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## SUPPLEMENTARY PAPERS

<b>Committee</b>	ECONOMY & CULTURE SCRUTINY COMMITTEE
<b>Date and Time of Meeting</b>	TUESDAY, 17 DECEMBER 2019, 4.30 PM
<b>Venue</b>	COMMITTEE ROOM 4 - COUNTY HALL
<b>Membership</b>	Councillor Howells (Chair) Councillors Henshaw, Gordon, Gavin Hill-John, Parkhill, Robson, Sattar, Stubbs and Simmons

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

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**CYNGOR CAERDYDD**  
**CARDIFF COUNCIL**

**ECONOMY & CULTURE SCRUTINY COMMITTEE**

**17 DECEMBER 2019**

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**INDOOR ARENA UPDATE: PRE-DECISION SCRUTINY**

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*Appendices 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 of the Cabinet Report are not for publication as they contain exempt information of the description contained in paragraphs 14 and 16 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local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 report to Cabinet that provides an update on the Indoor Arena, which is due to be considered by Cabinet at their meeting on 19 December 2019. The report is attached as **Appendix A** and has ten appendices.
2. Members should note that **all Appendices 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10** of the report to Cabinet 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 19 December 2019, the Cabinet will consider a report that provides an update on the procurement process to secure a developer/ operator consortium to deliver a new 15,000 capacity multi-purpose Indoor Arena at Atlantic Wharf, Cardiff Bay. The report seeks cabinet approval to acquire the Red Dragon Centre and to consider a new financial strategy as part of the procurement process based on the same financial envelope as previously agreed by Cabinet and Council.

4. During this scrutiny, Members have the opportunity to explore:
  - i) The proposed approach for the delivery of the Indoor Arena;
  - ii) The proposed acquisition of the Red Dragon Centre;
  - iii) The proposed new financial strategy;
  - iv) Whether there are any risks to the Council;
  - v) The timeline and next steps for delivering the indoor arena project;
  - vi) 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 that pertain to **Appendices 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10.**
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. In July 2017, the Council's new Administration set out a policy programme and associated delivery commitments entitled 'Capital Ambition', which included a commitment to:  
*'Prioritise the delivery of a new Multi-Purpose Indoor Arena in the best possible location to ensure it can attract premier national and international events.'*
9. At their meeting on **15 February 2018**, Cabinet approved the selection of the Atlantic Wharf site as the preferred location for the indoor arena project. Atlantic



Wharf consists of the County Hall site, owned by Cardiff Council, and the Red Dragon Centre, owned by British Airways Pension Fund. Since February 2018, officers have been working with the British Airways Pension Fund to develop a delivery plan.

10. At their meeting on **15 November 2018**, the Cabinet resolved to meet the Council's due diligence costs and to underwrite the design and pre-development costs incurred by the Developer and Landowner. Cabinet also resolved that *'authority be delegated to the Director of Economic Development in consultation with the Cabinet Member for Investment and Development and the Section 151 Officer to deal with all aspects of the procurement of independent advisors as set out in Confidential Appendix 4'* and to explore the best financial approach to deliver the project.
11. In **February 2019**, as part of the budget setting process, Council approved an affordability envelope in the Council's Medium Term Financial Plan to support delivery of a new Indoor Arena including financial provision for the acquisition of the Red Dragon Centre site in the current budget.
12. At their meeting on **11 July 2019**, the Cabinet resolved to note the preliminary due diligence set out in the appendices to the report, and resolved the following:
  - i) *authority be delegated to the Director of Economic Development in consultation with the Cabinet Member for Investment and Development, the Section 151 Officer and the Monitoring Officer to enter into the Memorandum of Understanding (MOU) attached at Confidential Appendix 4 relating to the acquisition of the Red Dragon Centre site and to report back to Cabinet before any legal agreements are entered into.*
  - ii) *authority be delegated to the Director of Economic Development in consultation with the Cabinet Member for Investment and Development, the Section 151 Officer and the Monitoring Officer to deal with all aspects of the procurement of a developer/operator consortium for delivery of the new Indoor Arena subject to the approval of the preferred bidder by Cabinet at a later meeting.*

- iii) *authority be delegated to the Section 151 Officer and the Monitoring Officer to commission an independent review of the Full Business Case, including the implications of any land assembly requirements, to be presented back to Cabinet as part of its consideration of the Full Business Case in due course.*

13. The report to Cabinet entitled 'Indoor Arena: Update' is attached at **Appendix A** and has **ten confidential** appendices:

- **Appendix 1 - Confidential** - Site Plan
- **Appendix 2 - Confidential** - Procurement Report
- **Appendix 3 - Confidential** – Procurement Financial Models
- **Appendix 4 - Confidential** – Independent Legal Advice
- **Appendix 5 – Confidential** – Site Due Diligence
- **Appendix 6 – Confidential** – Heads of Terms RDC
- **Appendix 7 – Confidential** – Independent Purchase Report & Valuation
- **Appendix 8 – Confidential** – Independent Financial Advice
- **Appendix 9 – Confidential** – Finance Payment Schedule
- **Appendix 10 – Confidential** - Asset Management Report.

### **Issues identified in the Cabinet Report**

14. **Points 11 – 20** of the report to Cabinet provide details of the Competitive Dialogue procurement process underway to secure a private sector consortium to deliver and operate a new Indoor Arena.

15. The next stage of the procurement process will require bidders to spend significant resource to produce a detailed submission. The report to Council, at **point 9**, states:

*'As such, the Council will be required to demonstrate that it can deliver full control of all land required for the new Indoor Arena on the Atlantic Wharf site.'*

16. In addition, the competitive dialogue process has highlighted that additional flexibility in how bidders respond to the Council's requirements would be beneficial to the Council. This would still be within the financial envelope approved by Council in February 2019. **Points 19-20** provide more details on this.

17. **Point 21** of the report to Cabinet outlines that the Council has taken advice to understand State Aid implications and approaches to mitigation; **Confidential Appendix 4** provides more details on this.

18. **Points 23-34** deal with the acquisition of the Red Dragon Centre. **Points 23-27** cover the acquisition of the Red Dragon Centre, with **points 28-32** outlining the risks associated with this and highlighting that **Confidential Appendix 7** considers property related risks and **Confidential Appendix 8** considers financial risks. **Points 33-34** cover the investment strategy for the Red Dragon Centre. **Point 25** states that:

*‘The Council has negotiated a two-phase payment to reduce the risk to the Council of acquiring the asset in advance of the Council having concluded its procurement process for a new Arena. The second payment will only be payable at the point of submission of a planning application for the new Arena project on any part of the Atlantic Wharf site (the combined County Hall and Red Dragon Centre site) in the next 10 years. This provides mitigation in the event that the Council is unable to bring forward the Arena project on the site.’*

19. The Cabinet report states, at **points 35-36** that the next steps, if Cabinet approve the recommendations, will be to seek to complete acquisition of the Red Dragon Centre in January 2020. The indicative timetable for delivery of the new Indoor Arena, subject to Cabinet selecting a preferred bid in March 2020, is as follows:

*June 2020* - Development Agreement approved by Cabinet.

*September 2020* - Detailed planning submission by the Developer.

*May 2021* – Construction contract awarded with start on site.

*Summer 2023* - Construction and associated works completed.

20. Financial implications are set out at **Points 39- 55**, with Legal implications at **Points 56 – 68**.

## Proposed Recommendations to Cabinet

21. The report to Cabinet contains the following recommendations:

- i) Note progress with the procurement process to secure a developer/operator consortium to deliver the new Indoor Arena;*
- ii) Authorise the acquisition of the RDC investment in line with the independent valuation and purchase report attached at Confidential Appendix 7 and the payment schedule attached at Confidential Appendix 9 and in accordance with the legal advice provided at Confidential Appendix 4;*
- iii) Agree to the deferred payment set out in Confidential Appendix 6 payable in the event that a new Indoor Arena is brought forward on the Atlantic Wharf site illustrated by the red line boundary in the plan attached at Confidential Appendix 1;*
- iv) Note that authorising the acquisition of the Red Dragon Centre investment will trigger the Indoor Arena affordability envelope, originally agreed as part of the Council approved Budget in February 2019, and therefore requiring relevant adjustments to the Budgetary Framework for 2019/20 agreed by Council in February 2019.*
- v) Approve a new financial strategy as part of the procurement process as to the available funding models which bidders are able and required to submit their final tenders on and, for any grant and/or income strip commitment the Council may be required to provide as detailed in this report and set out in Confidential Appendix 3; and*
- vi) Delegate authority to the Director of Economic Development to appropriate land for planning purposes as set out in this report.*

## Previous Scrutiny

22. This Committee undertook policy development scrutiny of the Multi-Purpose Indoor Arena proposals at their meeting on **5 October 2017**. Overall, Members were supportive of proposals for a multi-purpose indoor arena, recognising the benefits that will accrue to the city region from increased footfall and enhanced infrastructure. In the Chair's letter following this meeting, Members highlighted:

- i. It would be sensible to explore a range of funding options, given the need to identify and secure c. £110 million;
- ii. The business case for the indoor arena should clearly detail the likely impact the arena will have on other venues in the city region.

23. At their Committee meeting on **13 February 2018**, Members scrutinised the report to Cabinet regarding the preferred location for the multi- purpose indoor arena, namely Atlantic Wharf. In the Chair's letter following this meeting, Members highlighted<sup>1</sup>:

- iv) Members' initial support for the preferred location, subject to future consideration of additional information that will emerge from the overall business case and financial implications;
- v) The need for the arena proposals to include high quality, reliable and affordable public transport to avoid adding to congestion in Cardiff;
- vi) Members wish to undertake further scrutiny of the delivery strategy, including the financial implications for the Council.

24. As well as sending a public letter, the Chair, Councillor Nigel Howells, sent a confidential letter to Councillor Russell Goodway, dated 14 February 2018, capturing the Committee's thoughts regarding the confidential information considered at the meeting. A copy of this letter was shared with Committee Members, who are reminded of the need to keep the contents of the letter confidential.

25. At their Committee meeting on **8 November 2018**, Members scrutinised the report to Cabinet regarding the next steps in delivering the indoor arena. In the Chair's letter following this meeting, Members highlighted<sup>2</sup>:

- vii) Their support for the recommendations to Cabinet;
- viii) That Members wish to be kept abreast of proposals for the Motorpoint site;
- ix) That costs for design, pre-development work and independent consultants to undertake verification checks are necessary and appropriate;

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<sup>1</sup> Public Letter from Councillor Howells, Chair Economy & Culture Scrutiny Committee, to Councillor Goodway, Cabinet Member – Investment & Development, dated 14 February 2018.

<sup>2</sup> Public Letter from Councillor Howells, Chair Economy & Culture Scrutiny Committee, to Councillor Goodway, Cabinet Member – Investment & Development, dated 9 November 2018

- x) Members would like to receive evidence of market testing to demonstrate the indoor arena development is able to hold its own against competitors.

26. As well as sending a public letter, the Chair, Councillor Nigel Howells, sent a confidential letter to Councillor Russell Goodway, dated 9 November 2018, capturing the Committee's thoughts regarding the confidential information considered at the meeting. A copy of this letter was shared with Committee Members, who are reminded of the need to keep the contents of the letter confidential.

27. At their committee meeting on **4 July 2019**, Members scrutinised the report to Cabinet regarding the next steps in delivering the indoor arena. Following this, the Chair sent a confidential letter to Councillor Russell Goodway, dated 8 July 2019. A copy of this letter has been shared with Committee Members, who are reminded of the need to keep the contents of the letter confidential.

### **Way Forward**

28. 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.

29. All Members are reminded of the need to maintain confidentiality with regard to the information provided in all **Appendices 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10**. Members will be invited to agree the meeting go into closed session to enable discussion of this information.

### **Legal Implications**

30. 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**

31. 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, its appendices 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 19 December 2019; and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

**DAVINA FIORE**

**Director of Governance & Legal Services**

**13 December 2019**

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**CABINET MEETING:**

**19 December 2019**

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**INDOOR ARENA UPDATE**

**INVESTMENT & DEVELOPMENT (COUNCILLOR GOODWAY)**

**AGENDA ITEM:**

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**PORTFOLIO: BUSINESS & INVESTMENT**

Appendices 1 – 10 of this report and other legal advice referred to in this report or the appendices are not for publication as they contain exempt information of the description contained in paragraphs 14 of part 4, paragraph 16 of part 4 Schedule 12A, and paragraph 21 of part 5 of Schedule 12A of the Local Government Act 1972.

**Reason for this Report**

1. To update Cabinet on the ongoing procurement process to secure a developer/operator consortium to deliver a new 15,000 capacity multi-purpose Indoor Arena at Atlantic Wharf, Cardiff Bay.
2. To seek Cabinet authority to acquire the Red Dragon Centre (“RDC”) investment at Atlantic Wharf, Cardiff Bay to enable delivery of the new Indoor Arena and to secure control of an important site adjacent to existing Council land with the potential to stimulate the next phase of regeneration of Cardiff Bay.
3. To seek authority to consider a new financial strategy as part of the procurement process to deliver the new Indoor Arena based on the same financial envelope as previously agreed by Cabinet and the Council.

**Background**

4. Delivery of a new Indoor Arena is one of two key strategic economic commitments set out by the political administration in their strategic policy vision document *Capital Ambition*. A new Arena has been a long-standing aspiration of the Council stretching back to 1999. It is an aspiration shared by the city’s business community, recently re-affirmed through the consultation process for the Council’s new Economic Strategy launched in April 2019. The project is regarded as the missing piece of city infrastructure needed to cement Cardiff’s international reputation as a major events city and to support the Council’s key tourism objectives: to attract more visitors that stay longer; and to establish Cardiff Bay as a premier UK visitor destination.

5. In February 2018, Cabinet authorised the selection of Atlantic Wharf as the preferred location for the delivery of a new Indoor Arena. The Atlantic Wharf site consists of two parcels of land: 12 acres owned by Cardiff Council, known as the County Hall site; and 13 acres owned by BA Pension Trustees Ltd (BAPTL), known as the RDC site (see Confidential Appendix 1).
6. At the same meeting, Cabinet authorised the Council to develop a detailed delivery strategy for the new Indoor Arena. This involved investigation of various site options across the Atlantic Wharf site to determine the optimum location for the new Arena. All feasible options required the Council to have control of BAPTL's land interest. In November 2018, Cabinet provided authority and funding to commence due diligence relating to the acquisition of the RDC site.
7. In February 2019, as part of the budget setting process, Cabinet approved an affordability envelope in the Council's Medium Term Financial Plan to support delivery of a new Indoor Arena including financial provision for the acquisition of the RDC site in the current budget.
8. In July 2019, Cabinet gave authority to begin a procurement process to secure a developer/operator consortium to deliver a new 15,000 multi-purpose Indoor Arena at Atlantic Wharf, Cardiff Bay. To enable this, Cabinet also provided authority for the Council to enter into a Memorandum of Understanding with BAPFL regarding the Council's acquisition of their property.

## **Issues**

9. The Council has reached a stage in the procurement process where bidders will now be required to spend significant resources producing a detailed submission. This will involve developing the design of their proposed new Arena to Royal Institute of British Architects ("RIBA") Stage 2 to provide some detail on which to cost their proposals. As such, the Council will be required to demonstrate that it can deliver full control of all land required for the new Indoor Arena on the Atlantic Wharf site. The issue has become more pressing, as BAPFL have offered the current proposed deal (set out in detail in the draft contract at Confidential Appendix 6 only if a contract can be signed before 31 December 2019. If not any revised deal capable of being negotiated next year is likely to be based on an income strip model, and less advantageous terms. An income strip arrangement over the RDC would potentially inhibit any redevelopment of the site.
10. Further to the above, dialogue with bidders over recent months suggests that delivery of a new Arena on the basis of Model A (described in full later in this report) is challenging and therefore may not be attractive to mandate the bidders to complete a solution on the basis of Model A which may not be viable. Whilst it is not proposed to amend the financial envelope recommended by Cabinet and approved by the Council in

February 2019, approval is now sought to require bidders to submit their final tenders on the basis of at least two of the three available funding approaches. Consequently, it will not be mandatory for bidders to return final tenders on the basis of Model C. It is considered that this will be beneficial to the Council in terms of allowing the remaining bidders greater scope in selecting funding approaches which they consider viable.

## **Procurement Process**

11. The Concession Contracts Regulations 2016 (“CCR”) apply to this procurement. As such, the Council has embarked upon a process similar to the Competitive Dialogue procedure described in the Public Contracts Regulations 2015 (as amended) with a view to securing a private sector consortium to deliver and operate a new Indoor Arena. However, under the CCR the Council is not bound by the formalities or rules governing the Competitive Dialogue procedure and is therefore afforded greater flexibilities under the CCR.
12. Noting the above, the Council intends to make a financial contribution towards the delivery of the project. The procurement process allows bidders to develop proposals in response to the Council’s output requirements and encourages innovation. The procurement process can continue until the Council can identify a solution or solutions that are capable of meeting its needs before a call for final tenders is made by the Council.
13. The procurement process commenced on the 20 August 2019 with a “*Call for Competition*” through an OJEU concession notice with the issuing of a Pre-Qualification Questionnaire (PQQ) for bidders to complete and submit by 27 September 2019.
14. A bidder’s day was held at the City Marketing Suite at Cardiff Castle on 12 September 2019. A range of interested parties from the UK’s leading arena operators, developers, construction companies and consultants attended the event.
15. The Council initially received seven PQQ submissions. However, three bidders withdrew their bids through a clarification process. On 27 September 2019, following evaluation of the PQQ responses, the Council selected two consortium bidders to progress to the Invitation to Submit Outline Solutions (ISOS) stage. Both consortium are led by arena operators of international standing and contain development partners with an established track-record in the delivery of related facilities.
16. Over the last two months the Council has progressed the ISOS stage with the two short-listed bidders. Dialogue sessions commenced on Wednesday 30 September 2019. There has been a total of 5 dialogue sessions with each bidder, covering:
  - Financial and legal proposals;
  - Operational proposals and experience;
  - Event programming;

- Design, management and maintenance; and
  - Social and economic value.
17. Following dialogue, the bidders were invited to present to the Council on Monday 25 November 2019, before submitting their Outline Submissions in response to the ISOS document on Tuesday 3 December 2019.
  18. The original procurement timetable set out in Confidential Appendix 2 aims to complete the procurement process in time for Cabinet to take a final decision on the Preferred Bidder in April 2020. At present, the process is progressing as anticipated.
  19. The previous report to Cabinet on the Indoor Arena in July 2019 established a financial strategy for delivering the project. The rationale was to ensure the financial contribution from the Council towards delivery of the Arena: is the minimum necessary; is clearly understood by bidders from the outset; and is capped. Essentially, the Council set three financial models for any grant and/or income strip commitment it may be required to make: Model A - a capital contribution envelope; and Model B – terms relating to an ‘Income Strip’ lease model approach and; Model C – a ‘Hybrid Solution’ approach. At the outset of the process, the Council’s preferred financial model was Model A, and bidders were required to provide an ISOS proposal for Model A. Bidders were also required to submit an Outline Solution on the basis of at least one other variant basis; Model B and/or a hybrid of the two models (i.e. a Model C). Details of the financial models are set out in Confidential Appendix 3.
  20. The procurement approach provides the opportunity for innovation through the process. Dialogue with bidders suggests the Council should review and refine its financial strategy in terms of the funding approaches that bidders will be able to submit their final tenders. It is proposed to continue to require bidders to submit at least two financial models for the Council to consider, but to allow bidders to determine which combination of Models A, B and C they wish to submit. This report seeks approval from Cabinet to set out this new financial approach the Call for Final Tender stage of the procurement process.

#### State Aid Considerations

21. The Council is confident that the procurement process will confirm that the new Indoor Arena will operate commercially, without ongoing Council subsidy, once delivered. However, based on the track-record of new Arenas delivered in the UK over the last decade, a public sector contribution will be required towards the construction costs. With this in mind the Council has made provision to enable a contribution within its budget to facilitate the delivery of the new Arena. The scale of contribution will be the minimum required to facilitate the development and this is currently being tested through the procurement process. The anticipated scale of contribution raises State Aid risks which will need to be mitigated when the Council takes the decision to confirm its contribution in April 2020. In advance of that, the Council has taken advice to understand the State Aid implications and approaches to

mitigation. The Council has previously received independent legal advice which sets out an approach to ensure any contribution from the Council is State Aid compliant. Further work will be undertaken, to ensure that any aid to be given will be consistent with the Block Exemption regulations before agreements are authorised to be entered into with the preferred bidder.

#### Procurement Timetable

22. The procurement timetable is progressing as set out in the procurement documents issued with the Call for Competition. The Council is now ready to progress to the second stage of dialogue with bidders with the key stages/dates set out below:

*December 2019* - Cabinet to consider the acquisition of the RDC.

*December 2019* - Council to issue Invitation to Continue Dialogue and associated documents for the Council to engage in further discussions with bidders for the purposes of improving and refining their offerings.

*February 2020* – Council to close dialogue with bidders and invite them to submit final tenders for the delivery of the new Indoor Arena and associated works.

*March 2020* - Cabinet to select the Preferred Bidder.

#### **Acquisition of the Red Dragon Centre**

23. In advance of the procurement process, the Council undertook detailed feasibility and due diligence work (see Confidential Appendix 5) to demonstrate the new Indoor Arena can be delivered on the Atlantic Wharf site within the Council's financial envelope. This work identified that some of the land currently in BAPFL's ownership is required to make delivery of the Arena affordable at the Atlantic Wharf location (see Confidential Appendix 1).
24. BAPFL are willing sellers to the Council but are only willing to sell the whole of their interest in the RDC site. In light of the Council's aspirations for the site, BAPTL has held back over the last 2 years from extending existing leases to prepare the site for redevelopment should the Council wish to do so. Before discussions began with the Council, BAPTL had agreed terms for lease extensions with a number of key existing tenants. They had also secured planning permission where that was required. These agreements significantly increase the value of the asset. Heads of Terms and a form of contract between the two parties are agreed and attached as Confidential Appendix 6. A legal report on the proposed contract is attached as part of Confidential Appendix 4.
25. The Council has negotiated a two-phase payment to reduce the risk to the Council of acquiring the asset in advance of the Council having concluded its procurement process for a new Arena. The second

payment will only be payable at the point of submission of a planning application for the new Arena project on any part of the Atlantic Wharf site (the combined County Hall and Red Dragon Centre site) in the next 10 years. This provides mitigation in the event that the Council is unable to bring forward the Arena project on the site.

26. The Council has commissioned external surveyors to provide a purchase report to demonstrate that the acquisition meets the Market Economy Operator Principle (MEOP). This requires the Council to enter into transactions on terms that are acceptable to a reasonable market operator, i.e. a private investor would also be prepared to invest in the site in the same circumstances and on the same terms, ignoring any benefits and liabilities which arise from the Council's position as a public authority. The report is attached at Confidential Appendix 7.
27. Although only part of the RDC site is needed to deliver the new Indoor Arena, the remainder of the site is also important to the Council given its adjacency to existing Council owned land and the potential of the combined sites to deliver a major regeneration once the new Indoor Arena is delivered. The existing building comprises a purpose-built leisure development constructed around 1997 offering 16 separate demises extending to approximately 176,607 sq ft, plus a 112 bed hotel, and an income-generating car park consisting of 801 spaces. The Council has appointed independent financial advisors to consider the acquisition of the property as an investment. Their advice is attached at Confidential Appendix 8. Existing lease arrangements generate a significant annual rent, also detailed at Confidential Appendix 7 & 8. Income exceeds the costs of acquiring the site and provides a surplus profit over and above day-to-day management costs.

#### Acquisition Risks

28. The Council's primary reason for acquiring the RDC site is to support delivery of the new Indoor Arena. As set out above, only part of the site is required to deliver the Arena, with the vast majority of the existing leisure investment being able to remain in situ (at least in the short term). It is therefore essential that the acquisition is viable as an investment in its own right.
29. In taking the decision the Council needs to be satisfied that the associated risks are manageable and proportionate. The Council has identified a number of key risks as follows:
  - Satisfying MEOP in meeting the asking price.
  - The quality of income over the long term and the potential for growth.
  - Trends in the UK retail/leisure market.
  - Management of leases, debts and voids.
  - The condition of the building and any requirement for investment.
  - The potential for redevelopment.

30. The independent advice set out at Confidential Appendix 7 considers the property related risks, including satisfying the MEOP. It provides a condition survey of the buildings and an associated investment plan.
31. Existing leases at the RDC have been managed effectively by BAPFL to provide the Council with the flexibility to redevelop the site if it chooses to do so in the future
32. The independent advice set out at Confidential Appendix 8 considers the financial risks associated with acquiring the investment, including the quality of existing leases and the potential for growth.

#### Investment Strategy

33. In the short term, annual rental income will exceed the annual cost of borrowing to acquire the asset. However, over the medium to long term the property will require investment and therefore the Council will need to prepare a business case to consider whether to:
  - a) *Retain* the residual asset as a property investment. Over the long-term this will require investment in the existing buildings but the cost of investment should be off-set by improved lease terms with key existing tenants;
  - b) *Remodel* the asset to enable regeneration by providing a brand new leisure facility and releasing surplus land for development. This would require negotiating new lease terms with key existing tenants and should deliver a significantly enhanced leisure facility through the attraction of new occupiers. This approach would be considered a major regeneration and could be delivered either directly by the Council, with the Council retaining the long-term asset, or through disposal, or a hybrid joint venture arrangement;
  - c) *Relinquish* the residual property not required to deliver the new Indoor Arena, to recover a proportion of the initial outlay. This may also require short-term investment in the existing asset to extend key existing leases to maximise value prior to sale.
34. The acquisition of the RDC site will present immediate asset management actions to facilitate the development of the Indoor Arena, including discussions with key existing tenants. Given the nature of the asset and the volume of expected financial transactions it is proposed that the Council employs a suitably qualified managing agent to undertake these negotiations and to undertake the day to day management of a site. The associated costs will be off-set through the retained income.

#### **Next Steps**

35. If Cabinet is minded to provide authority for the Council to acquire the RDC site, the Council will seek to complete the acquisition from BAPFL in January 2020.

36. Subject to Cabinet selecting a Preferred Bid in March 2020, an indicative timetable for the delivery of the new Indoor Arena would be as follows:

*June 2020* - Development Agreement approved by Cabinet.

*September 2020* - Detailed planning submission by the Developer.

*May 2021* – Construction contract awarded with start on site.

*Summer 2023* - Construction and associated works completed.

37. As part of the preparation for the later stages of the procurement and finalising the agreements with the preferred bidder, which will involve the transfer of an interest in land to the successful bidder, and the dealing with some third party rights, at this stage it is proposed to authorise the Director of Economic Development to appropriate land within the Atlantic Wharf site for planning purposes.

### **Reason for Recommendations**

38. To update Cabinet on progress with the procurement process to select a developer/operator consortium for the delivery of a new 15,000 capacity Indoor Arena and to seek authority to acquire the RDC site to facilitate the delivery of the new Arena and the continued development of Cardiff Bay into a premier UK visitor destination.

### **Financial Implications**

39. The financial implications set out the inter dependencies and the key considerations of both the Arena Procurement & RDC Investment.

#### **Indoor Arena**

40. This report and in particular the confidential appendices outline an update and option appraisals that are being discussed in the procurement for the delivery of the new 15,000 capacity Indoor Arena on Atlantic Wharf. A significant level of further due diligence will still be required to inform the affordability element of the future Cabinet report due in April 2020.
41. The report and appendices set out an updated financial strategy for delivering the Indoor Arena. The recommendation is that the new financial approach outlined is taken forward in order to provide the Council with the opportunity to explore all options with full flexibility at the next stage of the procurement process. This next stage will allow due diligence to be undertaken in order to fully understand the level of opportunity and risk involved in each proposal and will remain within the same financial envelope as previously agreed by Cabinet and Council.



42. Further due diligence will need to be undertaken before final completion to mitigate identified risks and demonstrate that delivery of the Indoor Arena is viable, affordable and can satisfy State Aid requirements as referenced in the July 2019 Cabinet report. This will include identifying the appropriate funding model and its duration in order to ensure the most optimal solution is found with a robust understanding of the opportunities and risks. This will also include identifying the most appropriate accounting and tax treatment and will include early dialogue with the Council's auditors and the position will be regularly reviewed as the Council proceeds through the next steps set out in the covering report.

