

DUMBALLS ROAD REGENERATION: Progress Report

Purpose of Report

1. To provide background information to prepare Members for their scrutiny of proposals to regenerate the Dumballs Road area. Members will receive a presentation from Vastint, the company leading the regeneration.

Scope of Scrutiny

2. This item provides Members with the opportunity to explore issues relating to the proposed redevelopment of the Dumballs Road site, with a particular emphasis on commercial units, employment & training opportunities and community space¹. Members also have the opportunity to explore the contribution of the scheme to the wider economy of Cardiff, for example by improving transport routes between the city centre and Cardiff Bay, thus benefiting tourism and trade. In addition, Members have indicated that they are interested in scrutinising both the financial contribution of the Council to the regeneration and the liaison process with existing businesses located in Dumballs Road, including those that need to move from the site.

Background

3. The Dumballs Road site is a circa 40 acres brownfield site, south of Central Train Station and Callaghan Square, allocated in the Local Development Plan

¹ The proposals relating to affordable housing do not fall within the remit of this Committee, as housing comes under the terms of reference of the Community & Adult Services Scrutiny Committee.

for housing-led mixed-use developments. It falls within the Cardiff Central Enterprise Zone, established by Welsh Government in 2013 with a particular focus on the financial and professional advisory services.

4. Enterprise Zones are geographic areas that benefit from additional support and incentives for business infrastructure, to attract businesses and stimulate economic growth and prosperity. Examples of the support available include financial incentives (grants, loans and business rate reductions), simplified and efficient planning processes, access to local academia and high-speed broadband.
5. The National Assembly for Wales Economy, Infrastructure and Skills Committee recently completed an Inquiry into Enterprise Zones². This heard that projects in the Cardiff Central Enterprise Zone include:
 - inward investments from Deloitte and Alert Logic;
 - relocations into the zone from Admiral, BBC and HMRC;
 - a new further education college for Cardiff and Vale;
 - expansion for the University of South Wales - Atrium 2 and 3;
 - Proposed new creative campus from Cardiff Met University and from Cardiff University for a new school of journalism.
6. The National Assembly for Wales Economy, Infrastructure and Skills Committee Inquiry heard that the Board of Cardiff Central Enterprise Zone was content with the Welsh Government's proposal to wind it up, and the Committee likewise gave their support for this to take place; a decision on this is awaited.

Regenerating Dumballs Road

7. On 1 December 2016, Cabinet received a report³ setting out proposals from Vastint⁴ to regenerate the area, delivering up to 2,000 new homes, including

² 'Enterprise Zones: Boldly Going?' May 2018 – available at www.assembly.wales

³ Available at: <http://cardiff.moderngov.co.uk/mgAi.aspx?ID=7214&LLL=0>

⁴ Vastint is the property arm of the IKEA group

affordable housing, commercial use and community use and providing jobs during the construction phase and beyond.

8. The 1 December 2016 Cabinet report highlights the primary issues facing regeneration of Dumballs Road, which are complicated land ownership arrangements and site abnormalities. To assist with this, the report sought permission for the Council to purchase 12.6 acres of the site and work in partnership with Vastint to develop a master plan, with Heads of Terms and a Memorandum of Understanding underpinning this. The report to Cabinet also sought permission to dispose of a council building at Bessemer Close to provide a suitable relocation site for a business from the Dumballs Road area.

9. Following consideration of the report, including confidential information and a presentation by Vastint, Cabinet agreed that:

'1) The Heads of Terms attached as Appendix 4 be approved.

2) Authority be delegated to the Director of Economic Development in consultation with the Leader of the Council, the Cabinet Member for Corporate Services and Performance, the Corporate Director Resources, and the Director of Governance and Legal Services to:

i) Conclude the acquisition of 8.5 acres of land at Dumballs Road as illustrated at Appendix 2 and in accordance with the Heads of Terms attached as Appendix 4.

ii) Negotiate and conclude the acquisition of a further 4.1 acres of land at Dumballs Road as illustrated at Appendix 2 with the final cost of acquisition subject to allocated budgets and approval by an independent valuer.

iii) Dispose of the former Depot Building at Bessemer Close to enable the relocation of a business from the Dumballs Road area as illustrated in the plan at Appendix 5 and in accordance with the independent valuation at Appendix 6.

