



Bromyard Employment Land and Leominster Business Hub Development

Decision maker: Cabinet Member Community Services and Assets

Report by: Head of Economy and Regeneration

Classification

Open

Decision type

Key

Wards affected

Bromyard West & Leominster East

Purpose

To seek approval to allocate and spend the Employment Land capital budget to bring forward detailed designs and accompanying business case for the development of business workspace units on the former Bromyard Depot site, and to support the development of local co-working business hubs in Leominster and the other remaining market towns.

To approve expenditure of up to £3.5 million (capital) for the development of business workspace units on the former Council Depot site in Bromyard and up to £500,000 (capital) on the development of local Business Hubs at the Buttercross Building in Leominster and the other remaining market towns.

Recommendation(s)

That:

- a) To approve the drawdown and expenditure of up to £3.5 million capital to procure and appoint a design team and thereafter a contractor to develop business workspace units on the former Council Depot site in Bromyard;
- b) To approve expenditure of up to £500,000 capital to procure and appoint the detailed design team and thereafter a contractor to complete internal alterations to the Buttercross Building in Leominster, and business hubs in Ross-on Wye, Ledbury, Bromyard and Kington (subject to availability of suitable property, need and budget); and
- c) To delegate all operational decisions to the Director for Growth in consultation with the Cabinet Member for Community Services and Assets and the Cabinet Member for Economy and Growth, to implement recommendations (a) and (b), including the award of contracts to the preferred bidder following conclusion of the procurements undertaken in accordance with the Contract Procedure Rules.

Alternative options

- 1 **Do nothing:** To not develop Bromyard Depot would not be utilising this otherwise empty site effectively, and the opportunity to obtain support the development and growth of businesses, and the creation of local jobs would be lost. This is not recommended.
- 2 **Develop the whole site for housing:** Rather than develop Bromyard Depot for commercial development, the site could be developed, along with the adjacent paddock, entirely for housing. However, given the growth of population in Bromyard, there is a need to support local employment opportunities and space for local start-up and growing businesses to develop, to support the growth of the town, and avoid it being a 'dormitory' settlement. This matter was also considered by the Strategic Asset Management Board at their meeting in November 2024, who agreed to split the overall site, with housing proposed on the paddock and business workspace units development on the old Depot site.
- 3 **Do nothing:** To not develop the ground floor of the Buttercross Building in Leominster, would leave this prominent town centre space unutilised, perhaps resulting in reputational damage, and the opportunity to support local businesses through the provision of a Business Hub would be lost. This is not recommended.

Key considerations

- 4 The [Herefordshire Economic Plan](#) identifies a critical need for employment land and business space in strategic locations to support the growth of higher value jobs in the county.
- 5 As part of the 2024/25 Capital Budget, the council allocated £12 million to support the development of employment land across the county. £8 million of this was allocated towards the development of Ross Enterprise Park, on the site of the council-owned Model Farm, just off the A40 to the east of Ross-on-Wye. Work is ongoing on the project to develop the initial phase of four development plots of approximately one acre each, to provide a mix of uses between office and light industrial space.
- 6 The remaining £4 million was identified for initiatives to support the development of employment land and business incubation space within market towns, where there was clearly a market failure, and where council investment could help bring forward opportunities for new or existing businesses to grow, within a relatively short timescale, (1 – 2 years).

Employment Land

- 7 In relation to employment land, a review of each market town was carried out in 2024 to explore whether there were opportunities for council intervention which could help catalyse or accelerate employment land development within the next two years, in line with the capital programme allocation. The review considered the need/ demand for additional employment land in each market town, and the short-term deliverability. A summary of the review is included in Appendix 1.
- 8 The review identified that the only short-term opportunity at this stage is the development of business workspace units on the former Bromyard Depot site. The private sector is exploring opportunities in Leominster and Ledbury, and the council do not currently own assets in these locations nor in Kington that would enable the short-term development of additional employment land. We will continue to work with the private sector, and/ or look to identify sites for possible council development.
- 9 Following the outcome of the review this decision now seeks approval to spend up to £3.5 million to develop 25 business units on the site of the former Bromyard Depot, including the procurement and award of contract to a design team and a contractor thereafter.

