can comply with its duties to collect separated waste.
- The approved new waste collection service requires a new and extended fleet of collection vehicles.
- In addition as the service specification has been developed in order to maximise the use of electric collection vehicles new electric vehicle charging facilities will be required at the two collection depots in Hereford and Leominster.
- This proposal is to provide the capital financing both the new collection vehicles and the required electric vehicle charging infrastructure as this has been identified as the lowest cost and lowest risk option to the Council.

2.4 Scope

2.4.1 In Scope

- Capital financing for
    - The new and extended fleet of waste collection vehicles.
        - Including weighing mechanisms on each RCV
    - The new electric vehicle charging facilities required at the two collection depots in Hereford and Leominster.

2.4.2 Out of Scope

- Capital financing for new bins, containers and food waste liners which will be funded through the waste revenue reserve.

2.5 Benefits

The anticipated benefits of the proposed project are:

2.5.1 Cashable benefits

- Significant reduction in capital borrowing repayment costs.
- This has conservatively been estimated by our technical consultants, Woods, as a total saving of either:
    - £899,698 when compared to the capital finance provided by the contractor
        - Assumes HC borrowing at 3.99% and Contractor at 6%
    - £2,260,015 when compared to the use of third party finance through vehicle leases.
        - Assumes HC borrowing at 3.99% and third party finance at 9%
- Opportunity for future savings through contract extension clauses as the Council will retain ownership of the vehicles

2.5.2 Non-cashable benefits

- Retained ownership of the vehicles providing additional risk mitigation upon termination (incl. early termination and/or contractor failure
- Reduced risk of lower market interest in the procurement process. This is a key consideration as our technical advisors and legal advisors have indicated that not providing the capital financing increases the risk of reduced market interest.

    - Receiving no compliant bids is a significant risk to the Council's ability to deliver its statutory role on waste collections.
- Reduced commercial, operational and health & safety risks for the vehicle fleet.

2.5.3 Dis-benefits

- Pressure on the capitals capital programme

2.6 Risks

Not Achieving Value for Money	The technical advice from Woods confirms that the lowest cost option is for the Council to provide the capital financing This was also confirmed by potential bidders through the soft market test.
Reduced market interest due to requirement for contractor to provide capital financing	The soft market test indicated that the market preference is for the Council to provide the capital financing. The risk of no compliant bids is a key risk as the waste collection service is a statutory duty.
Vehicle lead times	The soft market testing, consultation with other local authorities through ADEPT and the technical advice from Woods indicates that vehicle lead times are currently ~12months. This lead time is irrespective of the vehicle financing method and extension to the existing waste collection service will ensure sufficient mobilisation time to mitigate this risk. This risk has been logged on both the service and project risk register.
Commercial, operational and health & safety risks	External legal advice has been sought from DWF and has been embed into the contract documents in order to minimise these risks to the Council. (The DWF report is attached in section 2.0 above). A further sessions was held with DWF on 28.09.22 to further consider the risk mitigation for the provision of the electric charging point infrastructure. Here the recommendation and proposal is for the Council to provide the capital finance, but for the contractor to provide the infrastructure.

2.7 Constraints and Dependencies

Initiatives which depend on this project are:

- Delivery of the Council's Integrated Waste Management Strategy
    - Note interdependency with the waste disposal contract
- Delivery of the Council's carbon management plan targets

This project depends on:

- Waste disposal contract extension and variation – currently finalising due diligence and nearing completion

2.8 Stakeholders

Members

- A cross party task and finish group of general scrutiny undertook a comprehensive review of waste management and the recommendations of this review have been instrumental to the service design for the new waste collection model.

Residents and businesses

- A public consultation exercise was undertake as part of the waste review and the outcomes of this have informed the waste collection model.

Potential Suppliers

- A soft market testing exercise was undertaken to seek the views of potential bidders and to help inform the service design.
- This exercise confirmed that it is the market preference for the Council to provide the capital financing.

Legal advisors

- Our legal advisors 'DWF' were commissioned to undertake:
    - An advice note on the provision of capital funding for the provision of RCVs, Waste Receptacles and other Assets risks to consider how these can be minimised as far as possible and what (if any) residual risk the council would have in relation to the three classes of risk having taken all reasonable contractual steps to minimise the risk.
    - An advice note on the provision of the electric vehicle charging infrastructure and how to minimise the risks to the council.

Technical advisors

- Our technical advisors 'Woods' were commissioned to undertake both a capital financing options appraisal and also a best practice review of other local authorities.
- Woods recommendation was that:
    - This has been identified as the lowest financing cost, best value for money and lowest risk option to the Council as this also helps to mitigate significant risk of reduced market interest and service continuity if there was a contractor failure.
    - All 8 of the local authorities within the best practice review all provided the capital finance required for the collection vehicles.

3.0 ECONOMIC CASE

3.1 Critical success factors

- Ensuring we have a waste collection service to meet our statutory obligations:
    - Receipt of one or more compliant bids to the procurement process.
    - Reduced risk of service failure by ensuring availability of vehicles throughout contract duration.
- Vehicles ready for the commencement of the new service:
    - Having sufficient lead in time to place the orders for the new vehicles – currently estimated at 12months.
- Ensuring value for money:
    - Minimising the cost to the public purse.

3.2 Options and Do Nothing Option

3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Do nothing	N	• This is not an option as waste collection is a statutory function
To require the contractor to provide the vehicle financing	N	• This option will significantly increase the risk of contractors not bidding due to the increased risk and capital borrowing requirements – this is deemed an increased risk due to the current economic conditions and the rapidly escalating interest rates. • This option will increase the overall costs for vehicle provision as the Council has access to significantly lower cost borrowing than the private sector. • A conservative estimate from Woods is that this will cost ~£2.1m more in capital financing costs. • In the event that the contractor becomes insolvent then there is a significant risk to the Council as the vehicles belong to the contractor and so the Council will have increased risk and costs for step in to ensure continuity of service provision. This is compounded by the current vehicle procurement lead times of 12months.
To utilise third party finance such as leased vehicles	N	• Highest cost option and typically only used for shorter periods of 2-5years • Increased risk that either the contractor and/or Lease Company failure could result in service failure (e.g. no vehicles)

3.2.2 Short-list of options

As the exact vehicle fleet will be informed by the new provider and confirmed through the procurement process, the below options appraisal was undertaken on the assumed vehicle split of 50% diesel and 50% electric and utilising cost estimates provided by our technical consultants ‘Woods’.

Whilst there may be some variation on the fuel type mix in the final fleet composition this option appraisal demonstrates the lowest cost option and shows the relative cost differences between each option.

Option 1 – Council to provide capital funding

Cost	**£14,037,145** (Based on £12,290m @ 3.99% interest per year over 8 years)
Benefits	Lowest cost and lowest risk option
Deliverability	Subject to availability of capital finance
Pros	• Retained ownership of the fleet • Lowest cost option • Risk mitigation for early termination in case of either early termination and/or contractor failure • Reduced risk of reduced market interest in the procurement process
Cons	• Requirement for Council's commitment of capital finance
Recommendation	**Preferred option**

Option 2 – Contractor to provide capital financing	
Cost	**£14,936,843** (Based on £12,290m @ 6% interest per year over 8 years)
Benefits	Does not require capital financing from the Council
Deliverability	Risk of no/reduced market interest
Pros	• Does not require capital financing from the Council
Cons	• Higher cost option • Risk of reduced/no market interest in the procurement process • Risk of service failure for early termination in case of either early termination and/or contractor failure
Observations	
Recommendation	**Not recommended**

Option 3 – To utilise third party finance such as leased vehicles	
Cost	**£16,297,160** (Based on £12,290m @ 9% interest per year over 8 years)
Benefits	Does not require capital financing from the Council
Deliverability	
Pros	• Does not require capital financing from the Council
Cons	• Highest cost option

- Increased risk that either the contractor and/or Lease Company failure could result in service failure (e.g. no vehicles)

Observations

Recommendation	**Not recommended**

3.2.3 The preferred option

- *Option 1 – Council to provide capital funding as this is the lowest cost, lowest risk option.*

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:

- Long list options
  - HC procures the vehicles directly
    - Through an open procurement route
    - Through an existing Framework such as CCS.
  - Contractor procures the vehicles as part of the waste collection procurement process.
- Short list options

Procurement Option		Pros	Cons
HC procures the vehicles directly	Through an open procurement route	▪	• Risk of procurement incorrect specifications • Increased procurement timescales
	Through an existing Framework such as CCS	• Reduced procurement times through use of framework	• Risk of procurement incorrect specifications
Contractor procures the vehicles as part of the waste collection procurement process.		• Increased purchasing power through multiple contracts • Ensures responsibility for the specification remains with the contractor • Potential for contractor to accelerate vehicle lead in times through increased purchasing power	▪

- Proposed procurement process

- Contractor to procure the vehicles to ensure that the vehicle specifications are correct and as per their tender submissions and also to benefit from their greater purchasing power and potential to accelerate the vehicle lead times.
- As such this will be a consideration of the waste collection procurement process which will be a Competitive Dialogue process supported by Commercial Services.

3.3.2 Preferred supplier

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

- To be confirmed through the Waste Collection Procurement Process

4.0 COMMERCIAL CASE

4.1 Required services

- The required refuse collection vehicles for the new waste collection service and the required electric vehicle charging infrastructure for the new waste collection vehicle fleet.
- These will be proposed by the contractor through the Competitive Dialogue procurement process.

4.2 Potential/Agreed risk transfer

- The proposal is that whilst the Council provide the capital financing, commercial, operational and health & safety risk will be passed to the contractor.
- This has been embed into the contract documentation by our legal advisor, DWF.
- This will be managed through the contract and performance management of the new contract.

4.3 Proposed/Agreed charging mechanism

- The Council will meet the capital repayments through the waste collection revenue budget.
- Fuel and electricity costs will be met by the contractor and included within the payment mechanism for the contract.

4.4 Proposed/Agreed contract lengths

- This proposal is for the capital purchase for the vehicles which will be depreciated to zero over the 8year contract life.

4.5 Proposed/Agreed key contractual clauses

- The collection contract includes detailed contract clauses and requirements for the contractor to take on the commercial, operational and health & safety risks for the vehicles in addition to the requirement for regular asset condition surveys of the vehicles to protect the Council's interest.

4.6 Personnel implications (including TUPE)

- N/A

4.7 Procurement Strategy and implementation timescales

- This will be included within the Waste Collection procurement process which will be undertaken by Competitive Dialogue with support from Commercial Services and Woods.

5.0 FINANCIAL CASE

5.1 INSERT FUNDING TABLE

Capital cost of project	2023/24	2024/25	2025/26	Future 5 Years	Total
	£000	£000	£000	£000	£000
RCV's	**12,290**	**0**	**0**	**0**	**12,290**
Electric Charging Infrastructure	**400**	**0**	**0**	**0**	**400**
Service improvement	**1,400**	**0**	**0**	**0**	**1,400**
New bins and caddies	**4,000**	**0**	**0**	**0**	**4,000**
Project Management Fees	**0**	**0**	**0**	**0**	**0**
TOTAL	**18,090**	**0**	**0**	**0**	**18,090**

Funding streams	2023/24	2024/25	2025/26	Future 5 Years	Total
	£000	£000	£000	£000	£000
Funded prudential borrowing - ROI	**12,290**	**0**	**0**	**0**	**12,290**
Waste Revenue Reserve	5,800	0	0	0	**5,800**
TOTAL	**18,090**	**0**	**0**	**0**	**18,090**

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

6.0 MANAGEMENT CASE

Revenue budget implications	2022/23	2023/24	2024/25	Future 5 Years	Total
	£000	£000	£000	£000	£000
RCCO contributions to Waste Collection budget (profiled over 8 years at 3.99% interest)	**1,755**	**1,755**	**1,755**	**1,755**	**14,040**
TOTAL	**1,755**	**1,755**	**1,755**	**1,755**	**14,040**

6.1 Project Management Arrangements

- The vehicle procurement is part of the Waste Collection Contract which is led by the Delivery Director for Environmental Transformation and reports to the Waste Management Board as part of the Council's Project Management Structure.

6.2 Use of Consultants

- DWF – legal advice
- Woods – technical and procurement advice

6.3 Arrangements for benefits realisation

- Cashable benefits
    - To be realised through reduced contract costs to the annual waste collection revenue budget
- Non-cashable benefits
    - Through the successful award of a compliant contract
    - Reduced commercial, operational and health & safety risk through the ongoing contract management of the new waste collection contract.

6.4 Arrangements for post project evaluation

- Waste Management Board

6.5 Timeframes

Stage/Milestone	Indicative Date	Comments
Stage 0 - Project Mandate approved	*Insert Date*	
Stage 1 - Outline business case completed	*Insert Date*	
Stage 2 - Full business case completed	*Insert Date*	
Full Council approval	*Insert Date*	
Approval to spend obtained	*Insert Date*	
Stage 3 - Delivery	*Insert Date*	
Insert key milestone	*Insert Date*	
Insert key milestone	*Insert Date*	
Stage 4 – Handover	*Insert Date*	
Insert key milestone	*Insert Date*	
Stage 5 - Project Closure	*Insert Date*	

7.0 THE ENVIRONMENTAL CASE

- There are no environmental implications for the different financing options as the service design has already been to minimise carbon emissions and maximise recycling levels.

8.0 LEGAL IMPLICATIONS

- External legal advice has been sought and embed throughout the contract documents in order to minimise commercial, operational and health & safety risks to the Council.
- A straw man scenario has been undertake as part of the DWF report to test the risk transfer to the contractor.

9.0 EQUALITY IMPACT IMPLICATIONS

- An Equality Impact Assessment has been undertaken as part of the service design.

10.0 HEALTH & SAFETY IMPLICATIONS

- The corporate Health & Safety team have been consulted as part of the service design however there are no further health and safety considerations on the difference financing options.

11.0 SOCIAL VALUE IMPLICATIONS

- The new social value framework has been embedded in the waste collection procurement process and will account for 12% of the total procurement scoring, however there are no further social value considerations on the difference financing options.

