

Title of report: Approval of Utility diversion works cost- Ross Enterprise Park

Decision maker: Corporate Director – Economy & Environment

Report by: Senior Project Manager

Classification

Open

Decision type

Non-key

Wards affected

Old Gore; Penyard; Ross East; Ross West;

Purpose

This report looks to approve payment of pre-construction costs and award contracts relating to broadband infrastructure and vegetation clearance costs.

These costs are deemed necessary in order to enable the development of Ross Enterprise Park and physical delivery of Phase One of the approved scheme.

Recommendation(s)

That:

- a) **Approve payment of broadband utilities and vegetation clearance costs as pre-construction works for development at Ross Enterprise Park within a budget of £221,000.**
- b) **To delegate all relevant operational decisions including procurement and associated award of contracts to the Director for Growth in consultation with the Corporate Director, Economy & Environment to deliver recommendation a).**

Alternative options

1. Not to approve payment of utilities works and vegetation clearance costs. This is not recommended as the works are required to enable the development of Ross Enterprise Park and physical delivery of Phase One of the approved scheme.

Key considerations

2. Ross Enterprise Park is one of the largest strategic employment sites in Herefordshire. It is a well-situated site with excellent road transport links including easy access to the M50 (Midlands/Southwest), A449 (M4 corridor/Wales/Southwest) and the A49 (Marches/West Midlands/Northwest).
3. The proposed project will deliver as the initial phase of development, 4 development plots of circa 1 acre each, dependent on the end mix of uses between office and light industrial space, between 77,000 and 100,000 sq. ft. of floor-space, accommodation and between 150 and 600 jobs.
4. The 15-hectare site is allocated to provide 10 hectares of employment land that could in the fullness of time accommodate 29,400 square metres of new employment floor space and support up to 1,000 jobs, whilst supporting the growth of the local and wider economy.
5. The entire site is in council ownership and vacant possession is available on providing the small holding tenants three months' notice.
6. The site has benefited from planning permission approved by the Planning and Regulatory Committee on 21 February 2018, and that consent will, if not implemented, expire on 22 September 2025 meaning that physical work on site must commence before that date.
7. The [Herefordshire Economic Plan](#) identifies a critical need for employment land in strategic locations to support the growth of higher value jobs in the county. There remains a strong demand for employment land in Ross in Wye, with a number of local employers stating they will have to consider relocating out of the county if their growth needs can't be accommodated locally. The need/demand for the development of the site was strongly supported in the [Ross on Wye Market Town Investment Plan](#), which identifies the need for additional employment land as the highest local priority, addressing the 10 year market failure to establish new land.
8. In February 2024, the decision was taken to approve the expenditure of up to £550,000 (capital) to enable the development of Ross Enterprise Park, commissioning the detailed design work and any required surveys to inform a tender for the physical delivery of Phase One of the approved scheme.
9. Consultants were appointed in June 2024 to undertake support services and for the design of the phase 1 plots and infrastructure at the site
10. Part of the work has been to liaise with statutory utility bodies to ensure that necessary works are commissioned to enable development of the phase 1 plots and start the process of outlining design works for the site. In order for this to take place, Openreach require the payment of the quoted amount in order to allocate resource and commence the required works necessary to divert broadband infrastructure and enable development.

11. Another part of the design works has been to identify areas of vegetation that require clearing in order to allow construction works to commence. These works need to be undertaken before bird-nesting season (mid-February) in order to comply with ecological report recommendations and allow construction to commence in a timely manner.
12. A subsequent Cabinet Member decision will be required in early 2025 to approve spend on the main construction of the phase 1 project with a tender exercise for a suitable contractor planned to commence in February 2025.

Community impact

13. As outlined above, the project will meet the priorities of the Herefordshire Economic Plan and the Ross on Wye Market Town Investment Plan, in establishing employment land at a key strategic location in the county. The project also meets the administration's priorities to create higher value employment opportunities for local people.
14. The proposed development is also supported by the Ross on Wye Neighbourhood Development Plan.

Environmental Impact

15. The body undertaking the utility works for the specific parts of the project relevant to this decision have in place environmental standards that are similar to those of the Council. See [here](#) for further information.
16. In commissioning the contractors, we will seek the highest possible environmental standards achievable within the available budget.
17. We will also seek assurances from any future businesses acquiring and developing the plots that they are also aim to achieve high levels of environment best practice building on the standards established on the Hereford Enterprise Zone.
18. The proposed scheme also includes a wetland/ landscaped buffer zone between current residential areas and the employment land, and active travel networks into and out from Ross on Wye town centre.