- 10 In 2016 the Council took a decision to rationalise a number of the depot sites across the county, including closing the former Highways depot in Bromyard, which is located off the A465 Hereford Road. Since that time, the council has explored several options to redevelop the site, mainly focused on housing. Planning was approved for housing for the whole site, (i.e. the former Depot plus the adjoining paddock). However, a cabinet member decision was taken in 2021 to no longer pursue this development at this time ([Decision - Withdrawal of the Bromyard Depot Site from the DRP - Herefordshire Council](#))..
- 11 It is proposed that the council develops these small start-up/ next step workshops/ offices, (business workspace units), to rent to small and growing businesses, at market rents. Not only would this provide much needed 'grow on' space for new and existing local businesses, but it would also generate an ongoing rental income, which could be reinvested back into future development of employment space in other market towns, when opportunities became available.
- 12 An outline feasibility/ concept study was carried out by IDK Architects, which indicated that the former Bromyard Depot site could accommodate 25 business workspace units, providing a total 15,050 sq.ft. of workspace, and potentially supporting up to 170 jobs. When fully occupied, this could generate annual rental of over £259,000, which after debt and management costs, could generate a small return on investment, thus allowing for potential reinvestment in other projects. This proposal would still allow the adjacent paddock site to be developed on a separate timescale to potentially accommodate up to 28 residential units. This will be subject to a separate governance decision.
- 13 In November 2024, an options report was presented to the Strategic Asset Management Board, which concluded that a mixed-use development in Bromyard should be pursued meeting local housing and employment needs. The business units would be designed to be flexible and appeal to professional and small-scale hi-tech manufacturing Small and Medium-sized Enterprises (SMEs) and start-up companies needing to move from, or as an alternative to co-working and serviced office space, and is a type of accommodation, which is in short supply in the County. The 'crossroads' location of Bromyard between Worcester, Leominster and Hereford could be seen as attractive to this type of company.
- 14 Detailed design, costings and planning permission will need to be developed, to feed into a detailed business case, for consideration by the Director for Growth and Cabinet Members for Community Services and Assets, and Economy and Growth. However, local commercial property surveyors, Sunderlands, undertook an assessment of the proposal and concluded: "Strong demand across for small starter and growing site should generate strong demand especially given the flexible terms being offered and size and nature of the buildings themselves. The industrial/ studio market is very strong at this time, and developing a site aimed at SMEs within those markets is certainly a sensible decision in our opinion. It is the smaller, lower priced units which are seeing surge in demand."
- 15 The next steps for this project, subject to this decision, are therefore to commission detailed ground investigations and site analysis; and commission detailed designs up to RIBA Stage 4, which are suitable to achieve planning permission; and then go out to tender to procure a contractor. This will be done through an appropriate framework agreement, and all this work would be undertaken by suitable providers, procured in accordance with the council's Contract Procedure Rules and procurement regulations. This would also provide the necessary, costed details to conclude a detailed business case for the development to underpin the project.

Business Incubation Space

- 16 The Capital Programme also referred to the provision of business incubation space, which is reinforced by the objective within the council Delivery Plan 2025/26 of developing a network of local business hubs and managed workspaces in each of the market towns.
- 17 The aim is that these would provide local coworking spaces to support entrepreneurs, freelancers, and small businesses, many of whom may be working from home or remotely between locations. The Business Hubs would provide a space for hot-desking, meetings, collaboration, networking and access to resources and business support, similar to, but on a smaller scale to the council's provision at the Shell Store in Hereford.
- 18 To progress this workstream, officers are currently considering possible options and locations, the first of which is the Buttercross Building in Leominster.
- 19 In 2024 the Council took advantage of an opportunity to purchase the Buttercross Building on Broad Street in the centre of Leominster. The main driver was to secure the long-term future of the library (located in this building) to develop additional social housing in the centre of Leominster in the form of four potential second-floor flats and establish business co-working space. The purchase of the overall building was funded from capital allocated for the development of affordable housing, together with a contribution from the Rural England Prosperity Fund, in relation to a potential co-working space element. The building has been surveyed and indicative designs developed, which will be costed up, although indicative costs are in the region of £150,000 - £175,000
- 20 This report seeks to approval to allocate up to £200,000 to develop a Business Hub at the Buttercross Building in Leominster, and up to £300,000 to explore and potentially develop similar facilities in the other market towns.

