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PAPURAU ATODOL

Pwyllgor	PWYLLGOR CRAFFU'R ECONOMI A DIWYLLIANT
Dyddiad ac amser y cyfarfod	DYDD LLUN, 16 TACHWEDD 2020, 5.00 PM
Lleoliad	YSTAFELL BWYLLGOR 4 - NEUADD Y SIR
Aelodaeth	Cynghorydd Howells (Cadeirydd) YCynghorwyr Henshaw, Gordon, Gavin Hill-John, Lay, Parkhill, Robson, Sattar a/ac Stubbs

Y papurau canlynol wedi'i farcio ' i ddilyn' ar yr agenda a ddosbarthwyd yn flaenorol

4 Strategaeth Datblygu Llanrumney - Y Camau Nesaf: Craffu Cyn Penderfyniad - i ddilyn (Tudalennau 3 - 124)

Nid yw Atodiadau 2 - 9 o Adroddiad y Cabinet, Atodiad A, ac Atodiad B i'w cyhoeddi gan eu bod yn cynnwys gwybodaeth eithriedig o'r disgrifiad a geir ym mharagraff 14 o Ran 4 a pharagraff 21 o Ran 5 o Atodlen 12A o Ddeddf Llywodraeth Leol 1972. Credir, yn holl amgylchiadau'r achos, fod budd y cyhoedd mewn cynnal yr eithriad yn gorbwyso budd y cyhoedd mewn datgelu'r wybodaeth.

5 Merchant Place / Adeilad Cory: Craffu Cyn Penderfyniad - i ddilyn (Tudalennau 125 - 200)

Nid yw Atodiadau 2, 3 a 4 o Adroddiad y Cabinet i'w cyhoeddi gan eu bod yn cynnwys gwybodaeth eithriedig o'r disgrifiad a geir ym mharagraff 14 o Ran 4 a pharagraff 21 o Ran 5 o Atodlen 12A o Ddeddf Llywodraeth Leol 1972. Gwelir, yn holl amgylchiadau'r achos, mae budd y cyhoedd mewn cynnal yr eithriad yn gorbwyso budd y cyhoedd mewn datgelu'r wybodaeth.

Davina Fiore

Cyfarwyddwr Llywodraethu a Gwasanaethau Cyfreithiol

Dyddiad: Dydd Mawrth, 10 Tachwedd 2020

Cyswllt: Andrea Redmond, 02920 872434, a.redmond@caerdydd.gov.uk

Mae'r dudalen hon yn wag yn fwriadol

CYNGOR CAERDYDD
CARDIFF COUNCIL

ECONOMY & CULTURE SCRUTINY COMMITTEE

16 NOVEMBER 2020

**LLANRUMNEY DEVELOPMENT STRATEGY - NEXT STEPS : PRE-DECISION
SCRUTINY**

Appendices 2 - 9 of the Cabinet Report, Appendix A, and Appendix B are not for publication as they contain exempt information of the description contained in paragraph 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972. It is viewed that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Purpose of the Report

1. To give Members background information to aid the scrutiny of the draft report to Cabinet regarding the next steps in the development of Llanrumney, which is due to be considered by Cabinet at their meeting on 19 November 2020.
2. Members should note that **Appendices 2-9 inclusive** of the Cabinet report, at **Appendix A**, and **Appendix B** 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 November 2020, the Cabinet will consider a report that seeks authority to:
 - i) progress with the disposal of land adjacent to the A48 Pentwyn junction to enable delivery of a new bridge and road link;
 - ii) commence a statutory consultation process to release land near to Ball Close for residential development; and
 - iii) ring-fence residual capital receipts, over and above the bridge and road link costs, towards delivery of proposed outdoor sports

complex off Mendip Road, Llanrumney and other community projects in the Pentwyn/ Llanrumney wards.

