



Subject: ROCHDALE DEVELOPMENT
AGENCY QUARTER 3 2015/16 PERFORMANCE
MONITORING REPORT

Status: Publication

Report to: Communities, Regeneration and
Environment Overview and Scrutiny Committee

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Cabinet Member: Leader of the Council (and
Lead for Regeneration)

Report of: Director of Economy

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1 Purpose of Report

1.1 To provide Members with performance information on the activities of Rochdale Development Agency, under taken on behalf of the Council.

2 Recommendations

2.1 The performance information of the RDA for Quarter 3 2015/16 is presented to Members for scrutiny.

Reason for recommendation

2.2 To ensure Members undertake their partnership governance responsibilities fully by scrutinising the performance of RDA

3 Background

3.1 The RDA has been one of the Council's strategic partners since 1994. On the 27th January 2016 the RDA became a wholly owned company with responsibility for delivering the borough's ambitions for physical and economic regeneration, including the retention and creation of local employment.

3.2 The RDA's Business Plan for 2015/16 has 5 strategic objectives:

- Accelerating Business Growth
- Promoting Economic and Employment Growth
- Developing the infrastructure and connectivity necessary for sustainable economic growth
- Transforming our Town Centres
- Investing in our Heritage Assets.

3.3 The RDA Business Plan has been underpinned by a Grant Funding Agreement that details the core and specific purpose funding for 2015/16. In addition to the grant funding, the Council seconds a funded member of staff to RDA to manage the business growth and investment activities, and part-funds the dedicated Business

Adviser employed by the Greater Manchester Business Growth Hub. From April 2016 the RDA will be funded through a contract for services.

Alternatives considered

3.4 No alternatives have been considered. The alternative of not reporting on the performance of the RDA to the Overview and Scrutiny Committee would create a risk that the Council does not carry out its partnership governance responsibilities fully. However, future reporting of RDA performance will be as part of the Economy Directorate Plan to the Communities, Regeneration and Environment Overview and Scrutiny Committee.

4 Performance Monitoring.

4.1 Quarter 3 saw good progress on many of the key activities and the majority of Key Performance Indicators are on track to achieve the target by the year end. Detailed progress along with Red/Amber/Green rating is available in Appendix 1.

4.2 Investment enquiry levels remain healthy reaching 186 for the financial year so far against a target of 200 for the full year. Eighty seven of these enquiries are from potential inward investors and there are currently 71 live enquiries. In quarter 3, the RDA assisted 3 inward investors and 3 expanding local companies. Five of the 6 companies benefited from incentives provided by the Council and four are receiving on-going support from the Greater Manchester Business Growth Hub. One of the successful expansions is Nomical, an IT business, which has relocated to the former Zen building on Mossbridge Road in Rochdale from the council-owned managed workspace at Lock50, and is creating 13 new IT jobs. By quarter 3, 232 jobs have been safeguarded from RDA assisted enquiries and 130 new jobs are planned to be created. Currently performance appears behind target but there are several enquiries due to come to fruition in quarter 4 which should mean that the annual target should be achievable.

4.3 The RDA continues to broker relationships between companies and partners including local training providers to ensure maximum local economic benefit. In quarter 3 the annual target of 50 was exceeded by 13 referrals. Another measure of economic interest in the borough is the number of businesses that have relocated here without assistance of the RDA. By quarter 3 there had been 59 such businesses which show the borough's attributes continue to generate investment interest.

4.4 Good progress continues on Kingsway Business Park:

- WCCTV have moved into their new 12,000sq ft. premises.
- The £18.5m Plot H (216,000sqft) speculative development is underway with the steelwork installation commencing in November 2015 – making the new unit highly visible from the M62.
- Planning permission was secured for the £18m deal on Plot K to build 4 new speculative units of 35, 45, 55 and 75 thousand square feet, and work commenced in January 2016.
- David Wilson Homes have now sold 125 houses out of 167.