Community impact

- 21 Both these projects will meet the priorities of the Herefordshire 2050 Economic Plan and contribute towards elements of the relevant Town Investment Plans. The projects also contribute towards the Council's priorities to create higher value employment opportunities for local people.
- 22 Both projects are included in the Council Plan Delivery Plan 2025/26, as follows:
 - i. Develop outline business case for the potential development of business units on the Bromyard Depot site.
 - ii. Develop business hubs and managed workspace in the market towns.

Environmental Impact

- 23 In commissioning the design team, we will ensure the highest possible environmental standards are achieved within the available budget. We would also seek assurances from any businesses renting the business workspace units that they are also aim to achieve high levels of environment best practice.
- 24 The concept of the both the business workspace units and the local Business Hubs are to discourage outmigration for work and instead provide more local opportunities to keep businesses and residents working within the local area, thus reducing journeys and retaining more wealth in the local area and helping to increase the number of better paid jobs within our market towns.

Equality duty

25. At this stage this decision seeks approval to appoint a design team to take forward the development of the project. A key focus of the design team will be to ensure both the proposed Bromyard Depot development, and the Leominster business hub are fully accessible fully meeting business regulations, and services support people from all communities.
26. Due to the potential impact of this decision being low at this stage, a full Equality Impact Assessment is not required. However, the following equality considerations should be taken into account when making a decision about this activity/project:
 - a. An Equality Impact Assessment will be undertaken for the proposed development of the Bromyard Depot site at the design stage
 - b. An Equality Impact Assessment is completed for the Leominster Business Hub as designs are finalised.
 - c. An Equality Impact Assessment is completed for any other development

Resource implications

28. The Capital Programme Review decision taken by the full council on 8 December 2023 included a £12million allocation from the capital receipt reserve to support the development of employment land in the county ([Report Template Cabinet \(herefordshire.gov.uk\)](https://www.herefordshire.gov.uk)). With £8million being allocated for this project and the other £4million to deliver employment land and business incubation space in market towns.
29. The decision seeks approval to allocate up to £4 million towards these projects. In relation to the Bromyard Old Depot Project, the initial stage is to undertake the detailed design of the business workspace units and to meet project management costs, in order to achieve planning permission and secure robustly tendered construction costs. When these are achieved, and assuming that costs are within the budget, the decision to proceed and award contracts would be made by the Director for Growth, in consultation with the Cabinet Member for Community Services and Assets and the Cabinet Member for Economy and Growth.
30. In relation to the local Business Hubs, the initial stage is to develop the Buttercross Building in Leominster. Alongside this, officers will be continuing to explore options to develop further local Business Hubs in the other market towns, which could not be taken forward in 2026/27.
31. All procurement will be undertaken in accordance with the council's Contract Procedure Rules.
32. The revenue implications of both projects will be clarified as part of the business planning process, which will emerge from the detailed designs and project plans. Any revenue costs of operating the eventual facilities, (both short-term and long-term), will be contained within relevant approved Economic Development base budgets, and plans will be based on minimising ongoing costs and working towards facilities operating on a cost-neutral, or even an income generating basis.
33. The anticipated capital cost breakdown is as follows:

Capital cost of project	2025/26	2026/27	Total
Bromyard Old Depot Site			
Detailed Design of business workspace units	£250,000	£	£250,000
Project Management (10%)	£25,000	£	£25,000
Construction Cost – (To Be Confirmed)		£3,225,000	£3,225,000
SUB TOTAL	£275,000	£3,225,000	£3,500,000
Leominster Business Hub			
Internal works to Buttercross Building	£200,000		£200,000
Business Hubs in Market Towns (TBC)			
Development work TBC		£300,000	£300,000
TOTAL	£475,000	£3,525,000	£4,000,000

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2025/26	2026/27	Total
Capital Receipts Reserve	£475,000	£3,525,000	£4,000,000
TOTAL	£475,000	£3,525,000	£4,000,000

Legal implications

- 34 All procurement relating to the recommendations must be undertaken in accordance with the Council's Contract Procedure Rules.

