

Large Local Major Transport Schemes

Application for Scheme Development Costs

Scheme Name	Hereford Transport Package.
Lead LEP	Marches
Other supporting LEPs	GFIRST LEP Worcestershire LEP
Promoting Authority	Herefordshire Council

1. Introduction

The scheme comprises a package containing the Hereford Bypass and active travel measures (ATMs). This is a key priority project to drive forward the economic growth of Hereford and the region, as acknowledged in the emerging Herefordshire Economic Master Plan and Marches Strategic Economic Plan. The recently adopted Herefordshire Local Plan Core Strategy (LPCS) describes a future for Herefordshire that encourages more young people to stay in the county and also encourage more working age inward migration to support an increasingly aging population. A Bypass for Hereford is identified in the LPCS and the recently adopted Local Transport Plan (LTP) which sets out a transport strategy for Hereford in which the Hereford Transport Package (HTP) plays a fundamental role. The level of growth and spatial distribution of development proposed by the LPCS was tested at a recent Examination in Public and was found to be a soundly based target to meet objectively assessed needs. The significant focus of new development at Hereford reflects its role as the most sustainable settlement within the County.

The forecast growth in the LPCS requires additional transport capacity in Hereford including that provided by the Bypass. In addition to addressing existing and historically high levels of delay, journey time unreliability, poor connectivity and poor economic performance, the Bypass will also provide an alternative route for the A49 trunk road around Hereford and reinforce its importance as a strategic route – via the A465 - between South Wales and the Midlands. It will support the delivery of 6500 houses and 6059 jobs, a new University and expansion of the Hereford Enterprise Zone. Work in partnership with Highways England has established that only some 3250 houses and 2000 jobs can be delivered without the Bypass. There is also an increasing risk that existing jobs will be lost due to increasing traffic demand and delay and its impact on business profitability.

The Bypass will be complemented by and enable a range of public realm improvement schemes – ATMs - which will increase levels of walking, cycling and bus use in the city, particularly for short distance 'intra-city' journeys. These schemes are likely to include Toucan and Pelican crossings of the existing A49 route as well as enhanced public realm schemes such as on-road cycle schemes, shared space schemes and better bus stops and information on the other main radial routes. This change in travel behaviour, encouraged by intensifying our existing behavioural change campaigns, will help deliver the objectives of our Health and Wellbeing strategy and LTP as well as the objectives of the LPCS. These objectives include an improvement in air quality and safety for active mode users as well as wider health benefits such as reduced obesity levels. Collectively the ATMs will establish a transport environment where active mode travel becomes the default mode for short distance intra-city journeys toward the end of the LPCS period. This aim is fully compatible with that of the Cycling and Walking Strategy published recently by central Government.

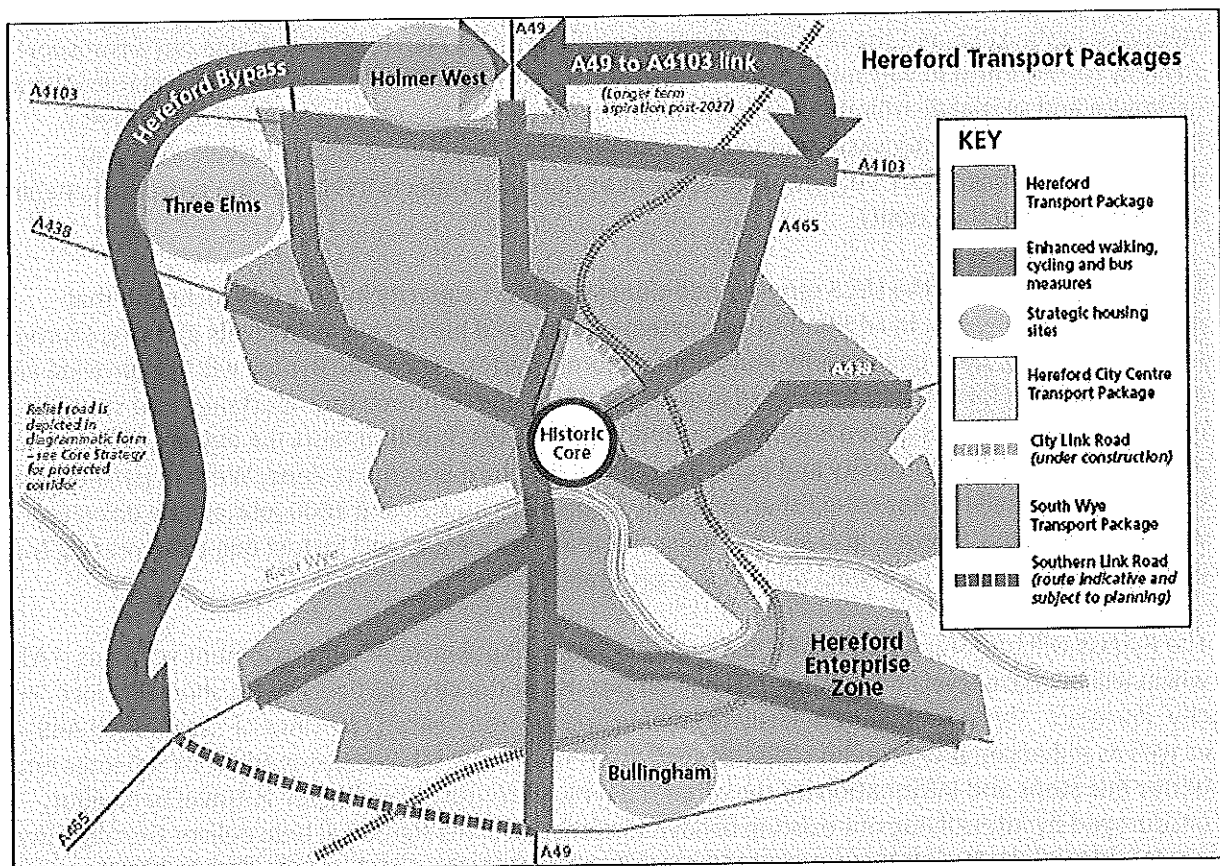
In conjunction with the southern link road – a component of the conditionally funded South Wye Transport Package - the Bypass will provide additional network traffic capacity and so enable delivery of the ATMs. Without the Bypass many of the ATMs would be undeliverable given their impact on traffic capacity.