3) The receipt from the disposal of the former Depot Building at Bessemer Close be ring fenced to enhance the allocated capital budget being used to acquire the land at Dumballs Road outlined in this report and illustrated in Appendix 2.

4) that the required level of capital allocation from the Central Enterprise Zone (CEZ) budget is brought forward from future years to the current financial year, as set out in Appendix 8.'

10. Since then, the Council has worked with Vastint in developing a comprehensive approach to the regeneration of the area, which is a requirement of the Local Planning Authority given the strategic location of the site. The Council and Vastint are also working together to agree a demolition and remediation strategy for the overall site, as well as how key infrastructure requirements for the site, such as services, access roads, public realm etc., will be delivered and funded.
11. Previous planning permission for the Dumballs Road site gave permission for the following: over 2,000 new homes, including 12.5% affordable housing; over 400,000 sq. ft. commercial space, circa 30,000 sq. ft. of retail space and other community facilities.
12. Vastint have worked in partnership with the Council to develop new proposals that build on some of the key development principles already established through the planning process, including:
 - Integration of sustainable travel opportunities
 - Maximising the potential of the river frontage
 - Providing high quality urban public spaces
 - Providing high quality standards of design.

13. The previous report to Cabinet on 1 December 2016 highlighted that:

'Vastint is keen to explore a greater level and mix of employment uses given the proximity of the site to the city centre and in particular will explore the potential to provide commercial business space for smaller end users to complement the large office developments being brought forward on adjacent sites at Central Square, Central Quay, Callaghan Square and Capital Quarter.'

'Vastint is also committed to delivering community benefits through their developments and will again work with the Council to maximise apprenticeship and training opportunities, particularly for young people.'

14. The development of a master plan will pave the way for discussions to be held on the finer details of proposals. These will culminate in a new planning

application being submitted to the Local Planning Authority.

15. In terms of the financial contribution of the Council, Cabinet agreed at their meeting on 1 December 2016 to purchase land at Dumballs Road to assist in progressing the scheme, using funds allocated in the Council's Capital Programme for the Cardiff Enterprise Zone. In addition, the financial implications section of the report to Cabinet 1 December 2016 stated that the Council would become responsible for 'vacant site holding costs', which would crystallise incrementally as landowners transfer their operations to alternative premises elsewhere in the city. These costs would be met from the Cardiff Enterprise Zone Corporate Revenue Budget.

Way Forward

16. Andrew Cobden, Managing Director - Vastint, and Michael Cronin, Property Manager - Vastint, will attend to give a presentation on their emerging proposals for regenerating Dumballs Road.
17. Councillor Russell Goodway (Cabinet Member – Investment and Development) and Neil Hanratty (Director – Economic Development) will attend and may wish to make a statement.
18. Members will have the opportunity to ask questions to the above panel of witnesses. Members are reminded that the scope of this scrutiny is to focus on the proposals for redeveloping the site that fall within the terms of reference of this Committee, for example:
 - commercial units
 - employment & training opportunities
 - community space
 - contribution to the wider economy of Cardiff
 - financial contribution of the Council
 - liaison processes with businesses.
19. Members may also wish to explore the following issues:
 - Mechanisms for community consultation

- Interface with other economic development projects
- Timescales
- Whether there are any risks to the Council
- How any risks to the Council are being addressed and mitigated.

Legal Implications

20. 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

21. 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 and note the information presented in this report and the information presented at the meeting, and
- ii) Determine any comments, observations or recommendations to the Cabinet.

Davina Fiore
Director, Governance and Legal Services
5 October 2018