

Scrutiny Review of the Edgar Street Grid Scheme on 30 September 2008
at the Courtyard, Hereford

1 Introduction

- 1.1 The Edgar Street Grid (ESG) scheme is the major development project for the County and is at an important stage in its implementation. Therefore, the Scrutiny Review took place to do three things:
- To make recommendations to maximise the value and impact of the ESG scheme for the benefit of Hereford City and the wider County;
 - To understand the views, aspirations and concerns of partners and stakeholders;
 - To recommend key considerations in the implementation of the ESG scheme, especially in relation to creating a whole city approach.

2 Methodology

- 2.1 A Scrutiny Review took place on 30th September 2008. The day, open to the public, included a presentation by and an interview of, the ESG chief executive. This was followed by interviews of interested and related parties (Appendix 1), which enabled an exploration of the key issues concerning the scheme, as outlined in the Terms of Reference (Appendix 2). A subsequent meeting was held on 2nd October for all Members of the Scrutiny Committee to formalise recommendations.

3 Background

- 3.1 ESG Herefordshire Ltd was established by Herefordshire Council and Advantage West Midlands to lead the regeneration of a 100-acre site within central Hereford. The mixed use development of the site involves the creation of new retail and leisure provision, over 1,000 new homes and a mix of public and private sector developments. This will be supported by new infrastructure such as flood alleviation, new road infrastructure, car parking and a transport hub.
- 3.2 The project was included in the Unitary Development Plan published by Herefordshire Council in 2003. Since then a revised master plan has been consulted on and produced. Stanhope has been selected as the partner to develop the retail element of the scheme and Sanctuary Housing as the partner to implement the housing element. Final agreements to proceed are to be signed by the end of 2008.
- 3.3 As heard at the review day, this is the 34th largest regeneration scheme in the UK. Much of the costs are coming from the private sector with £20m earmarked by AWM as a contribution towards the project, and Herefordshire Council contributes the value of its property holdings and revenue funding of £352,950 per year as well as officer time to support the scheme.
- 3.4 Emerging detailed analysis shows that the new development is expected to attract an extra £65million to £70million of annual spend from the wider Hereford catchment. Also extra employment opportunities (1,500 new jobs as well as 600 on construction work - information taken from ESG website).

4 Considerations

- 4.1 It was clear from the review day there are a number of considerations linked to the regeneration scheme.
- 4.2 **The down turn in the economy** – concerns were raised as to the progress of the scheme considering the current downward spend resulting from the credit crunch. It was expressed that the current climate could have an impact on the timing and scheduling of the scheme, however it had already been agreed to start with the necessary infrastructure work before the retail element is progressed.
- 4.3 **Retail Linkage** – part of the scheme is based on evidence that Hereford is disadvantaged by people who could potentially shop in the city who are choosing to travel elsewhere. This equates to 55% of potential spend of the county going elsewhere. The city centre currently has 44 empty shops and at least 15 charity shops and it was expressed that this trend is likely to continue without significant intervention – especially considering current competition and new development which will add to consumer choice. The point was made that without attracting shoppers from the surrounding wards (mainly rural wards which are wealthier) the city centre will depend on the closer, primary wards, which in general do not have the larger disposable incomes. Spending power will then affect the shop offer and range.
- 4.4 **Population change** – As a Growth Point Area Herefordshire will have 16,600 new houses (approximately 20,000 additional residents) with 50% being built in and around Hereford City. This will change the nature and culture of the city, but also increase the need for services, infrastructure and retail.
- 4.5 **Thriving Community** – related to the above two points is the shared intention of ensuring Hereford City Centre is a vibrant place to live, work and visit. The newly produced Hereford City Centre Regeneration Strategy (to be published at the end of October) reflects this ambition and includes aims, objectives and projects to meet that ambition. Any plans for the City Centre need to include projects such as “live above the shop”, incentives such as free parking and a block on out of town retail developments.
- 4.6 **A county scheme** – though geographically based in Hereford, it was clear from the evidence given at the review day that the scheme will have a wider county benefit.
- 4.7 **More than a retail development** – a great deal of focus was placed on the retail element of the regeneration scheme. However, as made clear retail is only one part of the project, and a mixed use scheme should be seen as an integrated programme with zones, areas or quarters that inter-relate.

5 Key Themes

- 5.1 This section explores the key themes emerging from the review process that have influenced the recommendations.
- 5.2 **The Expanded City Centre**
There was concern expressed on the review day that the ESG scheme could create a city consisting of two halves – either side of Blueschool Street. It was recommended that a “whole” city solution needs to address access to the city, parking and transportation and a shared identity for the retail offer. Specific consideration needs to be given to the linkages between the new retail area and the historic centre to make movement of pedestrians seamless. This should include the significant downgrading of Blueschool

Street and innovative solutions to creating links to the Maylord Orchards Shopping area. Once established, the new and historic elements of the city should be jointly marketed, offering increased and expanded shopping and leisure experience, creating a “whole day experience”. However, some members are yet to be convinced that there will be viable linkage between the new development and the historic core.