The HTP is one of three transport packages contained in the LTP. The Hereford Transport Package, South Wye Transport Package and City Centre Transport Package are components of a Hereford transport strategy which is designed to deliver our Economic Masterplan, LPCS, LTP and Health and Wellbeing strategy objectives – delivering economic growth, improving health and protecting the environment.

Critical next steps for the HTP comprise:

- Identifying a preferred route for the bypass from within the current corridor defined in the LPCS through technical analyses and public consultation
- Establish the process to obtain planning consent
- Establish an outline business case
- Develop the transport strategy for the Hereford urban area - the public realm schemes, ATMs and behaviour change programme - in more detail.

Figure 1 – Hereford Transport Packages.



2. Strategic Case

2.1 Problem Identification

The problems which will be addressed by the HTP include the following:

Significant journey time delay, journey time unreliability and poor network resilience:

- Extended and unreliable journey times on the A49 trunk road lead to heavy congestion and low network speeds which are a significant cost to existing businesses such as Heineken and Cargill, as well as being a constraint on further development. Recent analyses show average northbound am peak hour speeds on A49 Ross Road of only 7 mph which are forecast to fall further to 5 mph over the next five years with delivery of our LPCS housing and employment allocations. Without the Bypass, combined direction journey times on the A49 between the northern and southern limits of Hereford are forecast to increase from 28 to 39 minutes in the AM and from 36 to 51 minutes in the PM peak by 2031. With the Bypass journey times around Hereford on the Bypass in 2031 would be 20 and 22 minutes in the AM and PM peaks respectively (Transport Strategy Report JMP 2014)
- One main river crossing carrying 45,000 vehicles per day leading to low network resilience results in extensive queues following an incident anywhere on the local highway network.
- High volumes of short distance intra city car journeys which contribute to journey time delay and journey time unreliability – 50% of peak hour car movements in Hereford are less than 5km long (Hereford 2014 traffic model). Our ability to provide effective traffic free cross-town active mode infrastructure to facilitate behaviour change is limited by the severance effect of the A49 trunk road and the need for that route to minimise delay to long distance strategic traffic. Delivery of the Bypass would enable the Council to deliver ATMs on the A49 which would reduce severance and facilitate more active mode use for short distance car journeys. Our LSTF funded behavioural change project – Destination Hereford - reduced car use in the city by 2.7%. (Destination Hereford evaluation report WSP/PB 2015). Through the recent Transition Fund award and through bids to the Access Fund, in combination with the HTP, we will build on that success.

Constraint to growth – delivery of houses, jobs, regeneration and retaining young people:

- Joint working with Highways England using the Hereford traffic model has established that full delivery of Herefordshire's Core Strategy housing (6500 in Hereford and 16500 county wide over the period 2011-31) and employment allocations (6059), including those at the Hereford Enterprise Zone and at a new employment site in the Three Elms area, can only be achieved with the HTP. Without the HTP only some 3250 and 2000 jobs can be delivered. Appendices 5 and 6 to the LPCS which set out the origins of these figures are included in our evidence base.
- The LPCS recognises the sustainability of Hereford by continuing to focus new housing, employment and retail development in the City to support its role as the main centre in the county and enable its regeneration. The focus of growth at Hereford will help to address issues related to an increasingly ageing population and potential decline in the working age population and help improve housing affordability. Improving the transport infrastructure in the city, such as the provision of ATMs, will be a key element to achieving the success of the growth led regeneration strategy, particularly the new NMITE university.

Poor local, regional and inter-regional connectivity:

- Transport connections between North and South Wales would be enhanced as would the role of the A49 trunk road as an alternative for some traffic on the parallel M5/M6 which is forecast to become increasingly congested.

