

## OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	<b>Community Wellbeing</b>
<b>Scheme Name</b>	<b>Property Improvements in Care Homes – Phase 3</b>
<b>Budget Holder</b>	<b>Corporate Director Community Wellbeing</b>
<b>Council Plan Priority</b>	<b>People/Place</b>

A programme of building improvement works 2026/27 which have been identified 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 and efficiencies through the delivery of property specific projects.

Key objectives include:

- Ensure that the Council's estate is maintained, safe and fit for purpose.
- Address identified risks, impacting users of the building.
- Reduce revenue expenditure by investing in buildings.
- Extend the lifecycle of Council assets and protect/enhance value.
- Secure better services, quality of life and value for money
- Support reduction of carbon footprint.
- To support the delivery of the Herefordshire Council Plan 2024-28

Allowing investment and undertaking a programme of improvement works will mitigate and prevent risk of failure and ensure the buildings remain open and fit for current use, thereby avoiding disruption to the delivery of services.

### Project aims and objectives:

### Estimated costs and funding sources:

	2024/25	2025/26	2026/27	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>					
<b>Essential Works 2026/27</b>			139,750		139,750
<b>Essential Equipment 2026/27</b>			25,000		25,000
<b>Improvement Works or Efficiency 2026/27</b>			34,000		34,000
<b>TOTAL</b>			198,750		198,750
<b>Funding sources</b>					
<b>Capital Receipts Reserve</b>			198,750		198,750
<b>TOTAL</b>					

**Benefits and risks:**

The anticipated benefits of the proposed programme are listed below:

- Statutory Compliance/ Quality Assurance
- Risk Management / Mitigation
- Protected Service Delivery
- Energy Efficiency
- Sustainability

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

The key risks of not doing the project are:

- Non-Compliance with Statutory Regulations
- Health and Safety Risks
- Potential for serious Physical Injury
- Impact on Service Delivery
- Reputational Risk

The key project risks are:

- Statutory
- Financial
- Service
- Reputational

## OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	<b>Children &amp; Young People</b>
<b>Scheme Name</b>	<b>Residential overnight short breaks home utilising capital funds for purchase and refurbishment and revenue for delivery of care via procurement.</b>
<b>Budget Holder</b>	<b>Tina Russell</b>
<b>Council Plan Priority</b>	<b>People/Place</b>

### Project aims and objectives:

Capital funding totalling £424,00 was made available in 2024-25 to deliver a registered residential children home project. Following a robust operational review of demand for such service a request was made to repurpose this funding and to purchase a property from which to deliver a minimum of 700 nights of care and support to children and young people with a disability as a short break 2025-26.

This provision is proven to prevent family breakdown, offering children and their families respite from daily challenging needs. This therefore reduces the risk of children coming into care permanently with families feeling they can't cope when they have an offer of overnight short breaks.

Currently no provision for overnight short breaks is available in county and those with the most complex needs are either unable to access a service or must travel significant distances. Is it considered likely that children have been accommodated directly because insufficient overnight short breaks are available.

Following approval of a decision report and signature by Tina Russell a multi-agency project team has progressed to identify a suitable property.

As of August 2025, funding has been secured as follows:

1. £424,000 capital funding
2. £35,000 strategic housing budget

A suitable property has been sourced at a total of £440,000. It is anticipated that purchase costs will total £10000 leaving £9000 This will be insufficient to deliver the outstanding adaptation and furnishing required to enable short breaks to be delivered. It is anticipated that a balance of £60,000 additional capital funding will be needed to cover:

1. Conversion of wet room
2. Hoist system in one room and wet room.
3. Appropriate industrial level white goods to allow laundry needs.
4. Furnishing of 3 bedrooms, living room, kitchen etc.
5. Garden toys to include adapted play/sensory equipment.

There are currently 32 children assessed as requiring OSB support. It is expected that in excess of 15 children and young people will benefit from this provision.

Analysis of current demand is challenging as some children are accessing an alternative service in lieu of overnight short breaks which may be sufficient, may delay accommodation or may be insufficient and exacerbate timescales for accommodation. Co-dependencies to include recruitment of foster carers/personal assistants and availability of community-based offers will influence the demand for overnight short breaks. As

such the numbers will increase/decrease over time. Offering an in-reach offer to families alongside overnight short breaks will provide flexibility, better value and improve business resilience.

The cost for overnight short breaks ranges from £550 to £1250 per night, including care and accommodation. Staffing ratio and requirement for clinical oversight vastly impact costs. A model that offers a range of skills, training and competency is likely to deliver the most cost effective and operationally useful service. Currently Herefordshire fund considerable travel for children to provision and or to school from their short break. This would be significantly reduced if the provision was in county and core home/school transport could be amended in a planned way. This will inform any future specification and tender requirement.

Current thinking indicates that a property offering in the region 700 bed nights per year will allow:

- 11 children identified as needing 391 ONSB but receiving an alternative offer to receive planned care.
- 4 children identified as needing 84 nights of ONSB and currently receiving direct payments as an alternative to receive planned care.
- Potential return home from 52/ week or reduction to 39-week care
- Timely support for children to avoid breakdown at points of crisis.

Without additional capital funds being made available the short break offer this home will not be able to be adapted to meet the needs of children currently accessed as requiring an overnight short break and Herefordshire will fail to meet their statutory duties.

Whilst it is recognised that this funding bid pertains to 2026-27 it is the specific request of Tina Russell that a bespoke decision allows consideration across 2025-26 to allow for works to be completed and provision to be offered as 1.1.26

**Our Sufficiency Strategy states that:**

“For those young people requiring residential care we intend to develop more local quality provision within 2024-25 and improve percentage of children placed in area annually.

**Herefordshire Improvement Plan for Children and Families highlights that our role as Corporate Parent is a priority area of focus and promotes the following outcomes:**

“Children and young people are central to decision making and planning within the council. They trust that the council has their best interest at heart and will prioritise resources to meet their needs.”

“Increased choice of placement to meet the needs of children in our care.”

“Matching of placement will be available to ensure needs are met and reduction in short term placements.”

**Estimated costs and funding sources:**

	2024/25	2025/26	2026/27	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>					
		60,000			60,000
<b>TOTAL</b>		60,000			60,000
<b>Funding sources</b>					
Capital Receipts Reserve		60,000			60,000

<b>TOTAL</b>		<b>60,000</b>			<b>60,000</b>

**Benefits and risks:****Benefits: -**

The provision within county is expected to deliver improved outcomes for children and young people, support families to care for their child at home, control costs, reduce transport costs, reduce officer travel time, maintain school placement and attendance and allow for effective collaborative working across partner agencies.

- The council would have full control of how the service was developed and delivered via specification.
- The council would manage referrals into the service and support conversations around matching, managing risk and occupancy. However, the provider would have the potential to veto subject to certain conditions i.e. safeguarding risk.
- Increased local options improving choice and matching.
- Retention of local connection with family/community and access to services within adult social care and housing
- Improved outcomes for children and recognition of the need to maintain trusted relationships.
- Increased access to local education and health services avoiding delay in assessment/ support.
- Improved engagement with providers mitigating breakdown, complaints and reputational risk.
- Reduced costs associated with transport, contact, travel, notice and uplifts.
- Reduced additionality of costs linked to spot/emergency arrangements.
- Reduced risk of unregistered placements.

**Risks: -**

Currently children are being placed into accommodation that does not fully meet their needs and is often out of area. The council is at risk of failing to meet our statutory duties and currently we anticipate legal challenge from a number of families. Costs are rising and quality cannot always be guaranteed. Placing children out of county creates challenges for maintaining family contact, local networks and disrupts education.

## OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	<b>Economy and Environment</b>
<b>Scheme Name</b>	<b>Hereford Western Bypass – Phase 1</b>
<b>Budget Holder</b>	<b>Scott Tompkins – Delivery Director - Infrastructure</b>
<b>Council Plan Priority</b>	<b>Growth and Place</b>

### **Project aims and objectives:**

*Scheme description and demonstration of links to corporate priorities and savings plans.*

The Council is seeking to deliver the first phase of the Hereford Western Bypass (formerly Southern Link Road). The project was approved by Cabinet in March 2024 as part of the New Road Strategy and was estimated at that time to cost in the of £35m to construct. The recent procurement exercise has provided greater certainty to this estimation.

As part of the phase 1 review undertaken by Aecom however, it is anticipated that further works will be required to meet current construction and environmental regulations and standards. Furthermore, additional utility and network rail assets requiring diversion/ mitigation have been identified that were not previously captured in previous tenders have been identified. As a result, construction costs are likely to rise by approximately £1m. A further £300,000 is required to employ resources to support the council with contract management during the construction phase.

Council previously approved £10.3m to enable the scheme to progress to construction stage and to acquire land. It is anticipated that approximately £1.3m of this will be available to contribute to construction costs, subject to final land purchase costs.