Hereford City Bike Share – e-Cargo Bikes

Business Case

Date: 27.07.2022

Key Details

Senior Responsible Officer: MA

Author: RV

Project Manager: WM

Service Lead: RV

Agreed Project Type: Capital Light

Programme Board Allocated: Transport and Place Making

Version Control

Version	Date	Summary of Change	Author
0.1	29.06.2022	First issue	RV
0.2	08.07.2022	PMO review	WM
0.3	11.07.2022	Project Board review	WM
0.4	27.07.2022	Finalisation of BC	WM

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	*Project Board / Director / Programme Board*	*Note major changes and approvals during delivery*
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
RV	Service Lead	Creator	0.1
WM	Project Manager	08.07.2022	0.1
DJ	Programme Manager	11.07.2022	0.2
MA	SRO	11.07.2022	0.2

AB	Consultant	11.07.2022	0.2
KM	Finance Lead	11.07.2022	0.2

1.0 PROJECT DESCRIPTION

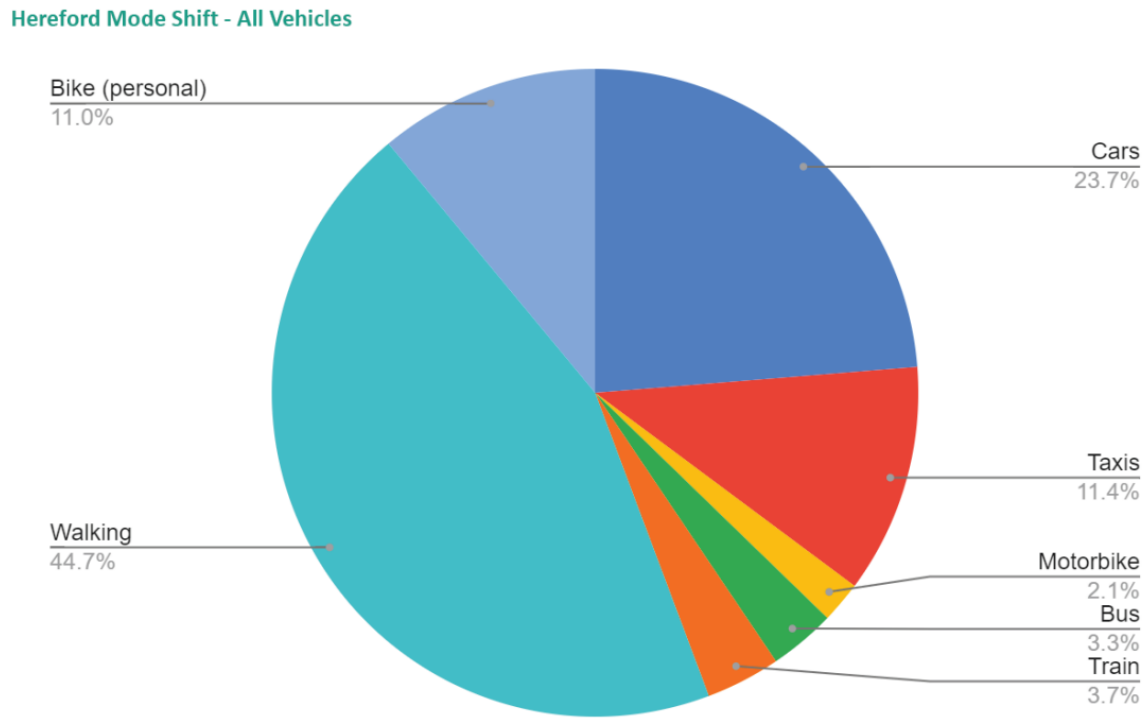
Herefordshire Council, following project development and an open procurement process, awarded the Hereford City Bike Share service to Beryl and subsequently launched to the public in the summer of 2019. To date this service has been extremely successful with over 226,000 journeys made by residents, covering a distance over 547,000kms. Data shows that over 1 in 3 of these journeys would have otherwise been made by car.

Beryl have launched the U.K.'s first on-street, public e-Cargo bike hire system. This system is currently operational in Hackney across four hubs, each containing 2 e-Cargo bikes (8 in total). The system follows a 'back to base' mode meaning that the bikes are rented and returned to the same hub location. Both the hubs and e-Cargo bikes are unlocked via the Beryl – ride sharing phone app. The maintenance of bikes, including any necessary battery swaps, is undertaken by the Beryl Operations team for the duration of the contract.

This proposal sets out the business case to add four electric cargo (e-Cargo) bikes to the Hereford City public bike share scheme operated by our current partner Beryl. Two fixed docking stations to home the bikes will be constructed. One docking station will be located to the south of the River Wye and the other north of the River Wye.

2.0 STRATEGIC CASE

There are currently around 70 bays across Hereford city in which the public can hire a Beryl bike. Hereford has one of the densest bay provisions in the UK with around 95% of the city residents being within a 5 minute walk of a bay. Data from our current service provider Beryl shows the service has positively impacted modal shift with over 1 in 3 journeys which would otherwise have been made by car.



The above data is taken from user surveys carried out by Beryl.

The Hereford Transport Strategy[1] states we will continue to help to deliver 'significant increases in cycling over the LTP period'.

The Cycle Super Highway project/strategy aims to provide more active travel options for residents and visitors to Hereford City.

The Herefordshire Climate and Nature Partnership, Transport Action Plan[2] sets out ambitions to;

> *'Continue and explore opportunities to grow successful Beryl bike share scheme in Hereford'*

This proposal also supports the **County Plan's** ambitions for Herefordshire to:

1. *'Protect and enhance our environment and keep Herefordshire a great place to live'*
2. *'Support an economy which builds on the county's strengths and resources'*

2.1 Project aims and objectives

- Two fixed docking stations to home the bikes will be constructed. One docking station will be located to the south of the River Wye and the other north of the River Wye.

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[1] https://www.herefordshire.gov.uk/downloads/file/2912/local-transport-plan-2016-2031-strategy

[2] https://zerocarbon.herefordshire.gov.uk/media/1148/transport-action-plan-v12.pdf

- Encourage residents to swap vehicle based journeys with e-cargo bike journeys. E-cargo bike use will be measured by Beryl.
- Expose more people to e-cargo bikes using a halo effect. This will involve normalising resident's use of the bike and encourage them to consider switching to this form of micro-mobility from traditional ICE transport.

2.2 Strategic Drivers

2.2.1 National and Regional

In 2020 the Government published their Gear Change strategy 'A bold vision for cycling and walking'[3]. The strategy states;

1. *'We want – and need – to see a step-change in cycling and walking in the coming years. The challenge is huge, but the ambition is clear. We have a unique opportunity to transform the role cycling and walking can play in our transport system, and get England moving differently.'*
2. *'Many people do not realise the health benefits from physical activity Physical activity, like cycling and walking, can help to prevent and manage over 20 chronic conditions and diseases, including some cancers, heart disease, type 2 diabetes and depression. Physical inactivity is responsible for one in six UK deaths (equal to smoking) and is estimated to cost the UK £7.4 billion annually (including £0.9 billion to the NHS alone).'*

2.2.2 Local

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

County Priority – please select from	**Tick X below where applicable**	**Delivery Plan Reference(s)**
Environment	x	EN2, EN3, EN4,
Community		
Economy	x	EC1, EC6
List key Strategy the project delivers against and explain how		• Hereford Transport Strategy https://www.herefordshire.gov.uk/downloads/file/2912/local-transport-plan-2016-2031-strategy o Will continue to help to deliver 'significant increases in cycling over the LTP period'. • Cycle Super Highway o Providing more active travel options for residents and visitors to Hereford City. • Herefordshire Climate and Nature Partnership – Transport Action Plan

3 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/904146/gear-change-a-bold-vision-for-cycling-and-walking.pdf

https://zerocarbon.herefordshire.gov.uk/media/1148/transport-action-plan-v12.pdf

- ‘Continue and explore opportunities to grow successful Beryl bike share scheme in Hereford’

This proposal also supports the County Plan’s ambitions for Herefordshire to:

- Protect and enhance our environment and keep Herefordshire a great place to live
- Support an economy which builds on the county’s strengths and resources

2.3 Background and Rationale in Project Mandate

Since the launch of the bike share scheme in Hereford in 2019 the scheme has been very successful with the community adopting it as a part of their daily lives. The numbers of pedal bikes available to the public have risen to 200 with 30 additional electric assist bikes since introduction.

The contract was re-tendered during 2021 and awarded to Beryl after an open procurement process. The new contract is a 5+2+2 year contract which commenced April 2022. As a part of this new contract the provision of electric bikes will rise to 104 within the first year.

There are currently around 70 bays across Hereford city in which the public can hire a Beryl bike. Hereford has one of the densest bay provisions in the UK with around 95% of the city residents being within a 5 minute walk of a bay. Data from our current service provider Beryl shows the service has produced a positively impacted modal shift with over 1 in 3 journeys which would otherwise have been made by car.

The new contract also allows for additionally, including the addition of e-cargo bikes to the current fleet. This will offer residents and businesses the opportunity to use e-cargo bikes to replace car and van trips within the city to run errands and conduct business deliveries.

The e-cargo bikes also have the benefit of enabling people to experience an e-cargo bike at a low cost before making the decision to purchase one. By providing residents with affordable access to e-cargo bikes more residents will be able to consider making the switch from motor vehicle to using an electric bike around Hereford.

2.4 Scope

2.4.1 In-Scope

- The provision, delivery and installation of two e-Cargo bike parklet style bays (c.2x3m in size).
- The provision, delivery and installation of four e-Cargo bikes which will integrate into the existing bike share service.
- The ongoing management and maintenance of the supplied bays.

- The ongoing management and maintenance of the supplied e-Cargo bikes including back office software, support and promotion.

2.4.2 Out of Scope

- Additional e-Cargo bikes
- E-Bikes
- Pedal bikes
- Standard 2x3m bike share bays

2.5 Benefits

The anticipated benefits of the proposed project are:

2.5.1 Cashable benefits

N/A

2.5.2 Non-cashable benefits

Direct

- 4 public e-Cargo bikes which are affordable and easily accessible
- A reduction in car/van use in Hereford City
- Improvement in air quality within the city
- Improvement in public health through increased levels of physical activity and improved air quality

Indirect

- More people exposed to e-cargo bikes and their benefits
- A greater uptake of private e-cargo bike ownership
- A wider uptake of sustainable transport options

2.5.3 Dis-benefits

Two locations will need to be identified for the docking stations, they will be roughly the same size as the existing bays within Hereford city (3x2m). Freely available highway space is at a premium in the city and citing the existing network of bays utilised most of the available areas for a bay. However due to the nature of these bays, which are more akin to a parklet, a foundation could be constructed to provide new opportunities to cite the two bays. As an added benefit the bays will not only home the e-cargo bikes but will also provide space for residents to rest thereby encouraging more residents to take up active travel.

2.6 Risks

Risk	Mitigation
No space for bays	A city wide survey has previously been carried out which identified suitable areas for bays, this survey can be re-reviewed and any unused locations be reviewed for this project. The parklets can use areas thought previously unsuitable for a bay as a hard standing base can be installed, this was not an option for the previously painted bays due to time and cost constraints when the main scheme was being rolled out.
Bays located in the wrong area	The aforementioned survey will inform the location of the bays to be constructed. Additionally one bay will be located north of the Rive Wye and one south of the River Wye. Finally, an extensive list of consultees were consulted for the main scheme. These consultees will be approached again for input for the installation of the two e-Cargo bike parklet bays.

Public don't understand what the bikes are for	Extensive communications will be run by the Council and Beryl in partnership. Communications will take place in the run up to, during and after the public launch of the e-Cargo bikes.
Public do not use the bikes	As above, in addition financial incentives can be utilised such as free rides on e-Cargo bikes or discounted rides for new users of the e-Cargo bikes to increase public exposure.
Bikes are vandalised	Hereford has a very low rate of vandalism of its bike share scheme, this is in part due to the way the public have adopted the scheme. The extensive publicity will aid in the adoption of the e-Cargo bikes as a part of the existing scheme. This was also done when the e-Bikes were added to the main scheme which at the time only consisted of pedal bikes.
Risk that the e-Cargo bikes do not provide a ROI	There is no ROI for the council. The risk with regards to ongoing financial success sits with Beryl as the council's delivery partner. This risk will be absorbed into the main scheme as a whole and will be managed by Beryl. This risk is not significant enough to derail the scheme as a whole.

2.7 Constraints and Dependencies

Initiatives which depend on this project are:

- None at this time.

This project depends on:

- Two locations will need to be identified for the docking stations, they will be roughly the same size as the existing bays (3x2m).
- Extensive stakeholder consultation was carried out when the scheme was introduced and the stakeholders were engaged again when more bays were installed. These same stakeholders will be engaged when choosing the locations of the docking stations.
- The existing contract is in place and Beryl and Pedicargo are ready and able to deploy, manage and maintain the e-cargo bikes and docks. There is a one off revenue pressure for Herefordshire council in 2023/24 for £9,200 as a part of the deployment of the scheme. There will be no further ongoing revenue implications for Herefordshire Council for this service.

2.8 Stakeholders

Internal

- Transport and Access Services
- Built and Natural Environment
- Sustainability & Climate Change

External

- Residents adjacent to proposed bay locations (where relevant)
- Ward Councillors
- Visions Links
- Police
- Hereford City Link (where relevant)

3.0 ECONOMIC CASE

There is no ROI for the outlay. The outlay effectively subsidises the cost to our delivery partner Beryl to install the e-Cargo bikes and bays. Beryl take on the risk relating to the ongoing financial success of the e-Cargo bike scheme as a part of the wider scheme.

3.1 Critical success factors

- Finding suitable location for the two bays
- Installation of the two bays
- Delivery and final assembly of the four e-Cargo bikes
- Delivery of e-Cargo bikes on street
- Opening of scheme to public
- Adoption of scheme by public and exposure

3.2 Options and Do Nothing Option

3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Procure a similar solution from the open market.	N	This is not feasible as the bikes need to integrate into the main scheme so the public have a seamless on street bike hire experience rather than needing different apps set up for different micro schemes. Additionally this small contract, which would require local management, would be very costly for a provider that is not already established.
Do nothing	N	This project is a priority for the Cabinet Member and supports a number of strategies.

3.2.2 Short-list of options

Option 1 – Detail

Cost	£73,286

Benefits	**Direct** • 4 public e-cargo bikes which are affordable and accessible • Reduction in car/van use in Hereford City • Improvement in air quality in the city • Improvement in public health through increased levels of physical activity and improved air quality **Indirect** • More people exposed to e-cargo bikes and their use • A wider uptake of sustainable transport options • Greater uptake of private e-cargo bike ownership
Deliverability	This project can be delivered within 6 months once budget and governance is in place (subject to e-Cargo bike availability).
Pros	Speed of delivery, full integration into main scheme.
Cons	No ROI. A revenue pressure of £9200
Recommendation	To proceed with this option.

3.2.3 The preferred option

- **Option 1.**

3.3 Supplier appraisals

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*

<u>Evidence Based Estimates:</u>

Variation of existing contract with Beryl for;

- The provision, delivery and installation of two e-Cargo bike parklet style bays (c.2x3m in size).
- The provision, delivery and installation of four e-Cargo bikes which will integrate into the existing bike share service.
- The ongoing management and maintenance of the supplied bays.
- The ongoing management and maintenance of the supplied e-Cargo bikes including back office software, support and promotion.

-

The cost of £73,286 is based on a quotation from the supplier, Beryl.

3.3.2 Preferred supplier

- Smidsy Ltd. operating as ‘Beryl’.

4.0 COMMERCIAL CASE

4.1 Required services

- The provision, delivery and installation of two e-Cargo bike parklet style bays (c.2x3m in size).
- The provision, delivery and installation of four e-Cargo bikes which will integrate into the existing bike share service.
- The ongoing management and maintenance of the supplied bays.
- The ongoing management and maintenance of the supplied e-Cargo bikes including back office software, support and promotion.

4.2 Potential/Agreed risk transfer

Risk	Mitigation
No space for bays	A city wide survey has previously been carried out which identified suitable areas for bays, this survey can be re-reviewed and any unused locations be reviewed for this project. The parklets can use areas thought previously unsuitable for a bay as a hard standing base can be installed. This was not an option for the painted bays due to time and cost constraints of the main scheme rollout.
Bays located in the wrong area	The aforementioned survey will inform the location of the bays to be constructed. Additionally one bay will be located north of the Rive Wye and one south of the River Wye. Finally, an extensive list of consultees were consulted for the main scheme. These consultants will be approached again for input for the installation of the two e-Cargo bike parklet bays.
Public don’t understand what the bikes are for	Extensive communications will be run by the Council and Beryl in partnership. Communications will take place in the run up to, during and after the public launch of the e-Cargo bikes.

