

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

Meeting: Cabinet Briefing (Cabinet Feeder)

Meeting date: Thursday 15 September 2022

Report by: Cabinet member Infrastructure and transport;

Classification

Part exempt:

The report includes financial information which if revealed could compromise the procurement of services required in the delivery stages of the Transport Hub project and has information that is commercially sensitive information.

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

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

Decision type

Key

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

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

Wards affected

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

Purpose

This report presents an update on the Transport Hub so far, and seeks approval for the design and cost plan. It takes forwards steps previously identified in the 22 July 2021 cabinet report on the Hereford City Centre Transport Package (HCCTP) for the Transport Hub.

To approve for the Transport Hub project

- The outline design option, specification, and cost plan as required in the 22 July 2021 cabinet report.
- To proceed from Herefordshire Council's Stage 2 (Planning and Design) to Herefordshire Council Stage 3 – Delivery

Recommendation(s)

That:

- a) **Cabinet approve the Transport Hub design and cost plan;**
- b) **Cabinet approve that the project proceeds from HC Stage 2 (Planning & Design) to HC stage 3 (Delivery); and**
- c) **Recommend to Council the inclusion of the additional £5.85m into active capital programme at budget council, noting that at this time the additional amount has yet to be funded.**
- d) **All operational decisions to be delegated to the Director of Economy and Environment in consultation with the Cabinet Member for Infrastructure and Transport and Section 151 officer.**

Alternative options

1. Not to proceed with the approval will not allow progression to the next stage will and prevent the completion of the Transport Hub. This is not recommended as it would result in some package objectives and targets as set out in the 2015 Marches Local Enterprise Partnership (LEP) business case not being achieved. This would also contravene the terms and conditions of the funding agreement and could result in clawback of monies paid to date and would not be consistent with the council's adopted delivery plan.

2. Not to proceed will not allow an update on the July 22 cabinet decision which authorised the engagement of professional design services (*initial design, consultation and construction costing*) to enable cost certainty) to be given.
3. Not to proceed will mean that the proposed Transport Hub project will not be delivered and the quality of interchange facilities at the Hereford railway station will remain poor with adverse impacts in terms of integration of transport modes and encouraging sustainable travel/access to/from rail services.

Key considerations

4. The Hereford City Centre Transport Package (HCCTP) was an integrated programme of schemes and consists of the following key elements:
 - i. A new City Link Road (CLR) integrated with complementary measures to support the delivery of a major regeneration scheme;
 - ii. Improvements to the public realm and the facilities for walking, cycling and public transport modes; and
 - iii. A new Transport Hub at Hereford railway station.
5. The Hereford City Centre Transport Package (HCCTP) has been running for a number of years, in a phased way. The schemes included in the HCCTP are designed to improve travel in the city, providing new and improved roads and facilities for public transport, pedestrians and cyclists and open up opportunities for development, helping to make Hereford a more attractive place to live, work and visit.
6. 22 July 2021, [cabinet report](#) approved that

“...the HCCTP programme be deconstructed into individual projects and to allocate the remaining programme funding from the HCCTP to the development of the Transport Hub project design and consultation; and the Interim Director for Economy and Place (in consultation with the Section 151 officer and the Cabinet Member for Infrastructure and Transport) authorised to progress this design and consultation to enable cost certainty to be established and further delivery funding sought...”
7. The Hereford Transport Hub will be 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).
8. This decision will allow officers to progress the Transport Hub project including commissioning of the design team to the council's delivery stages All procurements relating to this decision will be undertaken in accordance with the council's contract procedure rules and the Public Contract Regulations 2015.