- Provision of direct access to the Hereford Enterprise Zone (the only EZ in the Marches region) from strategic routes to the North West and the West Midlands and improved connectivity within the Marches contributing to the Midlands Engine and Midlands Connect projects.
- Wider economic benefits from:
 - Quickly and reliably connecting employers with markets;
 - Enabling businesses to collaborate and develop supply chain and customer relationships;
 - Enabling people to access a wide selection of job / training opportunities; and
 - Being resilient to disruption by providing a genuine choice of routes and modes

Poor health and environment:

- A reduction in increasing levels of obesity and other detrimental health conditions due to a lack of physical activity, particularly in school children and students through the provision of active travel schemes, particularly those crossing the existing route of the A49 trunk road. These schemes will be supported by intensifying our existing behavioural change campaign which has recently received additional funding (£420k) from the DfT Transition Fund
- Improve air quality in the Air Quality Management Area along A49. High levels of congestion and HGVs result in exceedances of the national threshold figure for an AQMA. The Bypass will reduce the numbers of HGVs and other long distance traffic travelling through the city whilst the ATMs will reduce car use for short distance intra-city journeys.
- Reduce emissions of CO2 by enabling a reduction in car use for short distance journeys through reducing the severance effect of the A49 and provision of ATMs and therefore increasing levels of active mode use.
- Encourage and facilitate more walking, cycling and bus use on other radial routes in addition to those affected by the Bypass and therefore reduce car use and improve health and environmental outcomes.

High maintenance, safety and operational costs to Highways England and freight operators from the existing A49:

- A reduction in the maintenance costs of the A49 and a reduction in the disruption caused by maintenance works
- Replacement of a section of the A49 which puts high operational costs on the freight industry as a result of 'stop/start' operation and low vehicle speeds with a route built to current design standards where HGVs and other vehicles can travel in higher ratio gears resulting in lower vehicle operating costs and emissions.
- Replacement of a section of the A49 with a poor safety record with a route built to current design standards
- Provision of additional active travel measure facilities on the existing route of the A49 to improve safety.

The **Local Transport Plan** sets out five objectives. The HTP would assist in the delivery of those objectives by:

- **Enabling economic growth** – removing the current Highways England constraint on development (due to increased traffic demand from strategic housing and employment sites)
- **providing a good quality transport network** – providing a Bypass built to the latest design standards

and providing high quality ATMs to enable more walking, cycling and bus use.

- **promoting healthy lifestyles** - by increasing the safety of the network, reducing the severance effect of the current A49 and enabling behaviour change and more active mode use.
- **making journeys easier and safer** - by providing high quality road and active travel schemes
- **ensuring access to services for those living in rural areas** - by improving access to, around and within Hereford for those travelling between the city and the extensive rural hinterland.

Priority 5 of the **Herefordshire Health and Wellbeing Board's** strategy is to address a number of long term lifestyle risks around smoking, diet, physical inactivity and excessive alcohol consumption. These behaviours greatly increase the risk of ill health. A number of activities and other interventions have been identified to address these lifestyle risks:

- A programme to support inactive people to become more active;
- Herefordshire residents looking after themselves and taking a lead role in keeping themselves well;
- a workplace based health improvement programme;
- implementation of the 20's Plenty programme;
- a joint approach between the healthy lifestyles team, the active travel team, road safety and the teams working in parks, leisure and green outdoor spaces
- workforces trained to support behaviour change based on motivation and self help identifying those people that are ready to and want to change;
- an integrated healthy lifestyle system that covers messaging, brief advice and intensive support;
- identification of and support for people who are inactive, to achieve 30 minutes of activity a week;

All these activities will be enabled and supported by the HTP public realm and ATM elements.

The Highways England Route Strategies document entitled - **Our high-level approach to informing future investment on roads** – published in 2016, sets out five strategic business plan key outcomes. They are set out below with a description of the contribution of the HTP to their delivery:

- **Supporting Economic Growth** *through a modernised and reliable network that reduces delays, creates jobs and helps business compete and opens up new areas for development* - by providing additional transport capacity, reducing congestion and delay and journey time unreliability and providing access to strategic housing and employment sites.
- **Safe and Serviceable Network** *where no one should be harmed when travelling or working on the network* – by providing a Hereford Bypass and ATMs built to the latest design standards
- **More Free Flowing Network** *where routine delays are more infrequent, and where journeys are safer and more reliable* – by providing a Bypass designed to the latest standards with a 60mph design speed and fewer junctions than the current arrangements.
- **More Accessible and Integrated Network** *that gives people the freedom to choose their mode of transport and enable safe movement across and alongside the network* – by removing long distance and heavy goods traffic from the urban area, reducing severance and the provision of an improved public realm including ATMs.
- **Improved Environment** *where the impact of our activities is further reduced ensuring a long term and sustainable benefit to the environment* – by removing long distance and through traffic from the city centre and so reducing emissions, traffic noise and the visual intrusion of traffic in the urban area.

The Herefordshire Council Corporate Plan contains the objectives below. The contribution of the HTP to their delivery is also set out.