A further £5m is therefore required in order to bring the budget up to £36.3m to ensure that the council is able to award a construction contract within the financial year 2026/27.

There are no additional revenue implications for ongoing maintenance as part of this proposal.

This capital bid is intended to deliver:

- The additional funding required to allow the construction of the scheme and the mitigation of impacted utility assets.
  - Fund a consultant to oversee the construction of the scheme.
  - Provide an element of contingency to ensure that unexpected issues that may arise are able to be addressed.

Links to County Plan priorities:

People: Traffic levels in the city are high, and with that comes pollution in the form of NO<sub>x</sub> and particulate pollution (PM10 and PM2.5). This pollution is known to affect the development of the young and to impact on the health of adults with respiratory illnesses. Removal of a high proportion of traffic that currently accesses the Rotherwas Enterprise Zone via the A465 and A49 corridors and from Holme Lacey Road will ensure that active travel is a more attractive alternative means of travel and will support uptake of use of the new cycling facilities being constructed along Holme Lacy Road.

- Place:** The scheme will be designed such that it is sympathetic to the environment, with planting on site and on nearby sites, as well as improved conditions to enhance biodiversity planned as an integral part of the scheme.  
As part of the wider Western Bypass the proposal will lay the foundation for additional housing required to support affordable living in the county to be located in a manner that mitigates the impact of additional car travel.
- Growth:** The creation of a new network of roads around the city will ensure that business traffic is able to access the business parks and Enterprise Zone without impacting on the city. This will reduce costs and encourage investment to enable economic growth in and around Hereford.  
The creation of the first phase of the Western Bypass, and the other revenue funded work that is coming forward, will give local businesses confidence to invest in the city's enterprise park and business hubs.  
By removing unnecessary through traffic from the city centre local retail, leisure and hospitality businesses will be better placed to welcome visitors to the city.

**Estimated costs and funding sources:**

	2024/25	2025/26	2026/27	2027/28	2028/29	Future Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>							
Project development	356	2,100	6,544				9,000
Construction			9,940	19,840	6,220	0	36,000
Support resources			60	160	80	0	300
<b>TOTAL</b>	<b>356</b>	<b>2,100</b>	<b>16,544</b>	<b>20,000</b>	<b>6,300</b>	<b>0</b>	<b>45,300</b>
<b>Funding sources</b>							
Additional Corporate Funded Borrowing			0	0	5,000	0	5,000
Previously approved funding	2,800	8,500	17,500	11,500		0	40,300
<b>TOTAL</b>	<b>2800</b>	<b>8500</b>	<b>17,500</b>	<b>11,500</b>	<b>5,000</b>	<b>0</b>	<b>45,300</b>

**Benefits and risks:**

A full business case to outline the costs, benefits and risks will be developed prior to the drawdown of funding however it is anticipated that the following benefits will be realised and that there are risks that require mitigation as set out below.

**Benefits**

- By investing capital in the first phase of a western bypass, then the city will have started on its journey to create resilience, better control its traffic and will allow for space within the city centre to be re-purposed to provide a better sense of place.
- The residents of Herefordshire have long expected the delivery of a bypass for the city; customer satisfaction will be improved when work on the bypass is commenced and delivery of phase 1 will build confidence that the council is listening to its residents.

- Businesses, particularly those sited in Rotherwas, will welcome a reduction in lost time traversing busy city centre corridors, freeing up resource for investment in the various enterprises.
- A reduction in traffic in the city centre will allow for a more punctual bus service, giving residents the confidence to swap their travel modes.
- Less traffic will also improve the active travel choices of our residents. They will be able to travel on quieter streets with less pollution.

#### Risks

- If possible, the council will seek to recover corporate funding from third parties such as DfT or developers to minimise the revenue impact on corporate budgets, however it may be that external funding is not forthcoming and therefore the council will be required to fully fund the project.
- Construction inflation has proven to be volatile over recent years and therefore actual costs may be subject to change when the scheme goes out to tender. The proposed budget may therefore require amendment up or down prior to the start of construction. A re-visit of the full business case will help minimise the level of uncertainty prior to tender.
- The second phase of the Western Bypass has yet to progress to the full business case stage and therefore the full potential benefits of phase 1 may not be realised should phase 2 not progress. A full business case for phase 1 to demonstrate that it represents value for money in its own right will be developed prior to spending commitments on construction.

## OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	<b>Community Wellbeing</b>
<b>Scheme Name</b>	<b>Strategic/Emergency Housing Capital Projects</b>
<b>Budget Holder</b>	<b>Hannah McSherry</b>
<b>Council Plan Priority</b>	<p><b>People</b> - We will enable residents to realise their potential, <b>to be healthy and benefit from communities that help people to feel safe and supported.</b></p> <p><b>Place</b> - We will protect and enhance our environment and ensure that Herefordshire remains a great place to live. <b>We will support the right housing in the right place</b> and do everything we can to improve the health of our rivers.</p>

### Project aims and objectives:

#### Financial Context

The Council has a statutory duty to prevent and relieve homelessness. In 2023/24 the Housing Solutions Team spent £3,415,832.27 on temporary accommodation (TA) solutions; £3,030,030.55 on Travelodge/ B&B style accommodation and £385,801.72 on private sector rental accommodation.

During this period the Council owed 314 households a prevention duty and 221 households a main housing duty. This gives an average TA cost of approx. £6384.73 per household owed a duty in 2023/24.

The limited supply of B&B/ Hotel accommodation in Herefordshire, along with increasing demand and seasonal variations mean the cost of securing short term accommodation continues to rise. A Travelodge room costs an average of £90.

The current average cost to the Council for an individual placed in the Travelodge is:

- 1 night £90
- 7 nights £630
- 30 nights £2,700
- 1 Year £32,850

Wherever possible housing benefit is used to offset this cost, but this is not always possible and doesn't cover the full cost.

The average cost of self-contained private sector rented accommodation used for TA are set out below alongside the Local Housing Allowance (LHA) rates that are used to offset these costs. Please note that LA's can only claim 90% of LHA rates for temporary accommodation.

Average Monthly Rent	Weekly LHA rates (90%)	Monthly LHA rates
1 bed - £520	1 bed - £86.19	1 bed - £373.49
2 bed - £631	2 bed - £109.04	2 bed - £472.51
3 bed - £755	3 bed - £129.81	3 bed - £562.51
4 bed - £1000	4 bed - £155.77	4 bed - £675.00

This table demonstrates that whilst the Council negotiates rents that are as close to LHA rates as possible, LHA rates do not come near to covering the whole cost. For self-contained private sector rented accommodation alone, this shortfall amounts to over £120,000 per annum, not taking into account voids, maintenance and repairs.

In 2023/24 the overspend on TA was 1.3m.

In 2024/25 the overspend on TA was £758K. This substantial decrease is down to proactive budget management and an increased focus on claiming Housing Benefit, however demand for temporary accommodation continues to significantly outstrip the budget. Escalating demand for TA is a national challenge and is a result of several factors including:

- Lack of social housing.
- Increasing cost of private rent.
- New legislation being introduced for private sector landlords, meaning many are leaving the market and evicting their tenants in the process.
- Ongoing impact of the cost-of-living crisis.

There are wider positive 'invest to save' implications linked to the accommodation solutions outlined in this request including:

- Ensuring that we have suitable accommodation for vulnerable families.
- Improving health and wellbeing outcome for families; Children living in temporary accommodation face a multitude of negative outcomes, including disruptions to their education, increased risk of mental health problems, and potential exposure to unsafe living conditions.
- Safe and secure accommodation mitigates the risk of escalating care and support needs and the cost of social care interventions for vulnerable adults and children.
- Reduction in avoidable hospital admissions.
- Reducing the risk and cost of the Council being fined by the Housing Ombudsman.
- Reduction in complaints, MP enquiries and wider reputational damage to the Council.
- Better use of existing housing stock.

### **Link to corporate Plan / Priorities**

All the projects set out below link directly to the priorities set out in the corporate plan:

**People** - We will enable residents to realise their potential, **to be healthy and benefit from communities that help people to feel safe and supported.**

**Place** - We will protect and enhance our environment and ensure that Herefordshire remains a great place to live. **We will support the right housing in the right place** and do everything we can to improve the health of our rivers.

**Link to savings priorities** – Reduction in cost of temporary accommodation

### **Bringing Empty Properties Back into Use**

*Request £750,000 to bring 15 empty properties back into use over 3 years.*

There are in excess of 350 long term empty homes in Herefordshire. In order to incentivise the owners of these properties to bring them back into use we propose to run an Empty Properties Grant Scheme.

Grants of up to £50,000 per property will be offered to bring up to 15 empty properties back into use across Herefordshire. Larger grants might be agreed by exception depending upon the property e.g. large family homes that need additional investment, but that would be a valuable resource to the TA team.

The focus will be on Hereford City and market towns as that is where accommodation is most needed. Grant's agreements will include conditions that the accommodation is offered for affordable rent for an agreed number of years depending upon the value of the investment. Nominations agreements will enable the Council to move families out of TA into these properties, reducing spend on expensive B&B/ chain hotels.

