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## SUPPLEMENTARY PAPERS

|                                 |  |
|---------------------------------|--|
| <b>Committee</b>                | ECONOMY & CULTURE SCRUTINY COMMITTEE   |
| <b>Date and Time of Meeting</b> | THURSDAY, 8 NOVEMBER 2018, 4.30 PM   |
| <b>Venue</b>                    | COMMITTEE ROOM 4 - COUNTY HALL   |
| <b>Membership</b>               | Councillor Howells (Chair)<br>Councillors Henshaw, Gordon, Gavin Hill-John, Parkhill, Robson, Sattar, Simmons and Stubbs |

The following papers were marked 'to follow' on the agenda circulated previously

**6 Land at Harbour Drive (Pages 3 - 94)**

**Appendices 2 and 3 of the report are exempt from publication as they contain exempt information of the description contained in paragraph 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972. The public may be excluded from the meeting by resolution of the Committee pursuant to Section 100A(4) of the Local Government Act 1972 during discussion of this item.**

To receive the report to Cabinet and to scrutinise the proposed way forward.

**Davina Fiore**

**Director Governance & Legal Services**

Date: Friday, 2 November 2018

Contact: Andrea Redmond, 02920 872434, a.redmond@cardiff.gov.uk

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**CYNGOR CAERDYDD  
CARDIFF COUNCIL**

**ECONOMY & CULTURE SCRUTINY COMMITTEE**

**8 NOVEMBER 2018**

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**LAND AT HARBOUR DRIVE: PRE-DECISION SCRUTINY**

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*Appendices 2 and 3 of the Cabinet Report are not for publication as they contain exempt information of the description contained in paragraph 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972. It is viewed that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.*

**Purpose of the Report**

1. To give Members background information to aid the scrutiny of the draft report to Cabinet regarding the acquisition of land at Harbour Drive, Cardiff Bay, which is due to be considered by Cabinet at their meeting on 15 November 2018.
2. Members should note that **Appendices 2 and 3** of the Cabinet report are exempt from publication. Members are requested to keep this information confidential, in line with their responsibilities as set out in the Members Code of Conduct and the Cardiff Undertaking for Councillors.

**Scope of Scrutiny**

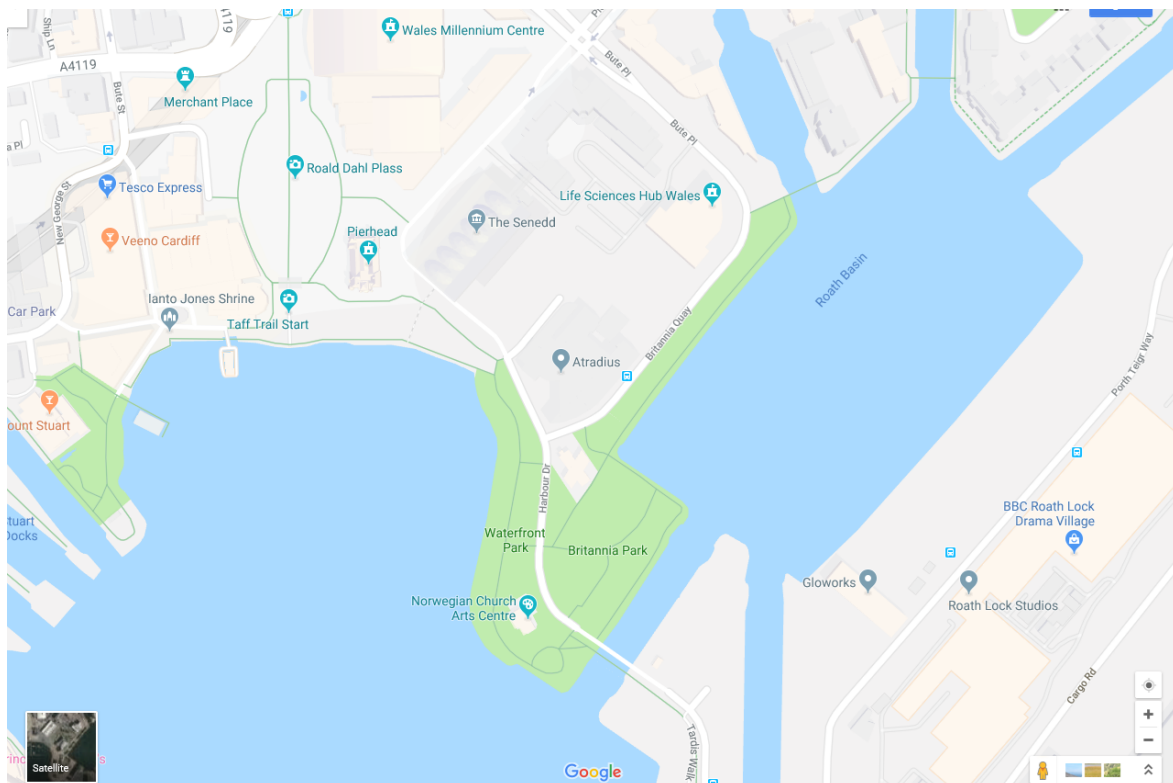
3. At their meeting on 15 November 2018, the Cabinet will consider a report that outlines a proposal to acquire land at Harbour Drive, Cardiff Bay, in order to leverage investment in the area.
4. During this scrutiny, Members have the opportunity to explore:
  - i) The proposal to acquire land at Harbour Drive;
  - ii) Whether there are any risks to the Council;
  - iii) The timeline and next steps in this acquisition;
  - iv) The recommendations to Cabinet.