- **Enable residents to live safe, healthy and independent lives** – by providing an improved public realm with more, and safer, opportunities to walk, cycle and use the bus. Improved conditions for those without access to a car.
- **Keep children and young people safe and give them a great start in life** – by reducing the numbers of HGVs within the city urban area and by delivering an improved public realm around schools and colleges to encourage and enable more walking and cycling to enable improved health outcomes
- **Support the growth of our economy** – by enabling delivery of the growth set out in the LPCS through provision of an alternative route for the A49 trunk road and by providing ATMs to encourage more active mode behaviour and therefore reduce growth in traffic and congestion.
- **Secure better services, quality of life and value for money** – through enabling additional income into the Council in an era of austerity to support the delivery of key council services. Through improvements to the public realm and by reducing transport costs to local businesses.

The strategic case for the Hereford Bypass is set out in the **Marches Strategic Transport Corridors** report (2016), where it is identified as a Category 1 project (projects for which there is a sound evidence base). The report is included in our evidence base:

<https://www.herefordshire.gov.uk/planning-and-building-control/planning-policy/local-majors-transport-fund>

2.2 Option development

An OAR was prepared in 2003 identifying the key problems and those options best placed to mitigate forecast problems as part of the Hereford Transport Review and Multi-Modal study. The 2003 study considered a wide range of potential interventions and undertook detailed technical analyses of different types of packages and schemes, including behaviour change, to reach a recommendation of a Bypass supported by ATMs. A number of subsequent reports have considered the merits of different routes – east or west of Hereford – for the Bypass. The 2010 Study of Options project recommended an inner western corridor for the Bypass based on a number of factors, not least that the eastern scheme is undeliverable given the existence of extremely sensitive protected habitats to the east of the city and its inability to provide connections to the strategic housing sites to the west of the city. This choice of route was confirmed by a number of subsequent reports as shown in the Table below which also sets out the more significant elements of option development to establish the HTP, including a western bypass and ATMS, as a key component of the Hereford transport strategy as described in the LTP.

A Strategic Outline Business Case and Appraisal Specification Report, based on a western alignment for the Bypass, were produced in 2014 and are also contained in our evidence base. The contents of the Appraisal Specification Report provided the basis for the Outline Business Case development tasks described later in this document.

The next step toward delivery of the Bypass element of the HTP is to undertake a preferred route study and consult on the outcomes before deciding which route in the corridor is taken forward for planning consent. An outline business case is also required which will set out designs for both the preferred route of the Bypass and the location and nature of the ATMs.

Date	Activity	Summary of Outcomes
2003	Hereford Transport Review	Option Appraisal Report. A review of the options through a Local Multi Modal Study. Identified western route as part of package as preferred option
2009	Hereford Multi Modal Model Forecasting Report	Confirmed that a Bypass either to the west or east of Hereford would be required to meet the additional traffic demands of housing proposals.
2010	DaSTS	Confirmed that Hereford Bypass part of preferred transport package with walking, cycling and PT complementary measures
2010	Study of Options	Confirmed that western Bypass part of package. Recommended inner western corridor.
2010	Stage 1 Assessment	Reviewed both west and east Bypass options and recommended western corridor be taken forward to Stage 2.
2010	Interim Forecasting Report	Confirmed that Bypass to be part of preferred option.
2012	Interim forecasting report – reduced development.	Confirmed that western Bypass part of preferred option.
2013	Local Plan Core Strategy Modelling – core strategy development.	Confirmed that western Bypass part of preferred option
2014	Hereford Transport Package Strategic Outline Business Case	One of four SOBCs submitted to the Marches LEP to enable inclusion of the Hereford Transport Package in the Strategic Economic Plan
2014	Hereford Transport Strategy Phasing Study – strategic prioritisation study	Established phasing of western Bypass and costs and risks of each section.
2014	Hereford Transport Strategy Phasing Study – transport strategy review.	Revised scope of preferred Hereford Transport Package.
2015	Statement of Common Ground – Highways Agency and Herefordshire Council	Sets out matters of agreement between Herefordshire Council and Highways Agency for submission to the Core Strategy Examination in Public.
2015	Core Strategy adopted containing corridor for western Bypass	Provided legal basis for delivery of Hereford Transport Package containing western route for Bypass
2016	LTP adopted containing Hereford Transport Package using western corridor	Provides further legal basis for delivery of Hereford Transport Package containing western route for Bypass.

Have any of the following documents been produced? (if Y please attach to this bid)

<i>Option Appraisal Report (OAR)</i>	Y
<i>Appraisal Specification Report (ASR)</i>	Y
<i>Strategic Outline Business Case (SOBC)</i>	Y

2.3 Alignment with LEP Strategic Economic Plan.

The strategic priorities of the Marches LEP and the role of the Bypass and ATMs in their delivery are set out below:

The Marches LEP Strategic Priorities, as set out in the Marches Strategic Economic Plan:

Supporting Business. *We will create an exceptional business support environment for aspiring growth businesses through access to finance and incentives to innovate. We will promote the Marches as a business investment location* – The HTP will enable businesses to grow in Hereford, particularly at the Hereford Enterprise Zone, by providing additional transport capacity, connectivity and resilience. A benefit of ATM delivery in the short term at the HEZ (e.g. as part of the South Wye Transport Package) is that they reduce traffic demand and so release additional traffic capacity for increased employment at the zone.