4. During this scrutiny, Members have the opportunity to explore:
 - i) The proposed approach for disposal of land;
 - ii) The proposal to ring-fence receipts;
 - iii) How proposals fit with the overall development strategy for Llanrumney;
 - iv) Whether there are any risks to the Council;
 - v) The timeline and next steps for delivery;
 - 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 2-9 inclusive**.
6. Members will hear from Councillor Russell Goodway (Cabinet Member – Investment and Development), Neil Hanratty (Director of Economic Development), Giles Parker (Head of Property), Chris Barnett (Operational Manager – Major Projects) and Eirian Jones (Principal Surveyor) who will give a presentation and be available to answer 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 October 2019, Cabinet approved the Cardiff East Industrial Strategy, which prioritised transport improvements, including a new bridge and road linking Llanrumney with the A48, as key to attract investment and enable local

communities to gain access to employment. In December 2019, Cabinet approved the Llanrumney Development Strategy, which included proposals to deliver the new road link and bridge on a self-financing basis via capital receipts received from selling parcels of land for employment and residential use. In addition, Cabinet agreed the principle of a capital contribution towards delivery of a new outdoor sports complex off Mendip Road, Llanrumney. The three parcels of land proposed for disposal are illustrated in **Appendix 1** and are:

- i) Park & Ride scheme site at A48 junction at Pentwyn
- ii) Land adjacent to Ball Road and fronting Llanrumney Hall
- iii) Land off Ball Road.

9. In December 2019, Cabinet agreed to appoint agents to market the three sites for Expressions of Interest. Bids have been received for all three sites and a summary of these is provided in **Confidential Appendix 3**. Heads of Terms have been drafted for site A, attached as **Confidential Appendix 4**, and for sites B and C, attached as **Confidential Appendix 5**.

Issues identified in the Cabinet Report

10. The draft report to Cabinet entitled 'Llanrumney Development Strategy – Next Steps' is attached at **Appendix A** and has **nine** appendices:

- **Appendix 1** - Site plans
- **Confidential Appendix 2** - Development Appraisal
- **Confidential Appendix 3** - Marketing Report and Bids
- **Confidential Appendix 4** - Heads of Terms – Site A
- **Confidential Appendix 5** - Heads of Terms – Site B and C
- **Confidential Appendix 6** - Plan of Site A
- **Confidential Appendix 7** - Programme of Site A
- **Confidential Appendix 8** - Plan of Site B and C
- **Confidential Appendix 9** – Plan of new Llanrumney Sports Complex.

11. At **points 20-28**, the report to Cabinet identifies the issues, presenting these by Site A and then Sites B & C.

12. With regard to Site A, the Park & Ride site, the report to Cabinet highlights the following:

- i) The Council has received an offer to deliver a logistics centre, which incorporates a same-capacity replacement Park & Ride facility and, subject to planning, delivers a capital receipt sufficient to fund the bridge and road link, although the developer is prepared to deliver the new road link and bridge as part of the delivery of their development in lieu of a capital receipt, subject to a Section 106 planning obligation;
- ii) **Confidential Appendix 4** sets out the Heads of Term, which show that, following Cabinet approval, the developer would enter an exclusivity agreement with the Council, complete survey works within 12 weeks and aim to be operational by December 2021;
- iii) The offer received is subject to determining abnormal costs, which would be deducted from the offer, following negotiation, leading to an exchange of contracts within 30 days of agreement re costs;
- iv) **Confidential Appendix 6** sets out the indicative scheme
- v) **Confidential Appendix 7** sets out the draft programme, which may mean that the development is brought forward in two separate planning applications with relevant conditions attached;
- vi) Temporary arrangements for Park & Ride will be made on site to enable continuity of service during construction.

13. With regard to Sites B & C, the report to Cabinet highlights the following:

- i) The Council has secured an offer to deliver the proposed residential development on both sites, with **Confidential Appendix 5** containing the Heads of Terms and **Confidential Appendix 8** containing a masterplan;
- ii) The 4 existing Council dwellings will be re-provided, constructed to the Council's Design Quality Requirements and transferred to the Council on a freehold basis under a Section 106 obligation;
- iii) Further statutory consultation is required as Site B is currently utilised as a playing field by Llanrumney Rugby Club. The proposal requires a significant area of open space, larger than the site

proposed for development, to be retained in front of Llanrumney Hall. The playing field will be re-provisioned with enhanced new facilities on the site of the former Llanrumney High School;

- iv) Community access will be provided at community rates to new 3G pitches delivered as part of the scheme to upgrade the existing Cardiff University Sports complex off Mendip Road (see Confidential Appendix 9); and
- v) A final decision on the disposal of these parcels of land will be subject to a further report to Cabinet, with licences issued meanwhile to enable site due diligence to progress.

