

<b>MEETING:</b>	<b>COMMUNITY SERVICES SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>8<sup>TH</sup> OCTOBER 2010</b>
<b>TITLE OF REPORT:</b>	<b>SCRUTINY REVIEW OF THE STRATEGIC DIRECTION OF THE EDGAR STREET GRID PROJECT</b>
<b>Portfolio Area:</b>	<b>Economic Development and Community Services</b>

**CLASSIFICATION:** Open

### **Purpose**

To undertake a Spotlight Scrutiny Review of the Strategic Direction of the Edgar Street Grid Project.

### **Recommendation**

- THAT (a) the findings arising from the meeting be used to inform the Committee's report and recommendations to Cabinet; and**
- (b) a Chairman and Vice-Chairman be authorised to seek such clarification and further information as they consider necessary in order to progress the drafting of the final report.**

### **Key Points Summary**

- The national position regarding public sector funding is still an unknown, as is the detailed impact and implication for the Edgar Street Grid project.
- The detailed implications of any changes in structure of finance are not yet known.
- The Council has recently commissioned a survey of the Station Approach Trading Estate.
- A Compulsory Purchase Order (CPO) Inquiry has been held for the Flood Alleviation Scheme.
- A number of properties have been acquired using Advantage West Midlands funding, locations are attached.

### **Reasons for Recommendations**

1. On 8 October 2010, the Committee agreed to undertake a Review of the Strategic Direction of the Edgar Street Grid Project.

The terms of reference of the Review are:

- To review the future strategy of the Edgar Street Grid project as part of Hereford Futures Programme.
- To create an understanding of current and long term strategy for the ESG project.
- To identify how the future strategy will be resourced and implemented.
- To understand how the future plans contribute to the wider regeneration of Hereford City and the county.

- To reflect on priorities in relation to the current financial climate.

- 2 In view of the large amount of evidence likely to be presented to the Committee in the afternoon, the meeting will adjourn once all the invited witnesses have been interviewed. The meeting will then reconvene at 09.30 on Tuesday 16 November 2010 in the Council Chamber, Brockington where it will receive further witnesses.
- 3 Following this meeting a report will be drafted with recommendations to Cabinet. This will encompass issues discussed at the meeting and those on which sufficient information has already been received. That report will be submitted to the Committee for approval in February 2011

## **Introduction and Background**

- 4 The ESG area is a 100 acre redevelopment site to the North of the existing Hereford City Centre. Bounded by Edgar Street to the West, the Cardiff to Shrewsbury railway line to the North, Commercial road to the East and Newmarket and Blueschool Streets to the South.
- 5 The Scrutiny Committee Members received an update on ESG progress in April and June 2010, and all Members had further opportunity to be informed of the ESG proposals in May 2010.

## **Key Considerations**

- 6 The pressure on, and scrutiny of, Public Sector funding is still considerable and has yet to be exactly quantified, the Government Spending Review of the 22 October should give greater clarification of the national situation, if not the impact on local projects.
- 7 The ESG project has been identified by the Joint Strategy and Investment Board (a regional body bringing together local authority Leaders and senior officers from regional government bodies such as Advantage West Midlands (AWM), Government Office of the West Midlands (GOWM), and the Homes and Communities Agency) as an Impact Investment Location (IIL), and as such is considered to be one of the West Midlands region's twenty most important regeneration projects.

## **Business Relocations**

- 8 Given that progress is being made on advancing the Retail Quarter development the businesses located within the current Livestock Market have been contacted in early October in order to inform them of the need to make contact with the Council, as their landlord, to discuss their tenancy. Potential relocation sites will be included with any communication.
- 9 The Committee was informed in June that due to the uncertainty over funding, the Hereford Futures Board had decided to pause the negotiations with businesses in the second and third phases of the Link Road project. The funding situation is still not clarified and it is unlikely that more information will be obtained until the final outcome of the AWM project review is known, consequently the pause in negotiations is still in effect.
- 10 Property Services have recently commissioned, and are in the process of undertaking, a condition survey of the units at Station Approach, this will help inform the future management of the estate. In order to give a degree of certainty to Council tenants on Station Approach whose leases have expired they have been offered an extension of three years minus one day.

## **Flood Alleviation Scheme**

- 11 Planning permission and funding for the Flood Alleviation Scheme (FAS) was gained in autumn last year. In order to acquire the necessary land and access ownerships a Compulsory Purchase Order (CPO) process was initiated in early 2010. The majority of the CPO Inquiry associated with this process was held between the 4<sup>th</sup> and 6<sup>th</sup> August this year,

with additional days for the hearing and site visits held on 13<sup>th</sup> and 25<sup>th</sup> August. A decision from the Planning Inspectorate is anticipated to be published shortly.

## **Property Acquisitions**

12 Advantage West Midlands (AWM) has made considerable investment into the ESG project since its inception, including the release of funds to the Council for the acquisition of numerous property holdings across the ESG site. Below is a listing of the properties acquired by the Council utilising AWM finance:

- Station Approach Trading Estate.
- Franklin House, Blueschool Street.
- Blueschool House, Blueschool Street.
- No. 3 Blackfriars Street.
- No. 5 Blackfriars Street.
- No. 32 Coningsby Street.

Appendix 1 shows these properties on a map of the ESG area.

## **Community Impact**

13 Not Applicable.

## **Financial Implications**

14 Officers of the Council and Hereford Futures are considering the detailed financial implications a reduction in Public Sector funding would cause. Once it is apparent that there is more certainty over the future remit and budget of organisations such as AWM and HCA, further updates will be given to Members and other interested parties.

## **Legal Implications**

15 None Identified.

## **Risk Management**

16 As mentioned above Officers of the Council and Hereford Futures are considering the detailed financial implications a reduction in Public Sector funding would cause. This will include a review of the current development programme and what timescale issues may arise should funding not come forward as predicted.

## **Consultees**

17 None Identified.

## **Appendices**

18 Appendix 1 – Properties.

## **Background Papers**

19 None identified.