Public do not use the bikes	As above, in addition financial incentives can be utilised such as free rides on e-Cargo bikes or discounted rides for new users of the e-Cargo bikes to increase public exposure.
Bikes are vandalised	Hereford has a very low rate of vandalism of its bike share scheme, this is in part due to the way the public have adopted the scheme. The extensive publicity will aid in the adoption of the e-Cargo bikes as a part of the existing scheme. This was also done when the e-Bikes were added to the main scheme which at the time only consisted of pedal bikes.
Risk that the e-Cargo bikes do not provide a ROI	There is no ROI for the council. The risk with regards to ongoing financial success sits with Beryl as the council's delivery partner. This risk will be absorbed into the main scheme as a whole and will be managed by Beryl. This risk is not significant enough to derail the scheme as a whole.

4.3 Proposed/Agreed charging mechanism

One off capital payment.

4.4 Proposed/Agreed contract lengths

The e-Cargo bikes will be incorporated into the main scheme, the contract began on 1 April 2022 as a 5 year contract with two options to extend by an additional 2 years each time.

4.5 Proposed/Agreed key contractual clauses

The bikes and bays will be adopted into the main scheme and the ongoing back office support, maintenance and promotion of the bikes and bays will be the responsibility of the supplier under the existing contract at no additional charge.

4.6 Personnel implications (including TUPE)

TUPE will not apply.

4.7 Procurement Strategy and implementation timescales

Detail and list below:

The variation to the existing contract will take a minimal amount of time, c. 1 month once the governance for the project is secured.

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
One off capital	0	73.3	0	0	73.3
Project Management Fees (est. 10% project value)	0	0	0	0	0
TOTAL	0	73.3	0	0	73.3

Funding streams (Indicate revenue or capital funding requirement)	2022/23	2023/24	2024/25	Future Years	Total
	£000	£000	£000	£000	£000
Request for one off capital	0	73.3	0	0	73.3
A revenue pressure of £9,200 is identified for financial year 2023/24	0	9.2	0	0	9.2
TOTAL	0	82.5	0	0	82.5

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
note any impact on revenue budget, good or bad	£000	£000	£000	£000	£000
A revenue pressure of £9,200 is identified for financial year 2023/24	0	9.2	0	0	9.2
Beryl Match software license **** note this is not a cost to HC***	0	0.6	0	0	0.6

Beryl Match Communications **** note this is not a cost to HC***	**0**	**4.8**	**0**	**0**	**4.8**
Beryl Match Customer Support **** note this is not a cost to HC***	**0**	**6.5**	**0**	**0**	**6.5**
Ongoing operational costs borne by Beryl	**0**	**0**	**0**	**0**	**0**
TOTAL * note this is the total revenue budget implication to HC	**0**	**9.2**	**0**	**0**	**9.2**

6.0 MANAGEMENT CASE

6.1 Project Management Arrangements

Managed by the sustainability and Climate Change team with input from the Commercial Services and Legal Services team for the variation to contract.

Only light touch oversight is required from PMO as this is a simple contract variation and product delivery with some work required to site the bays all of which will be managed by the Sustainability and Climate Change team as per the main Beryl scheme.

6.2 Use of Consultants

Not required, the proposal is costed and ready to be delivered.

6.3 Arrangements for benefits realisation

The realisation of benefits will be captured in the weekly and monthly reporting from the supplier Beryl to the Sustainability and Climate Change team. This will be reviewed and scrutinised at the monthly contract management meeting. The benefits will be promoted jointly by Beryl and the Council.

6.4 Arrangements for post project evaluation

Per above, this can be reported to the PMO as required.

6.5 Timeframes

Stage/Milestone	**Indicative Date**	**Comments**
Stage 0 - Project Mandate approved	*May 2022*	**Project Mandate approved by PMO**
Stage 1 - Outline business case completed	*N/A*	**N/A**
Stage 2 - Full business case completed	*27.07.2022*	**Business Case distributed to Project Board for comment and approval.** **Business case submitted on 27.07.2022**
Full Council approval	*February 2023*	

Approval to spend obtained	*April 2023*	
Stage 3 - Delivery	*October 2023*	**6 months delivery from approval and governance being secured**
Insert key milestone	*October 2023*	
Stage 4 – Handover	*October 2023*	
Stage 5 - Project Closure	*November 2023*	**Scheme will be live and ongoing reporting and performance will be managed by the supplier and Sustainability & Climate Change team.**

7.0 THE ENVIRONMENTAL CASE

EN2.2 of the Delivery Plan to increase levels of walking and cycling. In addition bike share supports the delivery of the councils countywide net zero ambition by 2030.

Public bike share schemes are strong examples of working in partnership with suppliers to reduce the county's carbon emissions by increasing the number of short distance trips by a sustainable mode of travel. Additionally there are associated air quality improvements as a result of decreased motor vehicle trips through the Air Quality Management area along the A49 corridor within Hereford City as well as more widely.

8.0 LEGAL IMPLICATIONS

Legal input required on contract variation.

9.0 EQUALITY IMPACT IMPLICATIONS

An EqIA was carried out for the main scheme and remains relevant for this extension.

The bike share scheme is another form of public transport available in the city of Hereford. Tariffs are kept low (typically 5p per minute for a pedal bicycle) providing low cost access to public transport for residents of the city, lowering the financial barrier to public transport around the city whilst also seeing improvements in public health. The e-Cargo bike specifically give the public the opportunity to try e-Cargo bikes 'before they buy' or provide them with the flexibility of hiring one as and when required. Unlike other bikes in the main bike share scheme the e-Cargo bikes can be booked to ensure a bike is available when you need it for a specific job.

10.0 HEALTH & SAFETY IMPLICATIONS

Scheme users are provided with information on safe cycling when they sign up to the Beryl app which is required to hire a bike.

All liability for the scheme is held by the supplier and risk assessments held by the supplier. These can be provided on request.

11.0 SOCIAL VALUE IMPLICATIONS

The addition to the bike share scheme will enhance the public transport offer available in the city of Hereford. The public bike share scheme offers residents the opportunity to utilise

publically available bikes at a low cost without the associated upfront or ongoing costs of owning their own bike.

Publically available bikes have been increasing cycling levels in Hereford City, improving public health by increasing individual's physical and mental health and improving air pollution for all residents by reducing cross town short car journeys. The improvement in public health could see a decrease in the reliance on the health services.

Herefordshire Retrofit Grant Scheme
And
Home Upgrade Grant 2

Business Case

Date: 23/11/2022

Key Details

Senior Responsible Officer:

Author:

Project Manager:

Service Lead:

Agreed Project Type:

Programme Board Allocated:

Version Control

Version	Date	Summary of Change	Author
0.2	14/11/22	Clarifying borrowing type	RV
0.3	23/11/2022	Change of request from corporately supported borrowing to instead seek grant funding	RV
0.4	15/12/2022	A minor update to clarify the need to accept any future grant conditions	RV
0.5	19/12/2022	Addition of Home Upgrade Grant 2	RV

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	*Project Board / Director / Programme Board*	*Note major changes and approvals during delivery*
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

1.0 PROJECT DESCRIPTION

The purpose of this capital bid is for future work around domestic energy retrofit.

This work comprises of two elements:

- The second round of the Home Upgrade Grant scheme (HUG2)
- Seeking additional, external grant funding to support further capital investment for the retrofit of fuel poor homes

To achieve this Herefordshire Council has joined a consortium bid led by Midlands Net Zero Hub to the HUG2 grant fund with a notional allocation of £7,744,000 which includes; £7, 040,000 (Capital) and £704,000 additional for Admin and Ancillary costs.

Additionally to deliver on the recommendations of the draft Retrofit Strategy which has been recently developed for Herefordshire Council (HC) by WSP. Based on the preferred option identified within the Herefordshire Retrofit Outline Business Case (OBC) the Project will involve the following:

- **Capital investment in the deep retrofit of fuel poor homes** – expanding on the delivery of Central Government funding streams to accelerate the decarbonisation of the worst energy performing homes within the County which contain fuel poor households

For the purpose of this capital business case, the capital investment in the deep retrofit of fuel poor homes will be the focus of the HMT Green Book five case analysis.

This proposal recognises that the council is unable to provide corporately supported borrowing for the provision of grants to the level required due to the financial burden this poses upon the Council. As such this proposal recommends both seeks to utilise the new Home Upgrade Grant Scheme (HUG2) and also that additional external grant funding is sought to accelerate the delivery of retrofit schemes prioritising fuel poor households within the county. All grant funding will be spent in accordance with the grant conditions of the funding bodies.

2.0 STRATEGIC CASE

2.1 Project Aims and Objectives

The Council has committed to reducing carbon emissions within the County to Net Zero by 2030, ahead of the UK Government's target of 2050. Retrofitting domestic and non-domestic buildings will provide a key source of emissions reduction and help to achieve this target. In addition, HC have identified that fuel poverty affects 16.7% of households in their area, higher than the national level (13.2%).[4] This has highlighted the urgent need to tackle fuel

[4] Department for Business, Energy and Industrial Strategy (BEIS) (2022) Sub-regional Fuel Poverty England (2020 data). **Note**: it is likely that the fuel poverty incidence rate will have increased significantly following the increase in the price cap in April 2022.

poverty and implement a strategy to retrofit domestic buildings which supports fuel reduction across a more energy efficient housing stock.

HC declared a climate emergency in 2019, however it faces some challenges with regards to implementing actions to reduce emissions and increase energy efficiency across the region. These include:

- A much higher proportion of detached and older (pre-1900) housing than the national average, many of which are poorly insulated and therefore require more energy to heat;
- Split of housing over rural and urban landscapes; and
- Relatively large numbers of properties without access to mains gas services, some of which use coal sources as their primary fuel for heating.

In 2019, there were an estimated 84,000 households in Herefordshire, 16.7% of which were in fuel poverty (14,147); a higher proportion than in England as a whole (13.2%). The majority of households affected by fuel poverty live in rural areas.

Fuel poverty risk increases in off-grids homes as fuel options for these households are often more expensive and less energy efficient than gas. The Healthy Housing Survey (2011) identified that mains gas was available to only 69% of properties in Herefordshire, compared to 87% nationally.5

In Herefordshire, a large majority of emissions are from the domestic and commercial sectors (38.4%)[6]. A Climate Change Committee (CCC) study[7] reports that at least 90% of existing buildings in Herefordshire require retrofit to meet a net zero target of 2050.

Analysis of EPC data also reveals that a large proportion of domestic properties require retrofit intervention; for example, data indicates that 97.11% of properties potentially require floor insulation. If retrofit interventions were to be done to remove all no or limited insulation, it would require, 105,258 interventions, which is significantly more than one intervention per property. This highlights the potential need for multiple interventions per property.

The project aim is to implement a strategic approach to tackling greenhouse gas emissions from buildings, and support HC commitments and ambitions in reducing carbon emission and taking against climate change. The project aims to support the following strategic outcomes of the Herefordshire Retrofit Strategy:

- All HC homes and non-domestic buildings, as far as practicable, to achieve minimum Environmental Performance Certificate (EPC) band C by 2030;
- Utilise domestic housing retrofit to help alleviate the incidence of fuel poverty across the County; and
- Create a stronger and more skilled Herefordshire wide supplier base of assessors, retrofit co-ordinators, builders, and installers, able to effectively support achievement of the outcomes detailed above and ensure that investment in retrofit maximises local economic benefits.

The specific objectives of this Project will have been achieved if it leads to:

[5] https://understanding.herefordshire.gov.uk/community/fuel-poverty/

[6] Department of Business, Energy, and Industrial Strategy, 2021, 2005 to 2019 UK local and regional CO2 emissions – data tables, UK local authority and regional carbon dioxide emissions national statistics: 2005 to 2019

[7] CCC (2019) Climate Change Committee. UK Housing: fit for the future?

- A reduction in domestic GHG emissions within Herefordshire;
- A reduction in the incidence of fuel poverty across the County - although this is to some extent driven by market energy prices which are currently experiencing unprecedented increases (rising 54% on average on April 1st 2022);
- An increase in the energy efficiency of the worst performing homes within Herefordshire;
- An increase in the number of retrofit jobs within Herefordshire;
- Increased localisation of the retrofit supply chain within Herefordshire;
- Measurable increase in the demand for retrofit interventions within the domestic housing market; and
- Increased enquiries and engagement with Herefordshire's existing activities to promote and support retrofit activities.

Measures of Success

It is important to consider from the outset what constitutes successful delivery of the objectives, as this informs the development and appraisal of the Project, the selection of the preferred option, and the monitoring and evaluation of the Project's performance after (and during) delivery.

2.2 Strategic Drivers

2.2.1 National and Regional

UK Government's Net Zero Target

The UK is legally bound to bring all greenhouse gas emissions to net zero by 2050 with a target to reduce emissions by 78% by 2035 compared to 1990 levels and 100% by 2050.

Net Zero Strategy: Build Back Greener

The Net Zero Strategy[8] was launched in October 2021 and sets out policies and proposals for decarbonising all sectors of the UK economy by 2050, including buildings. Specifically, key policies for heat and buildings include:

- New gas boilers ban by 2035;
- A new £450 million three-year Boiler Upgrade Scheme will see households offered grants of up to £5,000 for low-carbon heating systems;
- A new £60 million Heat Pump Ready programme that will provide funding for pioneering heat pump technologies and will support the Government's target of 600,000 installations a year by 2028;
- Delivering cheaper electricity by rebalancing of policy costs from electricity bills to gas bills;

[8] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1033990/net-zero-strategy-beis.pdf

- Further funding for the Social Housing Decarbonisation Scheme and Home Upgrade Grants, investing £1.75 billion. Additional funding of £1.425 billion for Public Sector Decarbonisation, with the aim of reducing emissions from public sector buildings by 75% by 2037; and
- Launching a Hydrogen Village trial to inform a decision on the role of hydrogen in the heating system by 2026.

National Infrastructure Assessment

The National Infrastructure Commission recommendations to achieve low carbon infrastructure include the following key objectives:

- At least 50% renewable energy generation by 2030; and
- Buildings which require less energy to heat.

Improving energy efficiency of the UK's buildings will reduce demand for heat and improving insulation of existing buildings play a key role in achieving this aim. The Commission's analysis suggests that there are over 21 million individual improvements to buildings in England that together could save billions of pounds. This includes insulating 10 million lofts, 6 million floors and almost 5 million walls.

Building Regulations: Consultation of changes to Part L (conservation of fuel and power)[9]

Guidance on energy efficiency requirement includes:

- A 20% reduction in regulated carbon emissions over the current standard, expected to be delivered predominantly by very high fabric standards; and
- A 31% reduction in regulated carbon emissions over the current standard, achieved through a more minor increase to fabric standards, alongside low carbon heating and/or renewables.

The Ten-Point Plan – Point 7: Greener buildings

- The UK Government's 'ten point plan' sets out the approach government will take to build back better, support green jobs, and accelerate our path to net zero. Point 7 of the Plan relates to Greener Buildings and the need to decarbonise the existing building stock through retrofit and higher energy efficiency standards in new buildings. It states that "*We will put our homes, workplaces, schools and hospitals at the heart of our green economic recovery, supporting 50,000 jobs and building new supply chains and factories in the UK. We will aim for 600,000 heat pump installations per year by 2028, creating a market led incentive framework to drive growth, and will bring forward regulations to support this especially in off gas grid properties*".