14. The Financial Implications are set out at **Points 31-38** and include:

- i) The actual capital receipt achieved is subject to deductions for abnormal costs and other deductible items; the costs of survey reports to determine these rests with the purchaser
- ii) There is no specific funding for the delivery of a new bridge and road link, which relies on capital receipts and Section 106 contributions; the current Heads of Terms deliver sufficient monies to enable the bridge and road link to be self-financing and Cabinet is being asked to agree to ring-fence any capital receipts received to enable delivery of the bridge and road link, the new Outdoor Sports Complex and other projects in the immediate vicinity
- iii) There is a need to consider the budgetary impact of relocation of the Sports Complex and any disruption to existing Park & Ride facility
- iv) Any disposal of land at Sites B and C is subject to a future Cabinet decision and will need to be supported by an independent valuation report showing that it demonstrate value for money.
- v) The four existing council dwellings will be re-provided at no cost to the Council
- vi) Further detailed VAT advice will be required as detailed proposals are developed.

15. Legal Implications are set out in **Points 39-47** and include:

- i) The legal basis for disposal of Council-owned land, including the need for statutory consultation for playing fields;
- ii) The need to obtain advice from the Council's valuer; and
- iii) Equalities, Wellbeing of Future Generations and Welsh language duties.

Proposed Recommendations to Cabinet

16. The report to Cabinet contains the following recommendations:

- 1) *Delegate authority to the Director of Economic Development in consultation with the Cabinet Member for Investment and Development, the Monitoring Officer and the Section 151 Officer to:*
 - I. Complete the disposal of 17 acres of Council owned land adjacent to the A48 at Pentwyn as illustrated by the site plan at Appendix 1 and in line with the Heads of Terms set out in Confidential Appendix 4.*
 - II. Undertake the statutory consultation process required in relation to the disposal of land off Ball Road illustrated by the site plan at Appendix 1 and to agree draft Heads of Terms and return to a future meeting of Cabinet for authority to complete the disposal.*
- 2) *Ring-fence the capital receipt from disposal of the 3 parcels of land to deliver the proposed road link and bridge, the new Outdoor Sports Complex of Mendip Road, Llanrumney and other community initiatives in the Pentwyn and Llanrumney wards.*

Previous Scrutiny

17. In December 2019, this Committee undertook pre-decision scrutiny of the report to Cabinet on Llanrumney Development, following scrutiny in October 2019 of the report to Cabinet on the Cardiff East Industrial Strategy. Much of this scrutiny was in closed session as it dealt with confidential information. Following scrutiny, the Chair, Councillor Nigel Howells, wrote a confidential letter to Councillor Russell Goodway, Cabinet Member –Investment and Development and received a confidential response. These letters are attached in **Confidential Appendix B**.

Way Forward

18. Councillor Russell Goodway (Cabinet Member – Investment and Development) will be invited to make a statement. Neil Hanratty (Director of Economic Development), Giles Parker (Head of Property), Chris Barnett (Operational Manager – Major Projects) and Eirian Jones (Principal Surveyor) will give a presentation and be available to answer Members questions.
19. All Members are reminded of the need to maintain confidentiality with regard to the information provided in **Appendices 2 – 9 inclusive**, of the Cabinet Report at **Appendix A**, and **Appendix B**. Members will be invited to agree the meeting go into closed session to enable discussion of this information.

Legal Implications

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

Financial Implications

21. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial

implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATION

The Committee is recommended to:

- i) Consider 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 November 2020; and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

DAVINA FIORE

Director of Governance & Legal Services

12 November 2020

CABINET MEETING: 19 NOVEMBER 2020

LLANRUMNEY DEVELOPMENT STRATEGY - NEXT STEPS

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

AGENDA ITEM:

Appendices 2-9 of this report are not for publication as they contain exempt information of the description contained in paragraphs 14 of part 4 and paragraphs 21 of part 5 of Schedule 12A of the Local Government Act 1972.

PORTFOLIO: INVESTMENT AND DEVELOPMENT

Reason for this Report

1. To seek authority to progress with the disposal of land adjacent to the A48 junction at Pentwyn to enable delivery of the new bridge and road link to connect the A48 to the Llanrumney ward as part of the Council's East Cardiff Industrial Strategy.
2. To seek authority to commence a statutory consultation process required to release land for disposal to enable delivery of new housing in the Llanrumney ward.
3. To seek authority to ring-fence the residual capital receipt over and above the costs of delivering the new road link and bridge towards delivery of the proposed new Outdoor Sports Complex off Mendip Road, Llanrumney and other community projects in the Pentwyn/Llanrumney wards.

