

Councillor Robert Taylor – Cabinet Member for Transport, Jobs and the Local Economy

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Cllr Robert Taylor

24th January 2025

Cllr Adam Carter

Elected Member

Via email: adam.carter@rotherham.gov.uk

Dear Cllr Carter,

Question to Council – Wednesday 15th January 2025

Thank you for the question you submitted to Council on 15th January 2025. I have set out the question and my response below.

What is the financial cost to the council and therefore Rotherham taxpayers due to empty units at the new Forge Island development, including lost business rates, lost rent, and consequent impact on paying off the capital investment loan?

Ideally there would have been full occupancy at Forge Island from day one, the reality is that developments of this type, irrespective of location, rarely are fully populated at launch. The Council's approved Budget and the MTFs, assumed a budget plan that deals with a period where the scheme isn't fully let, as did the financial model for Forge Island. Such a model doesn't anticipate prospective business rates or rents so we can't consider them as lost. Even if we did it wouldn't impact as you suggest as the scheme is funded by a loan that will not be charged until April 2026, a year after scheme completion.

The actual final cost of the project is not yet known, whilst the structures are largely completed, part of the project budget was a contribution towards the fit out of the units. As only some of the units are currently tenanted and open, the contribution to the fit out of the remaining ones is still to be paid. As such, the final project costs are not yet complete. However, it is still expected that the project will be completed within the £47.4m budget agreed by Cabinet in October 2022.

On your final point, it is important to note that the Council doesn't take specific loans out on a scheme by scheme basis, but borrows in accordance with need and cashflow combined with investments, as part of its treasury management activity.

I hope that my response is helpful.

Yours sincerely



Councillor Robert Taylor
Cabinet Member for Transport, Jobs and the Local Economy