#### RDC Investment

43. The report proposes the acquisition of the RDC, which will generate income for the Council's investment estate and consolidate the Council's interest in the Atlantic Wharf site, with the neighbouring County Hall site already used for operational purposes.
44. Borrowing to fund the acquisition will be required, with the period and timing of borrowing being dependent on Investment Strategies for the site referenced in paragraph 33 of this report as well as any other cash flows arising. In the event that long-term use is uncertain, the funding approach may be to use short-term borrowing. Interest rate implications and re financing risks will need to be considered in the funding approach to be adopted. This will have treasury management implications which will need to be managed in conjunction with the Corporate Director Resources and be within the limits and indicators agreed as part of the Council's Treasury Management Strategy.
45. Paragraph 23 of this report refers to linkages between acquisition of this site and the Indoor Arena procurement process, and Paragraph 33 sets out three possible scenarios that may be presented in a future report for Cabinet to consider. Each of these options will have significantly different financial implications for the Council, but for the purposes of this report a prudent assumption has been made that the RDC would be retained as an investment in the long term, and these financial implications have been drafted on this basis. Further detailed financial implications will be provided as part of any future Cabinet report that considers any other options for future usage or RDC including retaining, remodelling or relinquishing the site.
46. The total cost of the initial investment in the RDC is set out in Financial Schedule attached in Confidential Appendix 9. This is supported by an independent valuation of the site, pricing report and an independent financial report demonstrating that this acquisition is a worthwhile standalone investment for the Council to make and generates a positive net cumulative cashflow and NPV. Independent property and financial advisors have assisted in assessing the assumptions to include within the long-term financial model used to assess this investment. This includes reviewing assumptions on RPI, rental growth, letting incentives, voids, tenant break clauses, PPM / life cycle costs and service charge

costs which have all been prudently forecast based on detailed research of historic, present and future trends. A number of different sensitivities have also been carried out to stress-test the financial model and to ensure the investment is robust enough to take account of fluctuations in some of these key measures

47. An independent asset management report has also been carried out which details the current condition of the asset, along with any significant works that may be required upon acquisition. This is attached at Confidential Appendix 10. Independent property advice also suggests key tenants within the asset offer 'excellent covenant strength', with income from these tenants amounting to almost 60% of the current income stream. This provides key assurances on the long-term health of the investment asset. A tenancy schedule is attached within the Valuation Report at Confidential Appendix 7.
48. Despite robust due diligence being carried out on the investment asset which shows this is a viable investment for the Council, this asset, like any other, is not immune to significant shocks to the economy, or the difficulties facing the retail, food & beverage sectors at this moment in time. Cabinet must therefore be aware of the potential risks posed in acquiring this asset, in particular the reliance on generating sufficient rental income from tenants to service the debt and landlord costs that the Council will be liable for in acquiring the asset. Any costs that cannot be managed within the income generated from leases will impact on wider Property Investment revenue budgets.
49. An independent financial appraisal of the RDC acquisition was carried out and is attached in Confidential Appendix 8. This shows that the projected rental income paid by the RDC tenants will exceed the holding costs of the site, as well as the cost of repaying the interest and principal borrowed each year leaving the Council in a net positive revenue position in this investment.
50. Any future capital receipts generated from disposal of land or assets within this development should be utilised to repay any loans undertaken for the initial acquisition.
51. The report also refers to a possible deferred payment, payable upon submission of a planning application for an Indoor Arena on the Atlantic Wharf site. Details of the deferred payment are set out in Financial Schedule attached in Confidential Appendix 9.
52. This report recognises that an external Asset Manager will need to be appointed to pro-actively drive the letting and management of the RDC, and therefore requests approval for the novation of existing managing agents or the appointment of a suitable alternative as necessary to continue the effective management of the RDC asset. The initial and ongoing costs of hiring a managing agent for the asset have been considered as part of the overall investment decision. The ongoing monitoring of this investment asset will be critical to managing Council risk. The appointed managing agent will therefore manage the asset on a

day-to-day basis on behalf of the Council, with periodic reports to be presented to the Council's Property Investment Board as appropriate.

53. Approval of this business case will trigger the Indoor Arena affordability envelope agreed as part of the Council approved budget in February 2019. In approving this report, Cabinet will therefore be agreeing to adjust the Budgetary Framework for 2019/20 as per the governance arrangements agreed by Council in February 2019. The key areas of change to the Budgetary Framework will include:
- a) Increases to the Capital Programme expenditure to reflect this proposal agreed by Cabinet;
  - b) An increase in the borrowing requirement and affordable borrowing limit and associated treasury management indicators to cover expenditure commitments identified within this report and appendices; and
  - c) Increases in the revenue budget requirement to be included in the MTFP in future years.
54. Treasury management implications of this transaction have been considered and a financing plan put in place. The impact of these proposals on the Capital Programme and Treasury indicators will be included as part of the periodic reports received by Council in respect of Treasury Management. There are short and long term funding risks associated with this transaction which will also need to be considered in these reports.
55. VAT advice has been sought regarding this acquisition and a decision has been made to opt to tax the site based on the red line plan attached at Confidential Appendix 1. Subject to Cabinet approval of the purchase, the Council will submit an option to tax the site to HMRC at the earliest opportunity. If there are any changes to future intentions of the site then further VAT advice should be sought immediately to avoid any potentially adverse effects to the Council's VAT position.

**Legal Implications (including Equality Impact Assessment where appropriate)**

56. Section 120 of the Local Government Act 1972 enables the Council to acquire land for either (a) the benefit, improvement or development of its area or (b) for any of its functions under any enactment.
57. Section 145 of the Local Government Act 1972 enables the Council to do, or arrange for the doing of, or contribute towards the expenses of the doing of, anything necessary or expedient for the provision of entertainment of any nature or the provision of a theatre, concert hall, dance hall or other premises suitable for the giving of entertainments and any purposes incidental to that provision.
58. Section 123 of the Local Government Act 1972 enables the Council to sell or lease land at the best consideration that can be reasonably

obtained. It should be noted that the acquisition of the RDC does not at this stage engage Section 123. Issues relating to the transfers of any interests in land fall outside the scope of this report.

59. Section 12 of the Local Government Act 2003 enables the Council to invest (a) for any purpose relevant to its functions under any enactment or (b) for the purposes of the prudent management of its financial affairs.
60. Section 1 of the Local Government Act 2003 enables the Council to borrow money for any purposes relevant to its functions under any enactment.
61. The Council has wellbeing powers in regard to promoting and improving economic, social or environmental wellbeing pursuant to the Local Government Act 2000.
62. The Council's decision makers need to take account of the Council's fiduciary duties to the local residents and taxpayers. As such, proper consideration needs to be given to the risks, rewards and potential future liabilities of the proposals which are the subject of this report. The issue concerns whether the potential risks and liabilities described in the report are proportionate to securing the stated economic development objectives and thereby in the best interests of the local taxpayers and residents. Any viable alternatives for delivering the economic development objectives should be considered.
63. Appointment of centre managers for the RDC will need to take account of the Public Contracts Regulations 2015.
64. Acquiring and/or operating commercial centres is an economic activity and hence a matter to be considered in terms of State Aid. This requires the Council to acquire, fund and operate centres in the same manner as a commercial operator or investor, except in the case of relevant exemptions or approvals. Expert opinion has been obtained in this regard and is set out in the confidential appendices.
65. The decision about these recommendations has to be made in the context of the Council's public sector equality duties. The Council also has to satisfy its public sector duties under the Equality Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties, Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. The protected characteristics are: age, gender reassignment, sex, race - including ethnic or national origin, colour or nationality, disability, pregnancy and maternity, marriage and civil partnership, sexual orientation, religion or belief – including lack of belief. If the recommendations in this report are accepted and when any alternative options are considered, the Council will have to consider further the equalities implication and an Equality Impact Assessment may need to be completed.

66. The Well-Being of Future Generations (Wales) Act 2015 (“the Act”) places a ‘well-being duty’ on public bodies aimed at achieving 7 national well-being goals for Wales – a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.
67. In discharging its duties under the Act, the Council has set and published well-being objectives designed to maximise its contribution to achieving the national well-being goals. The well-being objectives are set out in Cardiff’s Corporate Plan 2018-21:  
<http://cmsprd.cardiff.gov.uk/ENG/Your-Council/Strategies-plans-and-policies/Corporate-Plan/Documents/Corporate%20Plan%202018-21.pdf>

The well-being duty also requires the Council to act in accordance with the ‘sustainable development principle’. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without comprising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:

- Look to the long term;
- Focus on prevention by understanding the root causes of problems;
- Deliver an integrates approach to achieving the 7 national well-being goals; and
- Work in collaboration with others to find shared sustainable solutions;
- Involve people from all sections of the community in the decisions which affect them.

The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below:

<http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

68. The Council has to be mindful of the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards when making any policy decisions and consider the impact upon the Welsh language, the report and Equality Impact Assessment deals with all these obligations. The Council has to consider the Well-being of Future Guidance (Wales) Act 2015 and how this strategy may improve the social, economic, environmental and cultural well-being of Wales.

## **RECOMMENDATIONS**

The Cabinet is recommended to:

- i) Note progress with the procurement process to secure a developer/operator consortium to deliver the new Indoor Arena;

- ii) Authorise the acquisition of the RDC investment in line with the independent valuation and purchase report attached at Confidential Appendix 7 and the payment schedule attached at Confidential Appendix 9 and in accordance with the legal advice provided at Confidential Appendix 4;
- iii) Agree to the deferred payment set out in Confidential Appendix 6 payable in the event that a new Indoor Arena is brought forward on the Atlantic Wharf site illustrated by the red line boundary in the plan attached at Confidential Appendix 1;
- iv) Note that authorising the acquisition of the Red Dragon Centre investment will trigger the Indoor Arena affordability envelope, originally agreed as part of the Council approved Budget in February 2019, and therefore requiring relevant adjustments to the Budgetary Framework for 2019/20 agreed by Council in February 2019.
- v) Approve a new financial strategy as part of the procurement process as to the available funding models which bidders are able and required to submit their final tenders on and, for any grant and/or income strip commitment the Council may be required to provide as detailed in this report and set out in Confidential Appendix 3; and
- vi) Delegate authority to the Director of Economic Development to appropriate land for planning purposes as set out in this report.

<b>SENIOR RESPONSIBLE OFFICER</b>	<b>Neil Hanratty</b> <b>Director of Economic Development</b>
	<b>Date</b>

*The following appendices are attached:*

Confidential Appendix 1 - Site Plan  
 Confidential Appendix 2 - Procurement Report  
 Confidential Appendix 3 - Procurement Financial Models  
 Confidential Appendix 4 - Independent Legal Advice  
 Confidential Appendix 5 - Site Due Diligence  
 Confidential Appendix 6 - Heads of Terms RDC  
 Confidential Appendix 7 - Independent Purchase Report & Valuation  
 Confidential Appendix 8 - Independent Financial Advice  
 Confidential Appendix 9 - Finance Payment Schedule  
 Confidential Appendix 10 - Asset Management Report



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**CYNGOR CAERDYDD  
CARDIFF COUNCIL**

**ECONOMY & CULTURE SCRUTINY COMMITTEE**

**17 DECEMBER 2019**

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**LLANRUMNEY DEVELOPMENT PROPOSAL: PRE-DECISION SCRUTINY**

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*Appendices 2-3 and 5-7 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. 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 report to Cabinet regarding Llanrumney Development proposal, which is due to be considered by Cabinet at their meeting on 19 December 2019.
2. Members should note that **Appendices 2, 3, 5, 6 and 7** 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 19 December 2019, the Cabinet will consider a report that sets out the need to improve transport connectivity in Llanrumney and brings forward a development strategy to enable this. The report seeks Cabinet approval to market Council owned land in the Llanrumney ward for disposal and seeks authority to agree Heads of Terms to enable delivery of proposals.
4. During this scrutiny, Members have the opportunity to explore:
  - i) The proposals to increase employment by improving transport connectivity and developing local employment opportunities;

- ii) The proposed approach for delivering these improvements – the development strategy and indicative masterplan;
- iii) The proposed new Outdoor Sports Complex;
- iv) How these proposals fit with the wider East Cardiff Industrial Strategy;
- v) Whether there are any risks to the Council;
- vi) The timeline and next steps; and
- vii) 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 that pertain to **Appendices 2, 3, 5, 6 and 7**.
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. In July 2017, the Council's new Administration set out a policy programme and associated delivery commitments entitled 'Capital Ambition' establishing the Cabinet's key priorities for the municipal term, and outlining a programme of action to continue to drive the city economy forward, whilst ensuring that all residents feel the benefits of success. This includes commitments to supporting people into work, creating jobs, removing barriers to work, and ensuring new communities are planned and built to the highest quality.

9. In October 2019, Cabinet approved the East Cardiff Industrial Strategy that emphasises the need to improve transport connectivity as a key way of tackling unemployment and poverty in the area. It references the need for a new bridge linking the Llanrumney community to the A48 and states that a report will be presented to Cabinet setting out the plan for this and wider regeneration initiatives and amenities in the Llanrumney area.
10. Also relevant to these proposals, the report to Cabinet highlights that work to deliver social and private housing in Llanrumney at Braunton Crescent and Clevedon Road is on-going, via the Cardiff Living Programme, with further housing investment forthcoming on the former Llanrumney High School site.
11. At their meeting on 19 December 2019, the Cabinet will consider a report that sets out the need to improve transport connectivity in Llanrumney to boost access to employment and brings forward a development strategy aimed at delivering a new bridge and road link between the Llanrumney estate and the A48. Indicative proposals include a new Outdoor Sports Complex in Llanrumney, a foot & cycle bridge, employment uses, housing and environmental improvements. The report seeks Cabinet approval to market Council owned land in the Llanrumney ward for disposal to generate capital receipts to meet the costs of the bridge and road link and seeks authority to agree Heads of Terms to enable delivery of proposals.
12. The report to Cabinet is attached at **Appendix A** and has **seven** appendices:
- **Appendix 1** - Cardiff East Spatial Strategy
  - **Appendix 2 - Confidential** – Engineers Report (New Bridge & Road Link)
  - **Appendix 3 - Confidential** – Indicative Masterplan (no status)
  - **Appendix 4** - Site Plan
  - **Appendix 5 – Confidential** – Development Appraisal
  - **Appendix 6 – Confidential** – Proposed Outdoor Sports complex
  - **Appendix 7 – Confidential** – Draft Heads of Terms

## Issues identified in the Report to Cabinet

13. The report to Cabinet states, at **point 5**:

*'Within East Cardiff, the Llanrumney ward suffers from the highest rates of unemployment at over 50% higher than the average for the city as a whole.'*

14. The report to Cabinet states, at **point 12**, that there is a need to:

*'...provide better access to jobs. This involves providing more jobs locally, and improving transport connectivity to make it easier for people to travel to work by car and by public transport.'*

15. The report to Cabinet details the poor connectivity in Llanrumney, including lack of access from the Llanrumney estate to the A48 and the Park & Ride facility, that most commuter traffic heading from Llanrumney to the city centre needs to use the Newport Road, resulting in congestion particularly at peak times, and the lack of rail infrastructure.

16. At **point 15**, the report to Cabinet sets out that the report *'seeks to facilitate delivery of a new bridge and road link from Ball Road to the A48'*. At **Confidential Appendix 2**, the engineers' report provides an indicative design for the proposed bridge and road link, with estimated costs.

17. **Point 15** states that the proposed bridge and road link will require substantial investment from the Council, with a consequent need to generate capital receipts. The report goes on to state that:

*'Three potential sites have been identified (see Appendix 4) where there is an opportunity to either further intensify use and/or an opportunity to relocate existing amenities from land with the potential for residential development to land that is unsuitable for residential development.'*

18. **Point 17** outlines the development strategy, with indicative proposals as follows:

- *A new bridge between the A48 and Llanrumney, with managed access at peak times.*
- *Circa 200 new residential units.*
- *A reconfigured Park & Ride facility retaining the full existing number of spaces.*
- *A new logistics development creating up to 500 new local jobs.*



- *A potential local retail development/petrol station and/or other commercial uses.*
- *A new bus interchange.*
- *A strong new river corridor with compensatory planting, containing improved shared footpaths and cycle routes.*
- *A new foot and cycle bridge.*
- *A new Outdoor Sports Complex including new dedicated facilities for local football and rugby clubs.*

19. **Point 18** details the three plots of Council owned land identified for disposal, as follows: Pentwyn Park & Ride site; playing field area in front of Llanrumney Hall; and land off Ball Road.

20. **Points 20 and 23-26** provide more details re the Outdoor Sports complex proposals.

21. At **Confidential Appendix 5**, Members will find a financial appraisal of the development strategy produced by independent valuers.

22. At **points 31 – 35**, Members will find Financial Implications. Members will find Legal Implications at **points 36 – 42**.

### **Proposed Recommendations to Cabinet**

23. The report to Cabinet contains the following recommendations:

- (1) *Agree the development strategy set out in this report to deliver the new bridge and road link between the Llanrumney estate and the A48.*
- (2) *Delegate authority to the Director of Economic Development in consultation with the Cabinet Member for Investment and Development to market three parcels of Council owned land for disposal as illustrated in Appendix 4 and to return to a future meeting of Cabinet for authority to complete the transactions.*
- (3) *Agree in principle to the Council's participation in delivering the proposed new Outdoor Sports Complex set out in Confidential Appendix 6 and delegate Authority to the Director of Economic Development in consultation with the Cabinet Member for Investment and Development to agree Heads of Terms in line with those set out in Confidential Appendix 7.*

## Consultation Undertaken

24. The report to Cabinet states that local Members have been consulted and unanimously support the proposals (point 29) and that initial discussions have taken place with the sports clubs that would be affected by relocation from Llanrumney Hall (point 20).

## Previous Scrutiny

25. This Committee undertook policy development scrutiny of the East Cardiff Industrial Strategy at their meeting in October 2019. Following this scrutiny, the Chair, Councillor Howells, wrote to Councillor Goodway, Cabinet Member Investment & Development welcoming the Strategy and stating<sup>1</sup>:

- i) *'Members recognise the challenges facing this area, both natural barriers and the legacy of an industrial landscape.'*
- ii) *'Members find it encouraging that the vision for this area includes the need to enhance the environment as well as attract industry and we agree that there is an opportunity for Cardiff to work with public and private partners to deliver a sustainable and attractive environment that includes industry.'*
- iii) *'Improving transport is key to the success of the Strategy; the area needs a rail link and we note that Cardiff Parkway would meet that requirement.'*
- iv) *'Members recognise that highway improvements are needed and that active travel routes need enhancing, including ensuring that cycle routes into Newport are improved.'*
- v) *'Members note that the Strategy aligns to the UK Industrial Strategy, ensuring that bids to associated funding streams are in line. As discussed at Committee, this is a 20-year strategy and it is essential there is a mix of public/ private funding in order to deliver; Members note that this may require an element of public funded pump priming and that officers are exploring innovative financing solutions, including Tax Increment Financing and Free Ports.'*

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<sup>1</sup> Extracts taken from the Public Letter from Councillor Howells, Chair Economy & Culture Scrutiny Committee, to Councillor Goodway, Cabinet Member – Investment & Development, dated xx.

## **Way Forward**

26. 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.
27. All Members are reminded of the need to maintain confidentiality with regard to the information provided in **Appendices 2, 3, 5, 6 and 7**. Members will be invited to agree the meeting go into closed session to enable discussion of this information.

## **Legal Implications**

28. 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**

29. 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, its appendices 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 19 December 2019; and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

**DAVINA FIORE**

**Director of Governance & Legal Services**

**13 December 2019**

**CABINET MEETING:**

**December 2019**

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## **LLANRUMNEY DEVELOPMENT PROPOSAL**

### **INVESTMENT & DEVELOPMENT (CLLR RUSSELL GOODWAY)**

#### **AGENDA ITEM:**

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Appendices 2-3 and 5-7 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.

### **PORTFOLIO: INVESTMENT & DEVELOPMENT**

#### **Reason for this Report**

1. To gain Cabinet approval to market Council owned land in the Llanrumney ward for disposal to generate capital receipts with a view to delivering an essential new bridge and road link between the Llanrumney estate and the A48 as part of the Council's East Cardiff Industrial Strategy.
2. To inform Cabinet of proposals for a new Outdoor Sports Complex in Llanrumney and to gain authority to agree Heads of Terms to enable delivery of the proposals.

#### **Background**

3. Capital Ambition, the political administration's key policy document, outlines clearly the need to support communities in the 'southern arc' of the city, noting that if the area from Ely in the West to Trowbridge in the East were considered a single local authority, it would be by far and away the poorest in Wales. In response, Capital Ambition recognises the need to put in place targeted approaches to tackling poverty, integrating public services at a local level and working closely with residents in the city's most deprived communities.
4. Capital Ambition also outlines a commitment to supporting people into work, with a strategic focus on job creation that goes hand in hand with removing the barriers to work. It commits to ensuring that new

communities will be planned and built to the highest quality; connected to jobs and community facilities; and served by good transport links and excellent public services.

5. Economic outcomes in the east of the city lag behind the rest of Cardiff. Unemployment rates are significantly higher, as are levels of deprivation as measured by the Welsh Index of Multiple Deprivation. Analysis of Cardiff by Neighbourhood Partnership area shows that in east Cardiff almost 44% of the areas of analysis fall within the 10% most deprived areas in Wales. In simple terms, this means that residents of east Cardiff are over four times more likely to live in one of Wales most deprived areas than the national average. Within East Cardiff, the Llanrumney ward suffers from the highest rates of unemployment at over 50% higher than the average for the city as a whole.
6. The east of the city also suffers from a demonstrable lack of investment. This is best exemplified by the non-completion of the Eastern Bay Link, despite being one of the most justifiable road investments in Wales. Historical under-investment has also meant that the Cardiff Bay Station remains the most easterly train station in the city. Consequently, public transport journey times to the city centre can be around an hour for many of the communities in the east.
7. In October 2019, Cabinet approved the East Cardiff Industrial Strategy, which provides an ambitious plan for the east of the city that seeks to address these issues (see Appendix 1). The strategy reviews the current constraints and context of the East Cardiff area, including an analysis of current employment allocations, social infrastructure, economic deprivation, landscape and environmental designations, transport links, heritage, and other key physical constraints. The implications on the Future Generations and Wellbeing Act were also a key consideration.
8. The study identifies three phases of growth for the area. The phases focus on key developments and the strategic interventions required to support employment growth in the area. The phases are not mutually exclusive and elements of each phase can be delivered concurrently. All phases will require supporting infrastructure to be put in to place, including:
  - Environmental enhancements
  - Flood protection
  - Active travel and public transport improvements
  - Remediation works
  - Increasing capacity of the existing utilities network
9. Transport improvements are a key theme of the strategy. In particular it advocates *“New and improved cross-area active travel links allowing access to work and skills development and linking staff to social infrastructure, open space and local retail facilities, supporting the local economy. Links may double as recreational routes and safe routes to schools.”*

10. The strategy sets a policy context for project development rather than providing an Action Plan but nonetheless makes specific reference to opportunities for development in Llanrumney. In particular, it notes that:

*“Delivering environmental improvements and better access arrangements for existing communities is an important aspect of the strategy. In particular, the strategy aims to ensure that residents of existing communities in the East of Cardiff have better access to new job opportunities on their doorstep. A key project in this regard is the proposed new bridge linking the Llanrumney community to the A48 to provide improved public transport connectivity. A report will be presented to Cabinet setting out the plan for delivery of the bridge including wider regeneration initiatives and amenities in the Llanrumney area.”*

11. The Council is already part way through a significant investment in Llanrumney delivering new social and private housing at Braunton Crescent and Clevedon Road through the Cardiff Living Programme. This scheme is delivering 106 new homes of which 40 are council homes. All the homes for sale have been sold with most being sold to the local market or to people with local links. Further housing investment will be forthcoming in the near future on the developable land on the former Llanrumney High School site. This scheme will deliver 98 new homes, providing 28 Council homes and 70 for market sale.

## **Issues**

12. The primary purpose of the Council's East Cardiff Strategy is to identify and secure the investment required to break the cycle of deprivation to improve the lives and opportunities for people based in the East of Cardiff. A key part of this is the need to provide better access to jobs. This involves providing more jobs locally, and improving transport connectivity to make it easier for people to travel to work by car and by public transport.
13. At present, the Llanrumney area suffers from poor connectivity. Road access is becoming increasingly constrained, particularly at peak times. Almost all commuter traffic heading to the city centre from the Llanrumney, Rhymney and Trowbridge wards needs to funnel through Newport Road. This is resulting in significant peak hour congestion and frustrating journey times for both public transport journeys and private car journeys which need to share the same roads. The absence of any rail infrastructure exacerbates the problem.
14. The Llanrumney community is located alongside the A48 dual carriageway but is unable to access this key arterial route despite there being a dedicated junction already in place which currently serves the Pentwyn ward to the north, but provides no access to the south. Llanrumney is also cut-off from the city's main Park & Ride facility which is also located adjacent to the same A48 junction.

15. This report is seeking to facilitate delivery of a new bridge and road link from Ball Road to the A48. This will require a substantial investment from the Council (as set out in Confidential Appendix 2). The Council's published capital programme already relies on the disposal of significant areas of Council owned land to realise capital receipts. The Council has therefore been required to be innovative in identifying new opportunities for generating capital receipts as a means of funding the new bridge and road link. Three potential sites have been identified (see Appendix 4) where there is an opportunity to either further intensify use and/or an opportunity to relocate existing amenities from land with the potential for residential development to land that is unsuitable for residential development.

## **Development Strategy**

16. The strategic objective is to deliver a new bridge and road link connecting the Llanrumney community from Ball Road to the A48 junction adjacent to the Pentwyn Park & Ride site. The engineers report at Confidential Appendix 2 provides an indicative design for the proposed bridge and road link with estimated costs and demonstrates that the proposal is feasible in principle.
17. An indicative masterplan has been attached as Confidential Appendix 3 illustrating a number of proposals to achieve the development strategy. The proposals need to remain confidential at this stage as the plans have no formal planning status and are therefore indicative to demonstrate the potential to generate capital. As the masterplan is formalised it will be subject to the normal consultation process with the local community through the planning process. The indicative proposals are as follows:
- A new bridge between the A48 and Llanrumney, with managed access at peak times.
  - Circa 200 new residential units.
  - A reconfigured Park & Ride facility retaining the full existing number of spaces.
  - A new logistics development creating up to 500 new local jobs.
  - A potential local retail development/petrol station and/or other commercial uses.
  - A new bus interchange.
  - A strong new river corridor with compensatory planting, containing improved shared footpaths and cycle routes.
  - A new foot and cycle bridge.
  - A new Outdoor Sports Complex including new dedicated facilities for local football and rugby clubs.
18. The three plots of Council owned land identified for disposal (illustrated at Appendix 4) are as follows:



- (i) The Pentwyn Park & Ride site and an additional area of adjacent Council owned land for local employment uses. The proposal is to deliver a logistics park whilst maintaining the full existing operational capacity of the Park & Ride facility. The proposal will be delivered in phases and is illustrated as plots 1-6 on the plan attached at Confidential Appendix 3. The Council has received private sector interest in the delivery of a logistic/retail centre at this location.
  - (ii) Part of the playing field area in front of Llanrumney Hall to provide circa 80-90 new residential units. This will require the relocation and improvement of the existing rugby pitch and related sports facilities from Llanrumney Hall. A significant proportion of the former Llanrumney High School site is unsuitable for residential development due to the Welsh Government TAN 15 development and flood risk policy whereas the pitch area adjacent to Llanrumney Hall is potentially suitable for residential development (subject to planning). The proposal is to relocate the pitch, changing rooms and clubhouse to the former Llanrumney High School site as part of a bigger new Outdoor Sports Complex (described in full later in this report). The housing proposal adjacent to Llanrumney Hall is illustrated as plot 14 on the plan attached as Confidential Appendix 3. A significant area of open space will be retained at the front of Llanrumney Hall. The re-provided sports facilities are illustrated as plot 9 on the plan attached as Confidential Appendix 3.
  - (iii) Land off Ball Lane to enable the development of 100-120 units of predominantly affordable housing. This proposal is illustrated as plot 11 on the plan attached as Confidential Appendix 3.
19. A development appraisal produced by independent valuers is attached at Confidential Appendix 5. It provides a financial appraisal of the development strategy and demonstrates that subject to achieving the estimated capital receipts the bridge and road link can be delivered through the disposal of the proposed sites.
20. Initial discussions have taken place with local members and with the sports clubs that would be affected by relocation from Llanrumney Hall and subject to more detail being provided there is general support for the principle if it delivers the new bridge and road link as well as providing improved local sports facilities.