Clean Growth Strategy: Leading the way to a low carbon future

- The Clean Growth Strategy was published in October 2017 to support the UK Industrial Strategy in its aim to ensure an affordable energy supply for businesses and consumers. The Clean Growth Strategy's objectives are to increase productivity, create good jobs, boost earning power for people right across the country, and help protect the climate and environment upon which we and future generations depend;

[9] https://www.thfcorp.com/wp-content/uploads/2021/12/Retrofitting-Social-Housing-funding-roadmap-FINAL.pdf

- The Strategy recognises the important role local authorities play in achieving a productive low carbon economy by embedding low carbon measures in strategic plans across areas such as health and social care, transport and housing; and
- A key ambition of the Strategy is to improve the energy efficiency of UK homes. In 2017, there were 850,000 homes not connected to the gas grid in England, using oil for heating. To tackle this, the Strategy identifies a key action to work with industry to implement the independent industry led Each Home Counts review to improve quality and standards for all retrofit energy efficiency and renewable energy installations.

As part of this, the Government's intention is to review energy performance standards across the private rented housing sector, aiming to reach as many private rented homes as possible. The ambition is to upgrade these homes to EPC Band C by 2030.

The Strategy further acknowledges that retrofitting is a cost-effective way of reducing carbon emissions and states that: "*We need energy efficiency and heat technologies that are less costly and easier to install, and commercial innovation to ensure retrofits are attractive for homeowners. To build lower cost, lower carbon homes, we need to use innovative construction methods including factory production and off-site manufacturing*"[10].

Marches LEP Energy Strategy

The Marches Local Enterprise Partnership (LEP) recognises that energy provision can impose a barrier to economic growth. The existing energy infrastructure is already at capacity in many areas, which presents both a threat to future business and housing development, but also an opportunity to invest in innovation that could overcome these challenges.

The Marches area comprises Herefordshire, Shropshire and Telford and Wrekin. There are ambitious growth plans in place, with the creation of 40,000 new jobs and 70,000 new homes by 2031. A study undertaken by Marches LEP in 2018 found that there was significant potential for renewable energy generation, including biomass, solar, wind and anaerobic digestion. The study also found that the electricity grid was significantly constrained in terms of generation and supply, leading to difficulties with regards to connecting new developments and energy generation assets. Moreover, the rural nature of the area presents additional challenges, which were described as follows:

- Comparatively high transport emissions when compared to other regions as a result of vehicles having to travel further to destinations;
- Significant areas off the gas grid and as such, many properties are dependent on high-carbon and high-cost fuels; and
- Above national and West Midlands average fuel poverty.

In response to the outcomes of the study, Marches LEP established a 2030 Vision Statement, "The Marches area has an energy generation and supply system which is flexible and reliable, delivering energy that is low carbon and low cost to businesses and communities, can accommodate planned

[10] Clean Growth Strategy – Department for Business, Energy and Industrial Strategy: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/700496/clean-growth-strategy-correction-april-2018.pdf

growth and can support well developed low carbon supply chains". Within this vision, several key priorities were identified:

- Key priority 1: Smart control and mitigation of grid constraints;
- Key priority 2: Innovation in agricultural technologies;
- Key priority 3: Sufficient reliable energy supply;
- Key priority 4: Development of the supply chain in key areas of the low carbon economy;
- Key priority 5: Local renewable energy supply; and
- Key priority 6: Addressing high levels of fuel poverty.

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	√	Work to minimise inequalities in our communities (CO4)
Economy	√	Work to reduce fuel poverty, enhancing the local green economy and supply chains.
Environment	√	Build understanding and support for sustainable living (EN3) Invest in low carbon projects (EN4)

List key Strategy the project delivers against and explain how	• Delivery Plan 2022-23 as above. • County Plan 2020-24 by reducing countywide carbon emission. • This project supports the delivery of the climate reserve works which were informed by the Climate Citizens Assembly. • This project directly contributes towards the councils net zero target for the county by 2030 by tackling one of the greatest challenges we face, the poor performing building stock of the county. • Herefordshire Future Homes (HFH). The strategy will provide recommendations for the Net zero-rated homes and is aimed at all housing stakeholders. According to the strategy, homes will be designed to minimise energy use, reduce green-house gas emissions, be located next to open spaces and have access to sustainable transport options. • Herefordshire Affordable Warmth Strategy. The project will address the fuel poverty challenge for domestic dwellings within Herefordshire. The strategy links also with wider regional priorities, such as older demographic and health and wellbeing.

- Marches Local Energy Strategy. The strategy recognises energy provision can impose a barrier to economic growth. The existing energy infrastructure is already at capacity in many areas, which presents a threat to future business and housing development. The strategy will address this, enabling economic opportunities related to investment in innovation and local economic growth.

The project directly addresses the priorities and Delivery Plan as described below.

- EN3 – helping residents understand how to live more sustainably and improve their own homes.
- EN4 – This project has direct carbon benefits for residents by improving the thermal quality and comfort of their homes.
- CO4 – this project will have a direct, positive impact on the living standards of residents as a result of the improvements.

2.3 Background and Rationale in Project Mandate

There is an above average incidence of Fuel Poverty within Herefordshire

In Herefordshire, as well as the whole of the country, many properties are considered 'fuel poor' with regards to their inability to adequately heat at an affordable cost. Three factors are considered key to affordable warmth: these being household income, the energy efficiency of a property and the cost of energy.

In 2019, there were an estimated 84,000 households in Herefordshire, 16.7% of which were in fuel poverty (14,147); a higher proportion than in England as a whole (13.2%). Lower income households are at a higher risk of fuel poverty[11], requiring specific interventions to reduce fuel consumption. This presents an urgent need to tackle fuel poverty and implement a strategy to retrofit domestic buildings which supports fuel reduction.

Investing in fuel poor homes in Herefordshire has the potential to stimulate the wider economy through energy efficiency interventions, because the existing energy infrastructure is already at capacity in many areas, which presents both a threat to future business and housing development.

Retrofitting fuel poor properties with energy efficiency interventions will also lead to a reduction in household energy bills. Given the high amount of fuel poor homes in Herefordshire, this would have a positive impact on the wider economy of the County. Retrofitting can, therefore, result in improved energy security, relying less on fossil fuels and imported gas; benefit progress towards the UK's 2050 target for reducing GHG emissions and ultimately eradicate fuel poverty.

Funding is needed to improve energy efficiency of Herefordshire's poorly performing housing stock

The total housing stock within Herefordshire has been increasing over the last decade. On average, since 2010, the number of dwellings has increased by 486 houses per year, with a total of 4,683

[11] Cambridge Economics, Economic impact of improving the energy efficiency of fuel poor households in Scotland, https://www.cas.org.uk/system/files/publications/economic-impact-of-energy-efficiency-investment-in-scotland.pdf

dwellings and an overall increase of 5.70%[12]. The Herefordshire Integrated Housing Stock Modelling database report[13] demonstrates that the performance of the housing stock in Herefordshire compared to the England average is generally worse with Herefordshire performing significantly worse for all hazards, particularly with regards to excess cold.

Given the large number of homes within Herefordshire that may require retrofit, any new properties built in the future should not add to the problem of low energy efficient homes. It is therefore important that those new homes are as energy efficient as possible and have the potential to use low carbon energy and heat[14].

EPC data reveals that a large proportion of domestic properties require retrofit intervention. To demonstrate this, data indicates that 97.11% of properties potentially require floor insulation. If retrofit interventions were undertaken, it would require 105,258 interventions, which is significantly more than one intervention per property. This highlights the potential need for multiple interventions per property.

Reviewing the energy performance of buildings within Herefordshire, it becomes evident that there are many properties, both domestic and non-domestic, that fall below an EPC rating of B. Herefordshire has a higher proportion of dwellings in bands E, F and G and lower proportions in bands A-D[15].

In short, this means that Herefordshire suffers from a large amount of existing housing stock requiring interventions to improve their energy efficiency. In addition to that, the County also houses over 6,000 listed buildings which presents itself as further challenge with regards to retrofit. These protected buildings produce a lot of carbon emissions from heating, and it is thus key to achieve a balance between heritage protection and enhancement as well as energy savings and environmental improvement. It is likely that some of these premises may not be suitable for certain retrofit interventions, so may have limited potential. Since there are many properties that fall within this category, it can be expected that a wide range of skills, knowledge and expertise will be required to deliver retrofit interventions to these buildings, which in turn has a positive impact on local employment and upskilling.

2.4 Scope

2.4.1 In-Scope

The scope of the Project includes the following proposals to accelerate retrofit activities within the County.

Capital Investment in Deep Retrofit of Fuel Poor Homes

Central Government funding for retrofit of domestic properties is currently limited with regards to its scope and availability to address the scale of the problem and help

[12] Department of Levelling Up, Housing and Communities , 2021, Table 100: number of dwellings by tenure and district , England, Live tables on dwelling stock (including vacants) - GOV.UK (www.gov.uk) [

[13] BRE, 2019, Integrated Dwelling Level Housing Stock Modelling and Database for Herefordshire Council, https://understanding.herefordshire.gov.uk/media/1875/bre-herefordshire-integrated-housing-stock-modelling-report-final-002.pdf

[14] Committee on Climate Change, 2019, UK Housing: fit for the future?, UK housing: Fit for the future? - Climate Change Committee (theccc.org.uk)

[15] Department for Levelling Up, Housing & Communities, 2020, Energy Performance of Buildings Data England and Wales

Herefordshire achieve its 2030 net zero target. The Council will therefore maximise the opportunity through the new Home Upgrade Grant (HUG2) in addition to accelerating the delivery of retrofit for those worst energy performing homes which are in fuel poverty by actively seeking other external grants to enable capital investment to fund the retrofit of eligible households.

2.4.2 Out of Scope

The following activities are out of scope for the purpose of this capital business case and will form the basis of an emerging business case to the climate reserve to deliver the wider retrofit strategy.

Development of a Retrofit Hub

It is proposed that the existing Keep Herefordshire Warm service is expanded into a 'Retrofit Hub' to offer an improved 'one-stop-shop' for residential homeowners to access information, knowledge and the local supply chain through one coordination body. The purpose of the hub would be twofold:

- To facilitate retrofit activity – being the first point of contact at the 'orientation stage', raising awareness of retrofit benefits and providing targeted advice through the provision of whole home surveys on the optimal retrofit strategy for homeowners. The hub would also play an important role in collating and maintaining a list of suppliers which can support the retrofit process for homeowners; and
- To coordinate retrofit activity – through coordination of existing retrofit suppliers including assisting with the generation of contractor quotes, client service agreements and ensuring that suppliers comply with their commitments.

The role of the Retrofit Hub will be to provide a seamless customer journey which helps to address some of the key barriers to domestic retrofit within the able to pay market, namely lack of information and an underdeveloped supply chain.

A critical element of the Retrofit Hub will be to disseminate information to the 'Able to Pay' market which can help to unlock private sources of finance for domestic retrofit and accelerate the uptake of decarbonisation measures by private homeowners. An indicative range of potential support services and delivery mechanisms are outlined below which could be provided by the Retrofit Hub for domestic customers.

- Community Municipal Investment / Local Climate Bonds;
- Green Borrowing/ Home Finance;
- Green Mortgages; and
- Demand Aggregate Financing (DAF) Scheme.

A separate business case for the development of a Retrofit Hub is being developed as part of the Climate Reserve projects**.**

Revenue funding to support accreditation of the existing supply chain to PAS2035

This project has recently been approved as a part of the Climate Reserve projects and is being mobilised. To achieve Herefordshire Council's net zero carbon emissions ambition, the retrofit market needs to grow. This requires increasing the number and quality of skilled workers to meet

the retrofit demand. Key changes are also needed to make technical skills training more responsive to employers' skills needs.

The readiness of the supply chain is one of the key barriers to delivering home retrofit targets, particularly when it comes to whole home retrofit. The Council will look to deliver retrofit accreditation for existing suppliers as well as upskill new entrants to the retrofit market. This will cover training across the wide range of retrofit roles including assessors, designers, installers, evaluators, advisors and coordinators.

2.5 Benefits

The anticipated benefits of the proposed project are:

2.5.1 Cashable Benefits

The benefits associated with the Project comprise the following:

- Health and wellbeing and social value benefits associated with improving the energy efficiency and thermal comfort of homes.

2.5.2 Non-cashable Benefits

- The generation of skilled and semi-skilled jobs within the construction and housing retrofit market;
- The additional Gross Value Added (GVA) productivity impacts associated with the direct employment that will be created through the implementation of retrofit interventions within Herefordshire's housing stock;
- There will also be indirect employment-based GVA impacts in the local supply chain and induced employment-based GVA impacts arising from additional local spending;
- A reduction in expenditure on energy has multiple benefits, including increasing local economic impacts through increased income and associated increased expenditure on consumer goods and services locally; and
- Property value increases as a result of retrofit measures;
- Lower greenhouse gas emissions (GHG). Retrofit investments improve the energy efficiency of homes, reducing carbon dioxide emissions and directly tackling climate change; and
- Reduction in fuel poverty. Retrofitting can reduce fuel poverty by providing an improved energy security, relying less on fossil fuels and imported gas, and ultimately reducing fuel bills.

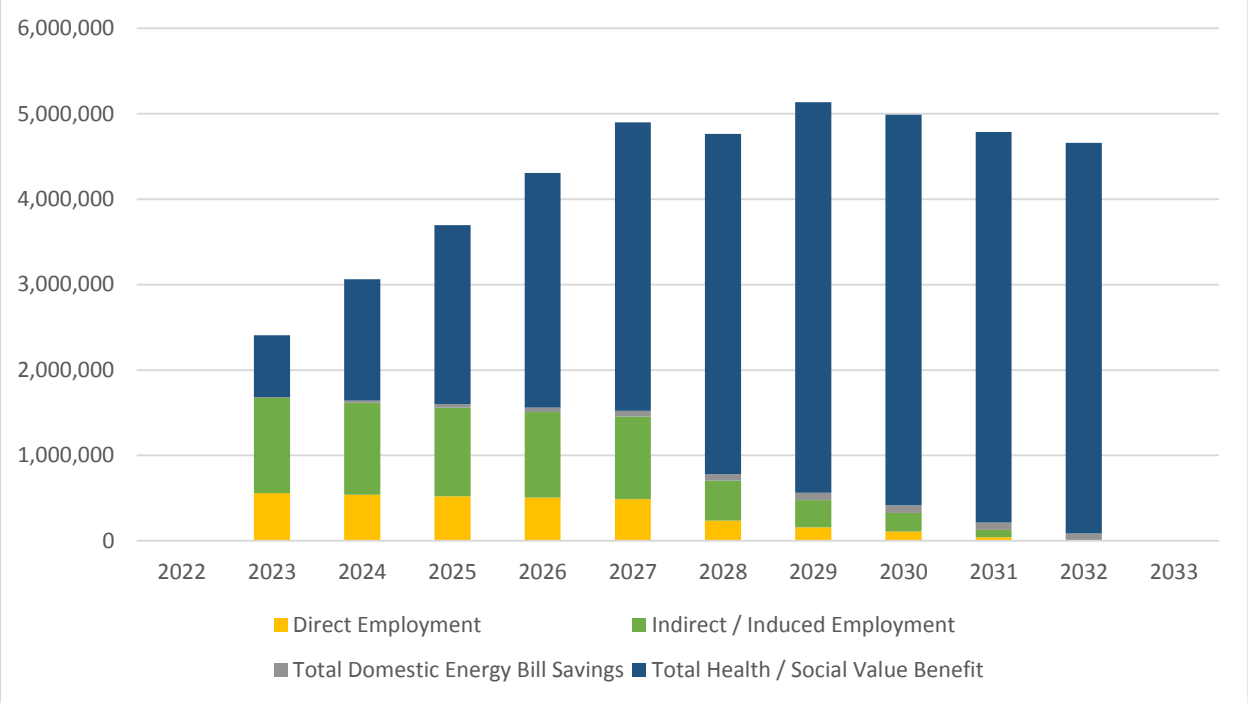
2.5.3 Dis-benefits

There are no dis-benefits identified which would arise from implementation of the Project.