Risk management

- 35 The risks associated with the development of employment land and co-working hubs are being managed in line with the council's risk management strategy. Appropriate governance arrangements, including regular oversight through the Employment Land Board and risk tracking via the Verto project management system, are in place to ensure risks are monitored, escalated, and mitigated where necessary. The inclusion of detailed design and feasibility stages at this point allows for ongoing risk refinement as the project progresses.
- 36 The following are the key risks associated with the project.

Risk / opportunity	Mitigation
Inability to deliver within timeframe due to delays in commissioning or approvals	Clear project plan, which recognises time pressures, including construction lead-ins, with early commissioning of detailed design, proactive project governance via the Employment Land Board, and appropriate escalation protocols.
That these facilities cannot be developed within the £4m budget allocation.	At this stage, in relation to business workspace units, we are only progressing detailed investigations and designs. In the event that costs exceed the available budget, the project could be scaled back/ value engineered accordingly. Robust tendering should help drive keen pricing and all spending decisions will be taken in conjunction with the Cabinet Member for Community Services and Assets and the Cabinet Member for Economy and Growth.
Economic or contractor market conditions drive up costs during tender stage Inflationary pressures, labour shortages, and material availability could lead to costs exceeding initial forecasts.	Consider inclusion of inflation contingencies, early engagement with the supply chain, and scenario planning for phased delivery or modular build approaches.
No demand for business workspace units and business hubs once established.	There has been a 10-year market failure to establish new employment land in the county. Experience in other rural areas suggests that once these type of facilities are developed, there is strong demand. In relation to the business workspace units in Bromyard, this is backed up by a report from Sunderlands.
Unclear or insufficient demand across market towns for business hubs.	Conduct targeted soft market testing and stakeholder engagement to validate assumptions and confirm local demand for co-working business hubs in specific towns, to support individual business cases.
Delays to the project increase costs.	The detailed design stage needs to be commissioned as soon as possible to ensure the project can proceed within with 2025/26 and be completed in 2026/27, in line with the expectations of the Capital Programme.
Opportunities to support the creation new jobs and new and growing businesses to support the local economy.	This is the main reason behind these projects, along with the recognition that there is a need to support new and growing businesses and the creation of jobs outside Hereford, within the local market towns. In order to capture the outcomes of the projects, consider identifying and tracking KPIs such as estimated job creation, occupancy levels, and business survival rates post-implementation.

Consultees

- 37 Detailed discussions have taken place with Ward members for each of the recommended projects. In both cases, Ward members were supportive and keen to see these progress.
- 38 A Political Group Consultation was held on 25 June 2025, which was attended by seven councillors and the key views were:
- Concern was raised about whether the proposed business units in Bromyard should be for rent, rather than sale. It was requested that the learning from Hereford Enterprise Zone should be fed into this and other employment land projects.
 - It was suggested that the Buttercross Building could be a good location for a banking hub, given the town's wider needs, and that the council should consider how it works with Town Councils to address the loss of local banks in market towns, through support for the development of banking hubs.
 - It was requested that the council increases engagement with Leominster Town Council in relation to the development of the Business Hub, to ensure that it is complementary to their proposals for the Old Priory building.
 - A request that the council should also engage with Parish Councils, Ward Members and local businesses in the rural hinterlands, recognising that many of the businesses which might use these facilities will be located outside the market towns.
- 39 Discussions will take place with local Councillors and Town Councils in relation to any future proposals for Business Hubs in market towns.