Physical Infrastructure. *We will provide a compelling business investment offer with a progressive planning framework and infrastructure fit for tomorrow's business needs.* - The infrastructure elements of the HTP will be constructed to the latest design standards.

Skills Investment. *We will support employers to develop themselves and their workforce and to provide employment opportunities for young people.* The HTP will enable employees to travel to employers' premises by a wider range of different modes, with less delay, reduced cost and with more reliability than is currently possible.

Low Carbon Economy. *We will drive the transition to a high value, low carbon economy, maximising the opportunity in new technologies, reducing environmental costs to business and recognising our environment as an economic asset.* The HTP, coupled with behavioural change campaigns, will assist in the delivery and operation of a low carbon transport system and will reduce the environmental impact of business activities by increasing walking, cycling and bus use as part of business and commuter travel activities.

Social Inclusion. *We will support socially excluded and marginalised groups by removing barriers to their participation in activities that will improve their economic well-being.* The provision of ATMs, including enhanced bus measures, will be particularly beneficial to groups who do not have access to a car. The Council has recently received funding from the DfT Transition Fund to work with those not in education, employment or training, particularly to assist in their active mode access to employment and training. The HTP project will build on this area of expertise.

The Bypass element of the HTP has been identified as one of the most critical pieces of new infrastructure required to deliver the growth set out in the Marches Strategic Economic Plan:

- SEP promotes accelerated growth but this requires supporting infrastructure such as the HTP.
- Bypass recognised in the SEP in the category of Strategic Transport Infrastructure – this comprises schemes which would be of a scale to require additional funding to that anticipated through the Local Growth Fund (LGF)
- HTP would enhance schemes including the Cite Centre Transport Package and South Wye Transport Package already in receipt of LGF (Priority One) Funding within the SEP
- Bypass would provide a significant journey time and journey time reliability improvement on the Marches LEP north-south spine corridor which links two non-core Trans European Network routes – the M50 in the south and the M54 in the north.
- Bypass would significantly improve the operation of the A49 which is an alternative route to the increasingly congested M5/M6 corridor.

The Marches Strategic Economic Plan particularly recognises the benefits of the HTP:

'A particular pinch point exists on the network in and around Hereford, the Herefordshire Local Plan - Core Strategy proposes a western alignment for a new Hereford Relief Road. This will provide the necessary traffic capacity to enable the development of both the strategic housing and employment sites in the city and the ongoing development of the Enterprise Zone, additionally it would provide the opportunity for Highways England to adopt that route as an alternative to the existing A49 trunk road'

The economic benefits of the Bypass were assessed in the report – The Hereford Relief Road – Economic and Business Impacts published in 2011 which is contained in our evidence base. A letter in support of the HTP from the Marches LEP is contained in our evidence base.

2.4 Cross LEP support

The HTP is supported by Gloucestershire (GFIRST) and Worcestershire LEPs and by Powys, Gloucestershire and Monmouthshire County Councils on the basis that the Bypass will deliver transport benefits in the form of time and cost savings to businesses in their areas whose goods, raw materials and/or personnel travel to, through or from Hereford.

Highways England supports the HTP for the reasons set out in section 6 of this document and have provided a letter to that effect which is included in our evidence base.

The HTP is supported by Herefordshire & Worcestershire Chamber of Commerce and by Skylon Park (HEZ Enterprise Board) on the basis that it will deliver a range of transport benefits including reduced and more reliable journey times and improved connectivity for their businesses and members.

Herefordshire Tertiary Education Trust supports HTP given its role in enabling delivery of the NMITE university for the city and long term employment growth.

Herefordshire Council's Director for Adults and Wellbeing and Herefordshire's Director of Public Health have recently written to the Hereford Times setting out the reasons for their support for the HTP:

'We are all aware that air pollution and obesity can contribute to poor health, but significant impacts can also be caused by a lack of housing and inadequate employment. The Hereford Bypass, once constructed will have a multi-faceted impact on the health and wellbeing of those not only living in the South Wye area of Hereford, but those living and working in the city. The Hereford Bypass, we know, will enable the construction of 6,500 homes and facilitate the creation of several thousand jobs. Alongside this the sustainable transport projects proposed will enable people to walk and cycle more safely in the city, reduce severance caused by large volumes of traffic on city roads, provide safer routes to school and reduce noise and air pollution'

3. Economic Case

3.1 Value for money

The Table below sets out the costs and Benefit Cost Ratio for the Bypass. The analysis from which this information is obtained is included in the Hereford Transport Strategy Strategic Prioritisation Report (JMP 2014) and a more detailed note on the cost benefit analysis contained in our evidence base. The analysis, which was agreed with Highways England, is based on the Hereford transport model which comprised a SATURN Highways assignment model, Cube Voyager public transport, walking and cycling assignment models and a variable demand model contained within Cube Voyager. A BCR was obtained from subsequent TUBA analysis. The analysis included the Hereford Southern Link (a component of the South Wye Transport Package for which conditional funding has been received) in the 'do-minimum' component. A wide range of other schemes were included in the 'do-minimum' including the Hereford City Centre transport package comprising a link road and numerous ATMs. A full list of these strategy elements is

contained in Appendix A to the Transport Strategy Prioritisation Report which is contained in our evidence base. The tasks included in this bid include updating our transport model to a Vissum platform comprising a highway assignment and public transport/walking and cycling assignment models. The public transport model will include both rail and bus modes. All models will be Webtag compliant.