#### Other Site Considerations

21. The current planning permission for the development of the former Llanrumney High School site delivers 98 new homes. This was restricted due to the lack of drainage infrastructure within the local area. The drainage issue affects all three of the sites proposed in this report for development and will require a significant investment to upgrade infrastructure. To make this investment viable a minimum level of development is required which has been factored into the development appraisal.

22. The Pentwyn Park & Ride is a well-used facility and the development will need to be delivered in a phased manner to minimise disruption to current operations.

#### Proposed Outdoor Sports Complex

23. Demand for 3G pitches in Cardiff is beyond current supply. The Facilities Planning Model for sports facilities in Cardiff identifies the need to increase 3G provision by an additional 10 pitches. This will be reflected in the Playing Pitch Strategy coming to Cabinet in 2020.
24. In order to release the land adjacent to Llanrumney Hall for development, the Council will be required to provide brand new improved facilities for Llanrumney Rugby Club and Llanrumney Football Club. This includes both clubs receiving their own dedicated competition standard grass pitch, a new shared clubhouse and a number of maintained minis pitches for shared use. The Council will also provide access to a 3G pitch for local club training during the week. Provision will also be made to accommodate youth and seniors football and rugby fixtures on Saturdays and Sundays for the wider Cardiff leagues. These proposals are part of a proposed wider Outdoor Sports Complex which needs to remain confidential at this stage until all of the relevant approvals have been secured. Confidential Appendix 6 provides details of the proposed Outdoor Sports Complex.
25. Confidential Appendix 7 provides Draft Heads of Terms between the organisations involved in delivering the proposed new Outdoor Sports Complex. In summary, the Council is required to invest in the provision of one new 3G pitch as part of the new complex. This contribution, along with costs associated with the provision of the two new competition standard grass pitches, the minis pitches and the new clubhouse will be realised from the capital receipts generated from the disposal of Council owned land, and is factored into the development appraisal.
26. Investment in the grass pitches at Llanrumney was first made to deliver the Pre Games Training Camps for hosting the 2012 Olympic and Paralympic Games and the proposed investment will commit and build on that Olympic and Paralympic legacy.

#### **Next Steps**

27. The first step is to market the three Council owned sites outlined above for disposal. It is anticipated that the three sites can generate enough capital receipt to fund the proposed new bridge and road link as well as the investments required to deliver the Outdoor Sports Complex.
28. It is proposed to only push forward with the disposal of the sites if the capital receipts enable delivery of the new bridge and road link. If a further Council contribution is required to meet the overall cost of the bridge and road link that will need to be considered as part of the same report to seek authority to complete the disposals. If at that point Cabinet

is minded to proceed, authority will also be sought to dispose of the sites which may also include authority to undertake a procurement process.

### **Local Member Consultation**

29. Local Members have been consulted and unanimously support the proposals.

### **Reason for Recommendations**

30. To bring forward a development strategy aimed at delivering a new bridge and road link between the Llanrumney estate and the A48 as part of the East Cardiff Industrial Strategy.

### **Financial Implications**

31. This report sets out a development strategy to deliver a new bridge and road link between Llanrumney and A48 as part of the Councils East Industrial Cardiff Strategy. Whilst approval is being sought at this stage for the overall development strategy, further detailed proposals will be presented to Cabinet in due course. More detailed financial implications will be provided once more detailed proposals are brought forward with clear funding strategies identified to implement these proposals.
32. At present, there is no specific funding available within the budgetary framework for the delivery of a new bridge and road link between Llanrumney and A48 redevelopment. Any proposals brought forward must therefore be on a self-financing basis utilising capital receipts and s106 contributions generated.
33. Any disposal of land will be subject to a future Cabinet decision, and must be supported by independent valuation advice to demonstrate value for money. Independent valuations will therefore need to be carried out ahead of any proposed disposal of land being completed.
34. Consideration must be given to the VAT implications of these proposals as they are being developed, particularly given the 'barter' nature of the proposed transactions. Further detailed VAT advice will therefore be required as more detailed proposals are being developed.
35. The report references a phased development of the current Pentwyn Park & Ride facility. The budgetary impact on existing Park & Ride facility will need to be considered where any disruption to the current operations is anticipated during phasing or transition periods. Similarly, operational and budgetary impact of any relocation of sports facilities must be considered as part of the wider development plan.

### **Legal Implications (including Equality Impact Assessment where appropriate)**

36. The Council is required to obtain the best consideration reasonably obtainable from its land transactions pursuant to section 123 of the Local Government Act 1972. The Council's Procedure Rules for the Disposal of Land require Cabinet approval of any disposals which include consideration other than a full market value monetary payment. Independent cost and value advice is required in that regard. There is a General Consent from Welsh Government allowing disposals at a discount of up to £2m provided that the disposal will provide economic, social or environmental wellbeing benefits to the community. However disposals for the benefit of commercial organisations for less than market value do not normally represent wellbeing benefits for the purposes of the General Consent and can raise potential questions of State Aid.
37. Disposals of public open space and sports pitches are subject to public consultation requirements. Regulatory planning considerations may also apply.
38. The Public Contracts Regulations apply to the procurement of public works
39. The decision about these recommendations has to be made in the context of the Council's public sector equality duties. The Council also has to satisfy its public sector duties under the Equality Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties, Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. The Protected characteristics are: age, gender reassignment, sex, race - including ethnic or national origin, colour or nationality, disability, pregnancy and maternity, marriage and civil partnership, sex orientation, religion or belief – including lack of belief. If the recommendations in this report are accepted and when any alternative options are considered, the Council will have to consider further the equalities implication and an Equality Impact Assessment may need to be completed.
40. The Well-Being of Future Generations (Wales) Act 2015 ("the Act") places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales – a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.
41. In discharging its duties under the Act, the Council has set and published well being objectives designed to maximise its contribution to achieving the national well being goals. The well being objectives are set out in Cardiff's Corporate Plan 2018-21:  
<http://cmsprd.cardiff.gov.uk/ENG/Your-Council/Strategies-plans-and-policies/Corporate-Plan/Documents/Corporate%20Plan%202018-21.pdf>

The well being duty also requires the Council to act in accordance with 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without comprising the ability of future generations to meet their own

needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:

- Look to the long term
- Focus on prevention by understanding the root causes of problems
- Deliver an integrates approach to achieving the 7 national well-being goals
- Work in collaboration with others to find shared sustainable solutions
- Involve people from all sections of the community in the decisions which affect them

The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below:

<http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

42. The Council has to be mindful of the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards when making any policy decisions and consider the impact upon the Welsh language, the report and Equality Impact Assessment deals with all these obligations. The Council has to consider the Well-being of Future Guidance (Wales) Act 2015 and how this strategy may improve the social, economic, environmental and cultural well-being of Wales.

## RECOMMENDATIONS

Cabinet is recommended to:

- (1) Agree the development strategy set out in this report to deliver the new bridge and road link between the Llanrumney estate and the A48.
- (2) Delegate authority to the Director of Economic Development in consultation with the Cabinet Member for Investment and Development to market three parcels of Council owned land for disposal as illustrated in Appendix 4 and to return to a future meeting of Cabinet for authority to complete the transactions.
- (3) Agree in principle to the Council's participation in delivering the proposed new Outdoor Sports Complex set out in Confidential Appendix 6 and delegate Authority to the Director of Economic Development in consultation with the Cabinet Member for Investment and Development to agree Heads of Terms in line with those set out in Confidential Appendix 7.

<b>SENIOR RESPONSIBLE OFFICER</b>	<b>Neil Hanratty</b> <b>Director of Economic Development</b>
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	<b>Date</b>
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*The following appendices are attached:*

*Appendix 1: Cardiff East Spatial Strategy*

*Confidential Appendix 2: Engineers Report (New Bridge & Road Link)*

*Confidential Appendix 3: Indicative Masterplan (No Status)*

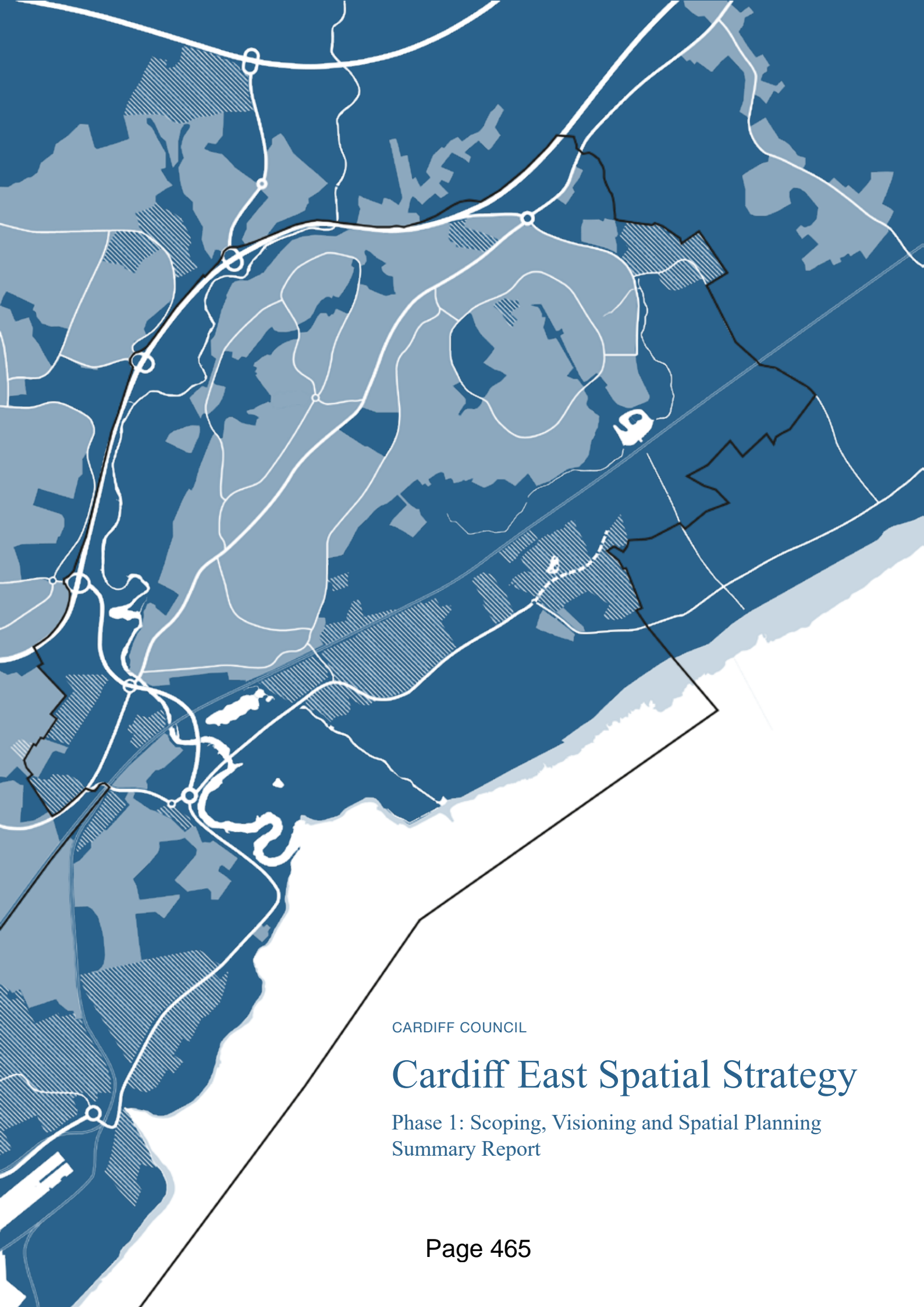
*Appendix 4: Site Plan*

*Confidential Appendix 5: Development Appraisal*

*Confidential Appendix 6: Proposed Outdoor Sports Complex*

*Confidential Appendix 7: Draft Heads of Terms*

DRAFT



CARDIFF COUNCIL

# Cardiff East Spatial Strategy

Phase 1: Scoping, Visioning and Spatial Planning  
Summary Report



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Prepared by Arup on behalf of Cardiff Council.

This report takes into account the particular instructions and requirements of our client. It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

In preparing this report we are relying on information contained in reports supplied by the client and third parties, as stated throughout the document. We have relied in particular on the accuracy and completeness of such reports and accept no liability for any error or omission in this statement to the extent the same results from error or omission in the other consultants' reports.

Please note, this report is intended to be viewed and printed as an A4 double-sided document with cover page.

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## 1. INTRODUCTION

### 1.1 Towards an integrated Spatial Strategy

East Cardiff has been identified by the council as having major potential for industrial-related development. This development should be brought forward in such a way as it also delivers social, environmental and economic benefits to the communities of East Cardiff and the wider city.

#### PURPOSE OF THIS DOCUMENT

In 2018, BD Consulting developed the ‘Cardiff Industrial Strategy’ which identifies how “an industrial strategy for Cardiff, placed within the context of the Council’s ‘Capital Ambition’ and ‘Draft Economic Strategy - Building More & Better Jobs’ policies can contribute to the economic, social and environmental well-being through an industrial strategy that has lacked investment in the past.” The Strategy reviewed Government and Council policies and consulted with a wide range of public and private stakeholders.

This study looks at the potential of land in the east Cardiff area and explores how the findings of the Cardiff Industrial Strategy can be realised as areas for future growth, change and mitigation. It should be noted that this report has no planning status and that any necessary approvals and decisions would be made to progress the proposals outlined in the report.

#### CARDIFF EAST STUDY AREA

The Cardiff East area, as defined in the Cardiff Industrial Strategy 2018, runs from the River Taff eastwards to the Cardiff/Newport municipal boundary and from the Severn Estuary to the A48/A4232/Newport Road.

This report focuses on a core area running from the Port of Cardiff in the west, through to the proposed Cardiff Parkway site at the east, excluding the majority of the Butetown ward.

52,683

Approx. population of core area

23%

Population aged under 16.  
Cardiff average: 19%

64%

Population aged 16 to 64.  
Cardiff average: 68%

14%

Population aged over 64.  
Cardiff average: 14%

Above: Population for small areas in Wales (2001 onwards), by broad age bands and gender, December 2018. StatsWales 2019. Population excludes Butetown.

33%

Population aged over 16 with no qualifications.  
Cardiff average: 21%

Highest level of qualification (2011). Nomis, 2019. Population excludes Butetown.

7%

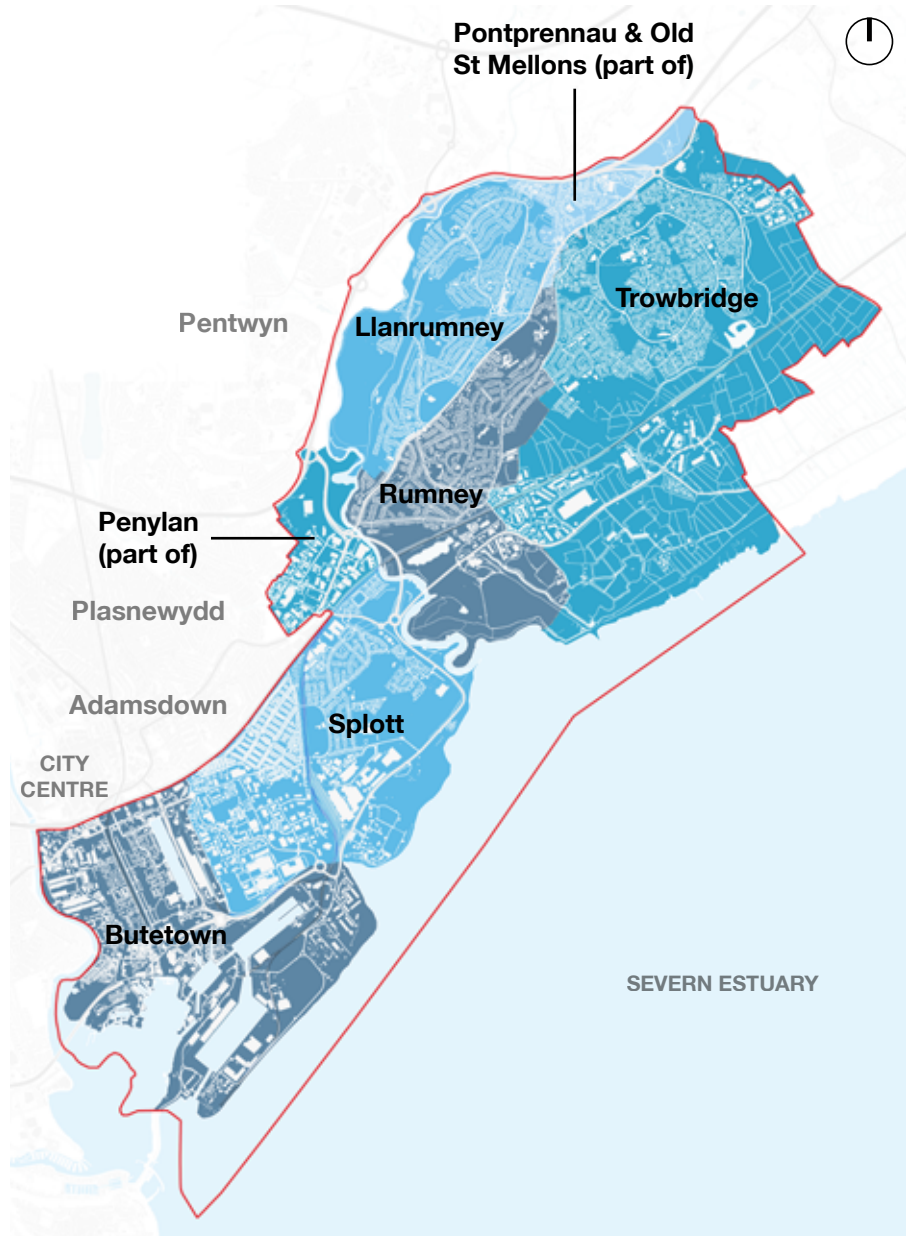
Employment in manufacturing.  
Cardiff average: 5%

Industry (2011). Nomis, 2019. Population excludes Butetown.

## 1. CARDIFF EAST LOCATION

Wards lying within Cardiff East, in full or in part.

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## 2. POLICY CONTEXT

### 2.1 Strategic context

Cardiff has a strong position as the central settlement and economic powerhouse of the Cardiff Capital Region.

#### CARDIFF CAPITAL REGION

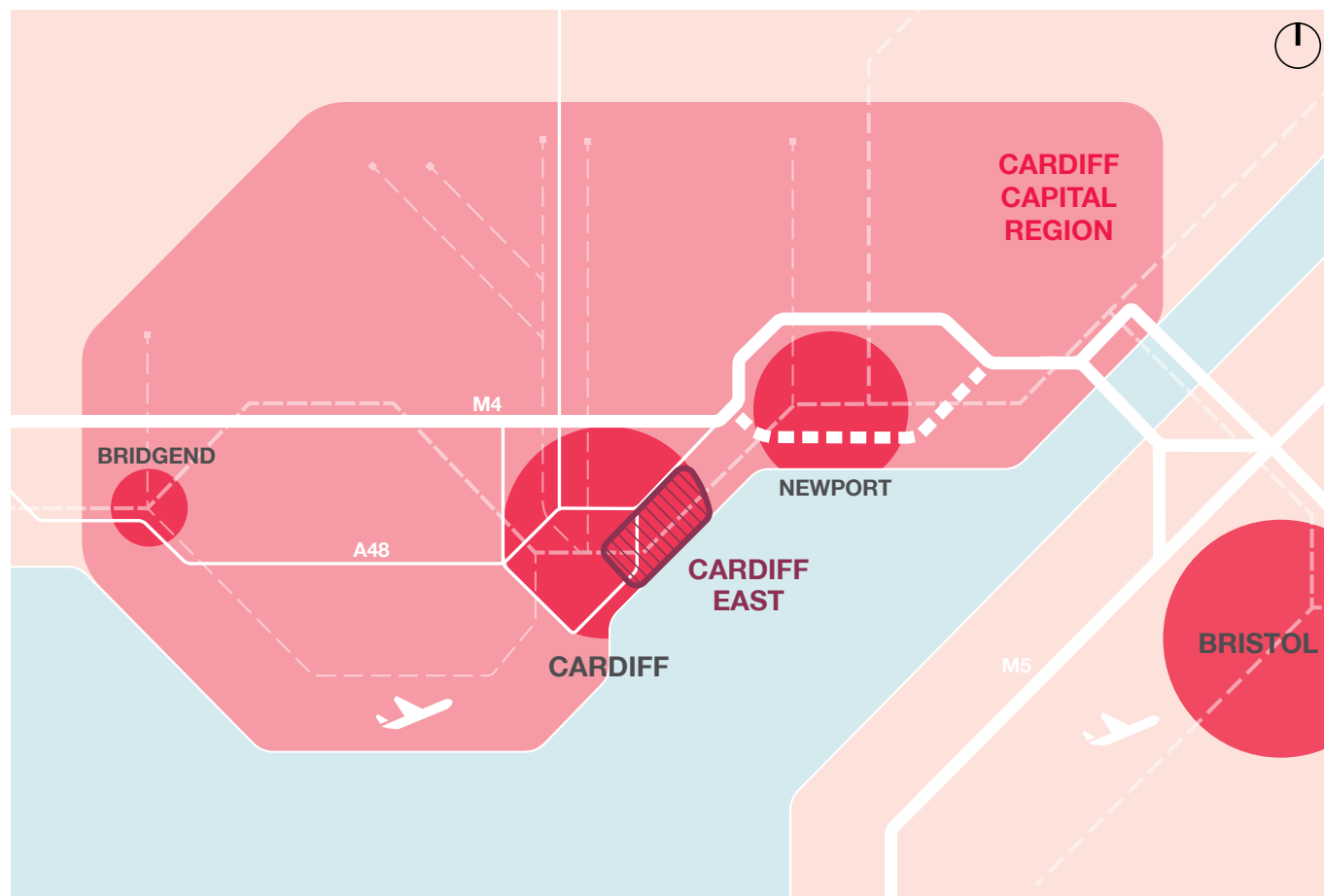
The Cardiff Capital Region (CCR) City Deal is a programme agreed in 2016 between the UK Government, the Welsh Government and the ten local authorities in South East Wales to bring about significant economic growth in the region through investment, upskilling, and improved physical and digital connectivity.

The Industrial and Economic Plan has been developed by Cardiff Capital Region Economic Growth Partnership in conjunction with CCR Regional Cabinet, to set direction, and to identify and address the priorities facing the region. The Plan is designed to be flexible, in order to better adapt and respond to the dynamic challenges the region will face over the next twenty years.

*Below*

#### 2. CARDIFF CAPITAL REGION

Cardiff East holds a strategically strong location with access to the M4, A48 and mainline railway



## CARDIFF DRAFT ECONOMIC STRATEGY

The approach is based on the principles of Cohesion, Leverage, Ecosystem Development, Scale and Return on Investment. The strategy identifies cross-sector collaboration and stakeholder cohesion as a central feature with target sectors including Compound Semiconductors and the Creative Economy. The need to upskill the current and future workforce is recognised, as is a need for reliable and resilient infrastructure.

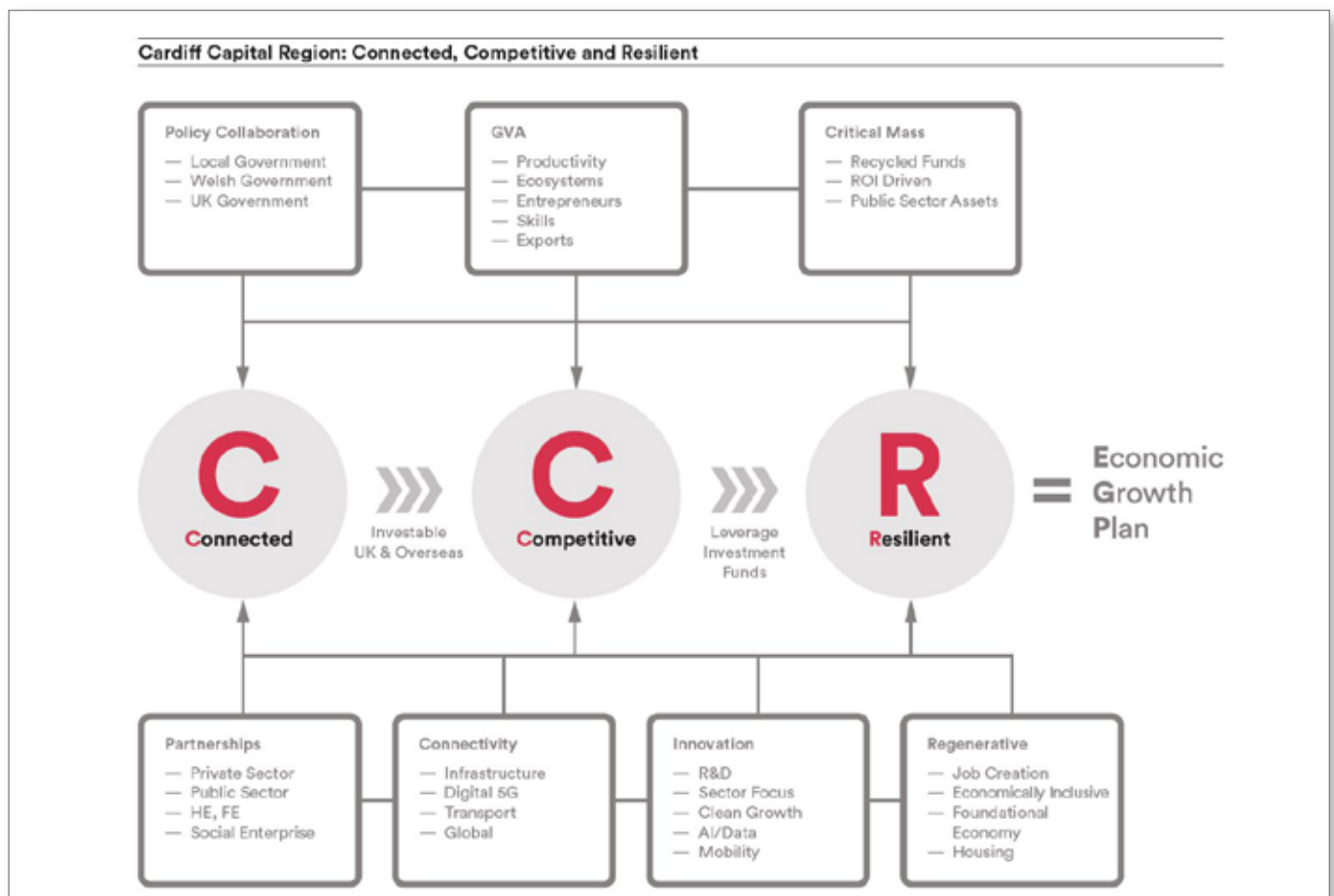
In April 2019, Cabinet resolved to approve the Draft Economic Strategy “Building More and Better Jobs”, which “sets out the Council’s vision for the city’s economy and establishes how the key development priorities will be delivered.” The Strategies and proposed projects are identified overleaf.

The Strategy seeks to encourage investment at all scales and of a variety of forms, considering the city centre and further outlying areas and recognising the role of transport in supporting business and access to work. It takes a broad view of Cardiff’s economic needs, recognising the need for inclusive growth and building a skilled workforce while recognising the need to consider wellbeing.

Below

### 3. CARDIFF CAPITAL REGION ECONOMIC GROWTH PLAN

Extract from Cardiff Capital Region Industrial and Economic Plan, 2018.