Bringing 15 properties back into use over 3 years as profiled in the table could, allowing for move on to permanent homes, take at least 20 households out of expensive and unsuitable B&B / Hotel accommodation. This scheme offers a potential saving of £159,619, less any costs offset by benefits.

#### **Local Area Housing Fund (LAHF) Round 4 – Match funding**

*Request £100,000 as match funding for LAHF 4*

The government has closed Afghan Resettlement Programme resettlement scheme to any further applications, but the number of refugees already committed to the scheme mean that we can expect several more years of active resettlement as new families continue to arrive in the UK. In an attempt to secure a fairer distribution across the country, the Government have introduced regional targets which have subdivided at a local authority level.

This year, the Council were able to meet the initial ask of 42 bedspaces / individuals through a combination of housing purchased through the LAHF (Round 2) and the delivery of 5 x new build properties negotiated with Connexus. However, this figure increases to 63 bedspaces / individuals for 2025/26. Strategic Housing have negotiated a further 5 units of resettlement accommodation with Stonewater for this period, but there will be a significant shortfall if we do not look at alternative models to deliver refugee resettlement in Herefordshire.

As a non-stock holding authority, we rely heavily on our Registered Provider (RP) partners to deliver a range of accommodation solutions for all our vulnerable groups of which refugees are just one.

The grant scheme has been delivered in partnership with local RP's who, to date, have provided approx. 50% of the match funding, with the Council contributing just a small amount of match as a gesture of our commitment to the funding and to our RP partners.

Working with Connexus and Stonewater Ltd, the Council have delivered 38 units of LAHF grant funded accommodation for resettlement and temporary accommodation over the last 2 years. These units of accommodation now form part of Herefordshire's social housing stock.

In preparation for LAHF Round 4 opening, we are requesting £5000 per property for up to 20 properties.

#### **Delivering affordable Temporary Accommodation for large families**

*Purchase and refurbishment of 3 large family homes to accommodate families of 7 or more currently being accommodated in TA. £450,000 each. Total request £1,350,000.*

We are currently accommodating 3 large families (6+) in TA with a 4<sup>th</sup> family still living in their existing unsuitable accommodation because we cannot find them suitable TA.

One of these families was accommodated in a local hotel during 2023, whilst a more suitable solution was sought. This cost £93,310 for 6 months. This family are now in leased accommodation at a cost of £30,000 per annum of which £22,000 cannot be recovered via housing benefit.

Two of the families are in Council owned accommodation, meaning that they cannot be used to generate an income.

The Council have been fined over £17,000 by the Housing Ombudsman because we cannot find suitable accommodation for these families. We have been notified of a further fine related to the family that we have not been able to find suitable TA for; we understand that this will be £3750 plus an additional £250 per month until we can find suitable TA. The demand for larger family accommodation is growing, and we have very few options at our disposal.

Following this latest complaint the Housing Ombudsman has asked that the Council produce a plan for procuring larger units of temporary accommodation. Investing in larger family homes will save money both in terms of B&B costs and by reducing fines from the Housing Ombudsman.

There is little prospect of these families being housed in social housing because Registered Providers do not develop homes that are large enough to accommodate them, so these families will continue to live in TA which is why we need flexible cost-effective solutions that we can manage directly.

It's difficult to quantify the exact savings that can be made from this approach as each of these families are a different size and makeup, but the only alternative we currently have is Hotel / B&B accommodation. The Homelessness Code of Guidance is clear that households with children should not be in B&B accommodation for any longer than 6 weeks. After this time the Council must secure alternative suitable accommodation. This is a huge challenge for large families.

### **Accessible Homes – Temporary Accommodation**

*Request £700,000 to purchase and refurbish two units of accessible temporary accommodation.*

We are seeking investment for two units of accessible accommodation for people that are homeless or in need of temporary accommodation before they can return home safely. Accessible housing stock is limited with demand outstripping supply.

Due to a lack of alternatives, we currently place people in accessible rooms in the Travelodge. This means that we are often sending people out of county and paying higher rates for accessible rooms. This solution is expensive and removes people from their established support networks, services and make access to healthcare very difficult. Experience shows that this approach can lead to otherwise preventable hospital admissions.

### **Accessible Homes – Larger Families**

*Request £900,000 for purchase two accessible homes for large families.*

A disproportionate number of disabled people live in social housing, with the Office for National Statistics (ONS, 2022) stating that 24.9% of disabled people lived in social renting in 2022 compared with 7.9% of non-disabled people.

The Council work closely with Registered Providers through the disabled facilities grant to make adaptations to existing housing stock to ensure that it is accessible for people with disabilities and accessibility issues. However, for some people / families this will never be a workable solution because their needs are so specific. The Council have an accessible homes register (AHR) for households that need bespoke housing solutions to meet their needs and works with developers through the planning system to develop homes to meet the specific needs of these households. There are over 70 households on the AHR.

This includes 7 families waiting for an accessible 4-bedroom unit, 3 families awaiting an accessible 5-bedroom unit and 1 family waiting for an accessible 6+ bedroom unit. Some of these families have more than one child with a disability or a life limiting illness, some as many as three.

Negotiating homes of this size on new development sites is very difficult as these are expensive units and take up more land. Where we have successfully negotiated a large accessible unit, the development process that can take 3 or more years to deliver the home. Some of the families on the accessible homes register have been waiting for over 6 years.

The families outlined above are living in accommodation that is not fit for purpose and will need increasing amounts of formal support from children's or adults social care to meet their escalating needs if we cannot provide them with a suitable home.

### **16/17 Homeless Young People**

*Request: Purchase of 4 x 2 bed units of accommodation for 16/17 young people that are experiencing homelessness. £1,000,000.*

When a YP aged 16/17 presents as homeless, they have an assessment and can chose to become children, looked after (CLA) or follow what is commonly referred to as the homelessness route, whereby they would be provided with accommodation but not supported or formally under the care of Children's Social Care.

The Council has no dedicated accommodation for YP choosing the homelessness route which means that more YP are becoming looked after. For some YP this is absolutely the right decision, but for others this decision may be influenced by the lack of wider, suitable, accommodation options. This proposal aims to provide YP with a suitable option. YP are not able to have a tenancy until they are 18, so this is transitional accommodation, and we it would be reasonable to expect a YP to occupy these units for at least 2 years.

The average annual cost of a supported housing placement for a looked after child during 2024/25 was £61,256 per annum, some of this cost is offset by housing benefit, but not all. Each of these units will accommodate 2 YP. Creating this accommodation for 16/17-year-olds who present as homeless but who don't need to become children that are looked after, could save the Council in excess of £1.1m in revenue spend in 3 years. This doesn't consider any reductions offset by housing benefit but excludes the wider costs of supporting children that are looked after until they are 25 years old.

Year 1 = 4 x £61256 = £254,024

Year 2 = 6 x £61256 = £367,536

Year 3 = 8 x £61256 = £490,048

Total potential saving is £1,111,608.

These are cumulative sums based on the annual cost for each person.

Should this scheme be approved, it is hoped that some of the potential savings may be used to deliver an increase in capacity for our existing floating support contract to support 16/17-year-olds in their independent accommodation, but this is only notional at this stage.

### Emergency Accommodation

*Request: £5.9m (capital borrowing) to develop council owned temporary accommodation to address the gap in provision and provide suitable accommodation for some of the county's most vulnerable people.*

The Housing Solutions Team are responsible for delivering the homelessness and housing advice service for Herefordshire Council. Homelessness has increased dramatically in recent years with approaches by those threatened with homelessness or homeless increasing - reflecting the national trend. There are currently 742 open cases being dealt with by the Housing Solutions Team and 177 households currently in temporary accommodation.

Based on analysis over the last 3 years, the council has an average emergency accommodation requirement of 150 units and thus a deficit of 100 units against this proven long-term demand. At a cabinet emergency accommodation working group in September, cabinet members agreed that in addressing this long-term issue, the council should seek to directly acquire and develop additional emergency accommodation to meet this deficit.

The rationale behind this proposal is one of spend to save, already adopted by the council in the recent acquisition of the John Venn Building in Hereford, using £5 million of funding allocated for provision of Temporary accommodation, to acquire and refurbish this vacant building to provide 28 No 1 bed apartments at a cost of £3.5 million but delivering revenue cost avoidance measures of circa £700,000 pa.

This proposal is to develop council owned land and buildings to provide 'fit for purpose' residential units to delivery emergency accommodation to meet the councils needs and thus fulfil its statutory obligations, and reduce service overspend on Emergency accommodation.

A 'pipeline' of 47, 1,2,3 and 4 bed units has been identified to be to be delivered over a 2 - 3-year period, allowing for the initial preconstruction design, planning and procurement phases.