Background

4. In December 2019, a report setting out a number of development proposals for the Llanrumney ward was presented to Cabinet. The development strategy was approved by Cabinet including the delivery of a new road link and bridge to the Llanrumney ward from the A48 junction alongside the Pentwyn Park and Ride site. Authority was also provided for officers to market three parcels of land and report the outcome to a future Cabinet meeting.
5. At the same meeting, Cabinet agreed the principal of a capital contribution towards a new outdoor sports complex proposed for land off Mendip Road, Llanrumney, to assist with the relocation of existing sports

provision in Llanrumney from land suitable for development to land unsuitable for development in the same vicinity.

6. The December 2019 report was set in the context of the East Cardiff Industrial Strategy approved by Cabinet in October 2019. The Strategy identifies transport improvements as the key driver to unlocking access to employment opportunities for local communities. The study goes on to say *“A key project in this regard is the proposed new bridge linking the Llanrumney community to the A48 to provide improved public transport connectivity”*.
7. 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. The Llanrumney ward suffers from the highest rates of unemployment at over 50% higher than the average for the city as a whole.
8. At present, the Llanrumney area suffers from poor connectivity. Road access has become 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.
9. 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 and provides quick public transport access to the city centre and to Heath Hospital.
10. The area also has no access to rail services. The Cardiff Bay train station remains the most easterly train station in the city. Consequently, bus journey times to the city centre can take as long as one hour at peak times for many of the communities in the east.
11. It is proposed that access across the bridge will be controlled at morning and evening peaks to encourage modal shift in line with the Council's transport objectives and targets. This will create a significant improvement to bus priority measures and should consequently attract more bus passengers as service provision will become more reliable. Direct link onto the A48 at peak times for buses will provide access to existing bus priority measures and enable quicker (limited stop services) access into the city centre. Providing access to the park and ride facility will also increase the range and choice of bus service to local residents providing better access to employment destinations at Cardiff Gate, the City Centre, Heath Hospital and further afield. Outside of peak periods,

car movements from and to Llanrumney will have improved access to the strategic highway network.

12. The East Cardiff Industrial Strategy specifically outlines the need for investment in connectivity to improve the economic outcomes of the area:

“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.”

“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.”

13. The Strategy also sets out the need to address natural barriers within the local area, notably the River Rhymney. In particular, the strategy states that *“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...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.”*
14. The new bridge will enable improved cycleway links between the communities of Llanrumney, Rumney, Pentwyn and Llanedeyrn providing better links to schools in the area and green spaces including the Rumney Trail. Additionally, the new Active Travel infrastructure to be provided in the future as part of the LDP North East Cardiff development will further enhance and complement connectivity of the emerging Cycle Super Highway networks links.
15. The development strategy approved by Cabinet in December 2019 therefore proposed the disposal of three plots of Council owned land illustrated in Appendix 1 to generate capital receipts to fund new transport infrastructure. The sites are summarised as follows:
 - A) Circa 17 acres of land adjacent to the A48 junction at Pentwyn currently occupied by the Park & Ride facility to deliver local employment uses, whilst retaining the full existing Park & Ride capacity on site. The aspiration is to deliver a logistics/retail centre at this location.

- B) Circa 3 acres of land adjacent to Ball Road and fronting Llanrumney Hall currently utilised as a playing field by Llanrumney Rugby Club to provide up to 90 new open market residential units. The release of this land for development requires a statutory consultation process. The proposal is brought forward on the clear basis that a significant area of open space, larger than the site proposed for development, will be retained in front of Llanrumney Hall. In addition, the existing playing field will be re-provided in close vicinity, with enhanced new facilities on the site of the former Llanrumney High School. Community access will also be provided at community rates to new 3G pitches to be delivered as part of the scheme to upgrade the existing Cardiff University Sports complex off Mendip Road (see Confidential Appendix 9). The release of this land for development is based on the principle of swapping land unsuitable for residential development due to flood management regulations with land suitable for residential development, with the aim of delivering significantly enhanced community facilities.
- C) Circa 1.5 acres of brownfield land off Ball Lane to enable the development of approximately 80 units of predominantly affordable residential units.
16. A development appraisal was undertaken by independent valuers and was attached to the report IN December 2019 as Confidential Appendix 2. This appraisal made a number of assumptions in the absence of any specific site due diligence and legal title reports but concluded that following financial appraisal, disposal of the three sites could deliver capital receipts to meet the capital costs of delivering the new road link and bridge plus the required contribution towards improved local sports facilities.
17. As recommended in the 'Next Steps' section of the December report, agents were appointed to market the three sites for Expressions of Interest.
18. In July 2020, bids were received for all three sites and the agents have provided a summary of each bid with recommendations relating to best value under the provisions of the Local Government Act - Section 123, attached as Confidential Appendix 3 to this report.
19. Heads of Terms have been drafted for site (A) outlined in paragraph 10 above and are attached as Confidential Appendix 4. Heads of Terms have been drafted for sites (B) and (C) outlined in paragraph 10 above and are attached as Confidential Appendix 5.