Scheme	Cost (£k 2010 prices for all purpose dual carriageway)	Benefit Cost Ratio
Hereford Bypass	105,640	12.6

With a BCR of 12.6 the A49 Hereford Bypass demonstrates very high value for money. The costs and benefits of the ATM elements of the HTP will be included in the Outline Business Case. The majority of the benefits delivering this high value for money result are derived from journey time savings from the Bypass. Further work is required to establish the likely costs and benefits associated with the ATMs, such as accident benefits, which have not been included in the current BCR figure and on that basis the BCR quoted above is likely to be an underestimate. That work, which will enable completion of an Appraisal Summary Table containing both forecast quantified and monetised outcomes for the HTP, is contained in the task list set out later in this document.

In addition to direct transport economic benefits such as reductions in delay there will also be wider economic benefits. The summary below has been taken from a report entitled Hereford Relief Road – Economic and Business Impacts – A Final Report to Herefordshire Council (SQW) published in 2011 which is contained in our evidence base:

- Improving business growth prospects and access to existing and new markets
- Improving access to suppliers, expanding production and taking on more staff
- Enabling improvements to efficiency of local labour markets
- Improving access to high quality labour – by creating jobs and attracting inward investment, which attracts higher skilled workers, by making Hereford a more attractive place to live and reducing commuting times; by stemming out migration of young adults
- Improving the efficiency of business operations, costs and the productivity of existing jobs – with implications for business turnover and profitability
- Encouraging inward investment
- Increasing the scale and speed of development on existing allocated land and bringing other land to the market which will lead to job creation
- Creating temporary construction jobs

A western Bypass has the potential to generate £117.8m net additional GVA for Hereford and £131m for the county by 2031.

These wider economic impacts and other wider impacts such as social, health and environmental impacts will be the subject of further work as set out in the Outline Business Case task list later in this document. Analysing and quantifying those impacts will be undertaken through application of the Hereford transport model to establish the transport effects of the HTP.

4. Financial Case

4.1 Cost of producing OBC

Task	Costs (£)		
	2016/17	2017/18	Total
Option Appraisal Report review	70,000		70,000
Appraisal Specification Report	30,000		30,000
Package Development	500,000	250,000	750,000
Options Consultation (Stage 1 review)	30,000		30,000
Traffic data collection report and modelling	500,000		500,000
Environmental surveys	245,000	15,000	260,000
Operational assessment	40,000		40,000
Economic Assessment	15,000	35,000	50,000
Environmental Review and Assessment	300,000	100,000	400,000
Preferred Alignment Consultation (Stage 2)		50,000	50,000
Route Option Appraisal report (Stage 1 update review and appraisal and stage 2 review)	70,000	100,000	170,000
Appraisal Summary Table and OBC		100,000	100,000
Project Management, Legal & Property	450,000	350,000	800,000
Total OBC development costs	2,250,000	1,000,000	3,250,000

The tasks set out above will enable the Council to develop a webtag compliant Outline Business Case for the HTP. The costs set out above have been developed in partnership with the Council's service provider for the public realm and professional services. The public realm and professional services contract, on which the costs above are based, was tendered through OJEU in the last two years.

The Council has invested significantly over recent years to carry out the technical work necessary to develop the case for the Hereford Bypass. This has included several studies which have contributed to the evidence base for the now adopted development plan and the Herefordshire Core Strategy, which provides the planning policy to take the HTP forward to implementation.

4.2 Funding requirement

	2015/16 and before	2016/17	2017/18	TOTAL
Funding sought from DfT large local majors fund		1.950	0.700	2.650
Local funding		0.300	0.300	0.600
TOTAL		2.250	1.000	3.250

Please confirm whether or not the funding sought from DfT can be capitalised (you may provide additional comments or qualifications as necessary)?

Yes.

4.3 Capital cost of Hereford Bypass element of HTP.

Element	Preparation costs (£m) (between OBC and construction)	Supervision Costs (£m)	Construction and land costs (£m)	TOTAL FORECAST OUTTURN COST 2022 (£m)
Base cost	5.226	3.324	57.923	66.474
Risk	3.080	1.958	34.128	39.166
Inflation	2.083	1.324	23.081	26.488
TOTAL	10.389	6.606	115.132	132.128

Notes:

- 1) Inflation 2010-2022 =25.07%
- 2) Preparation base costs at 12% of construction costs minus OBC development costs
- 3) Preparation costs risk allowance percentage as for construction/land costs risk allowance percentage
- 4) Supervision costs at 5% of construction and land costs
- 5) Excludes ATMs costs of £24m resulting in a package cost of £156m as shown in the Strategic Outline Business Case.