The council will utilise the £5.9m to bring forward developments to meet the current and future need, utilising council owned land and buildings in the first instance. A full business case will be established for each development, setting out the need/ demand, and the income which will repay the borrowing (based on the John Venn building model established in the previous programme). The council will also seek Homes England grant funding wherever possible to support the business case for each investment.

### Estimated costs and funding sources:

	2026/27	2027/28	2028/29	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>					

<i>Empty Property Grants</i>	250	250	250		750
<i>LAHF 4 Match Funding</i>	100				100
<i>TA for Large Families</i>	450	450	450		1,350
Accessible Homes for Large Families	450	450			900
Accommodation for Homeless 16/17-year-olds	500	250	250		1000
Emergency Accommodation	900	2,500	2,500		5,900
<b>TOTAL</b>	<b>2,650</b>	<b>3,900</b>	<b>3,450</b>		<b>10,000</b>
<b>Funding Stream</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Future Years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Corporate funding borrowing	1,750	1,400	950		4,100
Homes England Grant	405	1,125	1,125		2,655
Borrowing funded from revenue Income (ROI)	495	1,375	1,375		3,245
<b>TOTAL</b>	<b>2,650</b>	<b>3,900</b>	<b>3,450</b>		<b>10,000</b>
<b>Revenue budget implications</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Future Years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>LAHF 4 Match Funding</i>					
<i>Empty Property Grants – potential savings</i>	31	51	76	76	234
<i>TA for Large Families – potential savings</i>	41	41	41	41	164
<i>Accessible Homes for Large Families</i>					
<i>Accommodation for homeless 16/17-year-olds – potential savings</i>	254	367	490	254	1,365
<b>TOTAL</b>	<b>326</b>	<b>459</b>	<b>607</b>	<b>371</b>	<b>1,763</b>

**Benefits and risks:**

*The anticipated benefits and risks of the proposed project plus risks of not going ahead with the scheme.*

**Benefits**

There are a range of positive 'invest to save' benefits linked to the accommodation projects outlined in this capital request including:

- Savings associated with reducing the use of expensive B&B/ Hotel accommodation.
- Ensuring that we have suitable accommodation for vulnerable families.
- Improving health and wellbeing outcome for families; Children living in temporary accommodation face a multitude of negative outcomes, including disruptions to their education, increased risk of mental health problems, and potential exposure to unsafe living conditions.
- Safe and secure accommodation mitigates the risk of escalating care and support needs and the cost of social care interventions for vulnerable adults and children.

- Reduction in avoidable hospital admissions.
- Reducing the risk and cost of the Council being fined by the Housing Ombudsman.
- Reduction in complaints, MP enquiries and wider reputational damage to the Council.
- Better use of existing housing stock.

**Risks of not going ahead with the schemes set out above:**

- Continued escalation of cost of temporary accommodation.
- Continued use of unsuitable temporary accommodation and ongoing risk of fines from the Housing Ombudsman and associated reputational damage.
- LAHF 4 - Unable to meet our local quota for refugee resettlement.
- Unable to provide suitable long term accessible accommodation for large families, leading to escalation in need for children and adult social care intervention.

**Contribution to reducing risks identified on the corporate risk register:**

*R2 - Demand for client-based services continues to increase resulting in increased budget pressures and poor outcomes for those people in receipt of our services.*

Providing people with a warm, safe home has a significant impact on their health and wellbeing, supporting the council demand management approach. Households can be supported through the use of TEC, their local communities and preventative services, but suitable and safe accommodation is the foundation of this.

The development of suitable accommodation for 16/17 who chose not to become children that are looked after, will make a significant contribution to demand management as numbers are increasing.

*R5 - Failure to deliver a sustainable financial strategy that supports delivery of the Council Plan priorities. (Including delivery of savings, commercial income, capital receipts and ensuring resources are available to deliver statutory obligations and fund organisational development and transformation.)*

The delivery of these measures will contribute to the reduction in the cost of temporary accommodation, specifically the use of unsustainable B&B/ Hotel accommodation and offer a cost-effective alternative for young people who do not wish to become children that are looked after. These measures will contribute directly to the delivery of savings.

## OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	<b>Children and Young People</b>
<b>Scheme Name</b>	<b>Relocate Herefordshire Pupil Referral Units</b>
<b>Budget Holder</b>	<b>Service Director, Education, Skills and Learning</b>
<b>Council Plan Priority</b>	<b>People</b>

### Project aims and objectives:

**Section 19 of the Education Act 1996** places a duty on local authorities to provide suitable alternative education for children of statutory school age who cannot attend school because of illness, exclusion, or any other reason. Where a child is permanently excluded, the authority must arrange full-time alternative provision from the sixth day of exclusion.

In addition, under the **Children and Families Act 2014**, Herefordshire Council has a statutory responsibility to secure sufficient, high-quality, and appropriate educational provision for children and young people with Special Educational Needs and Disabilities (SEND).

The increasing complexity and number of SEND cases, coupled with rising rates of permanent exclusions, is placing significant financial and operational pressure on Herefordshire's local provision.

### Project Aims and Objectives

This project will consolidate the Herefordshire Pupil Referral Service (HPRS) KS3 and KS4 provision from two under-compliant sites (St David's and Aconbury) into a single, fit-for-purpose location. The aim is to increase capacity from 47 to 100 places, ensuring statutory duties for excluded pupils are met while improving educational quality and outcomes.

The new provision will:

- Provide compliant, modern facilities with sufficient space for practical subjects, PE, and intervention work.
- Reduce reliance on costly, unregistered, and out-of-county placements.
- Create the potential for a small KS1/KS2 AP on the vacated St David's site to address emerging primary need.
- Co-locate multi-agency services to deliver integrated support and early intervention.
- Reduce home-to-school transport costs through better geographic placement.

### Scheme Description

The proposal is to acquire and refurbish a ready-built commercial building, offering a significantly faster and more cost-effective route than new build. Acquisition and refurbishment costs are estimated at £5–6m, compared with circa £15–18m for a comparable new school, and the facility could be operational within 6-12 months of purchase.

This project will:

- Replace two sub-standard PRU sites with a single high-quality education facility.
- Enable flexible, phased delivery to manage pupil cohort compatibility and maintain provision during transition.
- Free up one existing site for potential redevelopment into much-needed primary AP capacity.

- Provide space for an Alternative Provision Specialist Taskforce, aligning with the DfE’s SEND and AP Improvement Plan

### Links to Corporate Priorities

This project directly supports a key deliverable in the Council’s Delivery Plan:

*“Develop new Alternative Provision for children with needs that require additional support to enable them to remain and/or return to mainstream education.”*

It also contributes to all four Council Plan priorities:

- **People** – Ensures excluded and at-risk pupils have timely access to education that meets their needs, improving life chances and wellbeing.
- **Growth** – Builds skills, qualifications, and pathways into post-16 education, training, and employment.
- **Place** – Strengthens local provision, reducing the need for pupils to travel long distances and supporting cohesive communities.
- **Transformation** – Maximises use of existing assets, delivers value for money, and reduces long-term high-needs expenditure.

### Savings Plan and Financial Impact

- **Cost avoidance:** Reduces reliance on unregistered AP and independent special school placements, mitigating rapid growth in high-needs block expenditure.
- **Capital efficiency:** Commercial acquisition/refurbishment estimated at one-third of new build costs.
- **Operational savings:** Decreased home-to-school transport costs through better geographic siting of provision.
- **Revenue funding:** Ongoing running costs met through the High Needs Block, with places funded at £10,000 per pupil plus top-up.

**This project complements a second Business Case, which focuses on a Tier 2 intervention-based alternative provision centre to prevent exclusions and support reintegration. Together, they establish a joined-up system of early intervention, recovery, and reintegration aligned with the DfE’s tiered AP model.**

#### Estimated costs and funding sources:

	2026/27	2027/28	2028/29	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>					
Property acquisition	2,500	1,500			4,000
refurbishment		2,000			2,000
<b>TOTAL</b>	<b>2,500</b>	<b>3,500</b>			<b>6,000</b>

Funding sources					
High Needs Capital Grant	1,000				1,000
Corporate Funded Borrowing	1,500	3,500			5,000
<b>TOTAL</b>	<b>2,500</b>	<b>3,500</b>			<b>6,000</b>
Revenue budget implications					
<b>TOTAL</b>					

**Benefits and risks:****Anticipated Benefits**

- Increase capacity from 47 to 100 KS3/KS4 PRU places, ensuring statutory compliance and eliminating current breaches of capacity assessments.
- Improve quality and suitability of provision through modern, compliant facilities with appropriate space for practical learning, PE, and intervention work.
- Reduce reliance on costly unregistered and out-of-county placements, helping to control the growth of the High Needs Block deficit.
- Provide the potential to develop a primary AP facility at the vacated St David's site to meet emerging KS1/KS2 demand.
- Enable co-location of multi-agency teams to deliver integrated support for pupils and families, in line with the DfE's Alternative Provision Specialist Taskforce model.
- Reduce home-to-school transport costs by improving and bringing together geographic placement of provision to enable cost efficiencies.
- Deliver provision within 6-12 months of acquisition, compared to four years for a new build.