2.5.3 Benefit Profile

Figure 1 sets out the profile of benefits identified in Sections 2.5.1 to 2.5.2 above by the year at which they are expected to be realised. The value of benefits are presented in 2022/23 prices and have been discounted to present values.

Figure 1: Benefit Profile



2.6 Risks

The primary risk of the project is the varying status and financial capacity of property owners, and the varying reasons that they may, or may not, decide to pursue retrofitting.

Risk mitigation involves engagement and clear communication with property owners is key, as it helps to manage expectations, avoid costly misunderstandings, and reduce concerns about timescales, mess, and disruption[16]. Understanding property owners' concerns will help persuade and provide the best retrofit service to them. Supporting the retrofit mechanisms for property owners also requires putting almost all households in a 'willing and able to fund' position. Property owners may be able to pay, but not all will be willing to, for reasons detailed previously. Instilling a variety of different funding schemes will help move more of the market to a 'willing to fund' position.

A summary of the key risks is identified below:

Risk	Mitigation
Low uptake of grants – this would lead to reduced project outcomes and reduced improvement in the decarbonisation of the worst energy performing homes.	Develop an outreach and engagement approach to ensuring that Herefordshire residents are aware of the grants and the types of support available to homeowners.

[16] Technology Strategy Board, 2014, Retrofit For The Future, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/669113/Retrofit_for_the_future_-_A_guide_to_making_retrofit_work_-_2014.pdf

	Use of media to raise awareness of the scheme. Lessons learnt from the previous rounds of the Green Homes Grant have been implemented which have significantly improved the uptake of the current Home Upgrade Grant scheme which will support the development of the project pipeline.
Lack of Support for the Project from local stakeholders and the local community	Development of a Stakeholder Management and Communications Plan and use of internal Council partnerships and relationships to facilitate communication with key stakeholders. Appropriate outreach activities with local community.
Materials and construction cost increases – meaning that the capital funding allocated for retrofit measures will be unable to meet the project target of 10% of fuel poor homes rated EPC E or below (approximately 425 homes).	Appropriate review of capital forecasts and adjustment to account for any predicted rate of change and updates to the project delivery programme.
Procurement of services is not successful or is delayed or challenged	Appropriate due diligence during the procurement process
Assurance risks associated with installation of retrofit measures – these risks may fall on the Council for those capital investments which the Council are looking to fund.	Appropriate drafting of service contracts / grant agreements to ensure that legal liabilities to the Council are minimised. This will include a clear and robust complaints and resolution process and procedure. Appropriate due diligence of contractors and delivery partners.

2.7 Constraints and Dependencies

This project is dependent on the existing Keep Herefordshire Warm service to act as the customer facing element of the grant scheme. This project will be greatly enhanced by the development of the Keep Herefordshire Warm service into a Retrofit Hub through the proposal being worked up for funding through the Climate Reserve.

The success of the Project has a number of dependencies:

- **Funding and financing** - The Council does not have the resources to deliver wholescale retrofit interventions across all domestic building typologies and tenures within Herefordshire and is therefore reliant on homeowners funding and financing capital retrofit works themselves.
- **Development of procurement and supply chain** - Where the Council, or social housing providers are looking to retrofit their own stock, they will have access to

procurement frameworks to supply retrofit products and services at scale. However, for individual homeowners within the able to pay market, there are likely to be significant barriers in the identification of contractors and suppliers. This is a particular risk within locations such as Herefordshire which has underdeveloped supply chains. The Project proposes to help address some of these challenges through investment in the skills supply chain.

2.8 Stakeholders

As part of the Herefordshire Retrofit Strategy work undertaken by WSP in 2022, two stakeholder engagement workshops were undertaken with stakeholder groups and organisations. The following pre-determined questions were asked during the roundtable (virtual) workshops:

- **Retrofit Interventions**: What retrofit interventions and markets have you worked on in the past, currently, or plan to in the future?
- **Lessons Learnt**: What have been some blockers, and enablers when considering retrofit?
- **Ideas and Solutions**: What do you think will work in your field?

These participants to these workshops are listed below.

Critical Success Factors	Description
Community / Voluntary	• Ledbury Energy Information Centre • Community First • Herefordshire Green Network
Herefordshire Council	• Environmental Health • Home Improvement Agency - You at Home • HC Building Conservation • HC Building Control • HC Planning • HC Strategic Housing
Housing Associations	• Bromford Housing • Citizen Housing • Connexus • Stonewater • Two Rivers
Landlords	• Residential Landlords Association
Regional Bodies	• Marches LEP • Midlands Energy Hub
Supporting Organisations	• Severn Wye Energy Agency • Marches Energy Agency • Marches Centre for Community Led Housing

Alongside these workshops, 5 individual conversations were held with key figures or organisations, including:

- Councillor Chowns of Herefordshire Council;
- A local Retrofit Supplier;
- Herefordshire Green Network Lead;
- Marches LEP Energy Lead; and
- Midlands Energy Lead.

The information gathered during the stakeholder engagement process has been used to inform the Herefordshire Retrofit Strategy and the development of the Outline Business

Case. It has directly informed the proposed project including the overall retrofit strategy and the implementation of strategy elements and key enablers for the project to be implemented.

The stakeholder engagement has provided an invaluable guide to the current state of the retrofit market within Herefordshire, identification of key blockers and enablers to unlock retrofit across the County. By engaging with a wide range of stakeholders, this has allowed for the gathering of opinions from across the housing tenure types, community groups, and retrofit suppliers. This has allowed for deeper understanding of the requirements of a retrofit strategy to ensure that the benefits of the Project are maximised.

3.0 ECONOMIC CASE

3.1 Critical success factors

Critical Success Factors (CSFs) describe attributes essential for successful delivery of the Project. All the shortlisted options have been assessed against the agreed CSFs. The CSFs for this business case are based on HM Treasury Green Book guidance and reflect the Council's objectives for the Project.

Critical Success Factors	Description
Strategic fit and meets business needs	Confirm that the option meets the agreed investment objectives, related business needs and service requirements as set out within the Strategic Case.
Potential Value for Money	Understanding which options have the potential to deliver the greatest economic benefits. Considering the wider/social economic benefits and return on investment.
Achievability / Risk Profile	Considering the risk profile for each of the options and the mitigation actions required to manage high risk options.
Capacity and Capability	Reflecting deliverability and the ability/capacity of partners to deliver to the timescales.
Affordability / Cost	Determining which options are affordable within the scope of the funding requirements and other funding sources and/or borrowing available to HC

3.2 Options and Do Nothing Option

3.2.1 Long-List of options

A number of options were generated by considering the potential scope and spending objectives of the Project and by using the options framework set out within the Retrofit Strategy report. This generated the following options for consideration within the business case:

- **Option 1: Do Nothing** – the 'Do Nothing' option acts as the business-as-usual option. As part of this option, it is assumed that housing retrofit continues to be delivered incrementally within Herefordshire as a result of private household investment in home improvements and small-scale targeted grant funding for lower

income households, such as through the 'Keep Herefordshire Warm' initiative as well as Central Government funding sources for social housing and fuel poor homes;

- **Option 2: A fabric first approach to fuel poor homes** – focuses on a 'fabric first' approach to those households most in need, which for the purpose of this project are those households within fuel poverty with an EPC rating of D. Based on the market assessment this would be a maximum of 4,900 homes, which is 18% of the total worst energy performing homes within the County. Under this scenario it is assumed that a fabric first approach would improve these homes to an EPC band C as a minimum;
- **Option 3: A deep retrofit approach to fuel poor homes** – focuses on a deep retrofit approach to those households most in need, which for the purpose of this project are those households within fuel poverty with an EPC rating of E and below. Based on the market assessment this would be a maximum of 4,251 homes, which is 16.5% of the total worst energy performing homes within the County. It is assumed these homes would be retrofitted to a minimum of EPC Grade C;
- **Option 4: A 'Do Maximum' approach to address energy efficiency across the worst energy performing homes within the County** - a deep retrofit approach applied to all those households defined as being within the worst energy performing category with an EPC rating of E and under. This option would target a maximum of 24,500 homes; and
- **Option 5: A strategy to stimulate demand across the able to pay market whilst applying targeted investment to accelerate the retrofit of fuel poor homes** – a blended approach which aims to utilise revenue funding[17] to create a 'one-stop-shop' to encourage and support private homeowners through the retrofit process whilst delivering targeted capital interventions to address the incidence of fuel poverty within the County and decarbonise some of the worst performing homes. For the purpose of this appraisal, it has been assumed that Option 5 would target 10% of total fuel poor homes rated EPC E or below (a total of 425 homes, approximately 60 per annum to 2030).
- **Option 6: Consortium bid led by Midlands Net Zero Hub to the Home Upgrade Grant 2** – this option sees Herefordshire Council join a consortium bid to the Home Upgrade Grant 2. This seeks to build on the current success of HUG1 and Green Homes Grant Local Authority Delivery 3 (GHG LAD3). Within the consortium bid there is a notional allocation of £7,744,000 for Herefordshire. This includes; £7, 040,000 (Capital) and £704,000 additional for Admin and Ancillary costs. The aim of this grant is to install clean heating systems in domestic properties of EPC D and lower at an average cost of £18,000 per property. Targeted street based approach using the English Indices of Deprivation (IMD) rather than targeting ad hoc properties. No funding for on-gas properties.
- **Option 7: Seek external grant funding to deliver domestic retrofit to fuel poor households -** this option seeks to continue the delivery of domestic retrofit of fuel poor homes through the application to external grant funding, with grant spend in accordance with the conditions of the grant set out by the funder.
-

An options appraisal evaluation was undertaken in accordance with how well each option met the investment objectives and CSFs. Furthermore, a high-level SWOT analysis was conducted.

All of the options are appraised in the Economic Case. The relevance of each option was confirmed by assessing each of the options against the investment.

[17] **Note** – this would be subject to a separate base revenue budget request

The appraisal of the long list indicated that two options were not suitable to be appraised within the economic model. These were the 'Do Nothing' and the 'Do Maximum' option.

3.2.2 Short-list of options

The appraisal of the shortlisted options is set out below.

Option 2 – A fabric first approach to fuel poor homes – focuses on a 'fabric first' approach to those households most in need, which for the purpose of this project are those households within fuel poverty with an EPC rating of D. Under this scenario it is assumed that a fabric first approach would improve these homes to an EPC band C as a minimum.

Cost	The economic costs are estimated at £17,478,000 in total. The cost estimate includes costs of retrofit capital investment, skills and training and energy efficiency assessment. The capital cost estimates are based on an assumed housing typology for the purpose of the economic modelling, and it is not yet known which homes would be subject to retrofit interventions, and therefore a high OB adjustment of 24% has been applied to the capital costs.
Benefits	The present value of benefits (PVC) is estimated at **£40,801,000**. This includes GVA benefits, energy saving benefits and health and wellbeing benefits. The Benefit Cost Ration (BCR) is 2.3, indicating high value for money. These sensitivity tests provide a high degree of certainty that that the Project will generate significant benefits which will outweigh the costs of the Project.
Deliverability	The option successes rely on the property owner's willingness to participate. A fabric first approach is less intrusive with regards to building work and therefore the timescales and project risks are likely to be lower. The project is considered affordable.
Pros	Strong potential to deliver skills and local employment benefits. HC has the capacity and capability to deliver the project. There would be some supply chain benefits including the creation of 300 jobs, some of which could be taken by Herefordshire residents.
Cons	Potential aesthetic impacts of the retrofit, as upgrades programmes that alter the appearance of a street or district may not be accepted. A fabric first approach does not address decarbonisation of the heating system and other forms of renewable power generation. Fabric first is unlikely to be appropriate for those homes which are worst energy performing – EPC E and below.
Observations	Based on the market assessment this would be a maximum of 4,900 homes, which is 18.0% of the total worst energy performing homes within the County.

	There will be a need for the Council to procure contractors to deliver the capital retrofit works.
Recommendation	This option is not affordable for the Council to fund

Option 3 – A deep retrofit approach to fuel poor homes – focuses on a deep retrofit approach to those households most in need, which for the purpose of this project are those households within fuel poverty with an EPC rating of E and below. It is assumed these homes would be retrofitted to a minimum of EPC Grade C.

Cost	The option economic costs are estimated at **£123,921,000**. The cost estimate includes costs of retrofit capital investment, skills and training and energy efficiency assessment surveys. The capital cost estimates are based on an assumed housing typology for the purpose of the economic modelling, and it is not yet known which homes would be subject to retrofit interventions, and therefore a high OB adjustment of 24% has been applied to the capital costs.
Benefits	The present value of benefits (PVC) is estimated at **£427,131,000**. This includes GVA benefits, energy saving benefits and health and wellbeing benefits. The Benefit Cost Ratio (BCR) is 3.4, indicating high value for money. These sensitivity tests provide a high degree of certainty that that the Project will generate significant benefits which will outweigh the costs of the Project.
Deliverability	The option success relies on the property owner's willingness to participate The capital costs of targeting a large number of homes for deep retrofit interventions are significant and it is unlikely that the Council will be able to fund this level of investment. There may potentially be further grant funding from Government which could be utilised to address this funding gap but there is currently uncertainty on the scale and timing of these funding sources.
Pros	Strong strategic alignment with addressing those worst performing homes in fuel poverty and increasing the energy efficiency of these homes Potential to achieve the Project's investment objectives There would be significant supply chain benefits including the creation of 2,400 jobs, some of which could be taken by Herefordshire residents.
Cons	High funding requirement which is likely to create a funding gap due to the high capital expenditure

	Deep retrofit interventions are likely to be invasive and home owners and tenants may be unwilling to participate in the Project.
Observations	Based on the market assessment this would be a maximum of 4,251 homes, which is 16.5% of the total worst energy performing homes within the County. There will be a need for the Council to procure contractors to deliver the capital retrofit works.
Recommendation	This option is not affordable for the Council to fund

Option 5 – A strategy to stimulate demand across the able to pay market whilst applying targeted investment to accelerate the retrofit of fuel poor homes – a blended approach which aims to create a 'one-stop-shop' to encourage and support private homeowners through the retrofit process whilst delivering targeted interventions to address the incidence of fuel poverty within the County and decarbonise some of the worst performing homes. For the purpose of this appraisal, it has been assumed that Option 5 would target 10% of total fuel poor homes.