#### 4. CARDIFF DRAFT ECONOMIC STRATEGY - PRORITIES AND PROJECTS

Key priorities and projects affecting the Cardiff East area are highlighted.

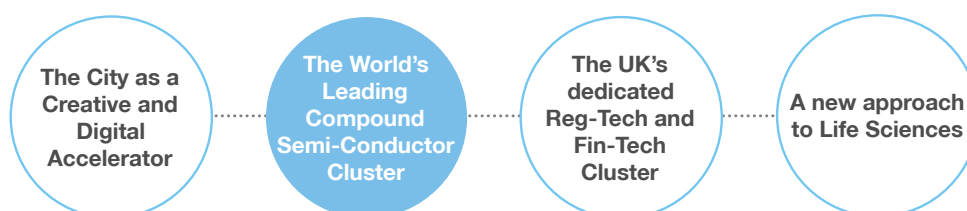
##### SPATIAL STRATEGY: KEY PRIORITIES



##### PROPOSED PROJECTS



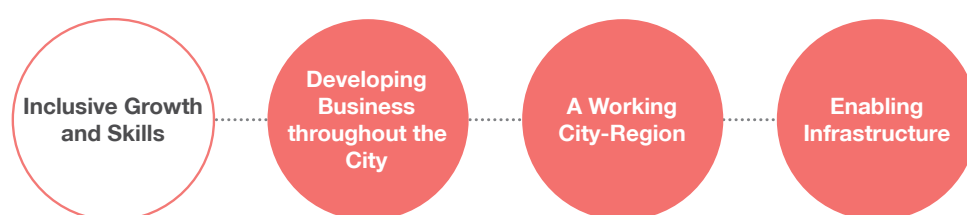
##### INDUSTRIAL STRATEGY: KEY PRIORITIES



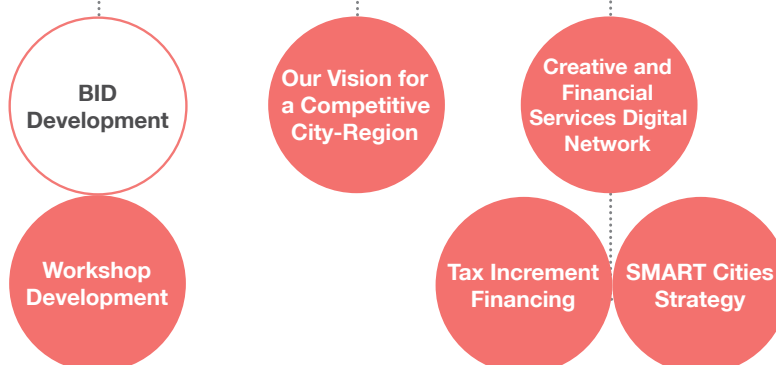
##### KEY PROJECTS



##### UNDERPINNING THEMES: KEY PRIORITIES



##### KEY PROJECTS



## CARDIFF INDUSTRIAL STRATEGY

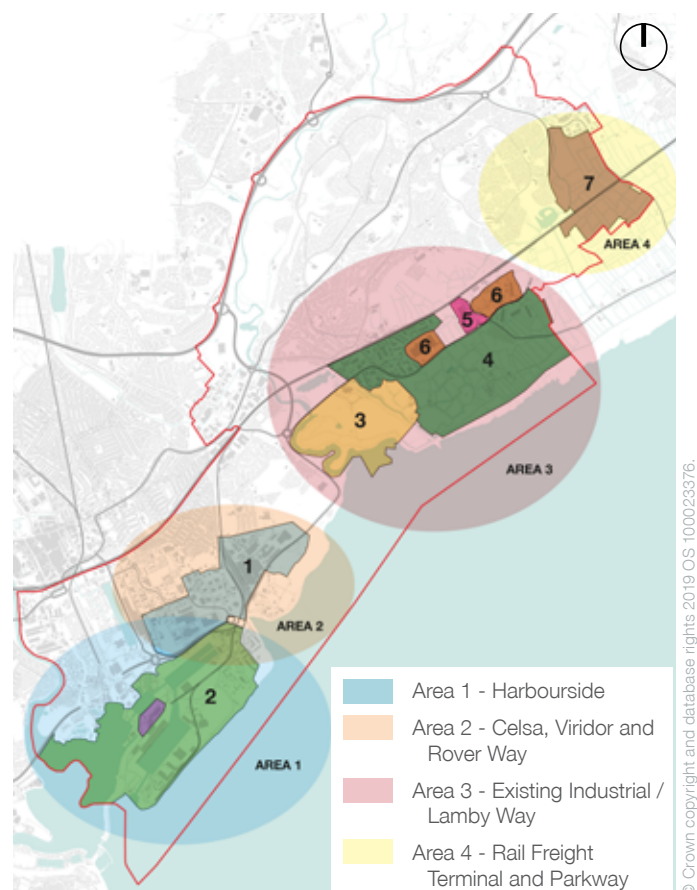
The 2018 Cardiff Industrial Strategy by BD Consulting identifies a corridor of interest in eastern Cardiff, within which are emerging themes: employment, land supply, transportation, technology, sustainable energy and industrial strategy. Cardiff East has a diversity of employment, including manufacturing, creative industries and logistics, however there is a lack of suitable sites for potential industrial investors and a need to release further tranches of land. The Strategy identifies potential for a range of sustainable energy solutions, including microgrids and district energy and heating, linked to education and skills. The Strategy structures its recommendations around four core areas and seven clusters which form the basis for an action plan:

- **Area 1 - Harbourside:** The area includes ABP Port of Cardiff and the Porth Teigr site. While the area has strong highway links, the Port is not linked to the rail freight terminal and there is poor public transport connectivity to the Port area. There is, however, land available.
- **Area 2 - Celsa, Viridor and Rover Way:** Dominated by Celsa and Viridor, the area has a strong support supply chain and benefits from the new link road. High energy prices are threats to Celsa however there is significant potential to expand existing energy generation and build a district heating network. There is little expansion land and limited connection to mainline rail infrastructure.
- **Area 3 - Existing Industrial/ Lamby Way:** The area has seen significant employment development but expansion is limited by flooding and remediation costs alongside limited highway and public transport accessibility. There is however renewable energy generation potential and opportunity for refurbishment of poorer quality stock.
- **Area 4 - Rail Freight Terminal and Parkway:** Private developers are creating a masterplan for Cardiff Parkway, including a new passenger railway station. There has been a lack of use of the rail freight terminal, due in part to the poor road connectivity.

### 5. CARDIFF INDUSTRIAL STRATEGY - AREAS & CLUSTERS

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## 2.2 Planning context

The Cardiff Local Development Plan 2006-2026 identifies appropriate land uses and operations across the city.

### **EXISTING EMPLOYMENT LAND (EC1)**

Much of Cardiff's defined Existing Employment Land lies within Cardiff East, protecting many but not all of the area's employment sites. This land identifies primary uses as a mix of B1, B2 and B8 development. These areas are protected for employment development to prevent incremental loss of land and premises. The majority of land within these areas has already been developed although some land at Wentloog Avenue remains vacant.

Areas around Newport Road and Colchester Avenue have been removed from the protection due to pressure for alternative uses.

### **STRATEGIC SITE - CARDIFF PARKWAY (KP2)**

The Cardiff Parkway site (known in the LDP as 'South of St Mellons Business Park') is proposed for strategic employment development, linked to a new railway station and park and ride facility. A masterplan is being developed by Cardiff Parkway Developments Ltd.

### **SPECIAL LANDSCAPE AREA (EN3)**

This policy aims to "ensure that those features of the landscape that contribute to its character, value, distinctiveness, sense of place, and quality, with particular priority given to SLAs are protected from inappropriate development. It seeks to manage and enhance this rich asset in order to maintain Cardiff's unique distinctiveness whilst helping to mitigate against climate change."

Much of the SLA area designated at Wentloog Levels is currently subject to groundworks and operations by Dauson. A comprehensive approach is needed to development in this area, though there is a significant opportunity to reinstate biodiversity across the site while incorporating employment development.

### **RIVER CORRIDOR (EN4)**

The designation provides a framework for the Council to protect, promote and enhance the Rhymney River corridor, relating to sustainable access, social needs and natural environment. The area is subject to the River Rhymney and Nant Fawr Corridor Action Plan which aims to bring together the collection of different environments and habitats into a coherent corridor. New development within, or adjacent to the river corridors may be required to contribute to projects which help to achieve the objectives set out in the River Corridor Action Plans.

### **STRATEGIC RAPID TRANSIT AND BUS CORRIDORS (T2)**

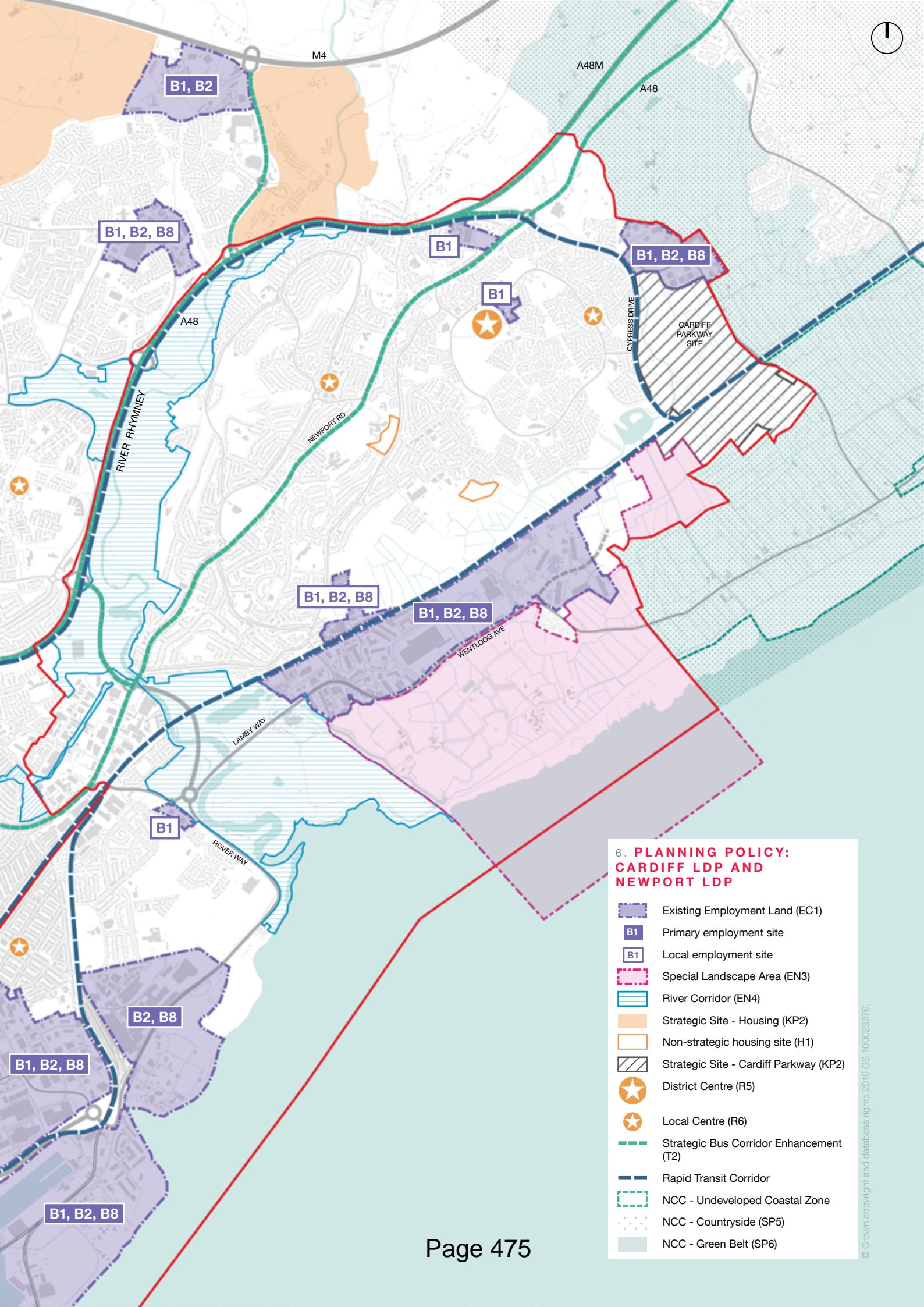
The Eastern Bus Corridor identifies enhancements along A4161 Newport Road, Southern Way and the A48M Trunk Road. Under this policy, "provision will be made to facilitate the functional integration of these corridors and associated services with the wider transport network including the bus network and local walking and cycling routes".

Potential Rapid Transit Corridors are identified along the railway network and A48, with alignment and interchange to be determined through further technical assessment work.

### **NEWPORT CITY COUNCIL ADOPTED LOCAL DEVELOPMENT PLAN (2011-2026)**

Land adjacent to the study area boundary is protected under NCC's Undeveloped Coastal Zone, Countryside and Green Belt policies, which aims to protect the open, undeveloped nature of the Levels and adjacent countryside. Development at East Cardiff should have regard to these designations and the transition to open countryside.





### 3. PHYSICAL CONTEXT

## 3.1 Location

#### STUDY AREA

The existing employment land around Rover Way, Lamby Way and Wentloog Avenue is considered as the starting points for geographic focus, linking to Cardiff Docks and areas straddling the mainline railway corridor.

The eastern corridor includes some of the city's key infrastructure including the Port of Cardiff, the new Viridor Waste-to-Energy plant, the Celsa Steelworks, and the Euro-freight rail terminal. The Council wishes to explore how additional employment related development could help deliver further important infrastructure improvements.

Proposals are already being brought forward by the private sector that will see a new mainline station delivered at St Mellons Business Park by 2023, to be known as Cardiff Parkway. Design works to further progress delivery of the Eastern Bay Link Road are currently being taken forward by Welsh Government.

The existing employment areas lie close to significant residential areas at Splott, Tremorfa, Trowbridge, Rumney, St Mellons and Llanrumney, however connectivity between these areas is constrained by the rail network, the River Rumney and major roads.

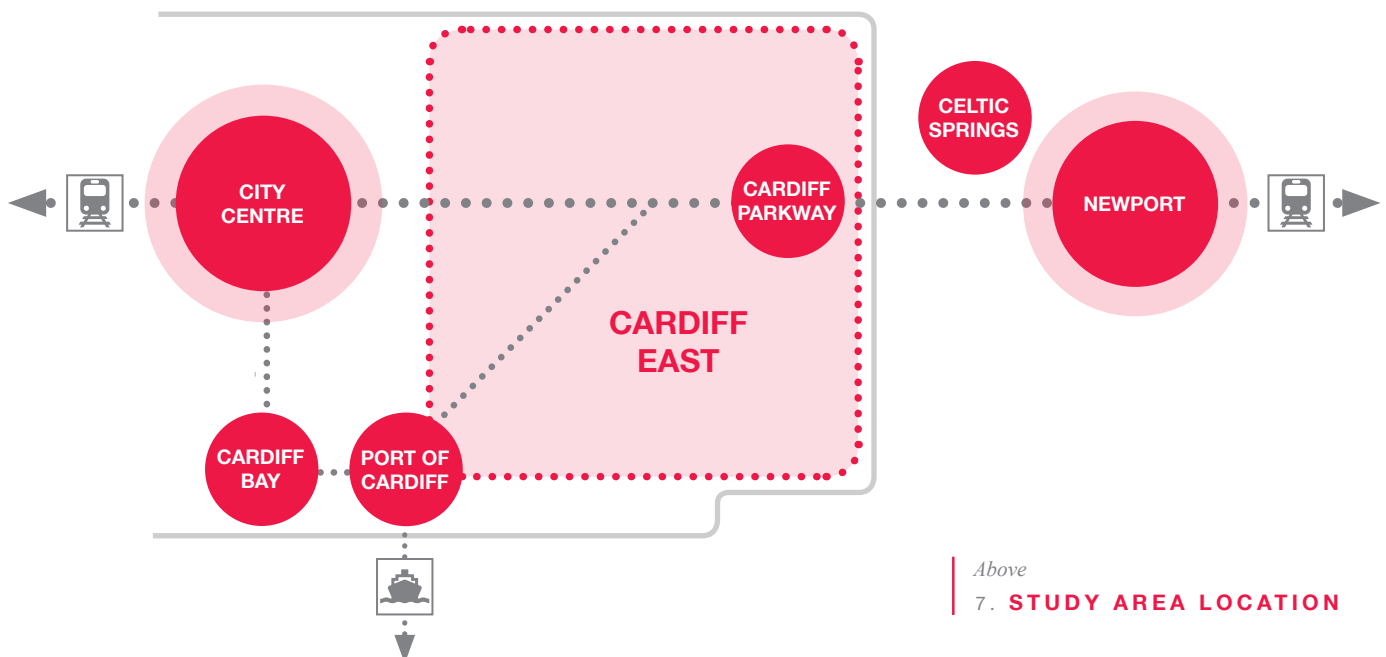
#### INDUSTRIAL CONTEXT

Cardiff has a low supply of available employment sites, which is further threatened by plans to redevelop and regenerate existing industrial and mixed-use areas including Dumballs Road and incremental losses at Newport Road. There will be increasing pressure on eastern Cardiff to offset these losses and provide new capacity.

The East Cardiff area has a large number of industrial and employment estates, particularly clustered around the railway lines. There have been incremental changes in use with a number of non-employment activities arising including gyms, sport and leisure activities and specialist retail; Badwolf Studios has added a significant new land use to the area, with potential for growth of related industries.

The Freightliner facility is operated as a Joint Venture by Welsh Government and Cardiff Council. The site has potential for expansion to the east if demand grows.

Access to these areas is car-orientated with poor public transport and active travel connectivity to most areas, including to neighbouring residential areas. Constrained access may reduce scope for logistics developments and use of the Freightliner facility.







## 3.2 Socio-economic context

### THE WELL-BEING OF FUTURE GENERATIONS (WALES) ACT

**“The Well-being of Future Generations (Wales) Act 2015 gives us the ambition, permission and legal obligation to improve our social, cultural, environmental and economic well-being.”**

The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

The Future Generations Act defines Sustainable Development in Wales as: “The process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals.” It sets out five ways of working needed for Public Bodies to achieve the seven well-being goals. This approach provides an opportunity for innovative thinking, reflecting the way we live our lives and what we expect of our public services.

An integrated growth plan approach could demonstrate how the seven well-being goals could be achieved.

### SOCIAL INFRASTRUCTURE

The Cardiff East area is diverse in land use and built environment, with a wide range of land uses sitting alongside and within the extensive residential communities.

The relationship between activities is more successful and symbiotic in some areas than others, with some awkward juxtapositions of housing with industrial or utility infrastructure developments. Other areas, particularly on Rumney Hill, are less diverse, with residents living much further from employment opportunities.

The area currently has a relatively good range of services within and close to residential areas but poor intra-area connectivity (whether by vehicle, active travel or public transport) may limit people’s access and range of choice.

Cardiff East has extensive areas of open space but much of this is either poorly accessible or of a poor quality. Llanrumney is interspersed by swathes of open space which have poor amenity value for their high maintenance requirement. In other areas, housing backs onto amenity spaces.

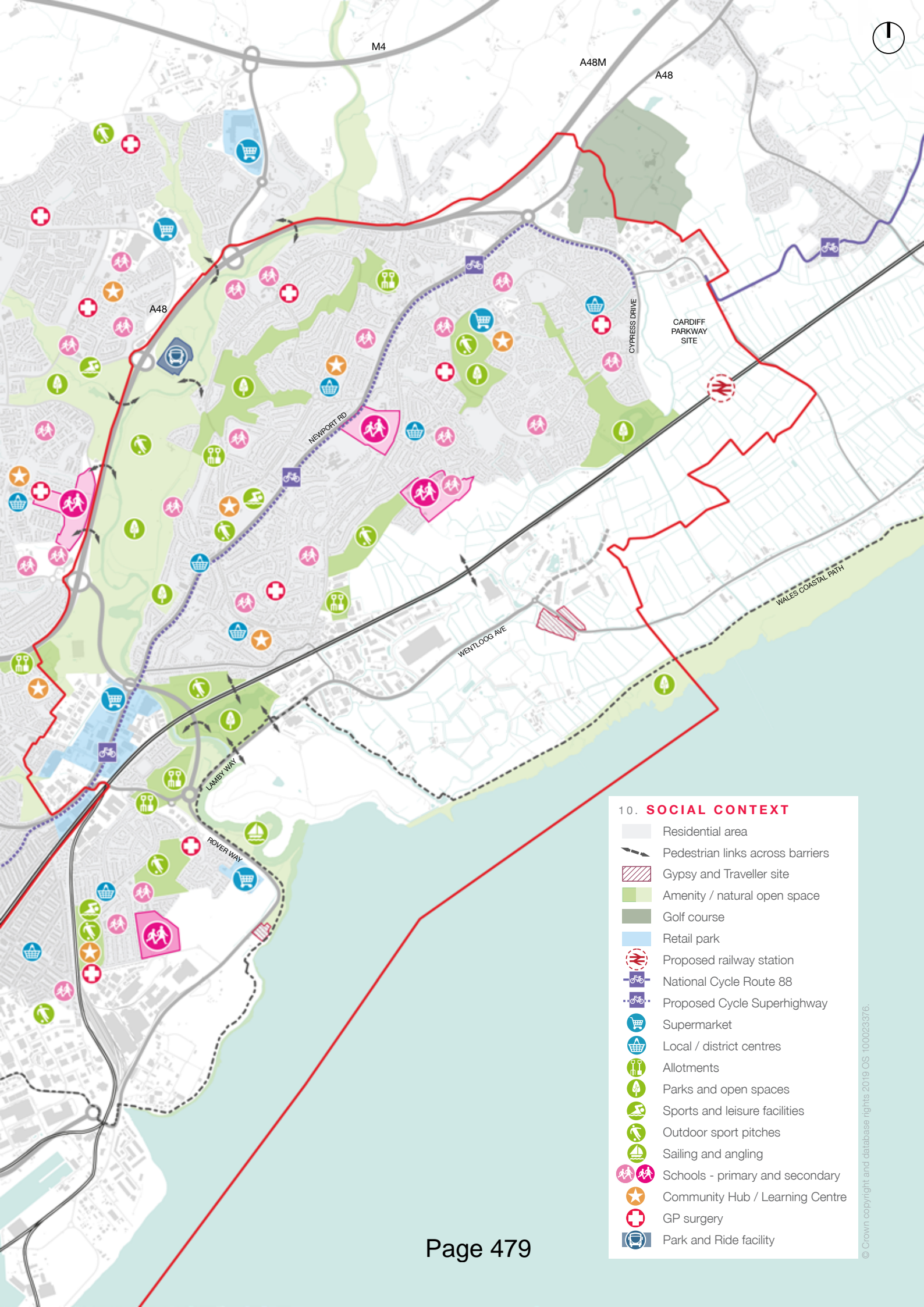
Peripheral areas of open space are underused, particularly the coastline, which has potential to be a major public asset and a defining feature of the area.























Left

9. **WELLBEING OF FUTURE GENERATIONS (WALES) ACT 2015 GOALS**





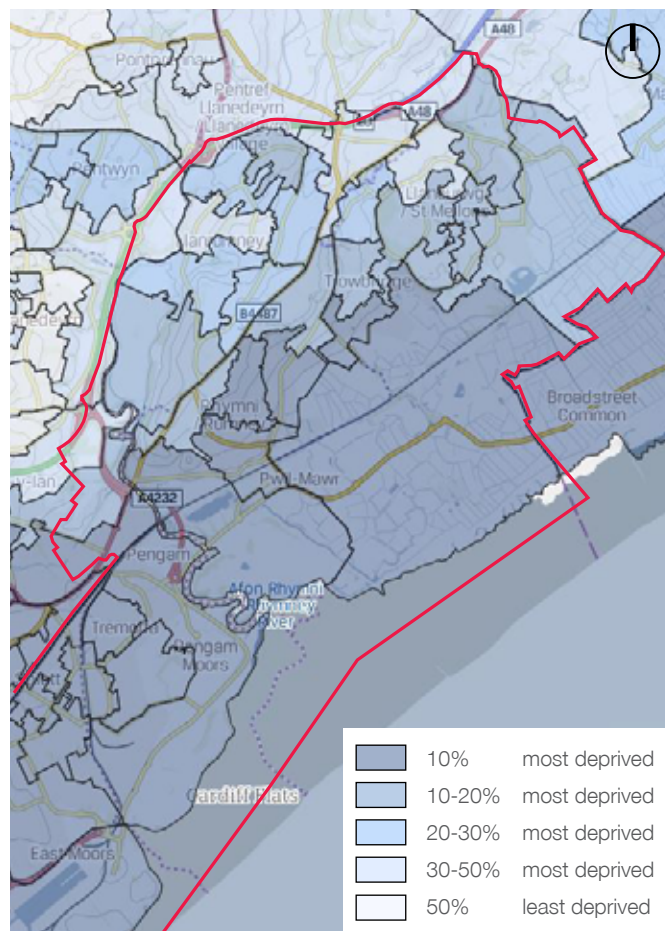
## 10. SOCIAL CONTEXT

-  Residential area
-  Pedestrian links across barriers
-  Gypsy and Traveller site
-  Amenity / natural open space
-  Golf course
-  Retail park
-  Proposed railway station
-  National Cycle Route 88
-  Proposed Cycle Superhighway
-  Supermarket
-  Local / district centres
-  Allotments
-  Parks and open spaces
-  Sports and leisure facilities
-  Outdoor sport pitches
-  Sailing and angling
-  Schools - primary and secondary
-  Community Hub / Learning Centre
-  GP surgery
-  Park and Ride facility

## WALES INDEX OF MULTIPLE DEPRIVATION 2014

The Wales Index of Multiple Deprivation (WIMD) shows that significant areas of East Cardiff fall within the 20% most deprived in Wales, as part of the ‘Southern Arc’ of deprivation. Proposals and strategies that address eastern Cardiff should take into account the socio-economic issues faced by the area and consider the wider opportunities that investment can bring.

- **Access to Services** is generally relatively good to average, apart from areas around the railway line where accessibility is lower.
- **Physical environment** is generally in the lowest 10% and 20%, particularly in southern areas. The indicator considers Air Concentrations, Air Emissions, Proximity to Waste Disposal and Industrial Sites, and Flood Risk, all of which particularly affect this area of the city.
- **Housing**, a measure of overcrowding and access to central heating, is varied across the area with significant areas of relatively poor and very poor quality.
- **Health** score distribution broadly follows the overall scoring, with particularly high deprivation in Trowbridge, Tremorfa and Splott.
- **Employment** is highly varied with pockets of high deprivation but also areas falling in the lowest deprivation brackets.
- **Income deprivation** is widespread with most areas falling in the 10% and 20% most deprived.
- **Education** is quite clustered with particularly strong deprivation in Trowbridge, northern Llanrumney and Tremorfa.
- **Community safety** scores put most of the area into the 30% most deprived and above.