9. The key objectives of the Transport Hub are to support economic growth, improve accessibility and encourage active travel in line with the adopted policies of the council, the Marches LEP and Central Government.
10. In particular the project will:
 - i. Improve the public realm around the train station and create better walking, cycling and public transport infrastructure which will allow for improved integration of the new development with the historic city core;
 - ii. Improve access to Hereford railway station and the new interchange infrastructure;
 - iii. Help address the decline in Hereford's traditional role as a regional economic hub, and meet the national agenda for economic growth;
 - iv. Encourage the transport mode shift away from car use by facilitating travel by public and active travel;
 - v. Enable attractive, seamless transfer between different modes of travel; and
 - vii. To welcome visitors to the city and establish an attractive environment for visitors and commuters.
 - viii. Merge with other Hereford City Centre Improvement (HCCI) projects as an integrated package of movement and connectivity linking the transport hub with Hereford City Centre.
11. The July 2021 cabinet decision also noted that the delivery of this initial design, consultation and construction costing will require the procurement of further professional services.
12. A multi-disciplinary design consultancy team was commissioned in April 2022 and they have carried out design and key stakeholder consultation with different design options and a "*Drive in Reverse Out*" Option (see sift analysis Appendix 3) was selected and design developed and cost estimates provided (See exempt Appendix 1) .
13. Consultation has taken place with key stakeholders, including technical operators: Network Rail (NR), Transport for Wales (TfW), Rail & Bus for Herefordshire RBfh, Taxi operators, Bus and coach operators, Hereford City Council, Hereford Masterplan design team , Hereford BID, Cabinet Members/ Ward Members and the Marches Local Enterprise Partnership (LEP)
14. The bus "*Drive in Reverse Out*" (DIRO) option and the public realm space in the forecourt of the Hereford Rail station incorporates as much greenspace as possible and provides the best separation of people, vehicle movements and retains the best view of the main station building from all the three design options.

15. 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".
16. Engagement will continue with Key stakeholders, and with this decision it will now extend to residents in the local area, organisations around the train station like the medical centre, the Royal National College for the Blind, the wider community and the general public. There is plan for media communication at key points throughout the project.
17. Regular reporting of the Transport Hub and the project outputs has taken place with the Marches LEP. The Marches LEP are aware of the 22 July 2021 Cabinet decision, the appointment of the design team and that further funding will be required to complete the Transport Hub.
18. Given the commitment to delivery of the remaining HCCTP programme elements it has been agreed with the Marches LEP that we will update in and agree revised delivery routes for the Transport Hub and are currently waiting for the Marches LEP to confirm a meeting date.
19. This decision would enable formal variation of the HCCTP funding agreement with Shropshire Council, the accountable body for the Marches LEP, to be agreed. It should be noted that outputs in the funding agreement delivered to date include; the construction of the city link road, job creation, and additional housing facilitated by the additional highway capacity as detailed in the table below:

The outputs are on track, and some have overachieved:

Output/Outcomes /Activity	Contracted-re-profiled outputs	Actual Claimed to Date	Variation	Risk Rating
Jobs Created *originally jobs omitted from the contract but they later added 760 as the target in the re-profile	803	803		
Housing Units	800	240	2014-18 – 107 2019/20 - 133 2020/21 - 151 2021/22 – 355 746 – Total as at April 22.	Combined these give the 240 in addition to 155 & 355 are a total of 746.
Length of Newly Built Road (km)	0.8	0.8		

Table 1: Outputs/Outcomes to date

Community impact

19. 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 that there will be less congestion and a benefit to a wider range of people and groups within the business and resident community. The HCCTP programme contributes to the delivery of significant improvements to the transport network as part of that overall strategy.
20. The HCCTP 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.

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

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

21. This decision/proposal will support the delivery of the council's environmental policy commitments and aligns to the following success measures in the County Plan.
 - Improve the air quality within Herefordshire
 - Increase the number of short distance trips being done by sustainable modes of travel – walking, cycling, public transport
 - Reduce the council's carbon emissions
 - Work in partnership with others to reduce county carbon emissions
 - Improve residents' access to green space in Herefordshire

22. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
23. The environmental impact of this proposal has been considered and includes appropriate requirements on the design team/contractor to zero waste targets, reduce energy usage and adopt the Councils carbon reduction targets, utilising local suppliers, improve local air quality, active and sustainable transport options, zero waste targets and to consider opportunities to enhance biodiversity. There is a score measuring this criteria in the sifting analysis of the design options (see Appendix 3)
24. The environmental impact will be managed and reported through contract management. The development of this project has sought to minimise any adverse environmental impact and will actively seek opportunities to improve and enhance environmental performance.

Equality duty

25. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to

 - a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
 - d) The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.
26. Wider community engagement and public consultation will be undertaken as the transport hub design is developed further and as part of the statutory planning process.
27. Consultation will take place with the Equality Team on this decision. It is considered that there are no negative impacts on the Protected Characteristics identified in the Equality Act 2010 as part of this decision 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.