**Risks of the Proposed Project**

- **Availability of suitable property** – mitigated by maintaining an active search and engaging with agents early.
- **Planning/change of use refusal** – mitigated through early pre-application discussions with the planning authority.
- **Cohort compatibility issues** – mitigated by phased transition and careful placement planning.
- **Stakeholder resistance** – mitigated by proactive communication and engagement with pupils, parents, staff, and governors.
- **Recruitment challenges** – mitigated through workforce development planning and phased growth in pupil numbers.

**Risks of Not Proceeding**

- Continued breach of capacity limits at current PRU sites, risking quality and compliance issues.

- Escalating costs for unregistered AP and out-of-county placements, further increasing the DSG High Needs deficit.
- Inability to meet statutory duties for excluded pupils within the county.
- Higher home-to-school transport costs due to pupils travelling further afield.
- Missed opportunity to re-purpose existing sites for primary AP capacity.

## OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	<b>Children and Young People</b>
<b>Scheme Name</b>	<b>establish a new alternative provision (AP) centre</b>
<b>Budget Holder</b>	<b>Service Director, Education, Skills and Learning</b>
<b>Council Plan Priority</b>	<b>People</b>

### Project aims and objectives:

**Section 19 of the Education Act 1996** places a duty on local authorities to provide suitable alternative education for children of statutory school age who cannot attend school because of illness, exclusion, or any other reason. Where a child is permanently excluded, the authority must arrange full-time alternative provision from the sixth day of exclusion.

In addition, under the **Children and Families Act 2014**, Herefordshire Council has a statutory responsibility to secure sufficient, high-quality, and appropriate educational provision for children and young people with Special Educational Needs and Disabilities (SEND).

The increasing complexity and number of SEND cases, coupled with rising rates of permanent exclusions, is placing significant financial and operational pressure on Herefordshire's local provision.

Although Herefordshire's attendance rates are above national averages, 3,968 pupils (16.8% of the cohort) are persistently absent and 441 attend less than 50%, with SEMH difficulties the most common cause. There is currently no registered, short-term intervention offer to address these needs across all phases, resulting in growing reliance on costly and often unregistered alternative provision.

The DfE's SEND and AP Improvement Plan promotes a three-tier AP model, with Tier 2 providing short-term, high-quality intervention placements to keep pupils in mainstream settings. This approach re-engages learners, reduces preventable exclusions, and lowers system costs — but is absent in Herefordshire.

This project will establish the county's first Tier 2 AP facility, offering 100 full-time equivalent places shared flexibly alongside outreach, advice, and multi-agency support. The site will also host a co-located Alternative Provision Specialist Taskforce and include vocational learning spaces for pupils disengaged from traditional academic pathways.

Delivery through the purchase and refurbishment of a commercial building will cost around one-third of a new build and can be operational within 6-12 months, providing urgent relief to local AP pressures and improving outcomes for children and young people.

### Aim:

To establish a registered Tier 2 Alternative Provision (AP) facility in Herefordshire providing short-term, high-quality intervention placements to re-engage pupils in learning, reduce preventable exclusions, and improve outcomes for children and young people with Social, Emotional and Mental Health (SEMH) needs.

### Objectives:

1. **Increase Sufficiency** – Provide up to 100 full-time equivalent Tier 2 AP places, shared flexibly across the week, to meet the needs of pupils who would otherwise be at risk of exclusion or long-term disengagement.
2. **Improve Inclusion** – Support pupils to remain in mainstream schools wherever possible through short-term interventions, outreach, and reintegration planning.
3. **Reduce System Costs** – Lower reliance on unregistered AP and costly external placements by delivering local, high-quality provision.

4. **Deliver Multi-Agency Support** – Create space for a co-located Alternative Provision Specialist Taskforce, enabling integrated and timely support across education, health, and social care.
5. **Enhance Skills Pathways** – Incorporate vocational and practical learning opportunities, including indoor/outdoor workshops, to prepare pupils for post-16 education, training, or employment.
6. **Accelerate Delivery** – Use a commercial acquisition and refurbishment model to achieve operational readiness within 6-12 months of purchase, at approximately one-third of the cost of a new build.

### Links to Corporate Priorities

This project directly supports a key deliverable in the Council's Delivery Plan:

*“Develop new Alternative Provision for children with needs that require additional support to enable them to remain and/or return to mainstream education.”*

It also contributes to all four Council Plan priorities:

- **People** – Ensures excluded and at-risk pupils have timely access to education that meets their needs, improving life chances and wellbeing.
- **Growth** – Builds skills, qualifications, and pathways into post-16 education, training, and employment.
- **Place** – Strengthens local provision, reducing the need for pupils to travel long distances and supporting cohesive communities.
- **Transformation** – Maximises use of existing assets, delivers value for money, and reduces long-term high-needs expenditure.

### Savings Plan and Financial Impact

- **Cost avoidance:** Reduces reliance on unregistered AP and independent special school placements, mitigating rapid growth in high-needs block expenditure.
- **Capital efficiency:** Commercial acquisition/refurbishment estimated at one-third of new build costs.
- **Operational savings:** Decreased home-to-school transport costs through better geographic siting of provision.

This proposal complements a parallel business case being submitted to consolidate and expand statutory PRU provision (Tier 3). Together, the two projects deliver a tiered system of support for pupils at risk of or experiencing exclusion, in line with the DfE's SEND and AP Improvement Plan.

### Estimated costs and funding sources:

	2026/27	2027/28	2028/29	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>					
Property acquisition	2,500	1,500			4,000
refurbishment		2,000			2,000
<b>TOTAL</b>	<b>2,500</b>	<b>3,500</b>			<b>6,000</b>
<b>Funding sources</b>					
High Needs Capital Grant	1,000				1,000
Corporate Funded Borrowing	1,500	3,500			5,000
<b>TOTAL</b>	<b>2,500</b>	<b>3,500</b>			<b>6,000</b>
<b>Revenue budget implications</b>					
none					

<b>TOTAL</b>					

**Benefits and risks:**

**Anticipated Benefits**

- Establish the county’s first registered Tier 2 AP facility, providing up to 100 full-time equivalent intervention places (shared flexibly) to re-engage pupils and prevent exclusions.
- Improve quality and suitability of provision through a purpose-designed site with space for practical learning, vocational training, PE, and early interventions.
- Reduce reliance on unregistered and out-of-county provision, helping to control growth of the High Needs Block deficit.
- Enable earlier intervention for SEMH-related needs, improving pupil wellbeing, attendance, and progression back into mainstream education.
- Co-locate a multi-agency Alternative Provision Specialist Taskforce to deliver integrated, pupil-centred support.
- Reducing home-to-school transport costs.
- Deliver provision within 6-12 months of acquisition and refurbishment, compared to four years for a new build.

**Risks of the Proposed Project**

- Limited availability of suitable commercial property – mitigated by active property market engagement and early search activity.
- Planning/change of use challenges – mitigated through pre-application discussions with the planning authority.
- Integration with mainstream schools and alignment of referral processes – mitigated by clear operating protocols and partnership agreements.
- Recruitment of specialist AP staff – mitigated through targeted workforce planning and phased intake.
- Ensuring sustained quality – mitigated by robust commissioning, inspection readiness, and performance monitoring.

**Risks of Not Proceeding**

- Continued absence of registered short-term intervention provision, leading to increased exclusions and disengagement.
- Escalating costs for unregistered AP and out-of-county placements, worsening the DSG High Needs deficit.
- Inability to deliver the DfE’s tiered AP model locally, missing an opportunity for systemic improvement.
- Higher home-to-school transport costs and reduced accessibility for pupils in rural areas.
- Missed opportunity to provide early intervention and prevent escalation to Tier 3 PRU placements.

## OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	Children and Young People
<b>Scheme Name</b>	Aylestone Capital Works
<b>Budget Holder</b>	TBC – PMO Project Manager
<b>Council Plan Priority</b>	<b>People</b>

### **Project aims and objectives:**

Aylestone School is a Council maintained Community School in the heart of North Hereford. The school was established in the 1970s following the merger of two high schools in Hereford. At its peak the school used to cater for 1,250 pupils but now only has capacity for 450 places. The decrease in pupil capacity has led to a reduction in school funding over the years and has left the current site dated and in need of significant repairs.

The project will focus on three key areas where remedial works and upgrades are urgently required to ensure the school can continue to operate business as usual:

- Broadlands House
- Boiler Replacement (Campus wide)
- CDT Block

### **Broadlands House:**

Broadlands House is a Grade II listed, late 18th-century building forming part of Aylestone School. It serves as the main administration block and houses essential staff offices and pupil support spaces.

The building is now in critical disrepair and presents multiple urgent health and safety risks as evidenced by two independent structural engineer reports (June 2025).