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*Above*

### 11. PHYSICAL ENVIRONMENT WIMD 2014 SCORE

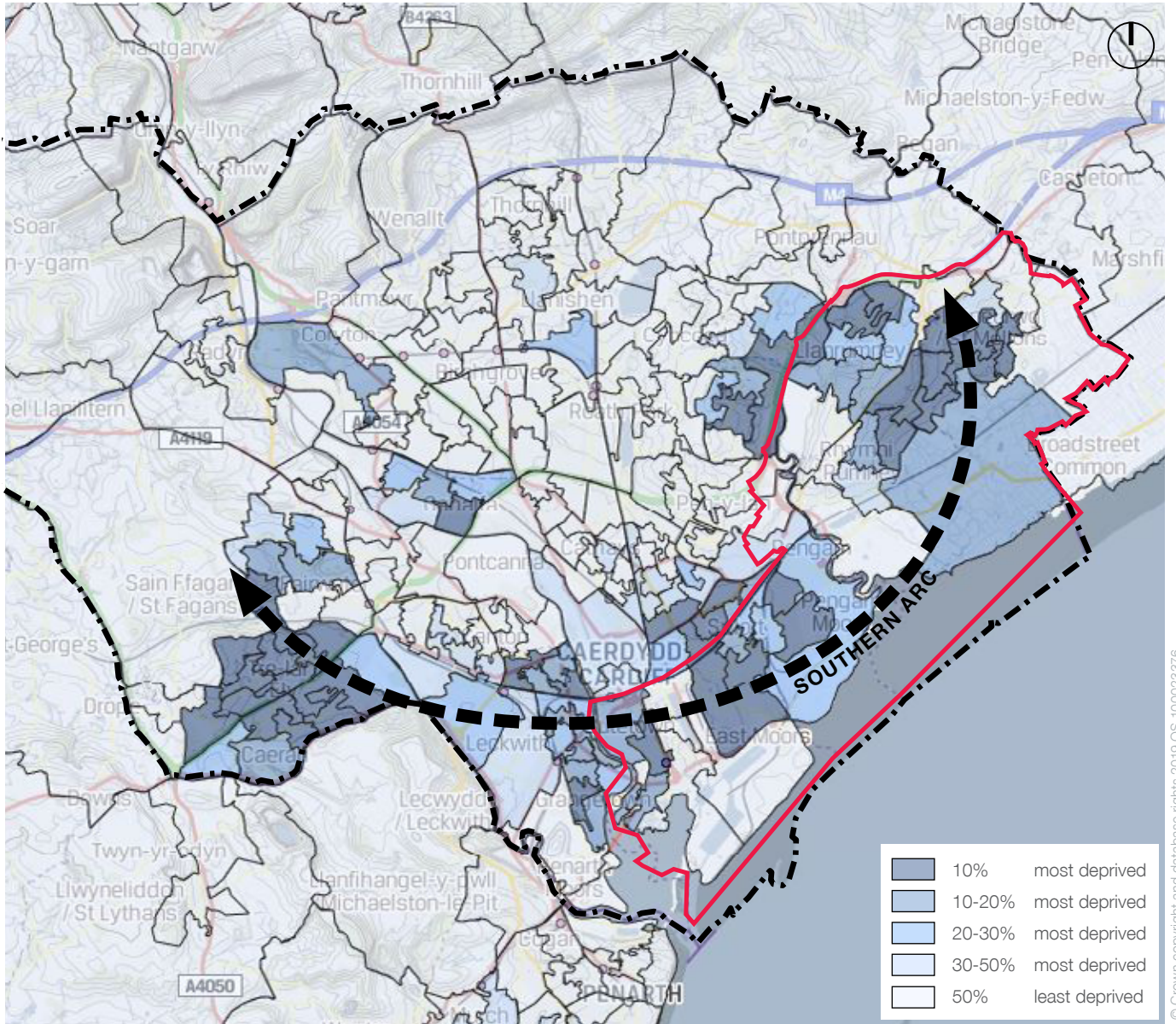
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*Right*

### 12. CARDIFF COUNCIL OVERALL WIMD 2014 SCORE

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### 3.3 Landscape context

#### LANDSCAPE CONTEXT

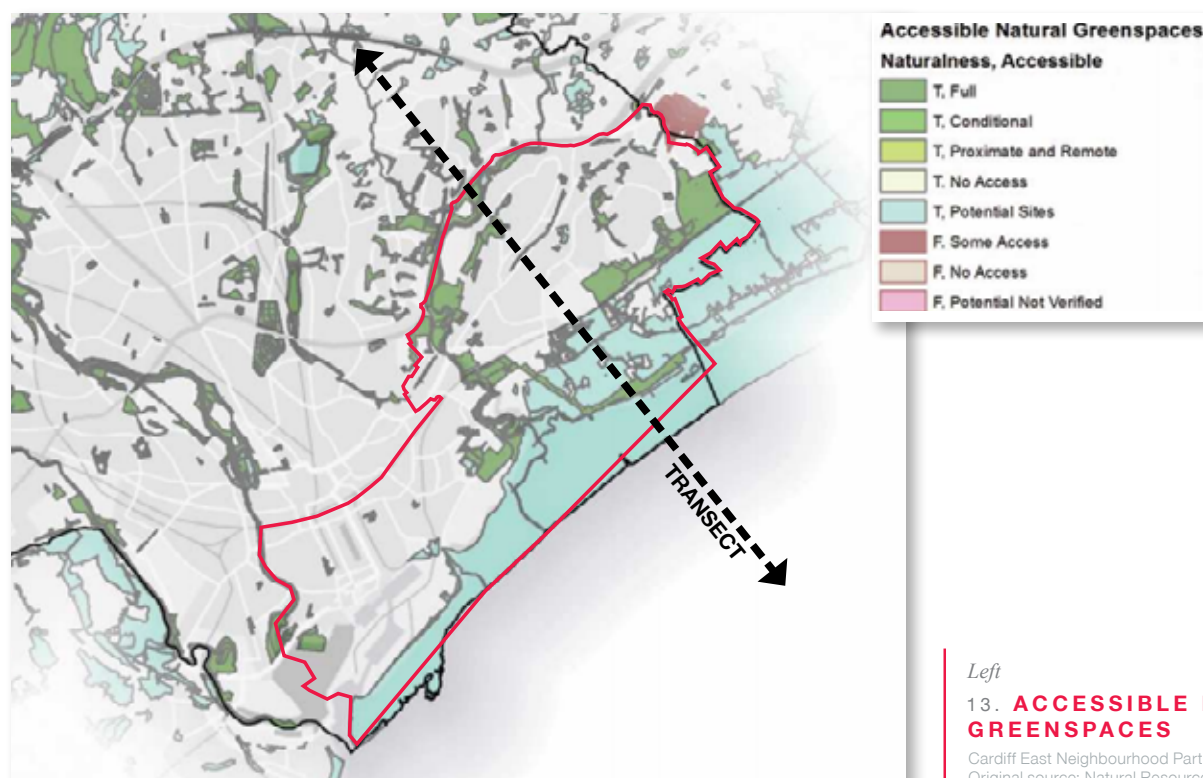
Eastern Cardiff sits within a transition between the hills to the north, at Cefn Mably and Ruperra, through to the Rhymney River Valley, to the Wentloog Levels and Severn Estuary to the south. Areas of residential and employment development interspersed by linear bands of natural landscape and major infrastructure corridors, giving the area a unique diversity.

The Wentloog Levels form part of Wales' largest area of reclaimed wet pasture, crossed by an extensive network of hedgerows and tree belts alongside drainage ditches and reens. The area is considered rich in biodiversity including many nationally rare plant and fauna species. The hand-crafted landscape retains clear historic evidence of settlement, enclosure and drainage with various Roman finds at Rumney Great Wharf.

These linear elements currently form barriers to connectivity, poorly traversed by road and pedestrian/ cycle infrastructure, but could be remodelled as movement corridors and linking spaces, forming a high-quality green infrastructure network with enhanced ecological and recreational value.

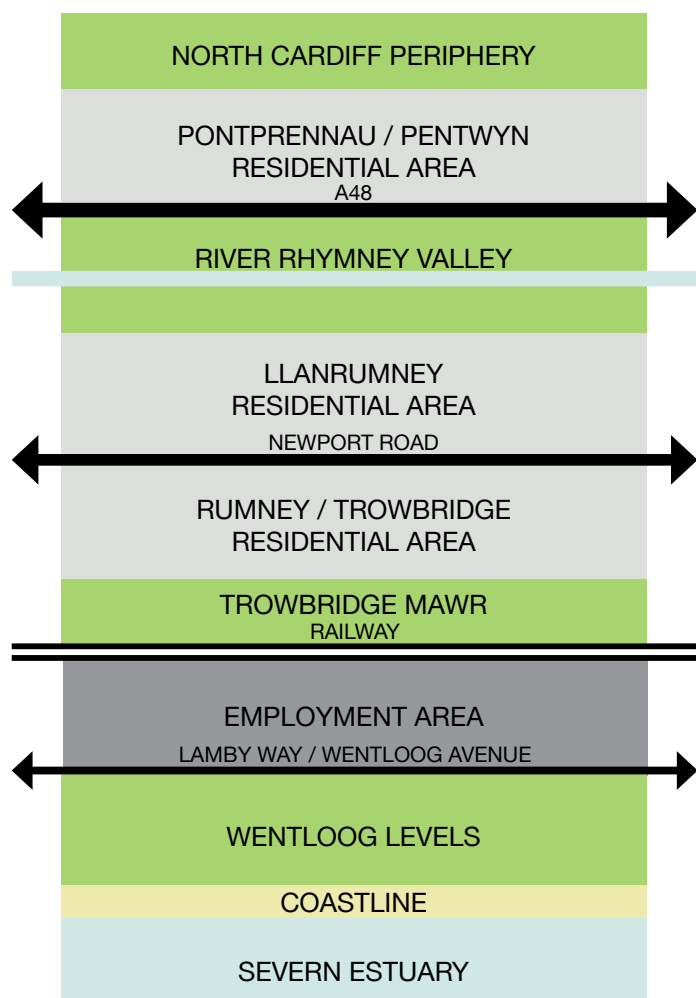
Studies by Natural Resources Wales have assessed the existing availability of accessible greenspace across Cardiff East and identified significant potential for new sites, particularly across the Wentloog Levels and along the coastline. There is additional scope to increase connectivity between habitat areas and form area-wide green corridors.

Many publically accessible areas suffer from fly-tipping and require ongoing management and maintenance. Many paths and routes require resurfacing in order to improve access.





#### 14. LANDSCAPE TRANSECT



#### 15. CURRENT LANDSCAPE CONTEXT



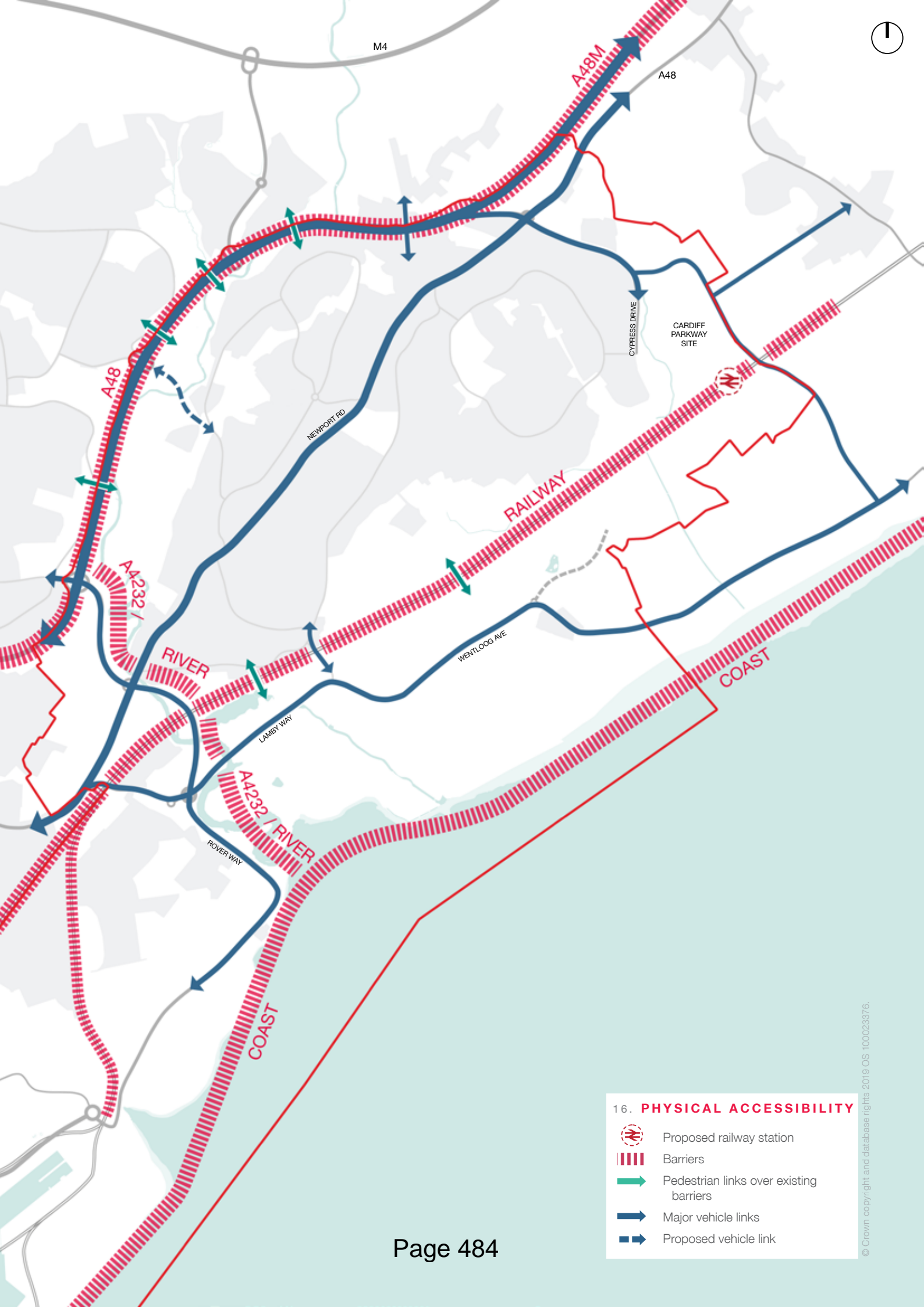
River Rhymney estuary at Rover Way



Wentloog Levels at Cardiff Parkway



Coastline at Wentloog Levels



## 3.4 Transport

The area is served by major highway routes, including the A48M, A48 and A4232, although these form significant barriers to cross-movement and lack pedestrian and cycle facilities along much of the route. The proposed connection between the A48 and Ball Road would significantly increase highway connectivity between the Pentwyn/Pontprennau/Llanederyn and Llanrumney/Trowbridge/St Mellons areas.

The railway, River Rhymney and A-road network are major barriers to movement between residential and employment areas, increasing reliance on cars for access to work and limiting accessibility to the coastal area. The Wales Coastal Path provides a long distance route but has poor quality surfacing in parts, limiting amenity for cyclists, wheelchair users and other groups. The existing routes across the railway are poorly signposted and connected into the wider footpath network, reducing legibility.

Routes across the Rhymney River are limited, with access only available at Lamby Way and Newport Road, with hostile environments around highway junctions. Other routes through the area are also disconnected and poorly identified. Some highway routes lack pedestrian and cycle facilities, including the A4232 and stretches of Rover Way and Wentloog Avenue.

The Wentloog Levels area is currently poorly accessible due to the railway, effectively forming a cul-de-sac accessed from the A4232/Lamby Way roundabout. Crossing points are available to New Road and at Heol Las however these routes have limited capacity and suitability to accommodate larger vehicles. At present, the road through Wentloog Corporate Park is in private ownership but could form a valuable part of a new eastern link road.

### PUBLIC TRANSPORT

Residential areas are relatively well served by public transport however most routes are arterial from the city centre and do not provide intra-area connectivity, with particular service gaps between areas east and west of the A48. The industrial areas along Rover Way and Wentloog Avenue are poorly served with only a peak time service from the city centre to Wentloog Corporate Park.

A new railway station is proposed at Cardiff Parkway, giving the area a mainline rail service. The Transport White Paper identifies the opportunity for a light rail service running along the relief lines, linking the City Centre and Cardiff Bay, through Splott/Tremorfa and on to the proposed Cardiff Parkway station.

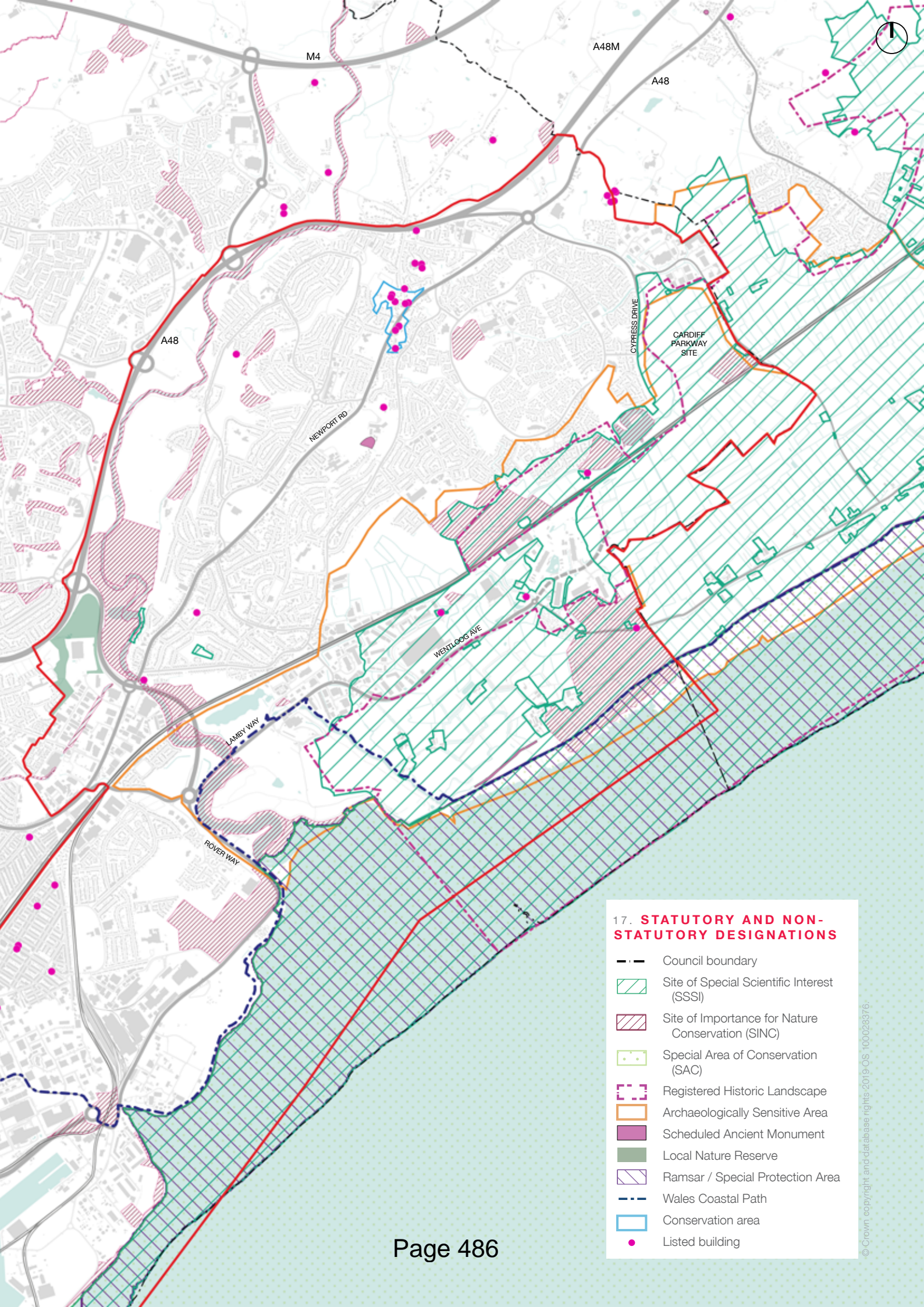
### TRANSPORT AND CLEAN AIR WHITE PAPER

The Transport and Clean Air White Paper is currently being developed on behalf of Cardiff Council. The document is a development on the 2018 Green Paper which includes six core themes: The Future of the Metro & Buses; Active Healthy City; Clean Air City; International Capital City of Business, Work and Culture; The Future for Cars; and Smart City.

One of the 'big ideas' of the Green Paper concerns "Developing the South East Corridor: A major opportunity exists to increase accessibility for residents and businesses to the east of Cardiff, one of the city's most deprived and disconnected communities. Aligned with the new Industrial Strategy for the east the city, this would include a new park and ride rail station for St Mellons, the completion of the Eastern Bay Link road, further improvement to Queen Street Station, linked to improved cycling and walking routes." This concept is being developed into specific proposals and strategies in the White Paper.

An initial outline of the transport vision was revealed by the Council in July, which included proposals for a light rail/tram line that connects central Cardiff with major population centres to the east and west, proposed to eventually terminate at a Cardiff Parkway station in the east.





17. STATUTORY AND NON-STATUTORY DESIGNATIONS

- Council boundary
- Site of Special Scientific Interest (SSSI)
- Site of Importance for Nature Conservation (SINC)
- Special Area of Conservation (SAC)
- Registered Historic Landscape
- Archaeologically Sensitive Area
- Scheduled Ancient Monument
- Local Nature Reserve
- Ramsar / Special Protection Area
- Wales Coastal Path
- Conservation area
- Listed building

## 3.5 Heritage and environmental designations

Eastern Cardiff is subject to a number of statutory and non-statutory designations at a national and local level of importance.

The Wentloog Levels area is protected by a number of overlapping designations for both ecological and historic value, including the Gwent Levels (Rumney and Peterstone) Site of Special Scientific Interest (SSSI) and Gwent Levels Registered Historic Landscape.

Site of Importance for Nature Conservation (SINC) designations protect specific additional habitat areas including woodland, river and stream corridors, Pengam Moors and Hendre Lake.

The built heritage is recognised through individual listed building designations and the conservation area at Old St Mellons.

The Wales Coastal Path provides a continuous footpath along the Severn and Rhymney River estuaries, providing public access to the coastline.

Development within the Wentloog Levels should have regard to the joint report by Cardiff Council, Countryside Council for Wales and Welsh Development Agency, “Landscape Study of Cardiff - Volume 2: Design Guidelines for the Wentloog Levels (1999).

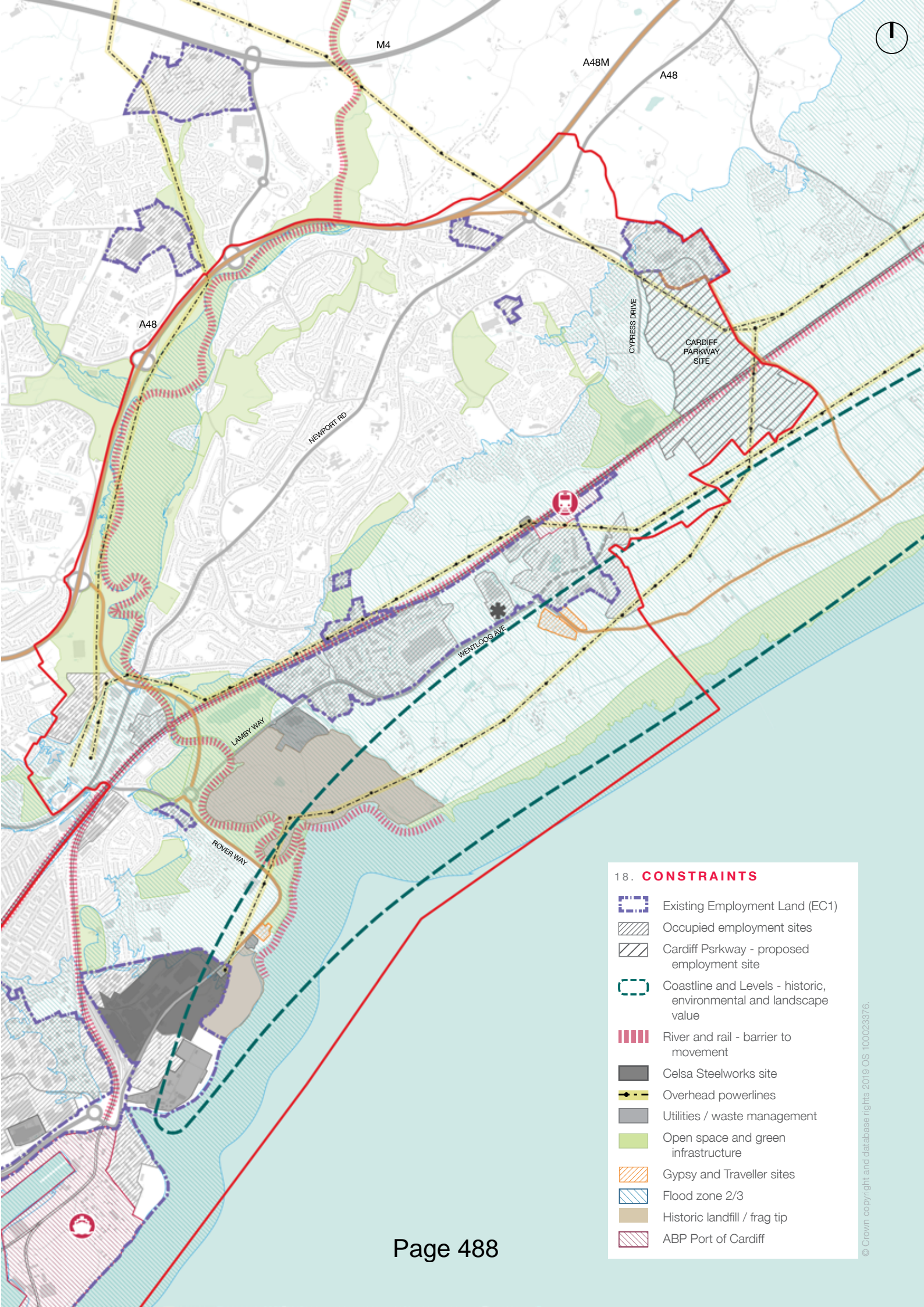
Due to the potential for well-preserved historic finds across the Levels, development should also be informed by appropriate archaeological research and on-site investigations.

### FLOOD RISK

The vast majority of the area lies within Flood Zones 2 and 3, vulnerable to coastal flooding from the Severn Estuary and fluvial flooding along the River Rhymney. Surface water flooding is an additional issue due to the low-lying flat land, sitting below residential areas on the Rumney hill.

Cardiff Council has commissioned a Coastal Defence Detailed Design and Full Business Case study to identify options to protect land around the Rhymney River estuary from flooding and erosion. The design solution has not been finalised and will be selected following a period of public consultation in 2019.





# 18. CONSTRAINTS

-  Existing Employment Land (EC1)
-  Occupied employment sites
-  Cardiff Prskway - proposed employment site
-  Coastline and Levels - historic, environmental and landscape value
-  River and rail - barrier to movement
-  Celsa Steelworks site
-  Overhead powerlines
-  Utilities / waste management
-  Open space and green infrastructure
-  Gypsy and Traveller sites
-  Flood zone 2/3
-  Historic landfill / frag tip
-  ABP Port of Cardiff



## 3.6 Site summary

The plan, left, summarises the major constraints affecting development potential within the eastern Cardiff area.

- Existing Employment Land (EC1): Much of the land designated as Employment land has already been built out with few sites available.
- Cardiff Parkway: The Cardiff Parkway development is a significant opportunity for the area and may be a catalyst and anchor development for further growth, however there is no current planning consent in place for the proposals. Highway improvements will be required to facilitate the scheme but are not confirmed.
- Coastline and Levels: The Severn Estuary and Wentloog Levels area have significant historic, environmental and landscape value, protected by a number of local and national designations. Development in this area will require careful design and potentially significant negotiation with stakeholders including Natural Resources Wales. Some areas may be considered undevelopable.
- River and rail: The Rhymney River and railway are considerable barriers to pedestrian/cycle and vehicle movement, limiting access to jobs and services and reducing the potential for expansion and diversification of employment development.
- Celsa Steelworks site: The site is a major employment and has a large local supply chain, however workers and associated vehicles movements can impact traffic flows on Rover Way.
- Overhead powerlines: The powerlines have a visual impact and constrain development under and around their route.
- Open space and green infrastructure: The area has major green infrastructure corridors along the Rhymney River, and Severn Estuary/Wentloog Levels however these are poorly accessed, under promoted and lack visitor amenity.
- Utilities and waste management infrastructure: The existing sites may be undesirable neighbours for potential development due to environmental health issues, including noise, odour and air quality.
- Flood risk: The major flood risk across the east Cardiff area means significant investment is required in fluvial/tidal flood protection works and sustainable drainage in order to open up development plots.
- Historic landfill and frag tip: These two sites have some potential for redevelopment but require extensive remediation.
- ABP Port of Cardiff: The site has a major role in supporting Cardiff's economy but limits highway access towards the Bay area and blocks public access to the coastline. Further development at the site may be limited by congestion on the local highway network and poor mainline rail connectivity.

## 3.7 Current knowledge gaps

At present, there are a number of current knowledge gaps and unconfirmed proposals that affect the validity of the proposals within this report will impact on the delivery of employment and other growth in the Cardiff East area.