Equality duty

19. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

20. In line with the council's Equality Policy, when designing infrastructure schemes and redesigning the public realm in our city and town centres, we will work with user groups to ensure that the design improves access for all. And, in all our proposals, we will aim for the highest level of accessibility.
21. An Equality Impact Assessment will be undertaken during the final design phase to ensure that the development is open, accessible and inclusive for all.

Resource implications

22. The quoted costs for payment are within the overall approved capital budget of £8 million as well as the forecast allocated project budget for utilities works. A full breakdown of the remaining £8 million budget will be presented when the decision is taken to start construction in early 2025, along with the consideration of any ongoing revenue budget implications.
23. Risk has also been factored into the overall budget and cost consultant cost estimates indicate that the capital funding allocation is sufficient to deliver the phase 1 project at this time.

Capital cost of project	2024/25	2025/26	2026/27	Future Years	Total
	£000	£000	£000	£000	£000
<i>Vegetation clearance works</i>	10				10
Utilities works (telecommunications/Broadband)	211				211
TOTAL	221	0	0	0	221

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2024/25	2025/26	2026/27	Future Years	Total
	£000	£000	£000	£000	£000
<i>Capital Receipts Reserve</i>	221				221
TOTAL	221	0	0	0	221

Legal implications

24. Any procurement undertaken in delivery of recommendations of this report must be in accordance with the Council's Contract Procedure Rules and any Exemption in respect of utility works must be completed in accordance with the Council's Exemption Process.

Risk management

25. All procurement relating to the recommendations and actions arising will be undertaken in accordance with the Council's Contract Procedure Rules, however an Exemption to Contract Procedure rules will be completed for the utility's diversion works as the provider is the statutory body responsible for completing such works.
26. The project is supported by the Council's Programme Management Office (PMO) team with risks and issues tracked via the Verto project management system and at monthly project and programme board meetings.
27. Regular design team risk and budget control meetings give further assurance on the robustness of budget control and monitoring, highlight key risks and identify any mitigation to reduce the impact of pressures on the council's overall position.

Risk / opportunity	Mitigation
No demand for development plots once established.	There has been a 10 year market failure to establish new employment land in Ross on Wye. The need for land has been evidenced in the council's Levelling Up Fund application, subsequent review by CBRE consultants on behalf of the council, and in the Local Plan review evidence base.
The first 4 acres of development cannot be delivered within the £8m budget allocation.	The budget requirement has been identified through an extensive review of CBRE consultants, commissioned by Herefordshire Council. The review considers a cost review of all information established to date. This will be further reviewed through the detailed design stage and market tested through procurement.
The detailed design stage costs exceed £550,000.	The detailed design stage requirements have been assessed and identified in the CBRE consultant's report.
Delays to the project increase costs	Clarity over planning permission discharge as well as commencement of utilities and construction works needs to be achieved as soon as possible to ensure the project can proceed within the required timeframe.

Consultees

28. Cabinet Members for Community Services and Assets and Economy and Growth have been briefed on project progress and are fully supportive with regards realisation of the original project objectives
29. A political group consultation was undertaken relating to the decision to approve budget for the design team. Both Councillors present, including one of the local Ward members, expressed support for the proposed development recognising the need for employment land in the area, but also how the development of the wider site can make a significant contribution to housing and employment for the county as a whole. Other points of note were that the value for money of this first phase needs to be considered as a first step in bringing forward the wider site. There was strong support for reducing the speed limit to 40mph on the relevant section of the A40 to aid safety both for the employment land site and nearby residential developments. The development should also be utilised to enable a number of businesses to grow, creating employment rather than becoming a larger distribution

Appendices

None

Background papers

None

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published		
Governance	John Coleman	Date 15/01/2025
Finance	Karen Morris	Date 31/12/2024
Legal	Emma-Jane Brewerton	Date 17/01/2025
Communications	Luenne Featherstone	Date 14/01/2025
Equality Duty	Harriet Yellin	Date 07/01/2025
Procurement	Claire Powell	Date 03/01/2025
Risk	Jessica Karia	Date 24/12/2024

Approved by	Ross Cook	Date Click or tap to enter a date.
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[Note: Please remember to overtype or delete the guidance highlighted in grey]

Please include a glossary of terms, abbreviations and acronyms used in this report.