Issues

Land adjacent to the A48 Junction, Pentwyn - Site (A)

20. The Council has received an offer to deliver a logistics centre incorporating a replacement Park and Ride facility of the same capacity as currently provided that subject to planning will deliver a capital receipt

sufficient to fund the proposed new road link and bridge. Heads of Terms outlining a timetable that the proposed developer will agree to work to is attached at **Confidential Appendix 4**. The developer would seek to enter into an exclusivity agreement with the Council following Cabinet approval to begin commissioning necessary surveys/reports to determine the abnormal costs and ascertain these within a period of twelve weeks. The offer currently made is subject to having further certainty around abnormal costs, which will be deducted from the offer made in the Heads of Terms. Once this figure is agreed, exchange of contracts is to be secured within a period of 30 days.

21. Ordinarily, the developer will then seek to submit a planning application within three months of the exchange of contracts. There are however, a number of ecological issues to address with the site given its proximity to the river Rhymney and planning colleagues have been engaged through the tender process to advise and mitigate the risk of delays due to timings of surveys required as part of a planning process.
22. The developer is keen to progress with the development and has expressed a strong desire to be operational by December 2021 with an indicative scheme outlined at **Confidential Appendix 6**.
23. The developer has prepared a draft programme outlined at **Confidential Appendix 7** and will work with the Local Planning Authority and the Council's Transport Department to meet this schedule. This may mean that the development is brought forward in two separate planning applications with relevant conditions attached.
24. Throughout the marketing process the retention of the Park and Ride facility at the same capacity as currently provided is a condition of sale and whilst it is recognised that there may be some disruption during construction, the importance of the facility is noted by all parties and temporary arrangements will be made on site to enable continuity of service.
25. As part of the ongoing dialogue, the preferred developer would be prepared to deliver the new road link and bridge as part of the delivery of their development in lieu of a capital receipt. If this is ultimately deemed to be the preferred delivery route it would be secured as a s106 planning obligation against the development.

Land at Ball Road and Ball Lane –Sites (B) and (C)

26. The Council has secured an offer to deliver the proposed residential development on the two sites of Ball Road/Ball Lane. Heads of Terms have been drafted and a masterplan has been commissioned as part of the Heads of Terms, which is appended as **Confidential Appendix 8**.
27. A condition of the sale is the re-provision of four existing Council dwellings. Discussions have progressed to the point where these will be provided through the planning process. The proposal is that these dwellings will be constructed to the Council's Design Quality

Requirements as social housing units and transferred to the Council on a freehold basis under a s106 obligation.

28. Engagement with the Local Planning Authority will again be crucial as part of this process. Further statutory consultation is required and therefore a final decision on the disposal of these parcels of land will be subject to a further Cabinet decision. It is proposed to issue licences during this period to enable site due diligence to progress.

Local Member consultation (where appropriate)

29. Local members have been engaged with the proposals for the new road and bridge and endorsed the December 2019 to progress with the marketing of the three sites.

Reason for Recommendations

30. To seek approval for the disposal of land adjacent to the A48 at Pentwyn and to note the intention to dispose of land at Ball Road and Ball Lane to bring forward delivery of a new road link and bridge between the Llanrumney ward and the A48 as part of the East Cardiff Industrial Strategy.