4.4 Affordability

Is the likely total capital cost of the scheme (as detailed in 4.3 above) below the guideline threshold for your LEP at Annex A	N
Is the scheme in an area that has Devolution Deal/Gainshare funding?	N
Is the scheme on the strategic road or rail network?	N
Is the scheme composed of elements that could be delivered independently of each other over a longer timescale?	N

This funding bid relates to the section of Hereford Bypass which joins with the A49 to the north of the city and with the Southern Link Road to the south. By joining with the Southern Link Road the Bypass will provide a full north-south Bypass of Hereford for the existing A49 Trunk Road.

Developer contributions toward the HTP will be sought from all development including the three strategic housing sites at Lower Bullingham, Holmer West and Three Elms. A contribution will also be sought from the LEP drawing on business rate income from the Enterprise Zone. The Council is making good progress in the preparation of its Community Infrastructure Levy. Consultation on a Preliminary Draft Charging Schedule document was completed in March 2016, and the Draft Charging Schedule will have its public examination early in 2017 following consultation in autumn 2016. Adoption is anticipated to be in May 2017, thereafter all eligible developments will be required to pay CIL. Progress of CIL can be reviewed on the Council's website <https://www.herefordshire.gov.uk/planning-and-building-control/planning-policy/community-infrastructure-levy>

5. Management Case

5.1 Outline Business Case delivery

Please provide a timeline for the production of an OBC (a full GANNT chart is not necessary, just the basic milestones and dates).

The timelines for the task below have been developed and are compatible with the requirement to provide a webtag compliant outline business case.

Task	Start	Finish
Option Appraisal Report review	Jun-16	Aug-16
Appraisal Specification Report	Jun-16	Jul-16
Package development	Jul-16	Oct-17
Options consultation	Oct-16	Oct-16
Traffic data collection report and modelling	Jun-16	Jun-17
Environmental surveys	Jun-16	Jun-17
Operational assessment	Apr-17	July-17
Economic assessment	Jun-17	Aug-17
Environmental review and assessment	Mar-17	Aug-17
Preferred alignment consultation	Sep-17	Sep-17
Route Option Appraisal report	Jun-17	Dec-17
Appraisal Summary Table and supporting documentation	Jun-17	Feb-18
Project management	Jun-16	Apr-18
Outline Business Case	Apr-18	Apr-18

5.2 Outline Business Case Governance

Please set out the basic governance arrangements for production of the OBC, roles, responsibilities, resources etc.

The governance, project management and monitoring for the HTP is based on PRINCE2 principles, which also underpin Herefordshire Council's governance arrangements. Herefordshire Council's Cabinet has ultimate authority for the project.

A Strategic Partnership Board will provide strategic leadership for the project with membership including Council's Cabinet Member for Infrastructure, Director of Economy, Communities and Corporate, Highways England and a Board Level Independent Technical Adviser.

The delivery of the HTP will be overseen by the Herefordshire Council Major Infrastructure Delivery Board (MIDB) chaired by Richard Ball, the Senior Responsible Owner (SRO). The Project Manager (Mairead Lane) reports on a monthly basis. The MIDB is responsible for the development and delivery of major schemes across Herefordshire and has successfully overseen the delivery of a number of major road and infrastructure schemes within the County over recent years

The nominated Senior Responsible Officer (SRO) for the project is Richard Ball, Assistant Director Environment & Place, Herefordshire Council.

The Project Manager Mairead Lane is the Council's Head of Infrastructure Delivery. The project will be managed within set tolerances as agreed by the MIDB. The Project Manager is supported by delivery teams covering transport, planning, property, legal and financial matters. The team is drawn from Herefordshire Council and its Consultants and Contractors. The team will also include

representatives from Highways England.

5.4 Stakeholder support

The HTP has been developed and tested through extensive stakeholder engagement and public consultation as an integral element of the council's growth proposals which are now set out in the adopted Core Strategy.

Place shaping options consultation included a transport package for Hereford with and without a Bypass. Support for the package with Bypass was 79%. The Council went on to select a preferred corridor for the Bypass noting that prior to selection consultation indicated a balanced level of support for west or eastern Bypass options but with slightly more (52%) in support of a western Bypass. Having undertaken further assessment including environmental impacts the Council's preferred option was identified as a Bypass to the west of the city and this has now been confirmed following examination in public and adoption of the Core Strategy.

The Bypass has broad public support and the Council has received specific support from businesses and representative organisations. The county's largest employer (Cargill/Sun Valley) sees the Bypass as key to its future investment in Hereford noting that the scheme is long overdue. The Federation of Small Businesses has provided full support for the scheme on the basis of business need. In addition, the National Farmers Union supports the scheme and notes its benefits in providing better access to the cattle market as well as other services located north of Hereford.