4.5 Speculative development interest remains strong in other parts of the borough with 95,000sqft of development on Hareshill Business Park in Heywood, 145,000sqft and 67,000sqft of development on Heywood Distribution Park - all due to complete in early 2016.

Other indicators of investor and development confidence in the borough are evident through other projects and enquiries that the RDA has been involved with including:

- The majority of vacant space in the remaining offices on Crown Business Park have been occupied by 3 new companies; Greenage UK, Fortis and AC Ventilation, leaving a small area of vacant space available which is currently under offer,
- Investor and developer interest is still growing, but available sites are now becoming constrained or tied up by other developers. The RDA is working with the Council's estates team to identify any council sites that could be developed.
- PIN Properties has continued with a major refurbishment of the former Woolworths unit in Castleton and negotiations continue with a potential end user.
- M&S and Next have been announced as anchor tenants in the new Genr8 Town Centre East retail scheme.
- RDA has secured an agreement between Genr8 and the Council on the updated legal agreements for the Town Centre East scheme and since quarter 3, these have been signed.
- Agreement with the Ministry of Justice for the relocation of Trillium from Telegraph House into the old Post Office in Rochdale was reached in late December 2015. Trillium is due to vacate Telegraph House by the 1st July 2016.
- A Heritage Lottery Fund bid was submitted in December 2015 for the refurbishment of the Town Hall
- Following securing planning consent for the phase 1 works to Warwick Mill an investor event took place in China in October 2015, attended by Steve Rumbelow and Cllr Peter Williams.

4.6 A small number of projects or activities are experiencing some delays or have issues preventing satisfactory performance include:

- It has proved difficult to attract a retail operator to plot U or V on Kingsway Business Park to date but this is still being pursued. Similarly, specialist property agents are still advising that the market for sites for high quality hotels is showing little demand.
- Castleton Railway Sidings – due to the uncertainty of the plans to be submitted by Harris Lamb on behalf of Tata Steel, the site owners, it is not possible to know what land may be available for the relocation of Riley. As an interim move, Rileys relocated from Bury to Heywood on a 5 year lease. Rochdale Council was able to provide some grant support to help facilitate this.
- Low Carbon energy generation schemes – the proposed wind turbine at Broadshaw Farm is no longer viable due to the reduction of the Feed-In Tariff and land costs. However, there is another opportunity at Birch Industrial Park which is being pursued. Inward investment enquiries for energy schemes continue to come forward but so far none have been attractive in terms of new job numbers and impact on neighbouring areas.

Appendix 1 provides further detail on the progress and achievement of inward investment activity and projects with commentary on the latest status.

5 Financial Implications

5.1 There are no direct financial implications as a result of this report.

6 Legal Implications

6.1 The report is for information and scrutiny purposes and as such there are no significant legal implications arising from the report. The RDA continues to work with Legal Services on all major projects and legal advice and support is provided as and when necessary.

7 Personnel Implications

7.1 There are no personnel implications arising from this report.

8 Corporate Priorities

8.1 The function undertaken by the RDA on behalf of the Council contribute to the Place and Prosperity elements of the Corporate Plan by improving the infrastructure, creating the conditions for sustainable growth and supporting the creation of new jobs. The activities also form a key part of the borough's contribution to the Greater Manchester Growth and Reform Plan.

9. Risk Assessment Implications

9.1 There are no specific risks for Members to consider arising from this report

9.2 The RDA finances are independently audited and reviewed by the RDA Board and copies provided to the Council, along with a risk schedule.

9.3 All delivery risks are assess at the programme or project level and reported to Members as appropriate.

9. Equalities Impacts

9.1 Workforce Equality Impacts Assessment

There are no (*significant*) workforce equality issues arising from this report.

9.2 Equality/Community Impact Assessments

There are no (*significant*) equality/community issues arising from this report.

Background Papers	
Document	Place of Inspection