### **Key findings from structural reports:**

- **Severe dry rot** with structural failure of floor joists (e.g., Room B2 joist ends completely rotted through), affecting multiple areas.
- **Main entrance canopy** joists rotted through, requiring a crash deck in reception to protect from falling debris.
- **Masonry hazards** including large loose stone blocks and parapet capping stones that could cause *fatal injury* if they fall.
- **Fenced-off external areas** due to unsafe stonework, particularly at the North end of the East elevation.
- Damp ingress from blocked parapet gutters and defective drainage, creating ideal conditions for continued decay.

As a **Grade II listed structure**, works must comply with listed building consent requirements, ensuring repairs preserve the building's historic character and fabric. This will necessitate specialist contractors, heritage-approved materials, and extended lead-in times, increasing both the complexity and cost of delivery.

Parts of the building are already closed to staff and pupils, and further closures are inevitable if works are not undertaken urgently. The structural engineer warns that without intervention; the building will become entirely unusable.

If Broadlands House closes, **temporary accommodation will be required to house displaced staff and pupil support functions**, at significant ongoing revenue cost, and with associated disruption to school operations.

**Objectives:**

1. Make Broadlands House structurally safe for occupation by pupils, staff, and visitors.
2. Eliminate immediate health and safety hazards from falling masonry and structural failure.
3. Address underlying damp ingress to prevent recurrence of dry rot and masonry decay.
4. Comply with statutory listed building obligations while preserving historic fabric.
5. Maintain operational continuity and avoid the cost and disruption of temporary accommodation.
6. Protect and extend the lifespan of a key Council-owned heritage and education asset.

**Boiler Replacement:**

The boiler system across the school campus is currently over lifespan and is in critical need of replacement in 2026.

Following the 2022 condition survey and advice from our design consultants, Six, the boiler system will struggle to operate beyond this winter (2025) and will place the significantly increase the risk of school closure next winter if the system is not updated with new plant equipment.

**Objectives:**

1. Replace the boiler system campus wide with like for like replacements.
2. Reduce overall carbon emissions produced by the school.

**CDT Block:**

The CDT Block is currently showing signs of wear and tear due to the structure's age. There are three main issues in the block that requires urgent attention within the next year following the 2022 condition report and recent school site visits:

**Roof** – The roof is currently leaking during heavy rainfall and urgently needs replacing. The roof is currently at its end of life with signs of debonding and blistering.

**Windows and Doors** – The current windows and doors are at their end of life. The wooden timber frames have now failed and have started to rot. Windows panes are also single glazed making the building thermally inefficient, causing increased heating costs to the school.

**Electrics** – Rewiring of the building has been recommended to ensure the buildings electrics remain safe for years to come. Works will include replacement of distribution boards, sockets and rewiring.

**Objectives:**

1. Like for like replacement of the roof and improvements to rainwater gully.
2. Replacement of windows and doors across the building with double glazed panes.

3. Rewiring of electrics across the building.

**Estimated costs and funding sources:**

	2026/27	2027/28	2028/29	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>					
Boiler Replacement Programme	1,090	0	0	0	1,090
Broadlands House Remedial Works	240	1,000	0	0	1,240
CDT Block	460	0	0	0	460
<b>TOTAL</b>	<b>1,790</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>2,790</b>
<b>Funding sources</b>					
Capital Receipts Reserve	1,790	0	0	0	1,790
Corporate Funded Borrowing	0	1,000	0	0	1,000
<b>TOTAL</b>	<b>1,790</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>2,790</b>
<b>Revenue budget implications</b>					
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Benefits and risks:**

**Benefits:**

- Removes *immediate life safety risks* to pupils, staff, and visitors.
- Prevents full closure of Broadlands House and the associated cost/disruption of temporary accommodation.
- Restores access to currently closed-off areas, increasing operational efficiency.
- Reduces the Council's liability exposure from potential injury or fatality.
- Preserves a Grade II listed heritage asset in line with statutory obligations.
- Enables a planned preventative maintenance approach, reducing future emergency repair costs.

**Risks if project proceeds:**

- Unexpected structural deterioration may be revealed during works, increasing costs.
- Tender prices for works are at risk of coming in 20% above or below current estimated budget values and cost will be dependent on the market at that time.
- Heritage consent processes may extend lead-in times.

**Risks if project does not proceed:**

- Escalating structural failure leading to full building closure.
- Significant ongoing revenue cost for alternative accommodation.
- Heightened corporate risk register score for health and safety, heritage asset management, and school estate condition.
- Increased likelihood of falling masonry causing serious injury or death.
- Loss or irreversible damage to a listed building, attracting regulatory scrutiny and reputational harm.

## OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	Children and Young People
<b>Scheme Name</b>	Schools Capital Maintenance Projects
<b>Budget Holder</b>	Karen Amos - PMO
<b>Council Plan Priority</b>	<b>People</b>

### Project aims and objectives:

The Schools Capital Maintenance Programme (SCMP) is a strategic initiative led by the Council to address critical maintenance needs across the maintained school estate. Its primary objective is to eliminate all outstanding priority issues identified in the 2023 condition surveys and consultant site assessments, while also responding to current emergency maintenance requirements.

On average over the past five years, the Council has received an annual School Condition Allowance (SCA) of £1.195 million. However, this funding has not kept pace with inflation, or the growing maintenance demands of an aging school estate. As a result, a significant backlog of high-priority maintenance issues has developed, many of which pose risks to health and safety, disrupt school operations, and threaten the continued use of key teaching spaces.

The SCMP is informed by comprehensive condition surveys conducted in 2023 and consultant site visits, which assessed each school building's physical state and assigned urgency ratings to identified issues. Priority items, those requiring attention in 2026 to prevent serious failure or risk, currently remain unresolved due to funding constraints. The programme prioritises works that ensure schools remain safe, secure, and operational, with a focus on keeping buildings wind and watertight.

In recent years, the Council has seen a sharp rise in reactive emergency maintenance costs, from £60,000.00 in 2016 to over £705,786.50 in 2024/25 financial year. In this current financial year, the programme has already committed £165,000.00 in emergency maintenance costs. This trend reflects the consequences of underinvestment in planned maintenance and highlights the inefficiencies and escalating costs of a reactive approach.

Without additional investment, the Council risks further deterioration of the school estate, increased emergency interventions, and potential partial or full school closures. The situation also poses a growing risk to the safety of pupils, staff, and visitors, and is recognised as a significant concern on the Council's corporate risk register.

To mitigate these risks and transition to a more sustainable, planned maintenance model, the Council is seeking an additional £2,770,000.00. This funding will enable the removal of all priority items for 2026 within the Council's remit, support the delivery of essential capital projects, and reduce reliance on emergency works. The scope of the programme includes only those items that fall under the Council's responsibility; school-funded priority items are excluded unless they are directly linked to Council-led projects.

By addressing the maintenance backlog and investing in preventative measures, the SCMP aims to safeguard the long-term functionality and safety of the school estate, ensuring that educational environments remain fit for purpose for years to come.

**Estimated costs and funding sources:**

	2026/27	2027/28	2028/29	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>					
Ashfield Park – Heating	400	0	0	0	400
Bosbury – Drainage	50	0	0	0	50
Bosbury – Windows & door upgrades	120	0	0	0	120
Colwall – Flooding	140	0	0	0	140
Earl Mortimer – Roof	60	0	0	0	60
Gorsley Goffs – Rooflights, Windows & Doors	130	0	0	0	130
Hampton Dene – Heating	670	0	0	0	670
Much Birch – Drainage	50	0	0	0	50
St David's – Boiler	325	0	0	0	325
Trinity – Roof	480	0	0	0	480
Weobley Primary – Circulation pumps	55	0	0	0	55
Condition Surveys	90	0	0	0	90
Emergency Works 2026/27	200	0	0	0	200
<b>TOTAL</b>	<b>2,770</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,770</b>
<b>Funding sources</b>					
School Condition Allowance	1,200	0	0	0	1,200
Capital Receipts Reserve	1,570	0	0	0	1,570
<b>TOTAL</b>	<b>2,770</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,770</b>
<b>Revenue budget implications</b>					
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Benefits and risks:****Benefits:**

- By removing the backlog of priority 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.

**Risks:**

- 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.

- Additional emergency works could occur during the programme. These will be raised at project board and prioritised where necessary.
- Tender prices for works are at risk of coming in 20% above or below current estimated budget values and cost will be dependent on the market at that time.
- Current defects will worsen over time if not rectified and will likely lead to an increase in cost to address the remedial works further down the line.

## OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	<b>Economy and Environment</b>
<b>Scheme Name</b>	<b>Resurfacing Herefordshire Highways 3</b>
<b>Budget Holder</b>	<b>Ed Bradford, Major Contracts Programme Director</b>
<b>Council Plan Priority</b>	<b>Place</b>

The condition of the highway network is such that the available Local Transport Plan Annual Plan and Forward Plan budgets are prioritised to minimise the impact of the deteriorating condition of the carriageway asset and to manage the remainder of the asset groups following a Risk Based Approach.