## Structure of the meeting

5. The Chair will move that this item be considered in two parts: an open session, where Members will be able to ask questions on the issues and papers that are in the public domain; and a closed session, where members of the public will be excluded, where Members can ask questions relating to **Appendices 2 and 3**.
6. Members will hear from Councillor Russell Goodway (Cabinet Member – Investment and Development) and Neil Hanratty (Director of Economic Development). There will be a presentation taking Members through the proposals and recommendations to Cabinet, followed by Members questions.
7. Members will then be able to decide what comments, observations or recommendations they wish to pass on to the Cabinet for their consideration prior to making their decisions.

## Background

8. Harbour Drive is in Cardiff Bay, running through Britannia Park and Waterfront Park, behind the Norwegian Church Arts Centre.



9. The report to Cabinet seeks Cabinet authority to acquire a strategic site at Harbour Drive in order to protect the Bay edge for leisure use and to provide opportunities for appropriate investment to enhance further the amenity of Cardiff Bay.

### **Way Forward**

10. Councillor Russell Goodway (Cabinet Member – Investment and Development) will be invited to make a statement. Neil Hanratty (Director of Economic Development) will attend to give a presentation and answer Members' questions on the proposals for land at Harbour Drive.
11. All Members are reminded of the need to maintain confidentiality with regard to the information provided in **Appendices 2 and 3**. Members will be invited to agree the meeting go into closed session to enable discussion of this information.

### **Legal Implications**

12. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

## **Financial Implications**

13. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

## **RECOMMENDATION**

The Committee is recommended to:

- i) Consider the information in this report and the information presented at the meeting;
- ii) Determine whether they would like to make any comments, observations or recommendations to the Cabinet on this matter in time for its meeting on 15 November 2018; and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

**DAVINA FIORE**

**Director of Governance & Legal Services**

**2 November 2018**

**CITY OF CARDIFF COUNCIL  
CYNGOR DINAS CAERDYDD**

**CABINET MEETING: 15 NOVEMBER 2018**

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**PURCHASE OF LAND AT BRITANNIA PARK, HARBOUR DRIVE,  
CARDIFF BAY**

**INVESTMENT & DEVELOPMENT (COUNCILLOR RUSSELL  
GOODWAY)**

**AGENDA ITEM:**

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*Appendices 2 and 3 of this report are not for publication as they contain exempt information of the description contained in paragraphs 14 of part 4 and paragraph 21 of part 5 of Schedule 12A of the Local Government Act 1972.*

**Reason for this Report**

1. To seek Cabinet authority to acquire a strategic site in Cardiff Bay known as Britannia Park at Harbour Drive, Cardiff Bay in order to protect the Bay edge for leisure use and to provide opportunities for appropriate investment to further enhance the amenity of Cardiff Bay.

**Background**

2. The site is located on the waterfront in Cardiff Bay close to Mermaid Quay and the Oval Basin and consists of circa 4.67 acres, as shown edged red on the plan attached at Appendix 1.
3. The current owner has not placed the interest on the open market to allow for direct negotiations to take place with the Council, being aware of its strategic importance to the city. Terms have now been agreed to dispose of the site to the Council. A report from the Council's commercial valuer supporting the Council's acquisition of the site is attached as Confidential Appendix 2.
4. The site comprises a level cleared site incorporating a number of existing buildings including the Waterguard Public House, the Norwegian Church Arts Centre and the Lock Keeper's Café. The remaining undeveloped sections of the site provide hard landscaped or grassed areas and the development site formerly occupied by the Cardiff Bay Visitor Tube. The site is held freehold subject to a number of existing tenancies.