The scheme is supported by the Hereford Enterprise Zone Board which acknowledges its vital role in helping unlock the full potential for growth at the Zone and Highways England has agreed the need for the scheme to support our growth proposals. Highways England, Powys, Gloucestershire and Monmouthshire County Councils have provided letters of support for the Bypass which are included in our evidence base.

The need for the scheme is also supported by the Hereford and Worcester Chamber of Commerce and by the Herefordshire Business Board and promoters of NMITE university. Letters to this effect are included also in our evidence base.

<https://www.herefordshire.gov.uk/planning-and-building-control/planning-policy/local-majors-transport-fund>

6. Optional

6.1 RIS2 funding

Would you like to flag this scheme for potential RIS2 funding if it is close to, and could possibly help the Strategic Road network? Y

In conjunction with the Southern Link Road, the Bypass element of the HTP will have a major beneficial impact on the Strategic Road Network. Specifically it will:

- **Enable economic growth in and around Hereford to be realised**
 - Deliver growth in Hereford which is currently constrained due to a lack of capacity on the A49 through the city. Full delivery of Herefordshire's Core Strategy housing (6500 in Hereford and 16500 county wide) and employment allocations (6059), including those at the Hereford Enterprise Zone and the Three Elms employment site, can only

be achieved with a Hereford Bypass and its complementary package.

- Provide direct access to the Herefordshire Enterprise Zone (the only EZ in the Marches region) from strategic routes to the North and North West, and the West Midlands.
- **Provide a more reliable and safer route for traffic currently using the A49 through Hereford and the wider region**
 - Enhance connectivity within the Marches contributing to the Midlands Engine and Midlands Connect projects. Transport connections between north and south Wales would be enhanced by the Bypass as would the role of the A49 trunk road as an alternative for some traffic to the M5/M6 which is forecast to become increasingly congested
 - The existing trunk road, which passes through Hereford city centre, is subject to significant congestion throughout extended periods of the working day. The consequent delay to long distance through traffic, particularly freight, has a significant adverse impact on the UK economy. Despite the A49 forming a key element of the most direct route linking North and South Wales many motorists choose to take the much longer route via the M5 and M6, generating unnecessary user costs and increasing demand on the critical Birmingham Box motorways.
 - Significantly improve currently extended and unreliable journey times for traffic on the A49 trunk road through Hereford. The A49 experiences heavy congestion and low network speeds on a daily basis, passing on significant cost to existing major businesses such as Heineken and Cargill, along with the large numbers of small businesses in and around the city.
 - Replace a section of the A49 which has a poor safety record with a route built to current design standards and so reduce accident costs to Highways England.
 - Address the problems highlighted in the National Policy Statement on Infrastructure which shows severe congestion on the A49 in Hereford now with the forecast for 2040 significantly worse.
 - Better deliver Highways England' Growth Targets set out in their Delivery Plan and achieve significant congestion relief savings given that the Benefit Cost Ratio for the Bypass in excess of 12.
 - Provide enhanced network resilience - one main river crossing carrying 45,000 vehicles per day currently leads to low network resilience with the result that extensive queues develop following an incident anywhere on the local network
- **Reduce the operational costs and environmental impacts of the strategic highway network in Hereford**
 - Reduce maintenance costs of the A49 and reduce the disruption of maintenance works.
 - Tackle the Air Quality Management Area along A49. High levels of congestion and heavy good vehicles result in exceedances of the national threshold figure for an AQMA.
 - Replace a section of the A49, which puts high operational costs on the freight industry as a result of HGV 'stop-start' operation and low vehicle speeds, with a route built to current design standards where HGVs can travel in higher ratio gears resulting in lower vehicle operational costs.
 - Reduce the severance effect of the strategic highway network on communities in Hereford.

7. Declarations

7.1 Lead LEP officer

MARCHES LEP

I confirm that this bid has the full support of [name of LEP] and hereby submit it to DfT on the LEPs behalf for consideration.

Name: GILL HAMER

Position: DIRECTOR

Phone: 07990 086392

Email: gill.hamer@marcheslep.org.uk

Signed:



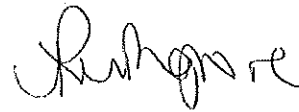
7.2 Section 151 Officer declaration

As Section 151 Officer for Herefordshire Council I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that Herefordshire Council:

- has allocated sufficient budget to produce the Outline Business Case on the basis of its proposed funding contribution
- accepts responsibility for meeting any costs of producing an Outline Business Case over and above the DfT contribution requested, including potential cost overruns
- accepts that no further increase in DfT funding will be considered beyond the maximum contribution requested

Name: Mrs J Rushgrove

Signed:



Please email this completed form to:

LT.plans@dft.gsi.gov.uk

by the following deadlines

by **31 May 2016** if bidding for funding to start in 2016/17

by **21 July 2016** if bidding for funding to start in 2017/18 or later

Please note that the size limit for attachments to a single incoming email to DfT is 20MB. If your bid is larger than this please submit separate emails, use a zip folder, or convert large files to alternative format.