28. 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.
29. While redesigning the public realm around the Transport Hub, we are committed to working with user groups to ensure the design improves access for all. Through careful design of layouts, materials and the use of measures such as tactile paving helps make to easier to move around and access shops and services.
30. Structured workshops have been held with key stakeholders and representatives of key user groups to stimulate a focused and collaborative environment allowing the design team to refine the design to achieve a design solution that optimises the benefits all within the remit of the schemes. An online platform has been created for further feedback after the workshops.
31. To ensure that consultation is accessible to all, easy read material and any other materials or assistance considered appropriate will be produced and made available including an online platform - commonplace.

Resource implications

32. The January 2021 [Cabinet Member decision report](#) approved an increase to the forecast outturn cost for the CLR land acquisition to £16.25m, and reduced the forecast for the transport hub and public realm to £5.172m.
33. The HCCTP scheme included in the council's capital programme with an approved budget of £40.651m with £5.172m allocated to the Transport Hub and public realm.
34. The July 2021 [cabinet report](#) acknowledged that this budget was insufficient to complete the Transport Hub without additional funding due to increased land costs, additional costs of individual land plots acquired using Compulsory Purchase Order (CPO) powers and professional fees associated with land acquisition. The forecast outturn cost for CLR land acquisition was **£17.75m**, an increase of **£1.5m** from the **£16.25m** in the July 2021 decision.

35. The land budget was updated in the [cabinet member decision report](#) of 16 February 2022, the figures being outlined in the exempt Appendix to the report. The increase in CLR land acquisition costs was funded from the budget for the transport hub and public realm elements of the scheme, reduced by a maximum of **£1.5m** to **£3.672m**, this is because the overall HCCTP budget remains at £40.651m.
36. Once the final land acquisition payments are made within the £17.75m budget then the balance will be allocated to the remaining elements of the project to be delivered such as the transport hub. The final outstanding land payment is a combined CPO claim which the council external advisers are in negotiation with the claimants. Until final agreement is made there is a risk that the final payment will be higher than the £17.75m which will then reduce the funds for the Transport Hub but will be subject to further cabinet member decision.
37. The July 2021 [cabinet report](#) acknowledged that the delivery of this initial design, consultation and construction costing will require the procurement of further professional services. A multi-disciplinary design consultancy team led by Weston Williamson + Partners (WW+P) were therefore commissioned in April 2022. WW+P have carried out design, key stakeholder consultation and produced three design options from which the recommended “*Drive In Reverse Out*” (DIRO) design option and cost plan in table below are presented for approval.
38. The difference between the new cost estimates and existing funds in the capital programme is for inclusion in the budget of the active capital programme and for which funding is still being sought.

S. no.	Scope of Works Description	Total Costs
1	Facilitating Works	£82,180.00
2	*Building Works	£5,028,580.00
3	Main Contractor's Preliminaries (20%)	£1,022,152.00
4	Main Contractor's Overheads & Profit (7.5%)	£459,968.00
5	Other Development/Project Costs (10%) RIBA 4 & 5 onwards	£659,289.00
6	**Council related Costs (5%)	£362,608.45
7	Risk (15%)	£1,087,826.25
8	Contingencies (5%)	£362,608.75
8	Inflation 2 QTR 22 TO 4QTR 2023 (5.3%)	£460,583.00
9	TOTAL COST ESTIMATE	£9,525,795.45
	Less Existing funding (approx)	£3,672,000.00
10	Balance funds required	£5,853,795.45

NB:

*This figure includes costs for additional land acquisition.

** Council related costs : programme/project management costs, legal, surveys and planning

39. MTF5 identifies that further funding is needed for the Transport hub in addition to current budget in of £40.651m. The additional funding of £5.85m in the capital programme is required to deliver the entire Transport Hub project to completion. (See detail breakdown costs in Appendix 1)
40. Application for funding has been submitted for LUF 2 bid and work is ongoing on applying for heritage funding for proposed works to the station building from the Network Rail Heritage Fund. If the requests for external funding are unsuccessful then there will be a requirement for council to fund the project from borrowing.