5.3 **Consultation**

There has been a great deal of opportunity to participate in the consultation surrounding the ESG development – either through the forward planning process or via events organised by ESG (Appendix 3). However, criticism was made at the review day that the Supplementary Planning Document, which influenced the development of the ESG scheme received a poor response (38). This was compounded by a perceived lack of involvement in the decision-making by “hard to reach” groups, and possibly more innovative methods of engaging people should be explored. However, the point was made that consultation on the SPD was only one method of involvement, and that the Council members and local societies/lobby groups have a role to play in ensuring engagement of the people they represent.

As the scheme progresses ESG will need to continue with consultation, engagement and information sharing. This will be particularly relevant as tangible elements of the scheme progress and important via the planning process. There could also be opportunity to use space in the Butter Market to permanently display the intentions of the scheme.

5.4 **Town Centre Impact Study**

As part of the planning process Stanhope will be required to produce a Town Centre Impact Study to assess the effect the development will have on existing retail. Previously the Regional Spatial Strategy highlighted retail linkage in the shire county towns/cities like Hereford, and Unitary Development Plan (which was subject to public enquiry) demonstrated an unmet need for retail floor space. However two considerations arose during the course of the review – 1. that the Town Centre Impact Study would not be impartial if conducted by Stanhope as having a vested interest in its success; 2. that information prepared for the UDP was out of date. (UDP produced in 2004 and Inspector’s Report in March 2006)

5.5 **Business as Usual**

Concern was expressed during the review process, that construction work would adversely affect use of the city centre by residents, visitors and businesses. That consideration needs to be given to access into the city centre, including parking and signage. How the city is presented and marketed is key, retaining the ambience and understanding that businesses are open as usual. The partners Stanhope, Hereford City Council, Herefordshire Council and Visit Herefordshire will need to work together to promote the City.

5.6 **Linkage to the Courtyard**

With reference to previous comments to create a “one city” experience, concern was expressed during the interview process as to the connectivity with The Courtyard Centre for the Arts. The arts centre is the county’s main cultural venue which contributes to the appeal of visiting Hereford and adds diversity to the night-time economy offer. However, the A49 divides the proposed new development from the Courtyard and current arrangements to introduce a new crossing does not go far enough to address this. As a wider point the A49 does present barriers within Hereford and changes the dynamics of areas surrounding the City Centre.

5.7 **Hereford City Centre Regeneration Strategy**

The Hereford City Centre Regeneration Strategy was referred to on a number of occasions during the course of the review day. This is a ten-year plan to revitalise the city centre and encompasses the “expanded” area. The key intent made in the strategy is that “Hereford will have a thriving City Centre that residents are proud of, people choose to visit and where private enterprise prospers. A City Centre where rich heritage is evident in a well designed environment that marries well with contemporary lifestyles”.

This document has been put together primarily by Hereford City Partnership and Herefordshire Council, but with involvement from key organisations such as the Civic Society, Hereford City Council, the Chamber of Commerce and Visit Herefordshire. Key to its delivery is the coming together of organisations to ensure the ambitions are progressed.

5.8 **Support for Businesses**

There are currently 190 businesses based on the grid area, employing in the region of 3,000 people. Considering these points the scheme is not operating on a “blank canvas” and support needs to be given to businesses to move otherwise there is a risk of employment loss. The needs of different businesses will be distinct, and communication is crucial. It was stated during the interview day that 80-90% of the businesses would look favourably on moving to the Faraday Road site. Businesses are not opposed to the ESG development and can see opportunity for extra business, as well as the appeal to young people as an incentive to stay and work in the county.

5.9 **Inclusion of the Football Ground**

The Football Ground is within the ESG development area and presents an opportunity for upgrading. Though efforts seem to have been made to engage with the Football Ground management, the current process is unclear. To fully understand the implications Members require a written report on the current position and the options available to enable the potential enhancement and improvement of the ground.

6. **Summary**

6.1 As expressed by the people interviewed as part of the review process the expanded city project creates a major opportunity for Hereford and the wider County and can act as a catalyst for change. The scheme can be something residents of the county can be proud of and has the potential to be a beacon of good planning, development and regeneration. However, during the development process current assets should not be disadvantaged – therefore there needs to be some protection of businesses and current retail / leisure in the historic part of the city centre. Also, the scheme needs to “carry with it” local people and therefore engagement and involvement of all sectors of the community is important to create a sense of ownership and pride.