	The option economic costs are estimated at **£13,127, 000.** The cost estimate includes costs of retrofit capital investment, skills and training, energy efficiency assessment and revenue staffing costs for the Retrofit Hub.
Cost	The capital cost estimates are based on an assumed housing typology for the purpose of the economic modelling, and it is not yet known which homes would be subject to retrofit interventions, and therefore a high OB adjustment of 24% has been applied to the capital costs.
Benefits	The present value of benefits (PVC) is estimated at **£42,713,000**. This includes GVA benefits, energy saving benefits and health and wellbeing benefits. The Benefit Cost Ration (BCR) is 3.3, indicating high value for money. These sensitivity tests provide a high degree of certainty that that the Project will generate significant benefits which will outweigh the costs of the Project.
Deliverability	The option builds on the established Keep Herefordshire Warm programme to expand the range of services which the programme offers homeowners.
Pros	The Council can play a role in accelerating the decarbonisation of the housing stock which is worst energy performing through targeted grant or subsidised funding of deep retrofit interventions. The option has the potential to achieve all investment objectives

	The option is designed to tackle of range of existing market failures within the retrofit sector in Herefordshire including lack of information and awareness from homeowners, access to funding and finance and an underdeveloped supply chain of retrofit skills.
Cons	Reliance on uptake and interest from homeowners Ongoing revenue costs which may need to be scaled over time in line with market demand from homeowners Success of the project is reliant, to some extent, on financial investment from the able to pay market in retrofit measures.
Observations	There will be a need for the Council to procure contractors to deliver the capital retrofit works. The Council will need to procure service from a supplier to deliver whole home retrofit surveys. There will be a need for the Council to produce a marketing and engagement strategy to promote the role of the Retrofit Hub to Herefordshire residents.
Recommendation	This option is not affordable for the Council to fund

Option 6 – **Consortium bid led by Midlands Net Zero Hub to the Home Upgrade Grant 2**.

Cost	The consortium includes a Herefordshire specific notional allocation of £7,744,000 which comprises £7, 040,000 for capital grants and £704,000 for Admin and Ancillary costs.
Benefits	The HUG 2 scheme aims to raise the energy efficiency of low-income and low EPC rated homes including those living in the worst quality off-gas grid homes, delivering progress towards: reducing fuel poverty, the phasing out of high carbon fossil fuel heating and the UK's commitment to net zero by 2050.
Deliverability	This option seeks to replicate and extend the existing and successful Home Upgrade Grant project which expires in March 2023.
Pros	This project will contribute towards the local and regional strategic priorities, targets and legislation to include: Herefordshire County Plan, Herefordshire Health & Wellbeing Strategy and the Executive response to the Climate emergency. The introduction of eligibility for IMD areas deciles 1-3, it enables us to focus on whole streets rather than ad-hoc properties.

Cons	Reliance on uptake and interest from homeowners. Putting appropriate delivery mechanisms in place in order to realise targets. Costs for 'hard to treat properties' may exceed funding cap.
Observations	The Council will need to procure service from a supplier to deliver whole home retrofit surveys. There will be a need for the Council to procure contractors to deliver the capital retrofit works.
Recommendation	Proceed

Option 7 – Seek external grant funding to deliver domestic retrofit to fuel poor households.

Cost	The option economic costs are estimated at **£2,042,210.** The capital cost estimates are based on an assumed housing typology for the purpose of the economic modelling, and it is not yet known which homes would be subject to retrofit interventions, and therefore a high OB adjustment of 24% has been applied to the capital costs.
Benefits	The present value of benefits (PVC) is estimated at **£6,645,000**. This includes GVA benefits, energy saving benefits and health and wellbeing benefits. The Benefit Cost Ration (BCR) is 3.3, indicating high value for money. These sensitivity tests provide a high degree of certainty that that the Project will generate significant benefits which will outweigh the costs of the Project.
Deliverability	The option seeks to continue the delivery of domestic retrofit of fuel poor homes through external grant funding, with grant spend in accordance with the conditions of the grant set out by the funder.
Pros	The Council can play a role in accelerating the decarbonisation of the housing stock which is worst energy performing through targeted grant interventions. The option has the potential to achieve all investment objectives. The option is designed to tackle of range of existing market failures within the retrofit sector in Herefordshire including lack of information and awareness from homeowners, access to funding and finance and an underdeveloped supply chain of retrofit skills.
Cons	Reliance on uptake and interest from homeowners.

	Reliance on the availability of external grant funding. The project would be subject to the terms and conditions of the grant funding including funding term which in the past has caused a stop start approach to retrofit which is not helpful to the supply chain or deliverability of the grant funds. There will be a need for the Council to procure contractors to deliver the capital retrofit works.
Observations	The Council will need to procure service from a supplier to deliver whole home retrofit surveys. There will be a need for the Council to produce a marketing and engagement strategy to promote the role of the Retrofit Hub to Herefordshire residents.
Recommendation	Proceed

3.2.3 The Preferred Option

The preferred option is to proceed with both

- ***Option 6*** - Consortium bid led by Midlands Net Zero Hub to the Home Upgrade Grant 2
- ***Option 7 -*** Seek external grant funding to deliver domestic retrofit to fuel poor households.

These options were selected as:

- The existing Home Upgrade Grant programme is currently performing, but expires in April 2023.
- There are a wide range of grant funding sources which are aligned with the core objectives of the Herefordshire Retrofit Strategy including a focus on those homes which are worst energy performing (and thus are significant contributors to Herefordshire's carbon emissions baseline) and those which contain households in fuel poverty; and
- This proposal recognises the council is unable to provide corporately supported borrowing for the provision of grants to the level required due to the financial burden this poses upon the Council. As such this proposal recommends that external grant funding is sought to accelerate the delivery of retrofit schemes prioritising fuel poor households within the county with spend of the grant in accordance with the grant conditions set out by the funding body.

4.0 COMMERCIAL CASE

4.1 Required services

The scope of the Project includes the implementation of deep retrofit interventions across the worst energy performing homes within Herefordshire which are experiencing fuel poverty.

The Project will involve the design and installation of retrofit measures across different housing typologies, ages and tenures to deliver energy efficiency savings. These would be determined on a case-by-case basis but would be likely to include one or more of the following measures in combination:

- Wall insulation - including internal, external, cavity wall and party cavity wall insulation measures;
- Loft insulation – including joist and rafter insulation as well as flat roof insulation;
- Floor insulation – concentrated on underfloor insulation; and
- Low carbon heating – including biomass boilers and air / ground source heat pumps.

4.2 Potential/Agreed risk transfer

The allocation and management of risk is central to strong and successful commercial contracts which will need to be undertaken as part of the Project. Herefordshire Council will manage risk carefully by negotiating provisions to transfer or share risk with suppliers of services. The project management team will ensure that effectiveness and value for money of contracted services will only be achieved where risk allocation is equitable and where the party managing the risk (such as retrofit installers and contractors) are the ones most reasonably able to do so.

At this stage of the Project not all risks have not been identified or explored in detail however these will be examined and assessed as part of the development of the procurement strategies and contract approaches for each required service. It is important to note that the contractor for each retrofit project would be expected to prepare a risk assessment once appointed and conduct a detailed investigation on the ground. The risks for the Project will be transferred to the Contractor or service provider procured to undertake the works/service, as they are responsible for ensuring that works are complete and the service is delivered in line with the contract scope. HC risks with regards to this Project are more reputational risks.

Key Project risks which are likely to be transferred to the private sector include:

- Solution / design risks;
- Delivery risks / programme and timescales;
- Inflation and cost of materials;
- Sub-contractor insolvency; and
- Cost risks.

Examples of reasonable steps to mitigate or remove risks or pass these risks on to the appointed contractors will include:

- Setting suitable contingencies in project budgets, based on accurate cost information;
- Early contractor involvement;
- Agreeing fixed price contracts or target cost models;
- Setting fixed delivery and completion periods within contracts;
- Securing performance guarantees and warranties;
- Arrangements (e.g. damages) in the event of any failures to achieve milestones and or compliance matters;
- Effective agreements with subcontractors to ensure that appropriate liabilities are held throughout the delivery chain;
- An agreed contract revision / change process to be in place;
- Effective contract management arrangements;
- A clear change management process; and
- Effective management, monitoring and project progress reporting.

4.3 Proposed/Agreed charging mechanism

The Project would be delivered under as standard grant scheme for eligible households.

4.4 Proposed/Agreed contract lengths

The contract arrangements in place would be aligned with the grant conditions of any external funding secure.

4.5 Proposed/Agreed key contractual clauses

A number of similar contracts have been put in place for grant schemes, key clauses relate to measures/householder delivery, data sharing due to potential vulnerability of residents, install quality, goods/work warranties and after-care.

4.6 Personnel implications (including TUPE)

It is anticipated that TUPE will not apply to this Project.

4.7 Procurement Strategy and implementation timescales

The initial position is that the Project will need to procure services related to both whole home retrofit services as well as contractor services related to the installation of retrofit measures in selected properties.

Herefordshire Council's procurement team would manage the procurement process, and as such under the Local Government Act 1972, procurement will be undertaken in accordance with the Council's Contract Procedure Rules and Procurement Strategy. The Contract Procedure Rules directly reflect the Public Contracts Regulations (2015) and the Council has a Procurement and Commissioning Strategy (2018) which ensures that procurement activities are compliant and aligned with relevant legislation.

The council applies the principles of Transparency, Equal Treatment, Non-Discrimination and Proportionality to all its procurement activities, which are governed according to various contract values. Procurement will follow its Contract Procedure Rules and Strategy.

The implementation timescales have not yet been agreed upon.

5.0 FINANCIAL CASE

The financial costs within this section reflect the capital expenditure related to implementation of approximately 60 homes within financial year 2023/24.

Costs

Capital costs associated with the range of potential housing retrofit interventions are based on cost estimates set out within BEIS guidance[18] and adjusted to 2021 prices, informed by building material statistics price changes.[19] The cost estimates included within the economic model are based on an average cost per dwelling type (terraced, semi-detached, detached etc.) by intervention (roof insulation, cavity wall insulation, solid wall insulation etc.) which is then weighted according to the typical profile of residential dwellings across Herefordshire.

Applying the estimated total cost per home for a deep retrofit approach to those homes which are worst energy performing (EPC E and below) and in fuel poverty provides

[18] BEIS (2017) *What does it cost to retrofit homes? Updating the cost assumptions for BEIS's energy efficiency modelling. April 2017.*

[19] BEIS (2022) *Monthly bulletin of building materials and components – February 2022.*

estimated capital costs for the Project (pilot phase) of **£2.0m** once risk allowances and out-turn prices (inflation) are accounted for.

Funding

It is anticipated that the Project will be funded entirely from external grant funding secured by the Council. We will therefore commit to spend the grant funding in accordance with the grant conditions of the funding body.

Funding Cover for Whole Life Costs

The whole life costs of the Project would be met by the homeowners following completion of the retrofit works. This could include Registered Housing Providers or private homeowners.

The project is not expected to generate any income given the nature of the works involved.

5.1 FUNDING TABLE

The below tables outline the proposed delivery funded by external grant.

Capital cost of HUG2	2023/24	2024/25	2025/26	Future Years	Total
Capital measures funding for project	2,816,000	4,224,000	-	-	**7,040,000**
Associated revenue costs	281,600	422,400	-	-	**704,000**
Total Project Cost	**3,097,600**	**4,646,400**	**-**	**-**	**7,744,000**

Capital cost of project	2023/24	2024/25	2025/26	Future Years	Total
Retrofit CAPEX (Total Cost excl. quantified risk and optimism bias)	1,586,708	-	-	-	1,586,708
Risk adjusted total cost (excl. optimism bias)	1,745,379	-	-	-	1,745,379
Adjustment to out-turn (inflation)	296,832	-	-	-	296,832
Total Project Cost (out-turn prices)	**2,042,210**	**-**	**-**	**-**	**2,042,210**

Funding streams (Indicate revenue or capital funding requirement)	2022/23 (£)	2023/24 (£)	2024/25 (£)	Future Years (£)	Total (£)
HUG2 (grant from the Department for Business Energy Industrial Strategy)	**3,097,600**	**4,646,400**	-	-	**7,744,000**
External Grant (tbc)	**2,042,210**	-	-	-	**2,042,210**
TOTAL	**5,139,810**	**4,646,400**	-	-	**9,786,210**

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
note any impact on revenue budget, good or bad	**£000**	**£000**	**£000**	**£000**	**£000**
Retrofit Capital Expenditure	-	-	-	-	-

TOTAL	-	-	-	-	-

6.0 MANAGEMENT CASE

6.1 Project Management Arrangements

Herefordshire Council will promote, administrate and manage the project. As per current capital Grant and renewables projects the Sustainability & Climate Change Team will work in conjunction with PMO project manager(s) to realise project outputs and objectives via budget and timescale monitoring/management stakeholder engagement and communications. This will be overseen by the Environment and Sustainability Project Board.

6.2 Use of Consultants

At present no use of external consultants has been identified.

6.3 Arrangements for Benefits Realisation

The benefits realisation plan was developed for the project to provide a framework to realise the forecast benefits of the scheme. Furthermore, it outlines the approach to benefits planning, tracking and realisation thought scheme implementation. The benefits plan is outlined below:

Table 1 - Benefits Realisation Plan

Scheme Objectives	Scheme outcomes	Benefits experienced	Who will benefit	Benefit Ownership	Enablers required to realise the benefit
Reduction in Green House Gas (GHG) emissions	Reduction in Greenhouse Gas (GHG) Emissions in Herefordshire	• Health and wellbeing • Social value benefits • Improved air quality	Residents & future residents, businesses, visitors, investors, developers, Herefordshire Council	Herefordshire Council	• Facilitation and coordination of retrofit activities • Encourage and support private homeowners through the retrofit process • Reduce the financial barrier of retrofitting • Development of a Retrofit Hub
Reduction in fuel poverty	Reduction in household energy bills	• Improved energy security • Increasing local economic impacts through increased income • Associated increased expenditure on consumer goods and services locally	Residents, businesses, Herefordshire Council	Herefordshire Council	• Encourage and support private homeowners through the retrofit process • Capital investment for retrofit of domestic properties • Improve awareness of available interventions and the process of retrofitting • Creating a Retrofit Hub which can serve as a centralised source of information for the delivery of retrofit projects across the County • Utilise emerging innovative funding options • Engage directly with the worst energy performing homes within the county

Improvement in energy performance rating	Improved domestic thermal comfort	• Improved thermal comfort of homes • Increased property values	Residents, landlords, Herefordshire Council	Herefordshire Council	• Capital investment for retrofit of domestic properties • Creating a Retrofit Hub which can serve as a centralised source of information for the delivery of retrofit projects across the County • Utilise emerging innovative funding options • Engage directly with the worst energy performing homes within the county
Skills and local employment benefits	Improved supply chain and skills base within Herefordshire for retrofit activity	• The generation of skilled and semi-skilled jobs within the construction and housing retrofit market • The additional Gross Value Added (GVA) productivity • Indirect employment-based GVA impacts • Increased investment	Residents, Herefordshire Council, businesses, investor	Herefordshire Council	• Make technical skills training more responsive to employers' skills needs • Improve awareness of future investment opportunities • Development of a Retrofit Hub • Revenue funding to support accreditation of the existing supply chain

6.4 Arrangements for Ongoing and post project evaluation

It is proposed that Herefordshire Council will review the quality and impact of the Project during the delivery of the retrofit programme. It is expected that the contract provider(s) of the capital retrofit works will provide at least quarterly update reports to measure the performance and success of the project in line with Key Performance Indicators. It is expected that the ongoing monitoring of the project performance would be undertaken by contractors in line with Section 14 of the PAS 2035 guidelines. This would include basic, intermediate and advanced monitoring and evaluation requirements (depending on the need identified within the grant funding conditions).

It is expected that following completion of the project, a full evaluation of the interventions will be undertaken by the Programme Management Office.

6.5 Timeframes

Set out and maintain proposed timeframes as per the table in Project Mandate. This will aid the management of the project and keep it focused and achievable.