### GROUND CONDITIONS AND FLOODING

- Ground conditions and potential for rehabilitation and redevelopment of Lamby Way landfill site.
- Current activities and ground conditions on land south of Wentloog Avenue.
- Coastal defence scheme not determined - extent of land protected and the footprint of the defence works are unknown.
- Technical feasibility and environmental acceptability (by NRW) of remodelling green network.

### INFRASTRUCTURE

- Easements to overhead lines.
- Underground utilities - location, easements and capacity, including high-speed internet connectivity.
- Generation potential for renewable energy on Wentloog Levels.
- Potential of existing facilities to create district heating network.

### DEVELOPMENT SITES

- Future growth and/or relocation plans of existing occupiers and related requirements and desirable enhancements.
- Layout, land use and delivery timescale of Cardiff Parkway. The proposed Cardiff Parkway development (including the new station, park and ride, employment development and access improvements) will anchor the far eastern edge of the East Cardiff zone. This private sector-led development will deliver transformational change and will do much to alter the perception of the area and build a more positive image in the minds of investors and residents alike.

### TRANSPORT AND ACCESS

- Delivery timescale of Cardiff Parkway station and related infrastructure improvements.
- Certainty of proposals for light rail on relief lines.

### ENVIRONMENTAL

- Ecological and arboricultural value of specific sites.

### TRANSPORT AND ACCESSIBILITY

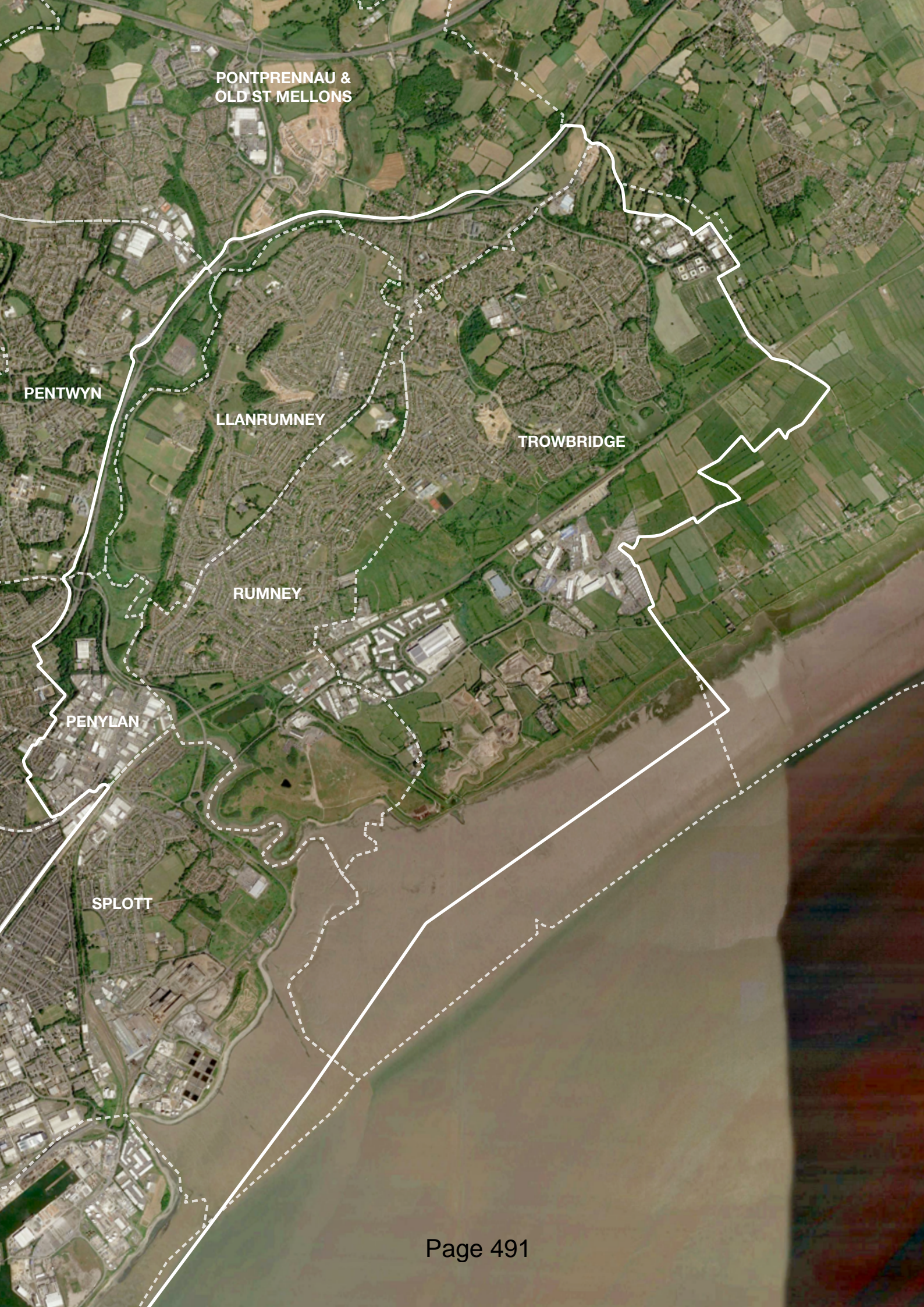
- Traffic surveys, pedestrian counts and public transport user data.
- Current proposals for Eastern Link Road.

*Right*

19. **CARDIFF EAST - AERIAL PHOTO**

© Google







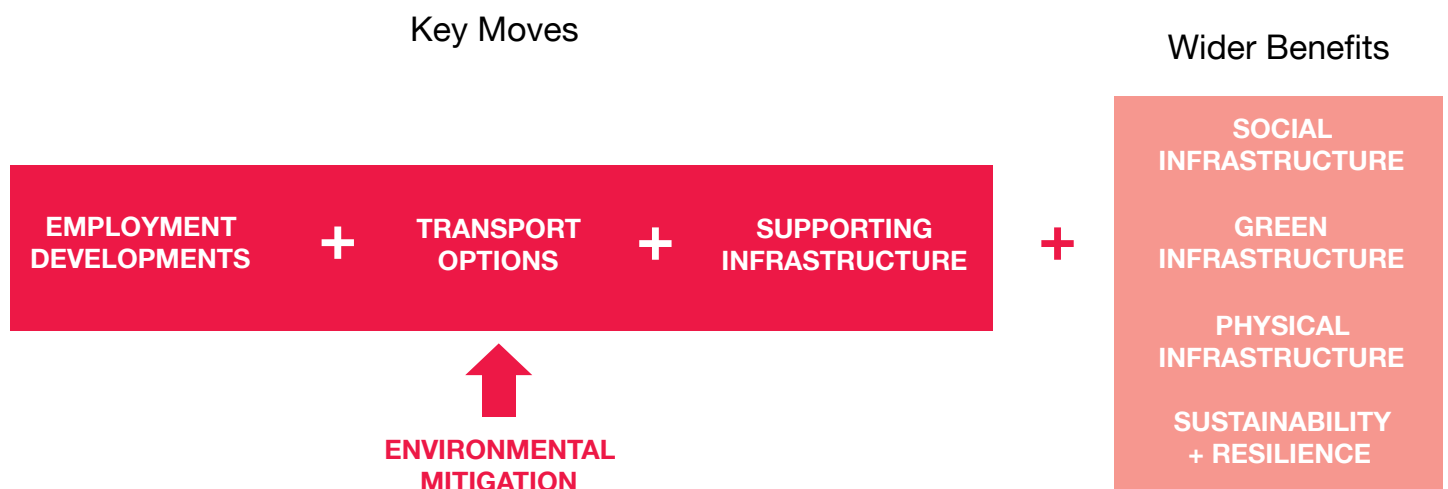
## 4. TOWARDS A VISION

### 4.1 Transforming East Cardiff

An integrated and comprehensive approach to all development across the East Cardiff area is essential to ensuring that employment expansion forms a coherent, sustainable and resilient part of the urban and social fabric.

The proposals are expressed as a series of Phases demonstrating a scale of employment growth across East Cardiff. These Phases demonstrate:

- **Key moves**, including:
  - Employment development areas and indicative land uses;
  - Transport and movement improvements; and
  - Essential supporting infrastructure.
- **Wider benefits** (discussed in Section 5), grouped into:
  - Green infrastructure;
  - Wider transport and movement opportunities;
  - Physical infrastructure; and
  - Social-economic infrastructure.





## 4.2 Phases of Growth

The plans in this section show potential Phases for growth of employment development and the required supporting infrastructure.

The Phases focus on key developments and strategic moves required to support employment growth in the area. Wider benefits and inclusive growth are explored in more detail in Section 5.

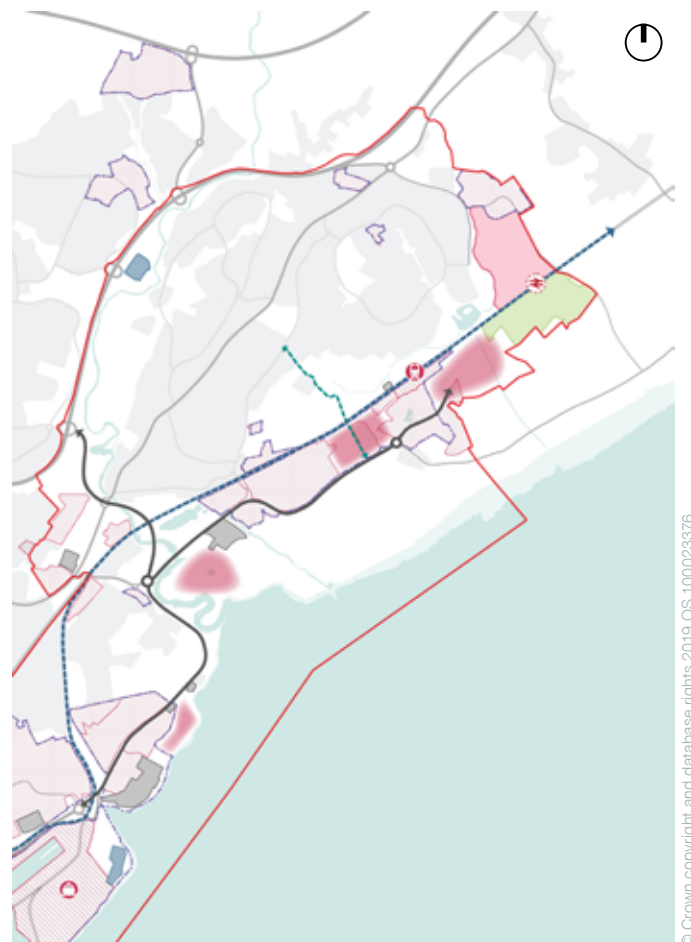
The Phases are presented as high-level concepts and may represent end positions or growth over time. These Phases are subject to feasibility. The Phases are based on the assumption of growth facilitating greater opportunity.

Phases may be developed out in whole or in part, with individual elements borrowed from other Phases. Sites shown are areas of search; plots may include areas of parking, sustainable drainage, flood protection and landscape/public realm and are not intended to represent full plot coverage. Some sites may be required for environmental mitigation; this will be determined following further technical studies. Site development should allow links through to adjacent land to facilitate future growth and redevelopment.

The identified sites have potential for a range of employment and related land uses. Indicative uses have been identified, based on neighbouring activities and prominence within the landscape, positioning smaller B2 uses on the periphery to hide larger B2 and B8 uses, avoiding 'big box' development dominating the new urban edge.

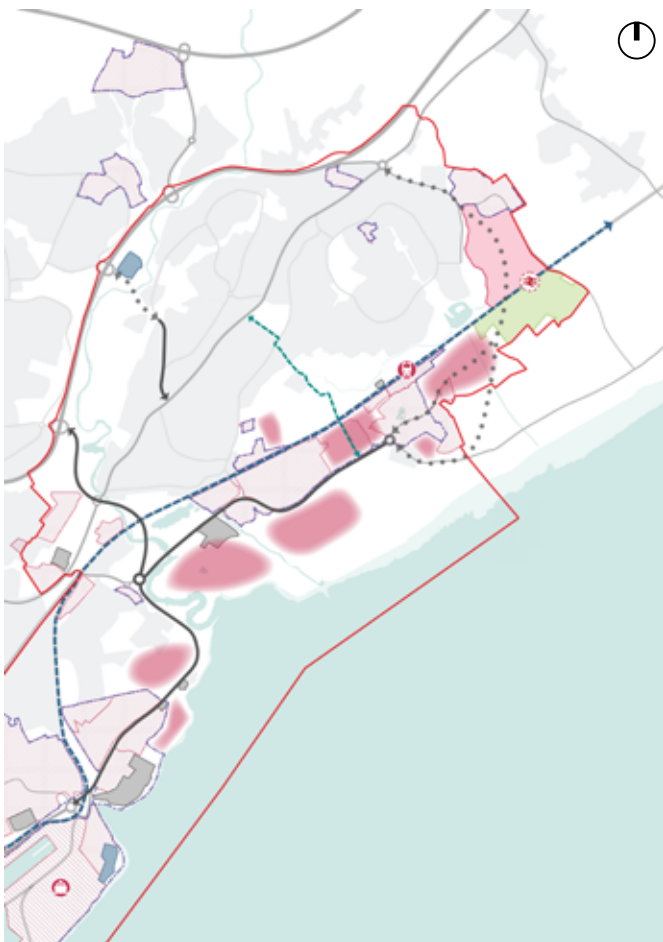
All Phases show development at Cardiff Parkway, the construction of a new mainline railway station and allow for a rapid transit corridor from Cardiff Bay to East Cardiff. This site will act as a major catalyst for regeneration and will form part of a 'dumbbell' approach to regeneration that will see major anchors in Cardiff Bay and Cardiff Parkway bookend the East Cardiff Industrial Strategy.

### 21. PHASE 1 - FILLING IN THE GAPS



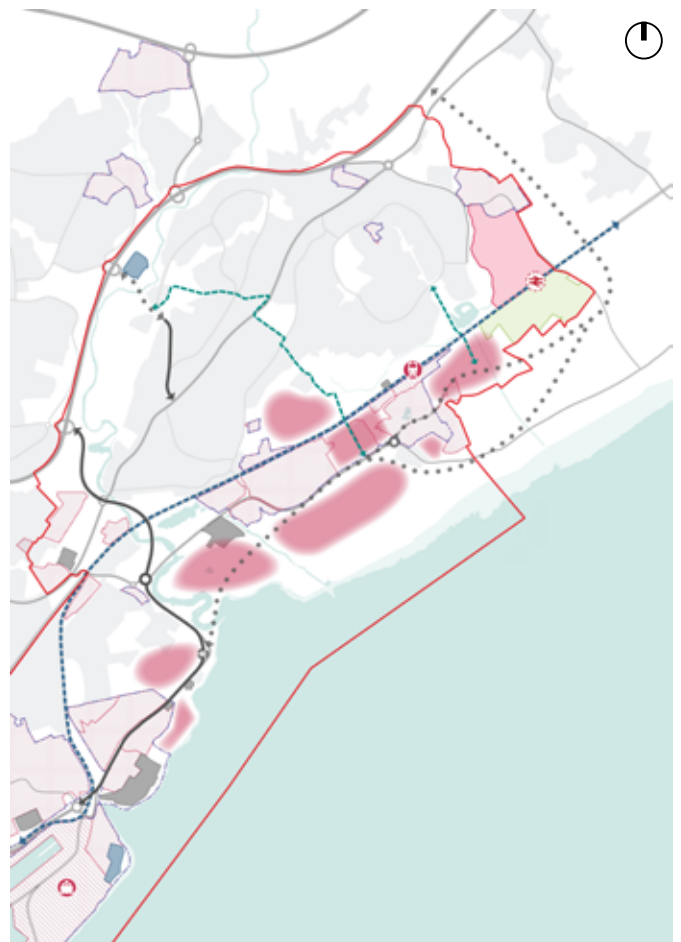
- Low scale of development: infill between existing employment land and remediation of landfill sites.
- Enhancement of existing highway network.

## 22. PHASE 2 - EXPANDING TO THE SOUTH



- Increased scale of development including land to the south of Wentloog Avenue, land at Pengam Moor and minor development at Trowbridge Mawr.
- Development of new highway links between Rover Way and A48M/A48.

## 23. PHASE 3 - OPTIMISING THE OPPORTUNITY



- Development across all available land south of the railway and with land reconfiguration at Trowbridge Mawr.
- Major new highway link between Rover Way and A48M/A48.

Note: These Phases have no status and would be subject to all the necessary approvals and appropriate decisions.

## 4.3 Phase 1

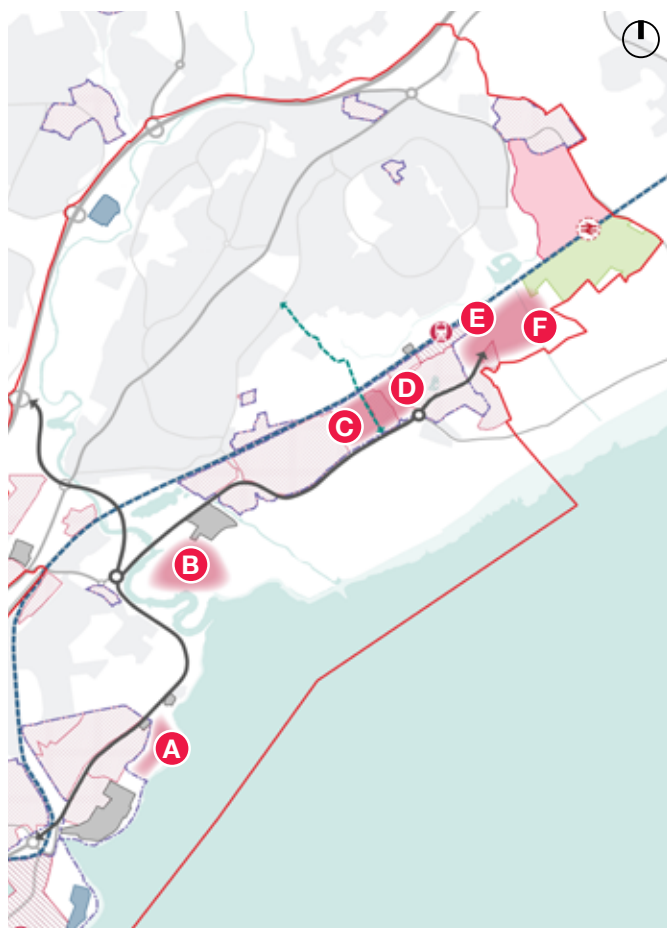
### *Filling in the gaps - Expanding from Lamby Way to the east*

#### OVERVIEW

Phase 1 builds from the existing development context without releasing large areas of currently open or undeveloped land. The associated improvements to movement and accessibility are restricted to existing corridors. It also opens up opportunities to begin the development of east Cardiff from Lamby Way moving eastwards.

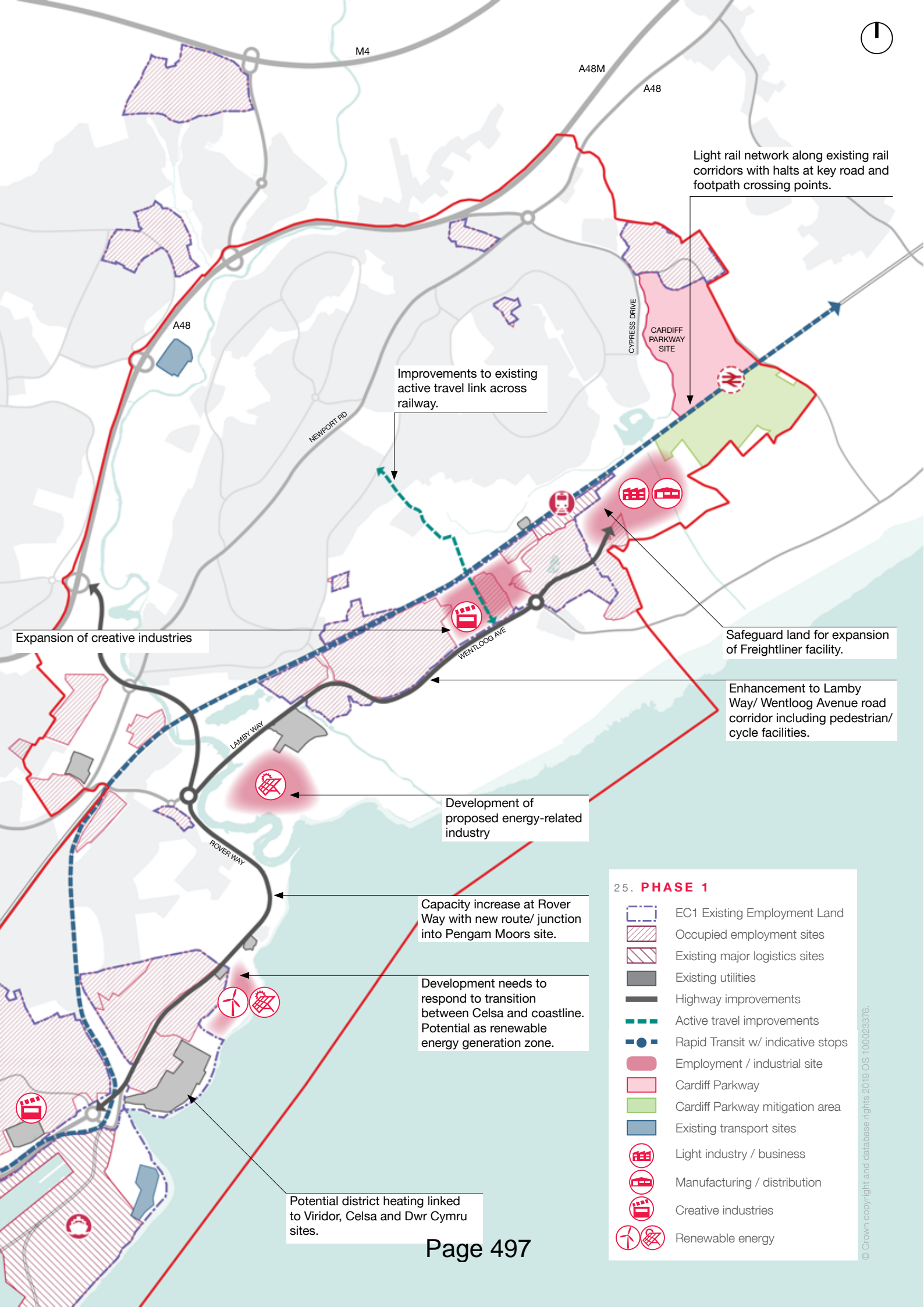
#### KEY MOVES

- Infill gaps within existing EC1 Existing Employment Land designated areas, notably at Wentloog Avenue/ Lamby Way. Potential for a mix of employment uses including expansion of creative industries, building on Badwolf Studios.
- Opportunities for renewable energy generation on the historic landfill and frag tip sites, in line with the recently approved planning application for 32,000 panels at Lamby Way.
- Scope for remodelling existing employment areas with consideration of potential for remodelled/replacement units, parking areas and localised public realm/landscape enhancements, including consideration of sustainable drainage and biodiversity enhancements.
- Enhancements to existing highway corridors including increased road capacity and flow, improved pedestrian and cycle facilities (where appropriate), and public realm and wayfinding enhancements. Enhancements to the Rover Way route have potential to take traffic off the western end of Newport Road and reduce rat-running in the Splott and Tremorfa residential areas.
- New and enhanced pedestrian and cycle links between residential and employment areas, including alignment, route width, surfaces, lighting and wayfinding. The key route is the Trowbridge Road/ railway overbridge route which requires enhancement, promotion and realignment south of the railway.



Plot	Area (Hectares)
A	15 ha
B	29 ha
C	12 ha
D	8 ha
E	9 ha
F	36 ha

Sites shown are areas of search and approximate areas. Plots may include areas of parking, sustainable drainage, flood protection and landscape/public realm and are not intended to represent full plot coverage.



Expansion of creative industries

Improvements to existing active travel link across railway.

Light rail network along existing rail corridors with halts at key road and footpath crossing points.

Safeguard land for expansion of Freightliner facility.

Enhancement to Lamby Way/ Wentloog Avenue road corridor including pedestrian/ cycle facilities.

Development of proposed energy-related industry

Capacity increase at Rover Way with new route/ junction into Pengam Moors site.

Development needs to respond to transition between Celsa and coastline. Potential as renewable energy generation zone.

Potential district heating linked to Viridor, Celsa and Dwr Cymru sites.

25. PHASE 1

- EC1 Existing Employment Land
- Occupied employment sites
- Existing major logistics sites
- Existing utilities
- Highway improvements
- Active travel improvements
- Rapid Transit w/ indicative stops
- Employment / industrial site
- Cardiff Parkway
- Cardiff Parkway mitigation area
- Existing transport sites
- Light industry / business
- Manufacturing / distribution
- Creative industries
- Renewable energy



## 4.4 Phase 2

### *Expanding to the south*

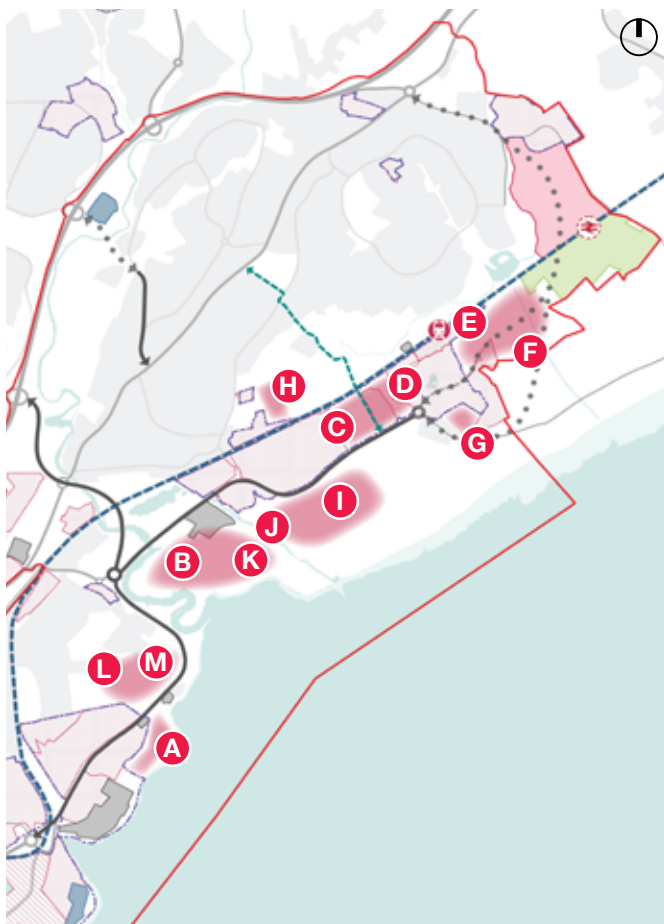
#### OVERVIEW

Phase 2 sees expansion into undeveloped land adjacent to existing employment areas. This expansion is supported by new highway links that improve access to work while improving potential of the land for B8 uses and expansion of operations at Freightliner.