Appendices

Appendix 1 – Review of Market Town Employment Land Opportunities

Appendix 2 – Briefing Note on Former Bromyard Depot Development Options – Nov 2024

Background papers

Capital Programme Review decision taken by the full council on 8 December 2023 ([Report Template Cabinet \(herefordshire.gov.uk\)](#)).

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published		
Governance	John Coleman	Date 23/05/2025
Finance	Karen Morris	Date 25/06/2025
Legal	Emma-Jane Brewerton	Date 19/05/2025 27/5/25 16/6/25
Communications	Luenne Featherstone	Date 09/05/2025
Equality Duty	Harriet Yellin	Date 10/06/2025
Procurement	Nena Beric	Date 10/06/2025
Risk	Paige McInerney	Date 20/05/2025

Approved by

Ross Cook

Date 27/06/2025

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

Appendix 1 – Review of Market Town Employment Land Opportunities

A review of each market town was carried out in 2024 to explore whether there were opportunities for council intervention which could help catalyse or accelerate employment land development within the next two years, in line with the capital programme allocation.

The outputs of this work are summarised below:

Bromyard Employment Land – the demand for the development of additional employment land was identified as a high local priority in the Bromyard Town Investment Plan, in order to address the 10-year market failure to establish new land. The Employment Land Study in 2022, indicated that there is a need for 4ha of employment land within Bromyard, with only 0.27ha currently being met. A number of possible locations have been considered in Bromyard. Proposals for an extension to the Linton Trading Estate, located off the A44, to the east of Bromyard, have been talked about for some time, and were proposed in the Bromyard marketplace town investment plan, although the site has significant ecology issues. A recent UKSPF-funded feasibility study further explored the potential for this project. Whilst this did indicate that there may be a limited demand from businesses to develop a potential serviced site, there was no overwhelming support, and there are still a number of questions, including the existing landowner's appetite for the development, and the fact that it would require a considerable subsidy to support the viability of a development. In the context of the capital budget, it is fair to say that this project is not deliverable within the current timescales, and deliverability is likely to be limited by the site not being in the Council's ownership, which could make it difficult to progress.

Kington Employment Land - the small industrial estate at Hatton Gardens in Kington is well located off the A44 Kington Bypass. When the review took place, there were a number of vacant units and there was no evidence of unmet demand for business premises or employment land. In addition, the council does not own any obvious sites which could be developed as potential employment land in the short to medium term, although the situation and future opportunities will be reviewed on an ongoing basis.

Ledbury Employment Land – There are two main areas of employment land currently progressing in Ledbury, namely the land to the south of Little Marcle Road, south of the existing Heineken site, and the Bloors land to the north of viaduct, adjoining Orchard Business Park. Both of these are currently being marketed, and indications suggests the market will provide this additional employment land without need for public sector intervention. It is, however, recognised that the council should maintain a watching brief and continue dialogue with the developers to ensure that this employment land is brought forward. In addition, the council does not own any obvious sites which could be developed as potential employment land in the short to medium term, although the situation and future opportunities will be reviewed on an ongoing basis.

Leominster Employment Land – Leominster has a large area of employment land, including a recently developed enterprise park. Evidence suggests that there is an active and functional market for employment use, with good demand for employment land when it is accessible and ready for development. Further land, south of the enterprise park, is likely to be included in the emerging Local Plan as it progresses. Frank H Dale Ltd, (steel fabricators), are currently developing a proposition for a mixed-use redevelopment of part of their existing underutilised site adjacent to the A44 in the north of Leominster, including business and community uses. Based on these findings, there is no evidence to suggest that the market and planning processes will not be able to provide land for future employment purposes in Leominster. In addition, the Council does not own any obvious sites which could be developed as potential employment land in the short to medium term, although the situation and future opportunities will be reviewed on an ongoing basis.

Ross-on-Wye Employment Land – £8 million capital has already been allocated to develop the former Model Farm site as Ross Enterprise Park. Detailed design and tendering work is ongoing, and subject to tender returns, it anticipated that construction work will commence later this year.