The Local Transport Plan Annual Plan budget cannot support the level of resurfacing and reconstruction type works required across the county. Without further investment, the network is effectively in a state of managed decline and requires support to prevent assets deteriorating further.

This bid seeks to invest in resurfacing and reconstruction activity on the county's road network and builds on the success of the 2024/25 and 2025/26 Resurfacing Herefordshire Highways programme which has allowed schemes to be accelerated and brought forward for treatment now. This approach will have the dual benefit of reducing the need for reactive repairs in the interim period and will deliver better value schemes as the required intervention will be proportionally less than if carried out at a later date.

At this stage, it is proposed that this investment would be delivered through the Council's own in-house framework arrangement, which has been used to deliver the Resurfacing Herefordshire Highways Programme in 2024/25 and 2025/26.

The condition of road surfaces is a constant concern for residents, parishes and members alike. The investment will result in an improvement in public and member satisfaction and will help to ensure a positive start to the new Public Realm Contract.

The Council has a statutory duty under Section 41 of the Highways Act 1980 to ensure that roads are maintained, this funding will contribute to any defence where lack of investment is identified as a potential factor.

Links to County Plan priorities:

County Priority – please select from	Delivery Plan Reference(s)
Community	C04, C00
Economy	EC2, EC5
Environment	EN3

**Community:** The project ensures localities remain connected; there is a risk of severance where road condition contributes to resident's decisions not to use that part of the network.  
A better-quality network will remove some of the blockers associated with decisions to not adopt sustainable modes of transport for short journeys.

**Economy:** The condition of the road network has a direct effect on businesses choosing to invest in Herefordshire. A better-connected business community will thrive.

Environment: Reactive maintenance is wasteful, especially in terms of travel impact and waste material generated as a consequence. Large surfacing schemes, using state of the art machinery will reduce the impact of completing the work.

At the same time the materials traditionally seen as waste can be stored for reuse as a part of a wider recycling programme for surfacing/ treating our low use unclassified network.

Minimising the risk of failure and closures will reduce the diversions needed for transport.

### Project aims and objectives:

### Estimated costs and funding sources:

	2026/27	2027/28	2028/29	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>					
Resurfacing Schemes	4,750				4,750
Internal Staff, PM and Sundry cost	250				250
<b>TOTAL</b>	<b>5,000</b>				<b>5,000</b>
<b>Funding sources</b>					
Corporate Funded Borrowing	5,000				5,000
<b>TOTAL</b>	<b>5,000</b>				<b>5,000</b>
<b>Revenue budget implications</b>					
<b>TOTAL</b>					

### Benefits and risks:

- Builds on the success of the existing Resurfacing Herefordshire Highways investment in 2024/25 and 2025/26.
- By investing capital in this way, the county's most valuable asset will be improved and associated revenue costs will be mitigated.
- Will help to ensure a positive start to the new Public Realm Contract.
- Customer satisfaction will be improved when a programme of improvements in condition is announced.
- The other asset groups can be better maintained using the limited LTP funding provided to the council.
- Reduction in claims and other correspondence relating to condition.
- There are no dis-benefits associated with investing in the carriageway asset.

Risks

- Deliverability during the optimal period for surfacing works. A detailed programme will be developed to ensure that the programme is delivered before the onset of winter.

## OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	<b>Economy and Environment</b>
<b>Scheme Name</b>	<b>Ash Dieback removal programme</b>
<b>Budget Holder</b>	<b>Ed Bradford, Major Contracts Programme Director</b>
<b>Council Plan Priority</b>	<b>Place</b>

Ash dieback disease is caused by the fungus *Hymenoscyphus fraxineus*, formerly known as *Chalara fraxinea*. Ash is a prominent tree species in the Herefordshire landscape, and it is estimated that we are going to lose around 80% of ash trees in Herefordshire and the UK.

Ash Trees can decline rapidly once infected and become brittle and weak at the roots, especially if a secondary pathogen attacks the tree.

In 2024/2025 Herefordshire Council commenced an Ash Dieback inspection programme to include the inspection of 30,000+ Ash Trees on Herefordshire Council assets including Highway Verges/Public Open Space and Property assets and subsequent removal and replanting of alternative species as per the Ash Dieback Action Plan.

The Grounds Maintenance Annual Plan Budget cannot support that level of tree works required across the county. Without further investment, the tree stock will deteriorate as the disease effects the trees causing potential risks to the highway's network, Council assets and adjacent properties.

The funding is required to ensure the tree stock on the highway networks remain healthy. Enhancing public safety and mitigating risk where and when necessary, will ensure safety for all users of the road network. The loss will be alleviated by series of replanting of established trees in public open spaces and young whips when trees are removed to aid nature recovery.

Costs incurred to date from phases 1 and 2 or felling has demonstrated that insufficient budget exists for tree removal.

**Community:** The project ensures localities remain connected; there is a risk of severance where road safety contributes to resident's decisions not to use that part of the network.

A better quality, safer network will give homeowners and users confidence around tree safety issues.

**Economy:** The condition of the road network has a direct effect on businesses choosing to invest in Herefordshire. A better-connected business community will thrive.

**Environment:** Reactive maintenance is wasteful, a programmed approach to tree safety and removal will ensure correct numbers of trees will be replanted back within the network as per the Ash Dieback Plan.

Minimising the risk of failure and closures will reduce the diversions needed for transport.

### Project aims and objectives:

### Estimated costs and funding sources:

	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Future Years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>

<b>Capital cost of project</b>					
Ash Tree Removal Programme and Replanting	242				242
<b>TOTAL</b>	<b>242</b>				<b>242</b>
<b>Funding sources</b>					
Corporate Funded Borrowing	242				242
<b>TOTAL</b>	<b>242</b>				<b>242</b>
<b>Revenue budget implications</b>					
<b>TOTAL</b>					

**Benefits and risks:**

- Builds on the success of the existing Ash Dieback inspection and removal programme with over 1000 diseased trees removed and over 2500 trees replanted on the highway network.
- By investing capital reduces the risk of accidents on the highway network
- Will help to ensure a positive start to the new Public Realm Contract.
- Customer satisfaction will be improved when a programme of improvements in condition is announced.
- Reduction in claims and other correspondence relating to tree failure.
- There are no dis-benefits associated with investing in the carriageway asset.

**Risks**

- Deliverability during the optimal period. A detailed programme will be developed to ensure that the programme is delivered before bird nesting season each year.
- Not addressing the existing risk of failure to the Ash stock on the network.

## OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	<b>Economy &amp; Environment</b>
<b>Scheme Name</b>	<b>Estates Building Improvement Programme 2026-29</b>
<b>Budget Holder</b>	<b>John Hobbs – Corporate Director Economy &amp; Environment</b>
<b>Council Plan Priority</b>	

### Project aims and objectives:

*Scheme description and demonstration of links to corporate priorities and savings plans.*

A three year programme of building improvement works 2026/29 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.

Key objectives include:

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

Allowing investment and undertaking a programme of improvement works will mitigate and prevent risk of failure and ensure the buildings remain open and fit for current use, thereby avoiding disruption to the delivery of services.

### Estimated costs and funding sources:

	2026/27	2027/28	2028/29	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>					
<b>Estate Improvement Works</b>	<b>1,809</b>	<b>1,121</b>	<b>35</b>		<b>2,965</b>
<b>TOTAL</b>	<b>1,809</b>	<b>1,121</b>	<b>35</b>		<b>2,965</b>
<b>Funding sources</b>					
<b>Corporate Borrowing</b>	<b>809</b>	<b>1,121</b>	<b>35</b>		<b>1,965</b>
<b>Capital Receipts Reserve</b>	<b>1,000</b>				<b>1,000</b>

<b>TOTAL</b>	<b>1,809</b>	<b>1,121</b>	<b>35</b>		<b>2,965</b>
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**Benefits and risks:**

*The anticipated benefits and risks of the proposed project plus risks of not going ahead with the scheme.*

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

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

The key risks of not doing the project are:

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

The key project risks are:

- Statutory
- Financial
- Service
- Reputational

## OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	<b>Corporate Services</b>
<b>Scheme Name</b>	<b>Essential system updates and upgrades</b>
<b>Budget Holder</b>	
<b>Council Plan Priority</b>	<b>Transformation</b>

### Project aims and objectives:

Herefordshire Council relies on information systems to securely and efficiently provide services to residents, businesses and visitors. Core infrastructure elements need to be updated and upgraded during the 2026/27 financial year, and this requires capital funding (with associated revenue implications) as set out below.

The infrastructure elements being updated and upgraded includes **anti-virus for server infrastructure** and **data centre firewall hardware**. For these items we will procure hardware and a bundle of support and subscription costs together at the time of purchase. These have been listed separately as capital (hardware) and revenue (services) in the tables below. Should the council prefer to treat these as a single capital item the two sections can merely be combined.