#### KEY MOVES

As Phase 1, plus:

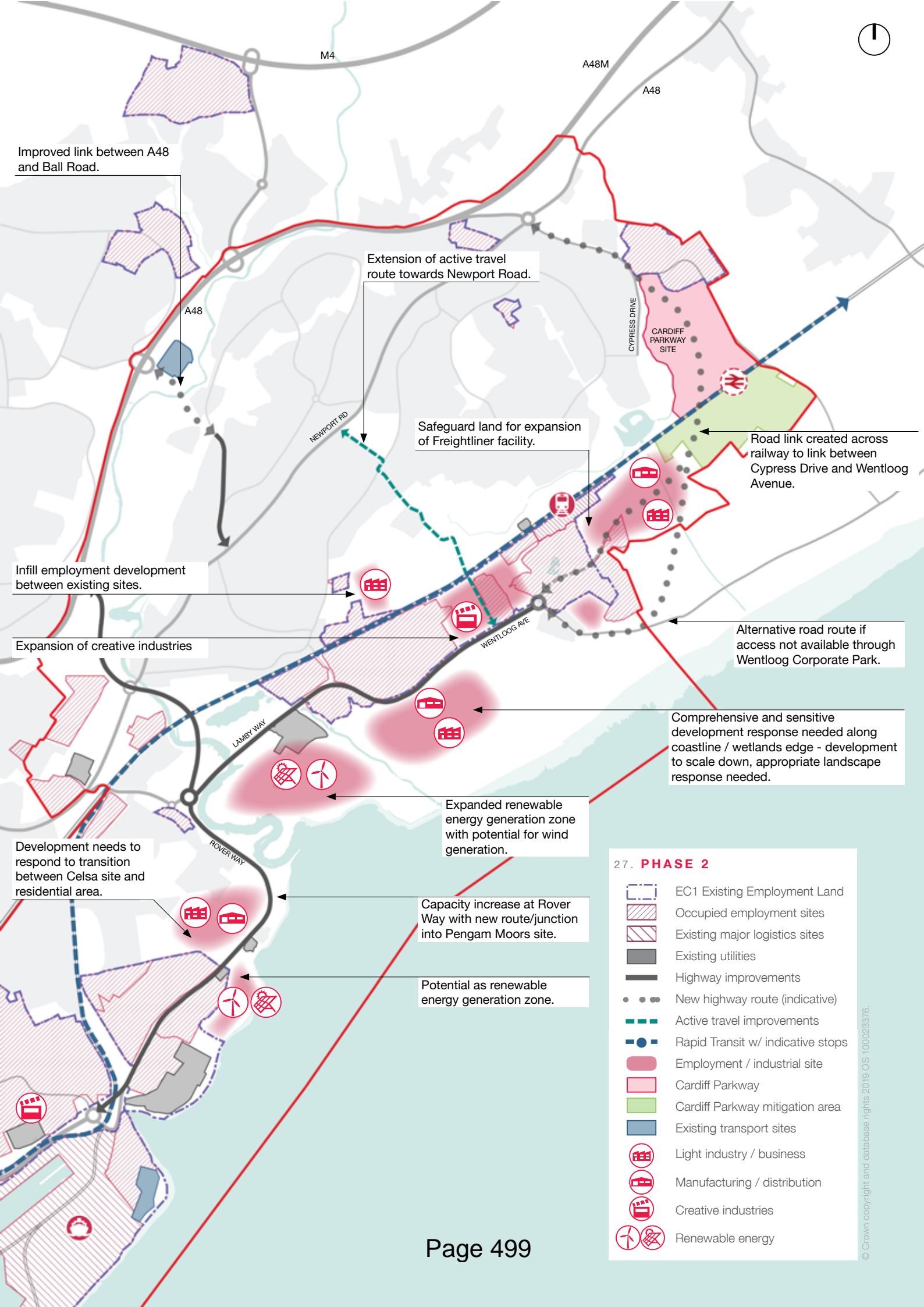
- Development parcels opened up to the south of Lamby Way/Wentloog Avenue, extending (to a maximum) as far south as the existing overhead powerlines.
- Minor development at Trowbridge Mawr between existing employment sites. Development at Pengam Moor, transitioning from the Celsa site and existing employment edge towards existing residential areas.
- Creation of new highway link with the potential to relieve pressure on Newport Road and reduce rat-running in residential areas. Alignment and junctions will be subject to further feasibility and dependent on proposals for Cardiff Parkway.
- New highway link from A48 to Ball Road, improving regional connectivity to Cardiff East and local routes to Cardiff Gate and residential areas.
- Continuation of Trowbridge Road active travel corridor towards Newport Road.



Plot	Area (Hectares)
A	15 ha
B	29 ha
C	12 ha
D	8 ha
E	9 ha
F	36 ha
G	8 ha
H	7 ha
I	40 ha
J	16 ha
K	24 ha
L	7 ha
M	17 ha

Sites shown are areas of search and approximate areas. Plots may include areas of parking, sustainable drainage, flood protection and landscape/public realm and are not intended to represent full plot coverage.





Improved link between A48 and Ball Road.

Extension of active travel route towards Newport Road.

Safeguard land for expansion of Freightliner facility.

Road link created across railway to link between Cypress Drive and Wentloog Avenue.

Infill employment development between existing sites.

Expansion of creative industries

Alternative road route if access not available through Wentloog Corporate Park.

Comprehensive and sensitive development response needed along coastline / wetlands edge - development to scale down, appropriate landscape response needed.

Expanded renewable energy generation zone with potential for wind generation.

Development needs to respond to transition between Celsa site and residential area.

Capacity increase at Rover Way with new route/junction into Pengam Moors site.

Potential as renewable energy generation zone.

## 27. PHASE 2

- EC1 Existing Employment Land
- Occupied employment sites
- Existing major logistics sites
- Existing utilities
- Highway improvements
- New highway route (indicative)
- Active travel improvements
- Rapid Transit w/ indicative stops
- Employment / industrial site
- Cardiff Parkway
- Cardiff Parkway mitigation area
- Existing transport sites
- Light industry / business
- Manufacturing / distribution
- Creative industries
- Renewable energy

## 4.5 Phase 3

### *Optimising the opportunity*

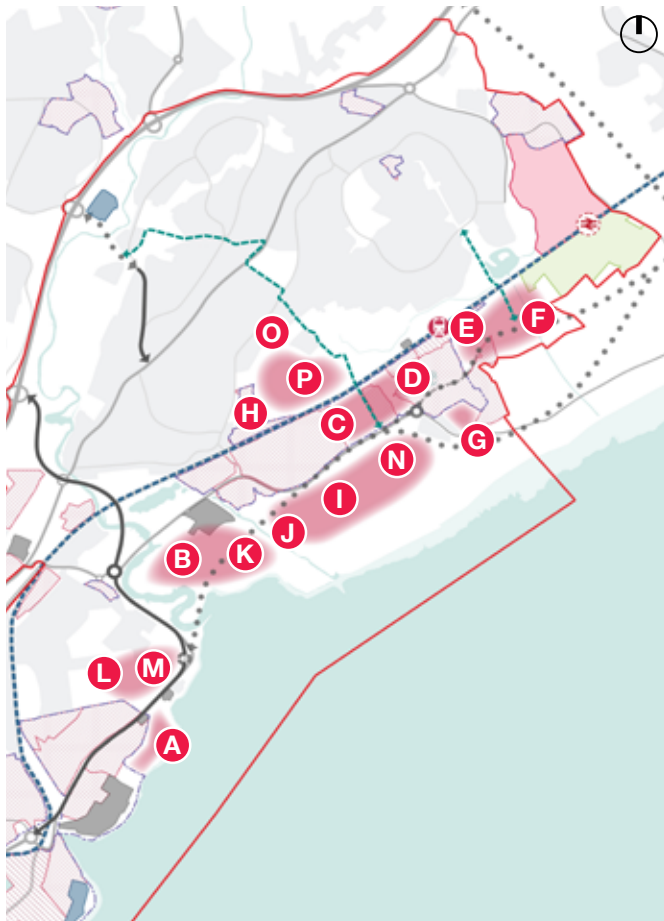
#### OVERVIEW

Phase 3 maximises the development opportunity at Cardiff East, balanced against the sensitive ecological and landscape context and residential amenity.

#### KEY MOVES

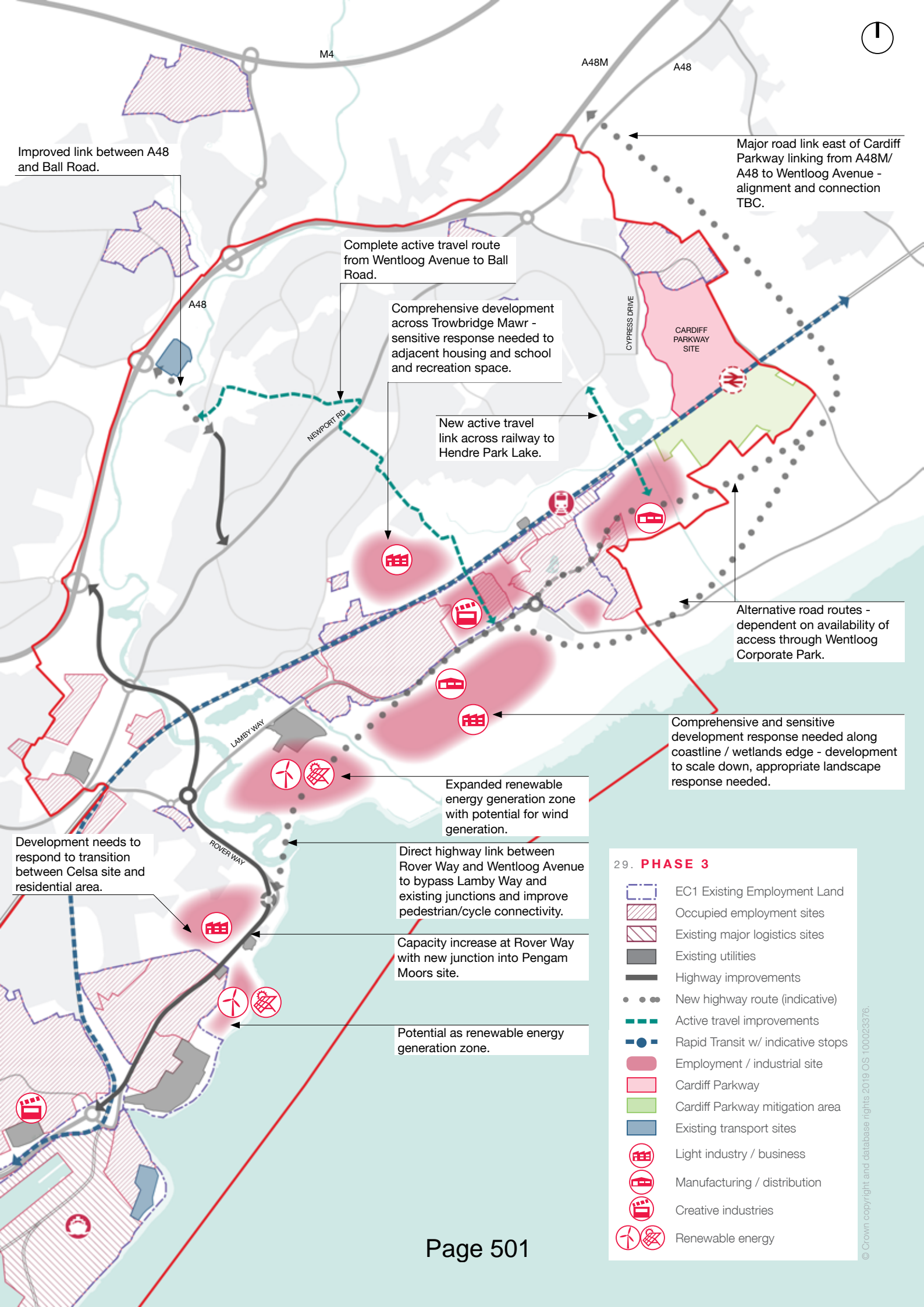
As Phase 1 and 2, plus:

- Additional development parcels opened up to the south of Lamby Way / Wentloog Avenue, extending (to a maximum) as far south as the existing overhead powerlines.
- Significant infill development at western Trowbridge Mawr on undeveloped land with wider potential for comprehensive development including relocation/ redesign of the existing recreation space (11ha).
- Major road link created between A48M/A48 and Rover Way with the potential for increased highway capacity with greater benefits along existing highway corridors.
- Continuation of Trowbridge Road active travel corridor towards Ball Road and Rhymney River corridor. New active travel link across the railway at Hendre Park Lake.



Plot	Area (Hectares)
A	15 ha
B	29 ha
C	12 ha
D	8 ha
E	9 ha
F	36 ha
G	8 ha
H	7 ha
I	40 ha
J	16 ha
K	24 ha
L	7 ha
M	17 ha
N	29 ha
O	11 ha
P	29 ha

Sites shown are areas of search and approximate areas. Plots may include areas of parking, sustainable drainage, flood protection and landscape/public realm and are not intended to represent full plot coverage.



## 29. PHASE 3

- EC1 Existing Employment Land
- Occupied employment sites
- Existing major logistics sites
- Existing utilities
- Highway improvements
- New highway route (indicative)
- Active travel improvements
- Rapid Transit w/ indicative stops
- Employment / industrial site
- Cardiff Parkway
- Cardiff Parkway mitigation area
- Existing transport sites
- ⚙️ Light industry / business
- 🏭 Manufacturing / distribution
- 🎨 Creative industries
- ⚡ Renewable energy

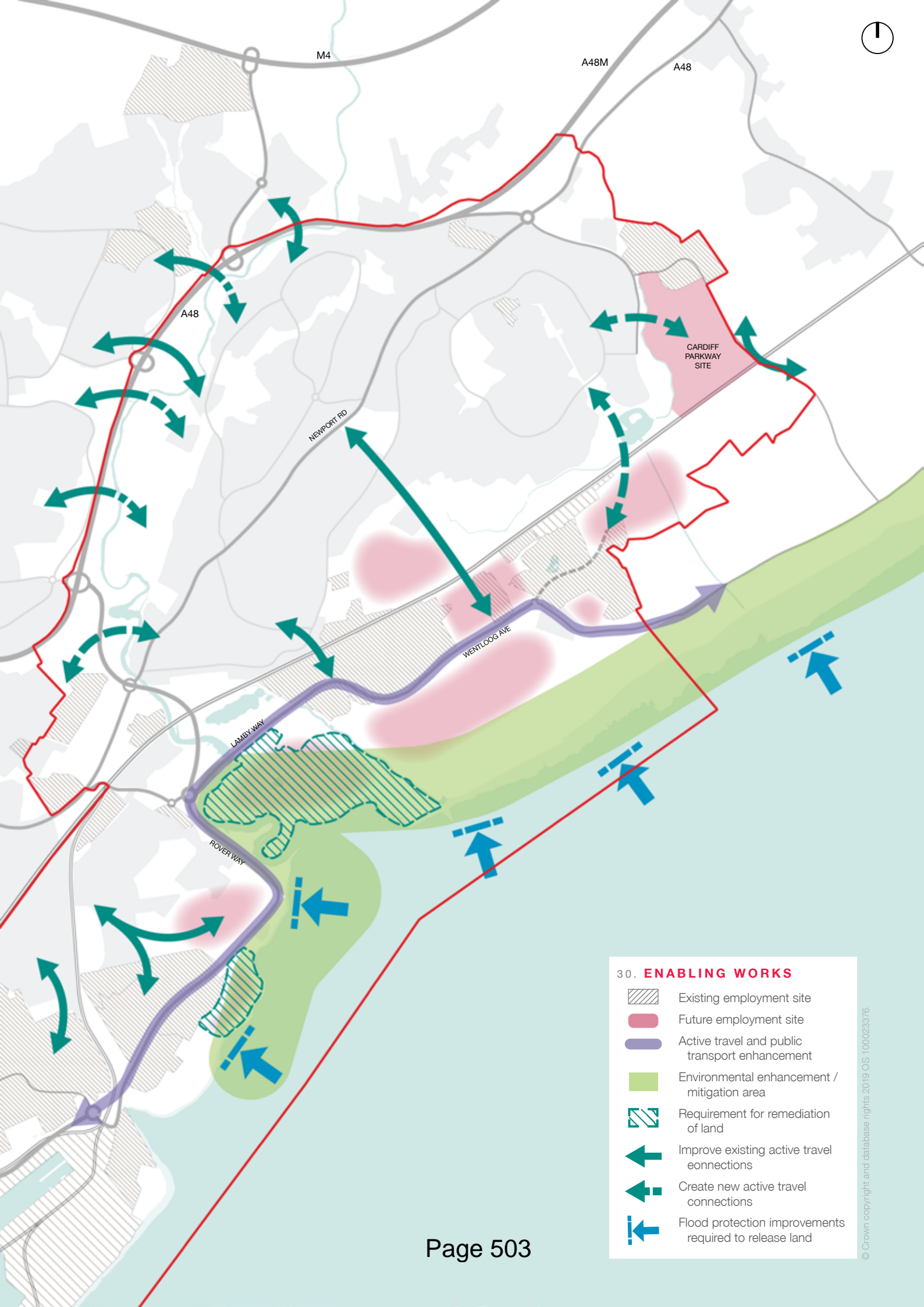


## 4.6 Supporting infrastructure

### OVERVIEW

Expansion of employment development at Cardiff East requires enhancements to existing road and utility infrastructure balanced against preservation of the area's valuable natural landscape.

- Environmental enhancement, habitat creation and biodiversity mitigation areas required to offset any loss of habitat and water retention areas caused by development. These could be further enhanced beyond minimum requirements, to provide leisure and recreation benefits and a net gain in biodiversity (discussed in section 5.1).
- Flood protection works are required to protect existing developed areas and release more land for development. Cardiff Council have commissioned a detailed design and full business case study of coastal and fluvial defences in the Rover Way and Lamby Way area.
- Active travel and public transport improvements required along the Rover Way/Lamby Way/Wentloog Avenue corridor to provide safe and sustainable access (current NAT bus route 10 weekday peak times only). This should be considered as an inherent part of the identified highway improvements and potential for environmental enhancement.
- Enhanced active travel links are required to facilitate inter- and intra-area travel, particularly facilitating commuting. Improvements are needed to the legibility and quality of existing routes and there may be a need for additional routes across the railway and River Rhymney. A new wayfinding system is required to support recreational and more purposeful active travel journeys.
- Remediation works may be required to facilitate development on the Lamby Way historic landfill site and the Rover Way frag tip. Extent and form of works will be dependent on the proposed land uses.
- Amendment and capacity increase to the existing utilities network, including provision of high-speed broadband to all existing and proposed employment areas.



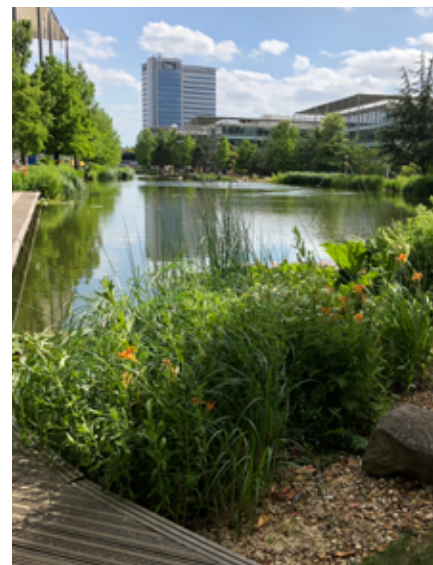
### 30. ENABLING WORKS

-  Existing employment site
-  Future employment site
-  Active travel and public transport enhancement
-  Environmental enhancement / mitigation area
-  Requirement for remediation of land
-  Improve existing active travel connections
-  Create new active travel connections
-  Flood protection improvements required to release land



## 5. DELIVERING WIDER CITY BENEFITS

### 3.1. POTENTIAL WIDER ENHANCEMENTS



Employment development in a strong landscape setting (left: Blythe Valley Park; right: Chiswick Park)



left: Chiswick Park; right: Express Park, Bridgwater



Sustainable and contemporary workplace construction

Green corridors with recreation and biodiversity enhancements





Recreation and tourism potential along the river and coast (Forest Tower, Denmark)

Renewable energy generation



Energy generation - stand-alone and linked to employment development (right: Baglan Solar Energy Centre)

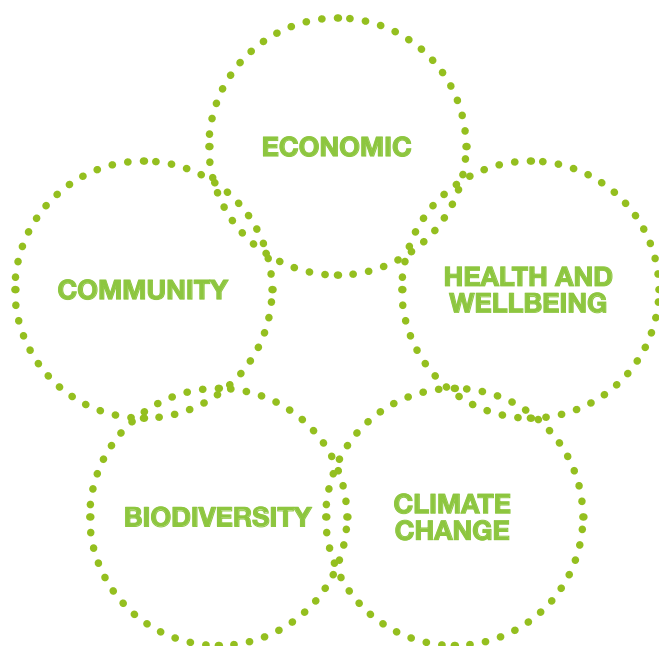
## 5.1 Green infrastructure

Enhanced green infrastructure has significant potential to bring widespread benefits to Cardiff East, in line with both the Wellbeing of Future Generations Act and the Cardiff Well-Being Plan. This includes direct and indirect economic benefits, supporting the aims of the Cardiff Economic Strategy.

There is an opportunity for a significant enhancement to green infrastructure in the Cardiff East area, linking from the estuary coastline to the man-made Wentloog Levels through to Rumney hill, the River Rhymney valley and the wooded ridgeline of hills behind the city.

The existing urban edge is of a limited quality and could be significantly enhanced in how it interfaces between residential, industrial and employment areas and the wider landscape. There are few green corridors that link across north-south or east-west through the Llanrumney/Rumney/Trowbridge/St Mellons residential area.

Access to the characteristic Wentloog Levels landscape is limited by a lack of public rights of way. The reenscape could be used as a structuring element for future development and movement networks.

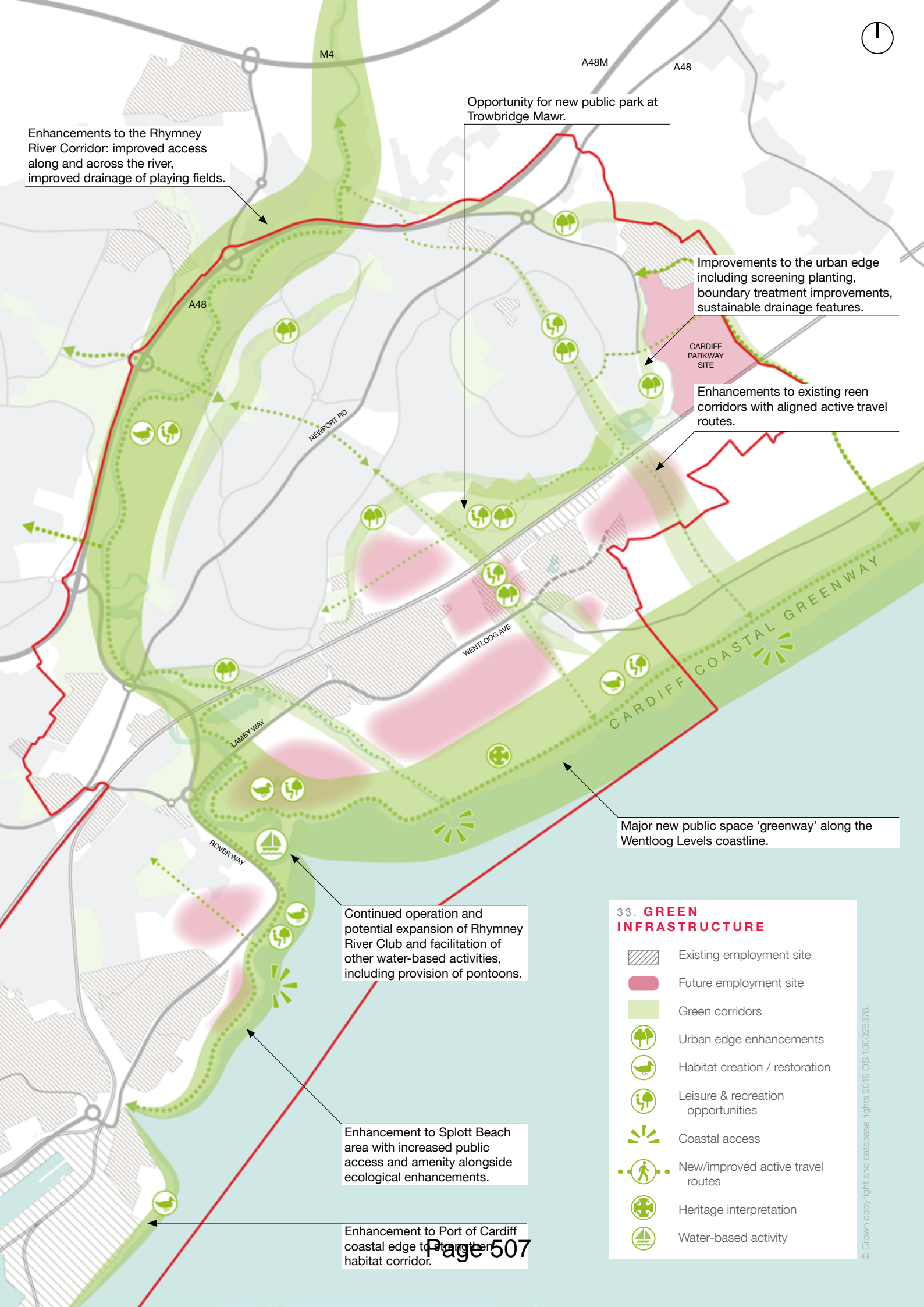


### 3.2. GREEN INFRASTRUCTURE BENEFITS

Green infrastructure enhancement of this area could include:

- Enhancements to the coastal regions to create a 'Cardiff Coastal Greenway'; a major new amenity and habitat resource for the city with increased public access to the Wales Coastal Path and improvements to amenity, alongside ecological enhancements and historic interpretation for the Rumney Great Wharf.
- Habitat creation and habitat connectivity, linking across urban areas and increasing biodiversity.
- Enhanced provision of publicly accessible spaces and routes, including formal and informal spaces, all linked into an improved Wales Coastal Path and Rhymney Trail and connections across the railway to residential areas.
- New public park at Trowbridge Mawr including biodiversity and amenity enhancements, and linking to Hendre Lake..
- Improved vegetation buffers around existing and new employment areas to reduce visual impact and improve the working environment for employees.
- Improvements to the urban edge to improve transition to green and rural spaces - could include sustainable drainage works, wildflower corridors, reinstatement of hedgerows or woodland, and waterspaces with public amenity.
- Enhancement of existing monoculture greenspaces to improve amenity, biodiversity and water management.
- Sensitive 'green' use of roofscape to introduce new habitat.
- Facilitation of water-based activities on the Rhymney River including access improvements and provision of moorings and pontoons. Allowance made for continued operation at Rhymney River Club.





Enhancements to the Rhymney River Corridor: improved access along and across the river, improved drainage of playing fields.

Opportunity for new public park at Trowbridge Mawr.

Improvements to the urban edge including screening planting, boundary treatment improvements, sustainable drainage features.

Enhancements to existing reën corridors with aligned active travel routes.

Major new public space 'greenway' along the Wentloog Levels coastline.

Continued operation and potential expansion of Rhymney River Club and facilitation of other water-based activities, including provision of pontoons.

Enhancement to Splott Beach area with increased public access and amenity alongside ecological enhancements.

Enhancement to Port of Cardiff coastal edge to strengthen habitat corridor.

33. **GREEN INFRASTRUCTURE**

- Existing employment site
- Future employment site
- Green corridors
- Urban edge enhancements
- Habitat creation / restoration
- Leisure & recreation opportunities
- Coastal access
- New/improved active travel routes
- Heritage interpretation
- Water-based activity

## 5.2 Transport and movement

### OVERVIEW

While basic multi-modal enhancements are required to support expanded economic development at Cardiff East, there is substantial scope to expand on this to widen the social and environmental benefits and deliver an inclusive 21st Century approach to movement and accessibility. This should emphasise active travel (walking and cycling) as a priority to support healthy and sustainable lifestyles and allow low-cost travel.

### HIGHWAY IMPROVEMENTS

A combination of highway network improvements and Metro connectivity allows a decrease of rat-running traffic in heavily-populated areas and along Newport Road. This frees up space in the existing road corridor for a number of aesthetic and functional interventions including:

- Increase of walking and cycle provision, including Cycle Superhighway connectivity and increased provision of crossing facilities;
- Improved bus network including potential Bus Rapid Transit;
- Public realm enhancements, including SUDS provision and street greening alongside street reconfiguration and traffic management measurements.

