

**ROTHERWAS FUTURES PROJECT****Report By: HEAD OF ECONOMIC AND COMMUNITY SERVICES****Wards Affected**

Hollington Ward specifically but benefits countywide.

**Purpose**

1. To update the Committee on the Rotherwas Futures Project.

**Financial Implications**

2. The Rotherwas Futures project is budgeted to cost £18.7M in total, of which over £6M has already been spent. Advantage West Midlands are contributing a £6.5M grant towards the project and investing £3M in the infrastructure that is required to make new employment land plots available. The investment can be called in by AWM when sufficient plots have been disposed of to repay it, or they can choose to invest it in further development of the Northern Magazine area. The balance of costs for the project are being met by contributions from the Local Transport Plan, plot disposal and rental income on Rotherwas, and prudential borrowings.

**Background**

3. Development of Council owned land at Rotherwas has been increasingly constrained over recent years due to flooding and highways capacity issues. In addition the low railway bridge was a constraint on the work that could be undertaken by some of the manufacturing companies on the estate.
4. Rotherwas is the prime employment site for Hereford, with over 125 companies and 2500 employees. It is also the only brownfield site with capacity for expansion once the constraints are overcome. To consider the issues AWM and Herefordshire Council commissioned a feasibility study into ways of maximising the development potential of Rotherwas. The report identified several options for moving forward, ranging, broadly, from doing nothing to developing all available land on the site. The most cost effective, and selected, option included:
  - Development of a new access road from the A49;
  - Providing a flood relief scheme to make available plots off the Straight Mile Road (Phase 1);
  - Developing the Southern Magazine with infrastructure to provide new plots (Phase 2);
  - Refurbishing unused industrial buildings to bring them back into use;
  - Initiating a programme of refurbishment for all Council owned buildings;
  - Pro-actively managing the estate and making the changes necessary to attract the types of higher paying businesses identified in the economic strategy.

5. As a result of the Feasibility Study, which reported in April 2006, an application for funding was made to AWM in September 2006, and a joint venture agreement with AWM was signed in March 2007, to take forward the development of the estate. The Rotherwas Access Road is the first major element of the project to progress. The contractors, McAlpines, started work on the road in March 2007, following completion of the necessary land purchase, and the road is scheduled to open in spring 2008.
6. The main estate work has focused on finding a solution to the flooding issues and the preparation work associated with Phase 2. A consultant is currently working with flood models supplied by the Environment Agency, to establish possible flood relief schemes. Owen Williams, the Council's engineering consultants, have undertaken the initial topographic surveys and the necessary ground state, archaeological, environmental and ecological studies are being arranged. The aim is to have some plots of land on the market as soon as possible after the road opens.
7. Since the project started it has been possible to dispose of the two buildings that it had been planned to refurbish, on long lets, so this element of work is not needed. Refurbishment of other buildings has started and will progress as existing leases allow.

## **RECOMMENDATION**

**THAT the report be noted**

## **BACKGROUND PAPERS**

- Rotherwas Futures Study – Final Report – April 2006
- Cabinet Paper – Rotherwas Futures – 28 September 2006