6.2 The Committee wish to thank the ESG Ltd Board for the process it has made so far in the development of such as major project for the county and region. Thanks also to those people who gave up their time to contribute to the review process including members of the public who were in attendance.

7. Recommendations

That: a) Cabinet be requested to consider the following recommendations

- 7.1 The Expanded City Centre – That the scheme is referred to as the expanded City Centre to reflect the “one city” approach in creating benefit for and linkages between the whole of the city centre area.**
- 7.2 Consultation – The importance of full consultation is recognised both to ensure the best result for the people of Herefordshire, but also to ensure compliance with all planning regulations. For ESG to continue with its current consultation (both giving and receiving) and to investigate and use other innovative methods of consultation.**
- 7.3 Town Centre Impact Study – That the Town Centre Impact Study commissioned by Stanhope as part of the planning process, is independently verified or conducted.**
- 7.4 Business as Usual – that a partnership approach lead by the City Partnership is taken to address any down turn in use of the City Centre during construction work.**
- 7.5 Linkage to the Courtyard – consideration is given to creating better linkage to the Courtyard Centre for the Arts for the venue to be part of the wider leisure offer presented as part of the expanded city development.**

b) subject to the Review being approved, the Executive’s response to the Review including an action plan be reported to the first available meeting of the Committee after the Executive has approved its response;

and;

c) That further reports be made to the Committee on the following issues:

- 7.6 Hereford City Centre Regeneration Strategy - The Hereford City Centre Regeneration Strategy is a ten-year ambition is endorsed. The strategy should be presented to Committee specifically outlining the implementation of schemes through a partnership approach.**
- 7.7 Support for Businesses - For the committee to fully understand via written report the current and intended support to businesses to relocate from the ESG site.**
- 7.8 Inclusion of the Football Ground – For officers of the council to submit a report to committee on the current position and options available to enable the development of the Football Ground.**

Appendix 1

Interviewees for the One Day Scrutiny Review of the Edgar Street Grid Project on 30 September 2008 at the Courtyard.

Mike Ashton
Chief Executive, Chamber of Commerce

Jonathan Bretherton
Chief Executive, ESG Ltd

Councillor Blackshaw
Cabinet Member, Economic Development & Community Services

Bobbie Heavens
Chairman, City Partnership

Mark Inglis
Acting Town Clerk, Hereford City Council

Cynthia Palmer
Hereford City Manager

Mark Pearce
Advantage West Midlands

Andrew Sanders
ESG Business Association

Garry Thomas
Chairman, Hereford Civic Society

Peter Yates
Planning Policy Manager, Herefordshire Council

REVIEW:	Progress of the Edgar Street Grid Development	
Committee:	Community Services Scrutiny Committee	Chair: Cllr James
Lead support officers:	Natalia Silver - Head of Economic and Community Services David Penrose – Democratic Services Officer	

SCOPING

Terms of Reference
<p>This review covers:</p> <ul style="list-style-type: none"> To examine progress and implementation of the ESG Master Plan. To explore the opportunities of creating a single city approach, linking the ESG development with the regeneration of the historic city centre. To identify the long term impacts and outcomes of the ESG scheme in supporting the economic growth of the County.
Desired outcomes
<ul style="list-style-type: none"> To make recommendations to maximise the value and impact of the ESG scheme for the benefit of Hereford City and the wider County. To understand the views, aspirations and concerns of partnership and stakeholders. If relevant, recommend key considerations in the implementation of the ESG scheme, especially in relation to creating a whole city approach.
Key questions
<ul style="list-style-type: none"> What is the current progress of the ESG scheme and what is its future timescale? What are the benefits of the ESG scheme to Hereford City and the wider County? What could be done to maximise the linkage between the new development and the historic city centre? What is the evidence base that has influenced the Master Plan for ESG? With the development of a new retail area what effort is being made to ensure the historic city centre thrives? What is the effect of the current economic downturn having on the plans for the scheme? In what way are the current businesses on the ESG site being supported?

Corporate Plan Priorities

Economy and Enterprise

Timetable (some of the facilities are only open seasonally and will influence the time table)	
<i>Activity</i>	<i>Timescale</i>
Pre-meeting with scrutiny members 12.30 pm, Committee Room 1, Shire Hall	Tuesday, 23 rd September 2008
Review day with partners and stakeholders 2.00 pm – 8.00 pm, The Courtyard	Tuesday, 30 th September 2008
Discussion Session 11.00 am – 1.00 pm, Committee Room 1, Shire Hall	Thursday, 2 nd October 2008
Scrutiny Meeting – report presented 2.00 pm, Committee Room 1, Shire Hall	Friday, 17 th October 2008