Stage/Milestone	Indicative Date	Comments
Stage 0 - Project Mandate approved	*w/c 18th July*	
Stage 1 - Outline business case completed	*August 2022*	
Stage 2 - Full business case completed	*March 2023*	
Full Council approval	*March 2023*	
Approval to spend obtained	*March 2023*	
Stage 3 - Delivery	*Q2 2023 – Q4 2033*	
Phase 1	*Q2 2023 – Q4 2024*	
Phase 2	*Q1 2025 – Q4 2027*	
Phase 3	*Q1 2028 – Q4 2033*	
Stage 4 – Handover	**Q2 2023 – Q4 2033 (ongoing delivery)**	
Stage 5 - Project Closure	***Q4 2033***	

7.0 THE ENVIRONMENTAL CASE

An analysis of environmental considerations around the impacts of the project and potential mitigations has been undertaken as part of the scheme development. The review covers four thematic areas: Nature, Environment, Climate and Sustainability. The results are presented below.

Table 2 – Project Environmental Impacts

Theme	Consideration around project impacts	Direction of impact	Mitigation

Nature	Impacts on local biodiversity and wildlife near properties during construction, although these are anticipated to be negligible given the nature of the works which will be undertaken.	Negative	Ensure appropriate protection measures are in place as per guidance: Herefordshire Biodiversity Action Plan (HBAP): https://herefordshirewildlifelink.wordpress.com/biodiversity-action-plan/ and Biodiversity – Supplementary Planning Guidance (2004): https://www.herefordshire.gov.uk/downloads/file/1444/biodiversity-supplementary-planning-guidance.
Environment	Herefordshire has around 6,000 listed buildings.[20] Preservation of Archaeology and Heritage buildings.	Negative	Ensure historic England guidance is followed, where relevant: https://historicengland.org.uk/advice/technical-advice/energy-efficiency-and-historic-buildings/.
Climate	No considerations identified.	N/A	N/A
Sustainability	Carbon reduction – According to the Herefordshire Council Retrofit Project Feasibility Assessment (2022), deep retrofit intervention would result in around 2,005.5 KgCO2e carbon reduction per property and 3,207.7 kWh per property.	Positive	Enhancing one-stop-shop' to encourage and support private homeowners through the retrofit process.
	Supply chain sustainability	Positive	The use of domestic producer and suppliers where possible.

8.0 LEGAL IMPLICATIONS

Contractor procurement would be in accordance with the Council's contract procedure rules and will support the council's general duty to secure best value set out in s3 of the Local Government Act.

9.0 EQUALITY IMPACT IMPLICATIONS

[20] https://www.herefordshire.gov.uk/conservation-1/listed-historic-buildings/2

The Project does not represent a change in Council policy, nor does it seek to amend any existing eligibility or statutory entitlements. It is likely that the Project will create benefits for people with protected characteristics by enabling them to make energy savings and address potential fuel poverty issues. The service delivery of the Retrofit Hub will therefore be designed to maximise the ability of protected groups to access the support.

A consideration of the impact on some groups with protected characteristics is considered below, alongside proposed mitigation measures:

Table 3 – Project Equality Impacts

Protected Group Characteristics	Potential Impact	Mitigation
Age	Older people are less likely to have access to the internet and be aware of online marketing campaigns which may be used to promote the project and the services available through the Retrofit Hub. Any requirements of the Retrofit Hub for homeowners to register interest or requests via online forms may also exclude these groups from participating in the Project.	1. Design a marketing and communications plan which specifically identifies how people with protected characteristics will access and find out about the services and support available.
Disabilities	People with learning disabilities may find it challenging to understand the support which is accessible to Herefordshire residents. Those with sight impairment may be unable to access online forms or material if it is not in an accessible format. There is likely to be a beneficial impact on this group as people with disabilities are likely to benefit from the scheme more so than working age people without disabilities, as the Project has a particular focus on people on lower incomes in fuel poverty.	2. Ensure that any website, promotional or administrative material produced by the Retrofit Hub is provided in plain, jargon free English. 3. Make any published forms of advice and guidance available in alternative formats on request.
Race and Religion	Herefordshire residents whose first language is not English may not be able to access the material and services provided by the Retrofit Hub and are less likely to be aware of the services which are available. They may also face challenges in completing any forms or registrations of interest.	4. Provide support to interested homeowners if required.

10.0 HEALTH & SAFETY IMPLICATIONS

Health and safety conditions of works will be set out in the terms and conditions of contracts either between the Council/Retrofit Hub partner and contractor.

Works will be specified and implemented in line with PAS2035 standards and will therefore make homes healthier to live in therefore contributing to a variety of positive health outcomes including improved mental and physical health of benefitting residents.

11.0 SOCIAL VALUE IMPLICATIONS

Herefordshire define social value as ‘The positive impact on local people & communities, the local economy, and the environment, that we can create by the way we spend public money to buy goods and services’.[21]

The project is expected to generate social value locally as per the Council's definition. Social value implications have been assessed, and potential social value indicators have been proposed. To deliver the Council's commitment to social value, the Council requires measurable, verifiable social value indicators to support it. A summary of the assessment and proposed monitoring indicators are presented below.

Table 4 – Project Social Value Impacts

Social value theme	Social value implication	Proposed social value metric
Social Benefits	The project will help reduce inequalities and fuel poverty.	Number of residents living in fuel poverty.
	The project will provide targeted training for local people across the wide range of retrofit roles.	Total number of hours of training delivered / Total number of students attending training sessions.
	The Retrofit Hub is expected to host community outreach events.	Total number of community outreach events per annum
	Improved comfort of homes.	Reported home comfort, %
Economy Benefits	The project will strengthen the economic opportunities related to innovation and green economy.	Number of low carbon projects.
	The project will create green local green jobs.	Number of jobs filled by local residents.
	The project can increase local level resident’s disposable income.	Self-reported disposable income, %
Environmental Benefits	The project will reduce Green House Gas (GHG) emissions	Avoided GHG emissions per year
	The project will reduce energy usage	Avoided energy use per year

[21] https://www.herefordshire.gov.uk/downloads/file/22768/herefordshire-council-social-value-statement

[Hereford Transport Hub]

Business Case

Date: [August 2022]

Key Details

Senior Responsible Officer: MA

Author: CO

Project Manager: CO

Service Lead: RC

Agreed Project Type: Major

Programme Board Allocated: Transport & Place making Delivery Board

Version Control

Version	Date	Summary of Change	Author
0.1		First issue	CO

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	*Project Board / Director / Programme Board*	*Note major changes and approvals during delivery*
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
MA	Interim Service Director, Transport & Highways	5th August 2022	1.0
RC	Corporate Director , Economy & Environment		

1.0 PROJECT DESCRIPTION

1.1 Herefordshire Council wishes to deliver an integrated transport hub at Hereford Railway Station with associated public realm as part of a wider commitment to the regeneration of an area formally known as the Edgar Street Regeneration Grid, and the City Road Link.

1.2 The Hereford Transport Hub is 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).

2.0 STRATEGIC CASE

The design is required to merge with other Hereford City Centre Improvement (HCCI) projects as an integrated package of movement and connectivity linking the transport hub with the City Centre.

This project is co-ordinated with other City Link Road activities with the overall aim of removing barriers to public transport, pedestrian, cycle movements, to improve public realm and meet the Council's overall stated ambition of "Greening the City".

2.1 Project aims and objectives

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 Herefordshire Council, the Marches LEP and Central Government.

In particular the package of measures will:

i. Enable the delivery of the Edgar Street Grid (ESG) regeneration area, a major mixed-use development, and support delivery of housing, particularly affordable housing within the city;

ii. Improve the public realm around the train station and create better walking, cycling and public transport infrastructure thereby better integrating new development with the historic city core;

iii. Enhance links between the railway station, the city centre and the ESG regeneration area;

v. Improve access to, and interchange infrastructure at, Hereford railway station; and

vi. Help address the decline in Hereford's traditional role as a regional economic hub, and meet the national agenda for economic growth.

Encourage transport mode shift away from car use by facilitating travel by public and active travel.

Enable attractive, seamless transfer between different modes of travel.

To welcome visitors to the city establish an attractive location for visitors and commuters.

2.2 Strategic Drivers

2.2.1 National and Regional

Improve accessibility and encourage active travel in line with the adopted policies of Herefordshire Council, the Marches LEP and Central Government.

Contribution towards Resolving Wider Problems:

The Transport Hub has also been developed to help support the delivery of a number of strategic policies and objectives outlined in a range of local and regional (Marches) strategy documents.

These documents include:

- Hereford Local Plan Core Strategy (2011 – 2031), adopted in October 2015; · Herefordshire Local Transport Plan;
- Marches LEP SEP (2014); · Hereford City Centre Air Quality Management Plan (AQMP); and
- Marches LEP Local Transport Body Initial Major Scheme Priorities and associated Growth Deal, signed between the Marches LEP and central government on 16 January 2015.
- The Transport Hub forms part of the medium to long term strategy to accommodate the growth planned for Hereford and wider Herefordshire, and also forms a key part of the…….

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

The Transport Hub is to provide a design which meets the aims of the Council as a gateway location for users to Hereford City and meet technical requirements of Network Rail, Transport for Wales, bus companies, and taxi operators in providing a fully integrated hub taking into account health and safety matters, vehicle movements, pedestrian movements, user welfare/safety requirements, urban design, orientation, lighting, reduction of carbon embodiment in the construction process, decarbonisation of the transport network, whole life costings, maintenance public realm improvements and linkages.

Community impact

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 well- being. By improving public transport infrastructure and providing a more pedestrian and cycle friendly environment; it is intended there will be less congestion and a benefit to wider range of people and groups within the business and resident community. The Transport Hub project contributes to the delivery of significant improvements to the transport network as part of that overall strategy.

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. These are:

- Environment – Protect and enhance our environment and keep Herefordshire a great place to live
- Community – Strengthen communities to ensure that everyone lives well and safely together
- Economy – Support an economy which builds on the county's strengths and resources

- Environmental Impact - This project will support the delivery of the council's environmental policy commitments and aligns to the following success measures in the County Plan.

2.3 Background and Rationale in Project Mandate

Sub-Optimal Interchange provisions:

The Transport Hub will provide enhanced quality facilities for interchange, including: · Improved pedestrian walk routes;

- New, better quality and higher capacity facilities for bus users and operators (enabling additional bus services to operate via the station); and
- A re-organised traffic circulatory system as part of the Transport Hub, reducing conflict with pedestrians and cyclists.

The CLR has already provided improved vehicular access to the station from the north and the west. In combination these measures will improve access to rail services, particularly by sustainable modes of transport and are integrated with the HCCTP measures to enhance walk and cycle access to/from the city centre

2.4 Scope

Item	Purpose	Notes
Transport Mode interchange	Passengers to switch easily and safely between different modes of transport	Potential for collaboration with technical operators
Refreshments (e.g. roadside access to the station Café)	Make café accessible to all users of the transport Hub outside the revenue protected areas.	In agreement with technical operators.
Covered/weather proof waiting facilities	Offer waiting space to users of all modes of transport	The existing waiting room on the ground floor is small and only accessible only to train passengers.
Toilets	Toilets accessible to all Transport Hub users	Existing facilities only accessible on the train platforms.
Wi-Fi	To enable passenger communication for pick up etc.	Transport for wales (TfW).
Reconfiguration of Station Entrance doors	Widen the single narrow doors into the station building	In agreement with Network Rail. To allow rail passengers and other users of the Transport Hub
Safe & direct pedestrian access.	From station to the city centre.	Step free access , Road Crossings

Cycle parking	Covered facilities to encourage commuter cycle parking and lockers for overnight storage to serve incoming passengers	Increase current capacity/numbers using the train station
Beryl Bikes	(marked public stand-free bike hire)	No physical structures required but under cover desirable
Taxi car parking areas/ranks	Servicing needs in the TH	Capacity to allow for taxi queuing in busy periods
Bus stands and layover / charging.	On market days and for electric vehicles	Street bus stops also required
Short term car parking	For drop off /pick up	Inclusive/disabled car parking required
Bus drivers welfare matters	For lay over on market days	Day stay no likely overnight stay
Enhanced commuter parking facilities on the existing car park		
Review the outhouse in student accommodation	Consider relocation	To remove obstruction to the attractive façade of the Hereford Train Station building
Staff car parking	NR, TfW and other agreed operators	As per current capacity
Landscaped areas around the train station	To enhance sense of place.	Consider sustainable hard & soft options
Drainage		Consider sustainable drainage options
Review junction on City Link road (CLR) road including issues identified in 1st year Evaluation report	Review layout and signalling issues to enhance active travel access	link to interim evaluation report on council website: https://www.herefordshire.gov.uk/downloads/file/21474/hcctp-interim-traffic-flow-evaluation-report-november-2020
Identify associated public realm improvements	Identify potential to include associated measures	
Whole life costing approach	Planned, affordable facility management including maintenance.	To ensure maintenance is sustainable.
Stakeholder Consultation to commence asap in RIBA stage 2	To ensure their buy in throughout	There will be a key reference group initially in the design process.

Methods of construction	to limit on-site construction and decrease maintenance risks, as well as allowing for station operations to continue throughout the bus terminal construction	Modern methods of construction

2.4.1 In Scope

2.4.1 Transport hub elements:

Accessibility, Real Time information, Refreshments (e.g. roadside access to the station Café), Covered waiting facilities, Toilets, Wi-Fi, CCTV, Mode Interchange potential for collaboration, Safe & direct pedestrian access from the city Centre, Cycle parking (short term & lockers), Beryl Bikes (public stand-free bike hire), Taxi ranks, Bus stands and layover / charging, Short term car parking, Bus driver welfare matters and Enhanced commuter parking facilities on the existing car park.

2.4.2 Out of Scope

2.4.2.1 Upgrades to the station car park

2.4.2.2 Refurbishment of the Hereford Train Station Building

2.4.2.3 Traffic modelling & signalling in Station Road Junction

2.5 Benefits

The anticipated benefits of the proposed project are:

2.5.1 Cashable benefits

To support economic growth, In particular the package of measures will:

i. Enable the delivery of the Edgar Street Grid (ESG) regeneration area, a major mixed-use development, and support delivery of housing, particularly affordable housing within the city;

ii. Improve the public realm and create better walking, cycling and public transport infrastructure thereby better integrating new development with the historic city core;

iii. Enhance links between the railway station, the city centre and the ESG regeneration area;

v. Improve access to, and interchange infrastructure at, Hereford railway station; and

vi. Help address the decline in Hereford's traditional role as a regional economic hub, and meet the national agenda for economic growth.

2.5.2 Non-cashable benefits

General: Encourage transport mode shift away from car use by facilitating travel by public and active travel. Encourage interaction and collaboration between transport operators by making travel information options available

Place making: Enable attractive, seamless transfer between different modes of travel. Provide facilities that make public and active travel more attractive.

To welcome visitors to the city establish an attractive location for visitors and commuters. Clearly navigable and facilitate use public transport and active travel modes

2.6 Risks

Risk / opportunity	Mitigation
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 and public realm. This could result in claw back of funding from the LEP.	The available budget and the scheme objectives will be utilised to shape the further development of the transport hub and public realm works to ensure that these are met. The cost estimates for the works will continue to be updated as the design develops to monitor and inform further decisions on project funding.
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 will be 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 their element of the site cannot be reached or incurs additional costs.	Early discussions have been held with Network Rail regarding the scheme and these are to continue such that their requirements can be incorporated into the designs such that agreement can be reached.
There is a risk that further land may be required to deliver the aspirations for the transport hub and public realm.	Designs to be developed to deliver the remaining elements within the existing land ownership areas. Should further land be identified as of significant benefit to the schemes following the design development the impact of this on the budget to be assessed and considered in a further decision?
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.	Extended period to reach settlement on plots that have been identified as potentially exceeding budget has been agreed.