The updates and upgrades also includes **telephony SIP gateways for council telephone systems**.

Due to high levels of fluctuation currently being experienced on IT hardware pricing, a 20% contingency has been included for the hardware items below. For service contingency 15% has been used.

### Estimated costs and funding sources:

	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Future Years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Capital cost of project</b>					
Anti-virus for server infrastructure	15.0				15.0
Telephony SIP gateways for council telephone systems	55.0				55.0
Data centre firewall hardware	75.0				75.0
Contingency (20%)	29.0				29.0
<b>TOTAL</b>	<b>174.0</b>				<b>174.0</b>
<b>Funding sources</b>					
Anti-virus for server infrastructure					
Telephony SIP gateways for council telephone systems					
Data centre firewall hardware					
Contingency (20%)					
<b>TOTAL</b>					
<b>Revenue budget implications</b>					
Anti-virus for server infrastructure	18.0	15.0	15.0	15.0	

Telephony SIP gateways for council telephone systems	2.5	7.0	7.0	7.0	
Data centre firewall hardware	14.0	14.0	14.0	14.0	
Contingency (15%)	5.2	5.4	5.4	5.4	
<b>TOTAL</b>	<b>39.7</b>	<b>41.4</b>	<b>41.4</b>	<b>41.4</b>	

### Benefits and risks:

The infrastructure elements being updated and upgraded include anti-virus software for server infrastructure and data centre firewall hardware. Failure to implement these updates and upgrades will put the **information and systems that we rely on at increased risk of cyber-attack**, reducing our organisational cyber posture and risking the availability of core services.

The updates and upgrades also include Session Initiation Protocol [SIP] gateways for telephony. Failure to implement this update and upgrade will mean that **telephony provided through Microsoft Teams would need to be reconfigured to another service** at cost, **and we would not be compliant with card payment industry standards** when taking credit card payments by telephone.

Funding and progressing with this work will maintain our systems availability, cyber posture and compliance with payment card industry standards.

## OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	Economy and Environment
<b>Scheme Name</b>	Public Rights of Way Bridges and Crossings
<b>Budget Holder</b>	Ed Bradford, Major Contracts Programme Director
<b>Council Plan Priority</b>	Place

Herefordshire Council's Public Rights of Way team has conducted a review of bridges and crossings along the 2,100 miles of Public Rights of Way network in the county. The Council is required to replace or repair defective bridges and crossings to ensure the network remains open and safe for members of the public to use.

There are 70 bridges requiring replacement county-wide, as detailed below:

- 31 under 6 metres
- 35 over 6 metres
- 4 Ditch Crossings

### **Connectivity and Accessibility**

Bridges allow uninterrupted passage across natural obstacles such as rivers, streams, and ditches. Without them, walkers, cyclists, and horse riders would face severance, making parts of the network inaccessible. This connectivity is essential for rural communities and tourism, ensuring people can safely and easily navigate the countryside.

### **Safety**

Crossing watercourses or steep banks without a bridge can be hazardous, especially during bad weather or flooding. Bridges provide a safe, stable route, reducing the risk of accidents and injuries.

### **Legal Obligation**

Herefordshire Council has a statutory duty to maintain its' Public Rights of Way network, so they remain open and usable. If bridges fail or are missing, the route becomes impassable, which can lead to legal challenges and reputational damage for the council.

### **Economic and Social Benefits**

A well-maintained Public Rights of Way network supports local businesses, tourism, and recreation. People are more likely to visit and spend in areas with safe, accessible routes. This also encourages healthier lifestyles and community engagement.

### **Environmental Considerations**

Bridges help protect sensitive habitats by directing foot traffic away from riverbanks and wetlands, reducing erosion and ecological damage.

Maintaining these assets ensures the network remains connected and supports economic growth and environmental sustainability.

The Public Rights of Way Budget cannot support this level of bridge related works required across the county. Without further investment, bridges and crossings will deteriorate causing potential risks to the network and the safety of its users.

The funding is required to ensure bridges and crossings are safe and the network open. Enhancing public safety and mitigating risk where and when necessary, will ensure safety for all users of the Public Rights of Way network.

#### Estimated costs and funding sources:

	2026/27	2027/28	2028/29	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>					
Public Rights of Way Bridges and crossings replacement and repairs.	950	0	0	0	950
Project management support.	50	0	0	0	50
<b>TOTAL</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000</b>
<b>Funding sources</b>					
Corporate Funded Borrowing	618.8	0			618.8
Capital Receipts Reserve	381.2				381.2
<b>TOTAL</b>	<b>1,000.0</b>	<b>0</b>			<b>1,000.0</b>
<b>Revenue budget implications</b>					
<b>TOTAL</b>					

#### Benefits and risks:

##### Benefits:

- By investing capital reduces the risk of accidents on the Public Rights of Way network.
- Customer satisfaction will be improved when a programme of improvements in condition is announced.
- Reduction in claims and other correspondence relating to bridge and crossing failure.
- There are no dis-benefits associated with investing in Public Rights of Way assets.

##### Risks:

- Deliverability during the optimal period. A detailed programme will be developed to ensure that the programme is delivered during the financial year 2026/27.
- Contractor availability and capability for more complex works.

## OUTLINE STRATEGIC BUSINESS CASE

<b>Directorate</b>	<b>Economy &amp; Environment</b>
<b>Scheme Name</b>	<b>Historic Building Fund</b>
<b>Budget Holder</b>	<b>Roger Allonby</b>

### Project aims and objectives:

*Scheme description and demonstration of links to corporate priorities and savings plans.*

*Aim: To create a £5m historic building fund required to enable works to significant historic buildings in Hereford (Shirehall, Town Hall and Herefordshire Museum and Art Gallery), supporting their transformation.*

Three of the council's key historic buildings - Town Hall, Shirehall and Hereford Museum and Art Gallery (HMAG) - all require significant capital works to ensure they can remain operational, and/ or to support their transformation .

Shirehall and HMAG are both are subject to transformational projects to enable their redevelopment and to play a critical role in the regeneration and redevelopment of Hereford City Centre. Both of these projects have secured significant third party grant funds. Additional funds will be required to enable completion of these priority projects. Funds are also required in the short term to support the repair of Town Hall, to provide a basis for future development.

To address this need a £5m capital fund is requested for the 2027/28 financial year to enable the critical programme of repairs and to complete the proposed transformational project works.

The £5m is based on borrowing, to be repaid through additional income generated through wider council property asset income.

The Herefordshire Council Plan 2024 to 2028 Place Objectives state we will;

- Develop Herefordshire as a place for growth, prosperity and communities to thrive
- Support our local culture and heritage and make Herefordshire a thriving, safe and attractive place to live and visit.

It also states that '*Herefordshire has a remarkable and rich range of cultural, arts and heritage activities, buildings, organisations, and natural assets. Our plans for an innovative museum, art gallery and library will put learning and culture at the heart of the county*'.

The Herefordshire Council Delivery Plan 2025/26 includes the following actions;

- Continue the redevelopment of the Hereford Museum and Art Gallery
- Finalise the design proposals and start construction of the Shirehall Library and Learning Centre

A full business case will be developed as the plans and costs for each building are finalised for each building, and the level of support from the Historic Building Fund is identified. The full business case will further define the income to repay the loan via increased revenue generated through the council's property assets.

The Director for Finance (Section 151 officer) will take all related decisions in terms of the allocation of the loan funds to the historic building projects, including assurance as to the viability of income to repay any borrowing.

**Estimated costs and funding sources:**

	2026/27	2027/28	2028/29	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital cost of project</b>					
Historic Building Fund		5,000			5,000
<b>TOTAL</b>					
<b>Funding sources</b>					
PWLB Borrowing (40 years) to be repaid through income from property assets		5,000			5,000
<b>TOTAL</b>					
<b>Revenue budget implications</b>					
Loan repayment through property asset income			238	9,296	9,535
<b>TOTAL</b>			238	9,296	9,535

**Benefits and risks:**

*The anticipated benefits and risks of the proposed project plus risks of not going ahead with the scheme.*

**Benefits**

- Transformation of historic buildings, supporting the regeneration of Hereford enabling growth.
- Addressing the long term decline of these local heritage assets and related liabilities.
- Establishing a long term civic use of the county's heritage assets.
- Increasing visitors to the county, through significantly enhancing the county's tourism assets.
- Leveraging multi-million pound grant investment into the county (currently totalling £15m for the HMAG and Shirehall projects).

**Risks**

- The £5m Historic Building Fund will not provide enough funding to address the required level of investment.
  - This is one part of a heritage building funding strategy, the council will also continue to seek additional grant funding.
- Public Works Loan Board interest rates increase during the loan repayment period

- Interest rates are set at the point of borrowing.
- The wider property estate cannot generate the income required to repay the borrowing
  - An Estate Strategy will be developed in support of the Full Business Case identifying the long term (40 years) source of income to repay the loan.