5. The site includes a Strategic Recreation Route along the south west boundary, and the Local Development Plan Key Diagram identifies the site within an area where the Council seeks to protect and enhance the role of Cardiff Bay and the International Sports Village.
6. The site is bisected by Harbour Drive which forms part of a strategic bus corridor enhancement route.

### **Issues**

7. In order to promote Cardiff Bay as a leading UK leisure destination and to control development around the waterfront primarily for leisure use, the Council is keen to secure all of the Bay edge into public ownership. The cost of acquiring the Britannia Park site will need to be recovered through the appropriate development of the Britannia Park site and the wider Bay edge in Council ownership. This will be done in a way that seeks to enhance the visitor experience and recognises the importance of public access and public space along the waterfront. A strategic masterplan of the Bay will be developed to draw together all of the opportunities around the Bay edge to ensure that any development brought forward is appropriate in scale and nature and is set in the context of public open space provision and appropriate transportation linkages.
8. Subject to planning permission, a potential sale has been agreed in principle for the area of land formerly occupied by the Cardiff Bay Visitor Tube illustrated in Confidential Appendix 3 and in line with the independent valuation attached as Confidential Appendix 2.
9. Whilst the site is not within a Conservation Area, the Lock Keeper's Cottage and the Waterguard Public House are Grade II Listed buildings, as are the dock walls. In addition the Norwegian Church is a Designated Heritage Asset. Future uses and potential development of these areas will therefore need to consider such designation.
10. Subject to planning, the site provides the potential to create a new Bayside restaurant and leisure quarter which will enhance the amenity of Cardiff Bay.
11. The Council will consider the proposed short term uses of the site in terms of security, management and maintenance. The Council will seek to maximise short term commercialisation opportunities, whilst working up a longer term development strategy for the site.

### **Reason for Recommendations**

12. To enable the acquisition of a key strategic site on the water's edge in Cardiff Bay to protect the Bay edge for leisure use and to provide improved amenity in Cardiff Bay.



## **Financial Implications**

13. This report seeks Cabinet agreement for the acquisition of the site known as Britannia Park. This is intended to be funded from disposal proceeds held following the disposal of land interest in Central Square.
14. The price to be paid is supported by an independent valuation report (Confidential Appendix 2). The costs of acquisition quoted does not include additional acquisition costs e.g. stamp duty / professional fees and these will need to be fully understood before committing to the purchase.
15. The site is opted to tax for VAT purposes, however in order to ensure no adverse financial impact to the Council as a result of proposals to be developed on the site, there should be a clear understanding of its future expenditure in relation to the site as well as any income receivable from rental or from any disposals from parts of the site.
16. The report does not take into account costs of the potential relocation of the Lock Keeper's Cottage or any infrastructure to develop the site. This is proposed to be considered as part of the long term development of the site.
17. The Council will be liable for the costs of holding the site (security, management and maintenance). These will need to be met from the directorate's existing revenue budgets, however short term options of the site may be considered to minimise these costs until any longer terms plans are realised.
18. Further due diligence will need to be undertaken before final completion to determine affordability, any ongoing liabilities arising from the site and value for money.

## **Legal Implications**

19. The Council has power to acquire land for the benefit improvement or development of its area pursuant to section 120 of the Local Government Act 1972. The Council's Procedure Rules for the Acquisition of Land require the advice of a professional valuer to be taken. The Council also has economic social and environmental well-being powers pursuant to section 2 of the Local Government Act 2000 in relation to matters contained in its community plan and subject to value for money being obtained. The Council has powers to dispose of land at the best consideration that can reasonably be obtained pursuant to section 123 of the Local Government Act 1972.