Further input from specialist land agents being provided to support the settlement of the remaining claim.

2.7 Constraints and Dependencies

Initiatives which depend on this project are:

Not applicable

This project depends on:

The Hereford City Masterplan

2.8 Stakeholders

- Cabinet Members/ Ward Members
- Network Rail
- Bus and coach operators
- Taxi operators
- Hereford City Council
- Hereford BID
- Local businesses / organisations – including Wye Valley Trust, NMITE, HCA etc.
- Local Enterprise Partnership (LEP)

3.0 ECONOMIC CASE

- The scheme is expected to provide a net benefit in terms of journey times to business users in Hereford.
- It should be noted that the proposed scheme will also provide benefits to transport providers such as bus, rail and taxi operators, as the scheme improves access to Hereford city centre by bus, and improves connectivity between the city centre, the Transport Hub and the railway station. However these benefits have not been quantified as part of this Economic Case.

3.1 Critical success factors

Transport Hub specific objectives:

Provide enhanced interchange facilities for public transport users, through provision of:

- A new integrated facility for bus and taxi operators and users adjacent to Hereford railway station;

- Improved pedestrian walk routes between the railway station and the surrounding road network.
- Improve access to Hereford railway station for all modes including walking and cycling through delivery of the CLR, public realm and transport hub measures outlined above.
- The objectives will be monitored to assess whether the forecast benefits have been realised. An assessment of the objectives and their outputs and outcomes will be undertaken to draw out any discrepancies

3.2 Options and Do Nothing Option

3.2.1 Long-List of options

Option	Short-list Y/N	Reasons
Do Nothing	N	The quality of interchange facilities at the railway station will remain poor with adverse impacts in terms of integration of transport modes and encouraging sustainable access to/from rail services
Option 1 - Island	Y	
Option 2 - DIRO	Y	
Option 3 - Sawtooth	Y	

3.2.2 Short-list of options

Copy of Hereford - Option Sifting rev03.x

3.2.3 The preferred option

The preferred option is the DIRO (option 2)

4.0 COMMERCIAL CASE

Significant development is underway or planned for the ESG redevelopment area. Development recently constructed includes 310,000 sq. ft. retail and leisure (3.7 hectares total). Additional planned development comprises of 9.7 hectares of housing (800 homes including 35% affordable), 4.7 hectares of Commercial, 4.5 hectares of Retail and Leisure, and 0.8 hectares of Public Realm.

As presented in the SOBC, it is estimated that the full redevelopment (including the elements already constructed and the proposed developments) will generate 1,910 net additional jobs and result in £50.9m Gross Valued Added (GVA) into local economy.

The scheme will unlock the residential development of 800 dwellings and integrate the ESG area with Hereford city centre and railway station. The additional dwellings will provide additional revenue for the council through council tax receipts, of circa £1.0m per year.

4.1 Required services

1. Any bus interchange must be of a high quality with the ability to accommodate the needs of all users, especially those with particular needs and should consider some or all of the following design features:
2. A passenger building/facility, separated from bus movements, which contains high quality waiting facilities.
3. Appropriate enclosure and roof for shelter for passengers;
4. Closed circuit television system to enhance the perception of, and actual, security.
5. A fully accessible interchange layout and information provision, in full accordance with the Equalities Act 2010;
6. A high degree of pedestrian legibility including the consistent use of tactile paving, visitor signage including RTI
7. Accessible raised kerbs at all boarding points, in order to provide near-level boarding to low-floor buses and easier boarding to step-entry vehicles
8. 24 hour pedestrian access routes, demonstrating legible, signed, safe, and efficient pedestrian links to the rest of the city centre and the railway station with careful consideration of pedestrian desire lines;
9. Comprehensive passenger information facilities;
10. Secure cycle parking provision with CCTV coverage. This should be located as close as possible to the main pedestrian entrance to the interchange, be easily accessed from all nearby roads and cycle routes,
11. A drop off / pick up point for taxis and private cars
12. The interchange should provide a well-lit, safe and secure environment, and aim to engender a spacious and open atmosphere, thus creating an attractive, safe environment for bus users;
13. Where possible the interchange should aim to avoid need for pedestrians to cross the busways
14. Where it is necessary for pedestrians to cross busways and/or roads to access the interchange, clear and efficient pedestrian crossing points should be provided, with careful consideration of pedestrian desire lines

4.2 Potential/Agreed risk transfer

The key element of the risk management process is the preparation of a Risk Register which gives an overview of risks facing a scheme at a particular stage of development. The Risk Register lists any identified risks that are likely to impact upon the delivery and operation of the scheme.

The Risk Register for the scheme has been developed through a series of risk workshops.

The risk workshops sought to identify all potential risks under the main classification of: Construction, Design and Appraisal, Funding, Key Stakeholders, Land and Procurement including the possible impact of the identified risk on the final cost of the scheme and/or the timescale for completion. These risks were captured in the Risk Register.

The Risk Register has also identified the way the risk is proposed to be managed including who owns the identified risk and, where possible, to whom the risk is transferred.

The Risk Register sets out the assessment of the impact of each risk, or combination of risks, should they be realised. This quantitative assessment is based on the cost outcomes of the risk, considering both the upper and lower extremes of the possible range, taking into account any reasonable constraints. The assessment uses empirical evidence wherever possible, along with the experience of specialist consultants.

Having identified the risks and assessed the potential range of cost outcomes, the likelihood of occurrence for each of the possible outcomes has been assessed. This was based on experience of past events, taking account of any foreseeable changes or developments.

In line with Green Book [HMT, 2003] guidance, a risk mitigation plan has been identified within the risk register. This details the response to the identified risks and involves a combination of tolerating, treating, transferring or terminating the activity giving rise to the risk.

As the risk register is a live document, it is reviewed regularly in the monthly Transport Hub Project Board meetings, Transport & Place Delivery Board meetings. The aim of this is to review the status of existing risks on an on-going basis as the scheme progresses through the life cycle of the project, to add any new risks that arise and remove any risks that are closed.

Upon appointment of the construction contractor a risk workshop will be held to review the Risk Register and identify any additional risks. The Risk Register will be updated to reflect changes to risk. The maintenance and updating of the Risk Register will form part of the construction contract. It will be a requirement that the Risk Register be reviewed at the monthly site progress meetings and updated as necessary.

4.3 Proposed/Agreed charging mechanism

Not applicable

4.4 Proposed/Agreed contract lengths

Not applicable

4.5 Proposed/Agreed key contractual clause

Not applicable

4.6 Personnel implications (including TUPE)

Not applicable

4.7 Procurement Strategy and implementation timescales

The contractor procurement will be through an open competitive procurement process in line with the council's Contract Procedure Rules.

Soft market testing /early engagement will be via Procontract and an initial virtual group engagement session inviting all interested organisations and then on a 1:1 basis with any provider that expresses an interest.

We will also get a slot on the council's general market engagement event in October 2022.

Procurement Options

Two open competitive procurement options (traditional & Design and build) were considered with the traditional route providing more control over quality in design and construction. **General contracting** is

the traditional procurement method by which the contractor agrees to build the design that is provided by the employer. The contractor only has responsibility for construction and not for design.

In line with the councils policy of an open competitive tender process and for time considerations existing frameworks will be the recommended route.

5.0 FINANCIAL CASE

S. no.	Scope of Works Description	Total Costs	Breakdown		
			Main Site	Maximum intervention Station Building	Link Road Access
1	Facilitating Works	£82,180.00	£82,180.00	0	0
2	Building Works	£5,028,580.00	£3,406,580.00	£1,222,500.00	£399,500.00
3	Main Contractor's Preliminaries (20%)	£1,022,152.00	£697,752.00	£244,500.00	£79,900.00
4	Main Contractor's Overheads & Profit (7.5%)	£459,968.00	£313,988.00	£110,025.00	£35,955.00
5	Other Development/Project Costs (10%) RIBA 4 & 5 onwards	£659,289.00	£450,051.00	£157,703.00	£51,535.00
6	*Council related Costs (5% of 1-5 above)	£362,608.45	£90,010.00	£31,540.50	£10,307.10
7	Risk (20%)	£1,450,435.00	£990,111.00	£346,945.00	£113,379.00
8	Inflation 2 QTR 22 TO 4QTR 2023 (5.3%)	£460,583.00	£314,408.00	£110,172.00	£36,003.00
9	**TOTAL COST ESTIMATE**	**£9,295,044.60**	£6,345,080.00	£2,223,385.50	£726,579.10
	Less Existing funding (approx.)	£3,500,000.00			
10	Balance funds required	**£6,025,795.45**			

5.1 INSERT FUNDING TABLE

Capital cost of project	2023/24	2024/25	2025/26	Future Years	Total
	£000	£000	£000	£000	£000
£6.025m	**£2.828m**	**£3.5m**			
Project Management Fees (est. 10% project value)	**included above**	**included above**			
TOTAL	**£2.828m**	**£3.5m**			

Funding streams (Indicate revenue or capital funding requirement)	2023/24	2024/25	2025/26	Future Years	Total

	£000	£000	£000	£000	£000
Dependent on LUF grant or other alternative grant	**£2.828m**	**£3.5m**			
TOTAL	**£2.828m**	**£3.5m**			

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**
note any impact on revenue budget, good or bad	**£000**	**£000**	**£000**	**£000**	**£000**
TOTAL					

6.0 MANAGEMENT CASE

6.1 Project Management Arrangements

A Senior Responsible Officer leads the delivery of the project including commissioning technical Consultants to progress the specific transport measures, project management oversight with the support of Project Managers from the corporate project management office and dedicated project management resource.

Senior Responsible Officer – MA

Senior Project Manager – CO

Senior Project Manager - LB

Programme Co-ordinator Capital – SO

Governance:

- Transport Hub Project Board which meets monthly.
- Transport & Place Delivery Board which meets every other month

6.2 Use of Consultants

The multi- disciplinary Consultancy team is made up of:

- Architects and Master planners : **Weston Williamson + Partners,**
- Engineers **ARUP**,
- Conversation Specialists **Alan Baxter's** and
- Quantity Surveyors **Gleeds.**
- **Planning Consultants ARUP**

WW+P are Lead consultant for the design, planning and stakeholder engagement of the Transport Hub project covering the following aspects:

- Urban Design expertise with regard to public places around transport interchanges
- Conservation Architecture
- Landscape Architecture
- Mechanical & Electrical Engineering design services
- Civil/Structural Engineering
- Project Management
- Planning Consultancy
- Building Information Modelling (BIM)
- Commercial Management
- Cost Consultancy/Quantity Surveying
- Sustainability and Carbon Modelling
- Public Transport Expertise-rail/bus, cycling and walking
- Data and movement flow modelling
- Health and safety
- Secure by design
- Social and economic value

6.3 Arrangements for benefits realisation

Benefits Realisation Strategy

- The Transport Hub will primarily provide benefits by enabling the
  - Delivery of the Edgar Street Grid (ESG) area regeneration programme. The Transport Hub and the delivery of associated road infrastructure are required to enable the full development of associated brownfield sites that are currently undevelopable duet access issues.
- Significant development is underway or planned for the ESG redevelopment area.

- Development recently constructed includes 310,000 sq. ft. retail and leisure (3.7
  - Hectares total). Additional planned development comprises of 9.7 hectares of housing (800 homes including 35% affordable), 4.7 hectares of Commercial, 4.5 hectares of Retail and Leisure, and 0.8 hectares of Public Realm. As presented in the SOBC, it is estimated that the full redevelopment (including the elements already constructed and the proposed developments) will generate 1,910 net additional jobs and result in £50.9m Gross Valued Added (GVA) into local economy. Of the 800 additional dwellings, 550 are forecast to be dependent upon the delivery of the HCCTP.
- The Economic Case, (over 60 years and subject to discounting), the social value of housing and the external impact of housing development is estimated to be around £147.4m. This exceeds the transport-related dis-benefits (total £ £65.4 million) by around £82.0 million. This shows the economic impact of the scheme dependent new housing is more than sufficient to compensate for the transport dis-benefits associated with the new development.

6.4 Arrangements for post project evaluation

Successful project completion will constitute the completion of the construction of the Transport Hub linked to associated public realm improvements within time and on budget to the required quality.

The following elements will be the key measures of success of the project:

- Value for money
- Innovation.
- Operators, principals, stakeholders, and public acceptability of preferred design.
- Future proofing and Carbon Baseline/Modelling

6.5 Timeframes

Stage/Milestone	**Indicative Date**	**Comments**
Stage 0 - Project Mandate approved	*Insert Date*	
Stage 1 - Outline business case completed	*Insert Date*	
Stage 2 - Full business case completed	*Insert Date:* *5th August 2022*	
Full Council approval	*Insert Date:* *October 2022*	
Approval to spend obtained	*Insert Date* *September 2022*	
Stage 3 - Delivery	*Insert Date* ***October 2022***	
Stage 4 – Handover	*Insert Date* *30th November 2023*	

Stage 5 - Project Closure	*Insert Date*	

7.0 THE ENVIRONMENTAL CASE

The Council wishes to refine its transport strategy to better reflect its key transport outcomes being to:

- Reduce congestion and delay and provide access to development;
- Reduce emissions of CO2 through behaviour change and provide facilities for sustainable transport including public transport;
- And Improve health outcomes by reducing accidents and noise and by encouraging physical activity.

8.0 LEGAL IMPLICATIONS

Grant funding was secured in 2015 under the Marches LEP grant funding scheme to secure some of the package objectives and targets following submission of a business case. Those agreed objectives will need to be achieved to ensure that the funding agreement terms are not breached.

There are no legal problems with doing what is proposed as the recommendation is in accordance with, and progression of the cabinet member decisions in 2017, 2021 and 2022, subject to budgetary changes.

9.0 EQUALITY IMPACT IMPLICATIONS

It is considered that there is no negative impacts on the Protected Characteristics identified in the Equality Act 2010 as part of this project however it is noted that changes in the public realm have the potential to have a high impact including the potential for negative impacts on those with protected characteristics.

It will be essential that the needs of users are reflected in the design process as the remaining elements of the scheme develops. Further Equality Impact Assessments (EqIA) will be carried out during their development process to understand potential positive and negative impacts the scheme may have on each of the nine protected characteristics and on any other vulnerable groups.

Considerable consultation will be undertaken during the development of the Transport Hub as a part of the statutory planning process as well as part of the wider community engagement process. Further public consultation will be undertaken as the transport hub design is developed.

When redesigning the public realm in our city and town centres 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 we can help make it easier to move around and access shops and services.

Structured workshops are holding with key stakeholders and representatives of key user groups which will stimulate a focused and collaborative environment allowing the design team to refine the design to achieve a design solution that optimises the benefits all within the remit of the schemes.

To ensure that consultation is accessible to all, easy read material, online platforms and any other materials or assistance considered appropriate will be produced and made available

10.0 HEALTH & SAFETY IMPLICATIONS

This project will be carried out under CDM Regulations and the principal contractor will provide onsite supervision and manage all risk based elements.

11.0 SOCIAL VALUE IMPLICATIONS

The main strategic Transport Hub objectives comprises of its ability to:

- Improve access to the Hereford City centre and the ESG area thereby unlocking development land, supporting housing growth, enabling regeneration and supporting economic growth;
- Provide improved facilities for active travel, including public transport, that improve health outcomes by encouraging physical activity and that reduce the extent of car dominance in Hereford city centre;
- Reduce emissions of carbon dioxide, through behaviour change and providing facilities for active travel including public transport.