In some areas, enhancements may be focused along primary road corridors. In areas such as Splott and Tremorfa where there is a wider spread of through-traffic there is potential for more widespread area enhancements.

Traffic management measures should be implemented concurrently with the highway improvements to take full advantage of habit-forming opportunities.

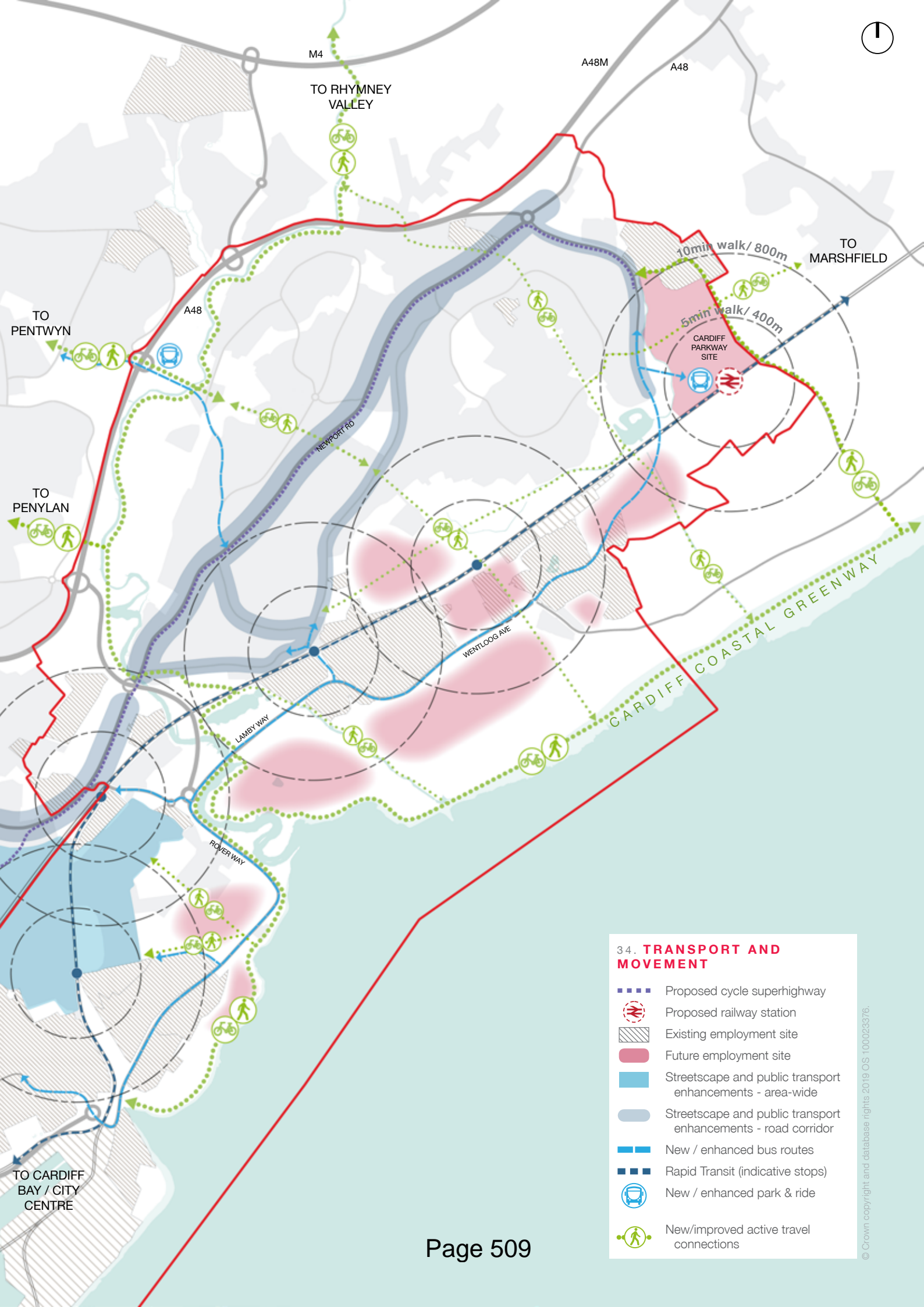
Parking standards should be reviewed to ensure sufficient but sustainable levels are provided. Charging infrastructure for electric vehicles may also be included within new and refurbished sites, facilitating use of electric private vehicles, fleets and logistics.

### ACTIVE TRAVEL

- Improvements to the Wales Coastal Path, particularly resurfacing to improve route accessibility for all users.
- Construction of the proposed Cycle Superhighway C2 from the City Centre to St Mellons Business Park, with improvements to linking routes. Support for further roll-out of NextBike cycle hire.
- Enhanced active travel connections between the Lamby Way/Wentloog Avenue industrial estates, the Wales Coastal Path and residential areas, particularly existing connections across the railway from New Road, Trowbridge Road and Heol Las.
- Improved continuity of routes along and across the River Rhymney valley linking to Penylan, Llanedeyrn, Pentwyn and Pontprennau, forming recreation loops and commuter links.
- Enhanced routes and legibility across the existing urban area, particularly towards Lamby Way/Wentloog Avenue and Rover Way, the proposed Cardiff Parkway station and any future Metro stops.
- Area-wide wayfinding system linking homes, employment and local services, directing towards public transport and encouraging access to the coastal and river corridors.

### PUBLIC TRANSPORT

- Development of public transport hubs connecting into any Rapid Transit links along the railway (stops shown are indicative only).
- New or re-routed bus services to Rover Way, Lamby Way and Wentloog Avenue areas, potentially connecting towards Cardiff Parkway station. Re-routing of existing St Mellons bus services towards Cardiff Parkway station.
- New or re-routed bus services between Llanedeyrn/Pentwyn and Llanrumney, using proposed Ball Road/A48 connection and connecting to Cardiff East Park and Ride.



34. **TRANSPORT AND MOVEMENT**

- Proposed cycle superhighway
- Proposed railway station
- Existing employment site
- Future employment site
- Streetscape and public transport enhancements - area-wide
- Streetscape and public transport enhancements - road corridor
- New / enhanced bus routes
- Rapid Transit (indicative stops)
- New / enhanced park & ride
- New/improved active travel connections



## 5.3 Socio-economic

Given the current high levels of deprivation and socio-economic issues across eastern Cardiff, there is significant need to widen the influence of the economic strategy and bring wider societal changes. Investment can benefit those living in and visiting the area as well as those employed there, supporting a circular economy and bringing greater long-term resilience.

Specific socio-economic improvements could include:

- Stronger links between education providers, community hubs/learning centres and employers to build skills in the future workforce, building on the Cardiff Commitment.
- New and improved cross-area active travel links allowing access to work and skills development and linking staff to social infrastructure, open space and local retail facilities, supporting the local economy. Links may double as recreational routes and safe routes to schools.
- Strong public transport hubs created on key routes towards employment and city centre destinations.
- Development of a strong green infrastructure network that provides a strong setting for employment sites and supports employee wellbeing.

Other non-spatial enhancements may include:

- Addressing barriers to employment including support for on-site and locally-based childcare services, allowing greater access to work and flexible working options.
- Diversification of housing type and tenure with continued minor infill development, supporting a more mixed and balanced community.

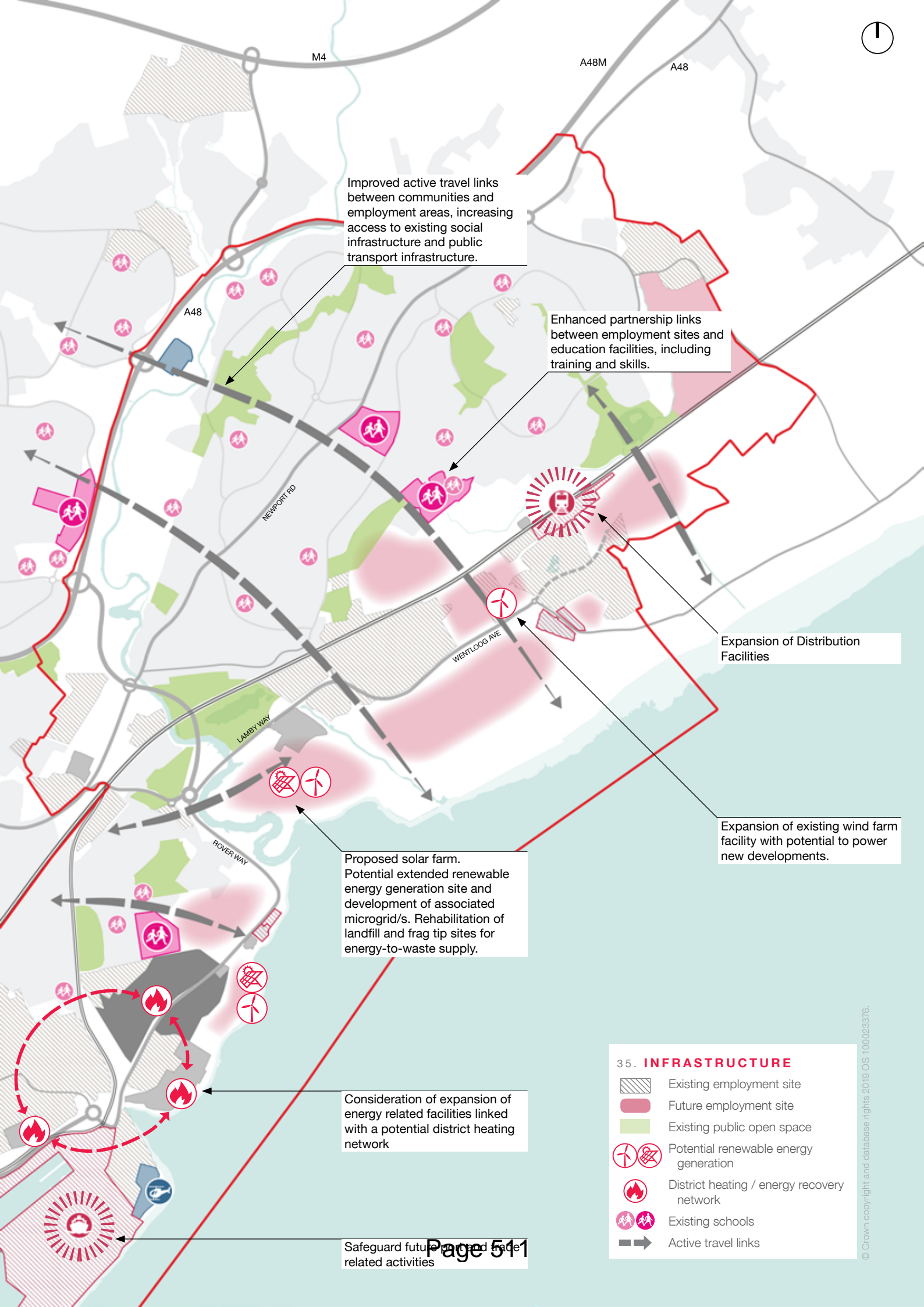
## 5.4 Physical infrastructure

There is significant scope to work with existing and future developments to support and supply the city's infrastructure networks, beyond its immediate needs.

The proposed solar farm at Lamby Way has potential to generate an average of 8.99 megawatts a year, powering around 2,900 homes.

Improvements could include:

- Potential district heating network to recover heat from existing and proposed industrial sites including Viridor, Celsa and Dwr Cymru sites.
- Development of a 'microgrid' linked to renewable energy installations, including potential expansion of the existing wind turbine operations at Pinewood Wales.



Improved active travel links between communities and employment areas, increasing access to existing social infrastructure and public transport infrastructure.

Enhanced partnership links between employment sites and education facilities, including training and skills.

Expansion of Distribution Facilities

Expansion of existing wind farm facility with potential to power new developments.

Proposed solar farm. Potential extended renewable energy generation site and development of associated microgrid/s. Rehabilitation of landfill and frag tip sites for energy-to-waste supply.

Consideration of expansion of energy related facilities linked with a potential district heating network

Safeguard future airport related activities

### 35. INFRASTRUCTURE

- Existing employment site
- Future employment site
- Existing public open space
- Potential renewable energy generation
- District heating / energy recovery network
- Existing schools
- Active travel links

## 6. KEY CONCLUSIONS AND RECOMMENDATIONS

### 6.1 Conclusions

The opportunity exists to shape and deliver a new vision and Area Action Plan for East Cardiff. This vision should reflect an integrated approach that not only delivers the objectives of the council's economic strategy but wider community and environmental benefits as well. It is a fact that the communities of south Cardiff have the highest levels of deprivation in the city. It is recognised that estate renewal projects are underway and that the housing stock is being gradually improved and that investment has been made in new schools and leisure facilities. There is still work to be done. The approach advocated would help to accelerate and expand delivery of such projects, identify and link different sources of funding and crucially deliver different benefits on the ground.

The vision should be anchored by a co-ordinating spatial plan that communicates the scale and extent of potential growth areas, the need for improved connectivity (both East – West to the Bay and city centre and North – South to the waterside ) and investment in transport and green infrastructure.

Linking community areas with the Severn Estuary foreshore and a new Cardiff Coastal Greenway will improve access to employment, support active travel and deliver health and wellbeing benefits. It would also create a city-scale resource and attraction for visitors. The Gwent Levels are a sensitive landscape but also represent a major opportunity to link Cardiff with its wider waterfront.

#### KEY MOVES

1. A coordinated approach to development is required to develop a balanced and sustainable community and maximise benefits, both for business and for other stakeholders.
2. Significant multi-modal improvements are needed to the movement infrastructure to facilitate access to work, access to services and movement of goods.
3. Previously developed land has potential for sustainable reuse, particularly for renewable energy generation.
4. The natural setting of Cardiff East is a vastly underused resource which could bring major benefits to the area and wider city region. Improving access to the coastline should be a priority move, creating a Cardiff Coastal Greenway.
5. Non-spatial policies should be developed to support the physical growth and change, including further coordination of workplaces with education and skills providers.
6. In developing an Area Action Plan, early engagement should take place with key partners, stakeholders and statutory bodies.



### 36. POTENTIAL WIDER ENHANCEMENTS - GREEN INFRASTRUCTURE AND ENVIRONMENT



Improvements to the streetscape and urban edge to increase biodiversity and resilience (left: Greener Grangetown).



Improved public access to open spaces with opportunity for new parks and Coastal Greenway.



Green walls and facade treatments



## 6.2 Potential policy levers

Given the potential for the area to support economic, social and environmental improvements consideration should also be given to exploring potential policy levers to support the development of the area.

### **TAX INCREMENT FINANCE**

Much of the area covered would provide a ‘blank canvas’ for development that is ideally suited to the use of Tax Increment Finance. This is particularly pertinent given the need for infrastructure investment to unlock the full potential of the area. Consideration should be given to the use of Tax Increment Finance to unlock the potential of the area.

### **SPECIAL ECONOMIC ZONES**

There is also the scope to explore potential post-Brexit trade levers, including the development of clearly defined free-trade zones that focus on adding value to products rather than simply acting as a tax free zone. Such an approach may be useful for sectors where there are opportunities to become part of a global supply chain, and especially in those areas where Cardiff and South East Wales have competitive strengths. Given the relatively blank canvas of the area there are opportunities to explore innovative policy solutions to mitigate both the impact of Brexit as well as exploit any potential means of exploiting trade flexibilities.

### 37. POTENTIAL WIDER ENHANCEMENTS - ACCESS AND MOVEMENT

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Enhanced active travel network aligned to green corridors



Wayfinding improvements.



Active travel enhancements with additional bridge links (right: Smart Way bridge)



## 6.3 Recommendations and Next Steps

### APPROACH

The next stage of work should be shaped by cross-disciplinary working to ensure that it takes into account the extensive development context and optimises the wider benefits. It is recommended that a Cardiff Council officer working party is established across disciplines to create the brief for the next stage of work.

A masterplanning framework could be developed which draws from technical studies and informs a suite of strategies. This should be reviewed on a regular basis as part of a multi-disciplinary feedback process. The status of the document should be considered, with potential to formalise this through the planning process.

The framework should be accompanied by a delivery strategy and programme which considers land assembly and acquisitions, Phased delivery, funding, and develops a business case for public sector investment (including public transport, highway and infrastructure improvements).

Stakeholder engagement should be embedded in the process, beginning with identification of an engagement strategy. This should include representatives from land owners, operators and developers, transportation and infrastructure, as well as community representatives.

### FURTHER STUDIES AND STRATEGIES

A series of technical studies and supporting strategies are required to support future development:

- **Employment strategy:** Work required to identify the scale and nature of employment space demand across the city and at Cardiff East. This should consider inclusive growth, related to the Wellbeing of Future Generations Act, and identify how to attract a mix of higher-value jobs and skills. It may also include the nature of existing employment and the evolution of this, including potential for change within existing employment areas and challenge the assumed scale of growth. The strategy should identify barriers to growth and essential interventions.
- **Digital strategy:** Providing information through the design, build, operate and maintain stages, with potential to develop a 'digital twin' for Cardiff East. The strategy should identify digital infrastructure requirements including fibre optic broadband and 5G connectivity. Other aspects may include digital economies, skills and open data sharing.
- **Transport and movement strategy:** Linked to the Transport White Paper, an area-focused study is required to identify multi-modal improvements to the existing movement network. This should include connectivity modelling and aim to optimise frequency and quality of cross-area active travel and enhancing public transport services, bearing in mind the Transport and Clean Air White Paper, the proposed Cardiff Parkway railway station and interchange, and the emerging proposals for the South Wales Metro. Detailed feasibility work is required to confirm the suitability of the proposals identified in this report. The work should address parking standards.
- **Landscape capacity assessment:** Assessment required to identify scope for new development within the existing landscape, with particular focus on location, scale and extent of larger employment developments and renewable energy sites. Assessment should also take into account potential to enhance existing developed areas.

- **Green and blue infrastructure strategy:** Development required to address the special landscape and ecological context of the Wentloog Levels and look for opportunities to enhance ecological and recreational amenity. A combined approach is required taking into account ecology and biodiversity, surface water management, roofscapes, flood protection, landscape enhancement and visual mitigation, looking at existing and proposed development areas and open space areas. Work to require close liaison and collaboration with Natural Resources Wales and scoping for an Environment Statement.
- **Energy and infrastructure strategy:** Including proposed solar farm at Lamby Way, scope for expansion of the existing Viridor Energy Recovery Facility and new area-wide heat and/or energy networks, further renewable energy generation (particularly related to former landfill and frag tip sites, subject to environmental studies), links to existing heat sources, and identifying existing network capacity and service locations.
- **Design guide:** Providing area-specific design criteria for new and renovated developments including sustainable and resilient construction, visually-appropriate architecture, site layout, parking and cycle storage, access requirements and landscape approach.
- **Public realm strategy:** Opportunity to identify public realm and streetscape enhancements across employment and residential areas, linked to the transport and movement study to focus improvements on key corridors. The study could consider temporary and short-term works and consider how investment can be optimised to bring the greatest social, environmental and economic benefits to the area. The aim is to develop a suite of proposals from area-specific plans to proposals that can be implemented area-wide as part of a rolling programme.
- **Cardiff Freightliner Terminal:** More research needs to be undertaken into how Cardiff Freightliner Terminal facility can better support existing businesses in the area and help to attract new ones. For example the latter may have a logistics focus or be linked to smart manufacturing and require main freight line access for the importation of materials and the export of finished products. This research should consider the viability of expanding the site north of the railway line to enhance operational capacity.
- **Cardiff Parkway development:** Action will be required over the short, medium and long terms. The Phases set out in this report are the start of a process to investigate the potential of change in the area over time. In fact they can be conceptualised as increments of change over the short, medium and long terms. Going forward, it will be important to understand the specific land use mix proposed to ensure that a complimentary rather than competing approach is adopted in the wider East Cardiff area. There maybe some merit in approaching the Cardiff Parkway developers to see if opportunities exist to jointly shape key messages about the sites relationship with the wider East Cardiff area to mutual benefit.

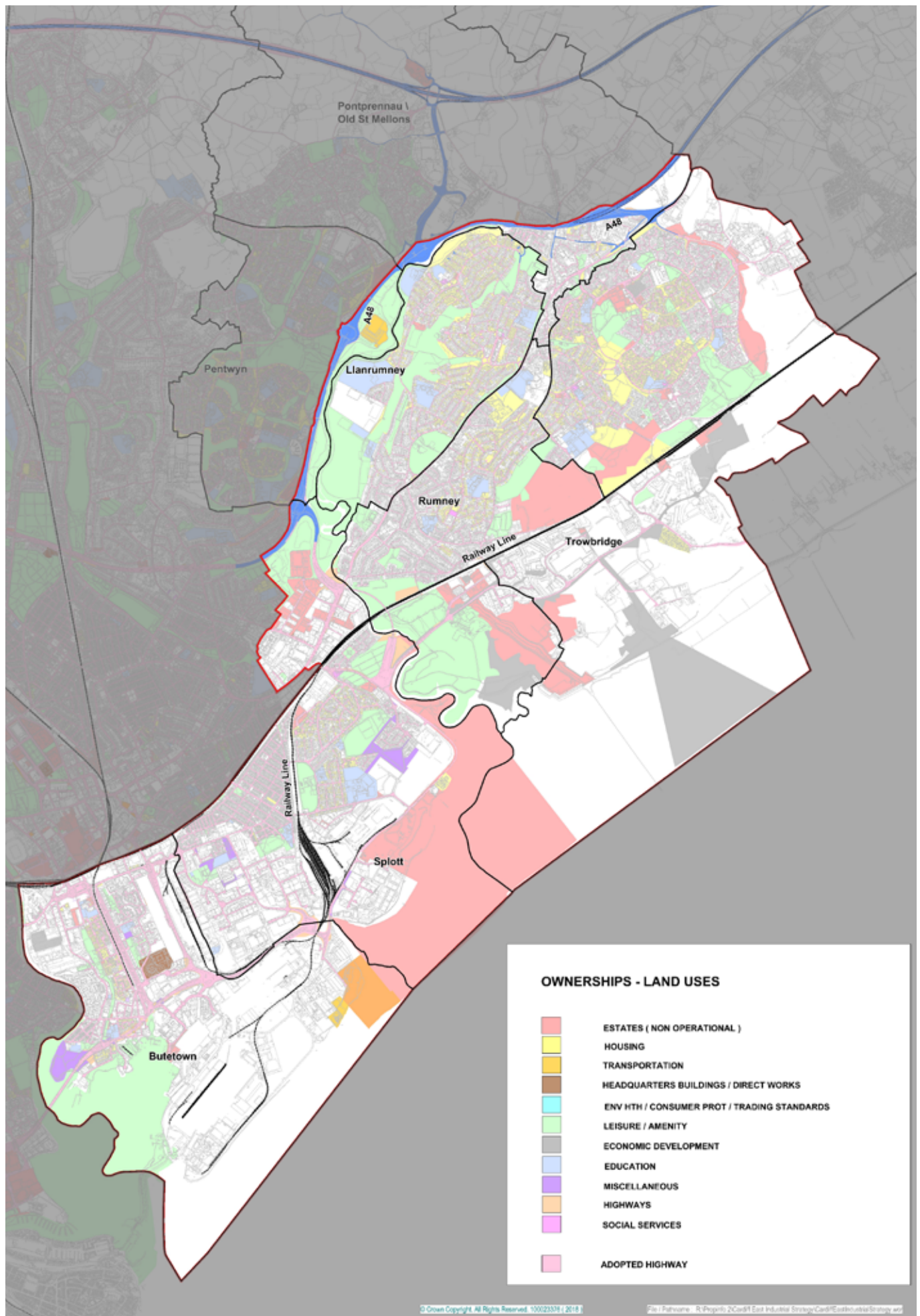
## Appendix A: Cardiff Council Land

There is also significant opportunity for the Council to use its own land assets to promote the development of the East Cardiff Area. The consideration of this land is outside of the scope of this study, but the Council should consider how it can maximise the impact of the use of its assets in East Cardiff to deliver this strategy.

Council land in the East Cardiff area covers a significant range of uses, from non-operational estates land (i.e. investment) to parkland and general amenities.

There is significant overlap in terms of the areas of consideration in this strategy and the overall Phases presented.









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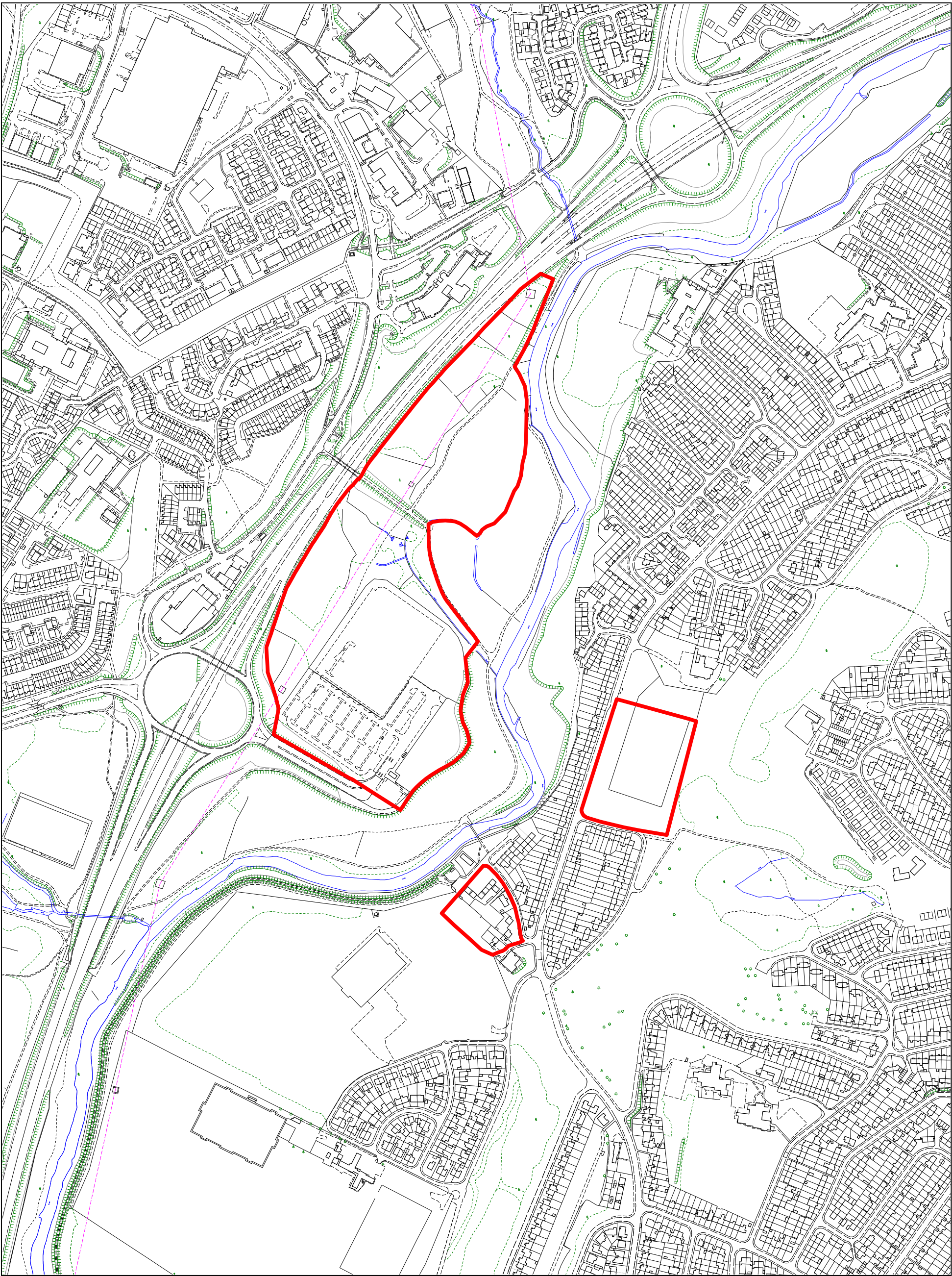
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# Llanrumney Site Plan



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