## RECOMMENDATIONS

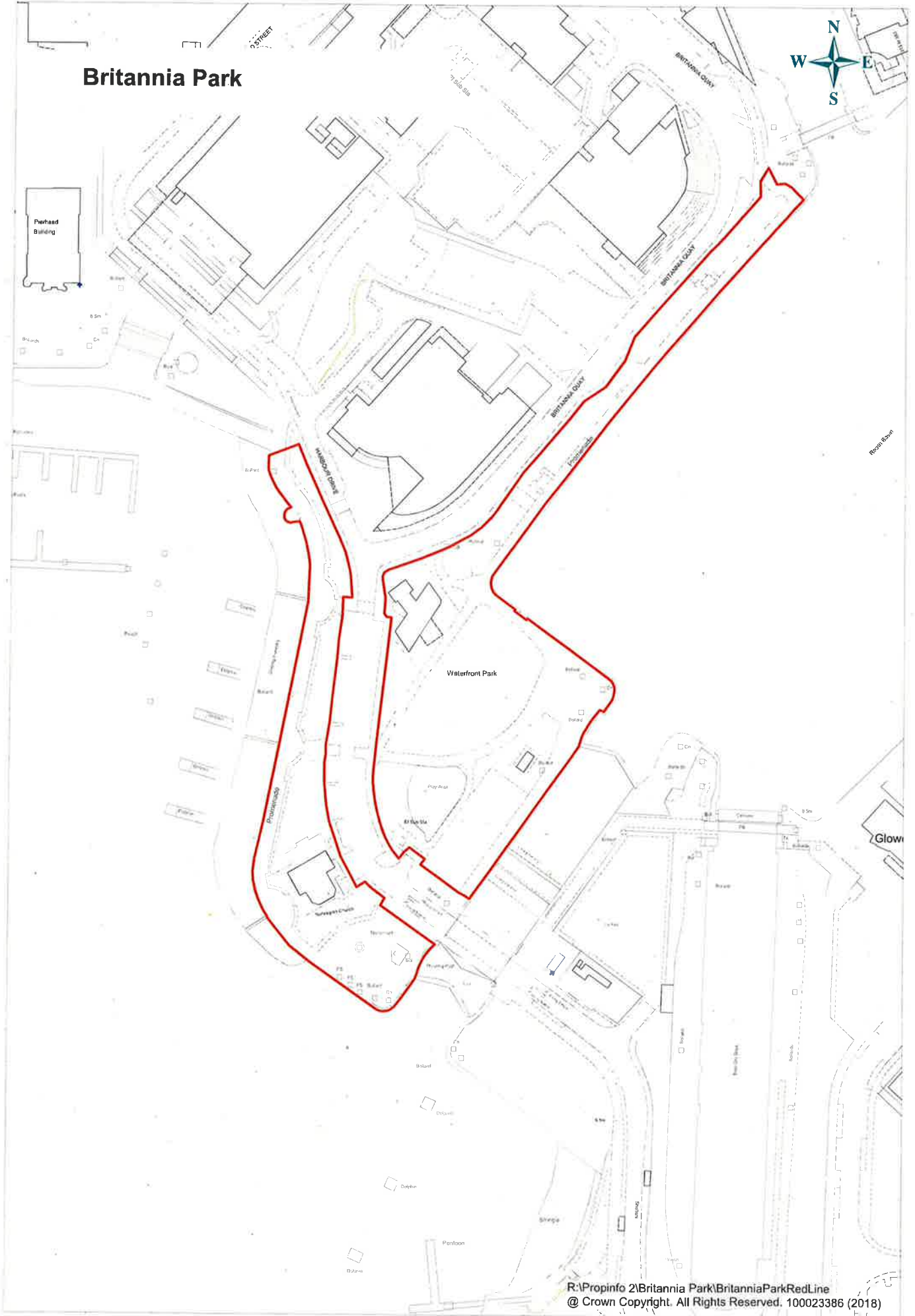
Cabinet is recommended to:

- (i) Agree to the purchase of the Britannia Park site on the terms set out in Confidential Appendix 2.
- (ii) Delegate authority to the Director of Economic Development to dispose of the site edged dashed green in Confidential Appendix 3 subject to independent valuation.

|                                   |   |
|-----------------------------------|---|
| <b>SENIOR RESPONSIBLE OFFICER</b> | <b>NEIL HANRATTY</b><br><b>Director of Economic Development</b> |
|                                   | <b>6 November 2018</b>  |

*The following appendices are attached:*

Appendix 1 – Site Plan  
Confidential Appendix 2 – Valuation Report  
Confidential Appendix 3 – Disposal Site Plan



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By virtue of paragraph(s) 14, 21 of Part(s) 4 and 5 of Schedule 12A of the Local Government Act 1972.

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