Funding streams (indicate whether base budget / external / grant / capital borrowing)	Previous Years	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
<i>Marches LEP</i>	16,000				16,000
<i>Capital Programme/Prudential Borrowing</i>	18,042	1,834	380	4,395	24,651
<i>LUF 2 bid / Prudential Borrowing</i>			2,350	3,500	5,850
TOTAL	34,042	1,834	2,730	7,895	46,501

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

32. The table above shows that there will be an estimated annual maintenance cost of £500k, to water plants, empty bins, cleaning, lighting, toilet & waiting room etc. This will cause a pressure on the revenue public realm budget and therefore may require an increase to that budget.
33. The Transport Hub Business Case is attached as Appendix 2

Legal implications

34. This project is in part funded under the terms of a 2015 grant funding agreement between the council and Shropshire Council (as accountable body for the Marches LEP) and therefore the project will need to ensure that it complies with the terms of that grant funding agreement and the required outcomes and objectives as set out in the grant funding agreement. If the terms and conditions of the grant funding agreement are not met Shropshire Council have the ability to terminate the grant funding agreement and clawback monies paid to date.

35. Any variation to the terms of the grant funding agreement will need to be agreed with Shropshire Council.
36. Any contract awards arising from this decision and in the delivery of the project should be in accordance with the council's contract procedure rules and the Public Contract Regulations 2015.
37. Any amendment to the capital programme requires a decision of full Council as an amendment to the capital programme is not an executive function.
38. There are no other legal implications arising from this report. .

Risk management

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

Risk / opportunity

There is a risk that the objectives of the Transport Hub are not met as a result of the reduced budget available for the Transport Hub. This could result in claw back of funding from the Marches LEP.

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.

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.

There is a risk that further land may be required to deliver the aspirations for the Transport Hub.

Mitigation

The revised budget and the scheme objectives will be utilised to shape the further development of the Transport Hub to ensure that these are met.

The cost estimates for the works will continue to be updated as the design develops to monitor and inform further decisions on project funding.

The design brief was agreed with members and key stakeholders prior to a consultation exercise by the specialist design team.

Early discussions have been held with Network Rail regarding the scheme and continue such that their requirements are incorporated into the designs such that agreement can be reached. Application for Network Rail procedural approvals have been submitted.

The land requirements have been identified from the design process and there are ongoing negotiations to enter into an agreement with Network Rail/Transport for Wales.

There is a risk that the balance of the payments for land acquired under the CPO process for the CLR will exceed the current allocation for land costs within the budget. This would impact the available budget for the remaining element.

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 claims.

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

Consultees

WW+P in collaboration with their specialist engagement consultants designed and coordinated the stakeholder consultation strategies. Their programme was founded on and structured around a thorough understanding of the key challenges to be addressed, designed for the audiences it was seeking to engage, using basic simple language and not stray into professional jargon.

40. Consultation involved initial client requirements workshop and then design workshops by email or virtually using Microsoft Teams and Zoom with key stakeholders, technical operators, Hereford City Council, Council Comms, Transport Officers, Taxi, bus and coach operators. Feedback has been provided by email, minutes, or in further sessions to consultees who also are given access to an online platform for further comments.

41. A summary of their comments on the outline design options were: reduce the proposed Canopy size, improve visibility of Grade 2 listed train station building, Improve visibility of bus stands from station building, provide more internal waiting area, create framed views of the listed building, thin canopy edge down and create a more simplistic design

42. The recommended design option was revised following the feedback from consultees like reducing the length of the proposed bus canopy, .

43. Consultation took place face to face place with the relevant ward member for Widemarsh and their views are copied below:

- On the whole very positive about the design and appreciative of the constraints
- Apple trees should be an absolute no-no due to potential litigation from slips on fallen fruit
- Shelter must have good weather protection even though we've designed an internal waiting room. A lot of elderly people use buses.
- Forget the canopy on the station building
- Understanding of the financial constraints

If the issue has been considered by an overview and scrutiny committee their views should be included. If it is a commissioning plan affecting the health or wellbeing of residents say whether the health and wellbeing board has been consulted and what their views are.

44. Consultation will be undertaken with the political groups.

Wherever a consultee’s view is referenced, say how this has influenced the recommendation / recommended course of action and, if it has not, why not.

Appendices

Appendix 1: Exempt appendix A & B

Appendix 2: Hereford Transport Hub (HTH) Business Case

Appendix 3: HTH Design Options Sift Analysis

Background papers

RIBA 3 design report???

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

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published		
Governance	Click or tap here to enter text.	Date Click or tap to enter a date.
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Risk	Kevin Lloyd	Date 02/09/202202/09/2022
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[Note: Please remember to overwrite or delete the guidance highlighted in grey]

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