Financial Implications

31. This report seeks approval to progress with the disposal of Pentwyn Park and Ride site to enable delivery of the new bridge and road link to connect the A48 as part of the Council's East Cardiff Industrial Strategy. Following on from the Cabinet decision in December 2019 to seek expressions of interest in the sites within this report, a marketing exercise was undertaken resulting in a number of bids being received in July and August 2020. Following a review of the bids received, a recommendation was put forward by Council's independent property advisors (**Confidential Appendix 3**) to proceed and progress with the offer from the highest bidder. Heads of Terms (**Confidential Appendix 4**) have now been drafted for the proposed conditional sale of freehold interest in the site to the proposed purchaser.
32. A summary of the marketing process by Council's independent property advisors (**Confidential Appendix 3**) compares the highest bid received with the 'base case' report presented to Cabinet in December 2020, and notes that the offer received by the highest bidder exceeds the proposed receipt anticipated in the 'base case'. This assists in demonstrating the proposed offer provides the Council with the best value for money solution. It must be noted though that the actual capital receipt achieved will remain subject to the deduction of certain deductible items and abnormal costs the Developer incurs in obtaining planning consent and preparing the site for development.
33. Subject to Cabinet approval of the Heads of Terms set out in **Confidential Appendix 4**, the Council will enter into a formal Exclusivity Agreement with the proposed purchaser. The purchaser will then begin

commissioning necessary surveys / reports to determine the applicable abnormal costs and any deductible items with a view to exchanging conditional contracts within 30 days of agreeing the abnormal costs and deductible items. All costs of these works will remain with the purchaser, who will pay the Council a refundable deposit upon exchange of contracts.

34. As set out in December 2019 Cabinet report, 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. The marketing exercise described above, and the subsequently agreed Heads of Terms, currently meet this criteria and demonstrate the delivery of the new bridge and road link can be self-financing. This report recommends Cabinet agree to ringfence any capital receipts received to enable delivery of proposed bridge and road link, the new Outdoor Sports Complex in Llanrumney and other projects in the immediate vicinity.
35. 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.
36. The report also requests Cabinet note the proposed Heads of Terms agreed for the potential disposal of Ball Road and Ball Lane sites, as well as authorising a consultation process and licences for investigatory works. Included within the Heads of Terms (**Confidential Appendix 5**) is a condition that the purchaser commits to re-providing four existing Council dwellings. These dwellings will be re-provided at no cost to the Council, with the Council also due to hold the freehold interest in the re-provided dwellings.
37. Any disposal of this land will be subject to a future Cabinet decision, and must be supported by independent valuation advice at the time to demonstrate value for money. Independent valuations will therefore need to be carried out ahead of any proposed disposal of land being completed.
38. 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.

Legal Implications (including Equality Impact Assessment where appropriate)

39. The Council has general power to dispose of land pursuant to s.123 of the Local Government Act 1972 and is required to secure the best price reasonably obtainable. Where land held or has been appropriated by the

Council is held for planning purposes, specific power of disposal is available under s.233 of the Town and Country Planning Act 1990 to secure the best use of land or buildings or to secure the erection or construction of any buildings or works for the proper planning of its area.

40. The Council's Acquisition and Disposal of Land Procedure Rule require advice to be obtained from the Council's Valuer as to the terms of the disposal and ancillary licence arrangement.
41. Where a Council disposes of land containing a playing field or part of a playing field, it must have regard to the Playing Fields (Community Involvement in Disposal Decisions) (Wales) Measure 2010 and comply with the procedure set out in the Playing Fields (Community Involvement in Disposal Decisions)(Wales) Regulations 2015. The Regulations requires the Council to undertake a process of public consultation and to consider any responses prior to the making of a decision to dispose.
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 and the report deals with all these obligations. The Council has to consider the Well-being of Future Generations (Wales) Act 2015 and how this strategy may improve the social, economic, environmental and cultural well-being of Wales.
43. 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.
44. 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 2019-22: <https://www.cardiff.gov.uk/ENG/Your-Council/Strategies-plans-and-policies/Corporate-Plan/Pages/Corporate-Plan.aspx> When exercising its functions, the Council is required to take all reasonable steps to meet its well-being objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the well-being objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.
45. The well-being duty also requires the Council to act in accordance with a '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 compromising 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 integrated 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.
46. 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>
47. The Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties) – the Public Sector Equality Duties (PSED). These duties require the Council to 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.

HR Implications

48. There are no HR implications in this proposed transaction.

RECOMMENDATIONS

Cabinet is recommended to:

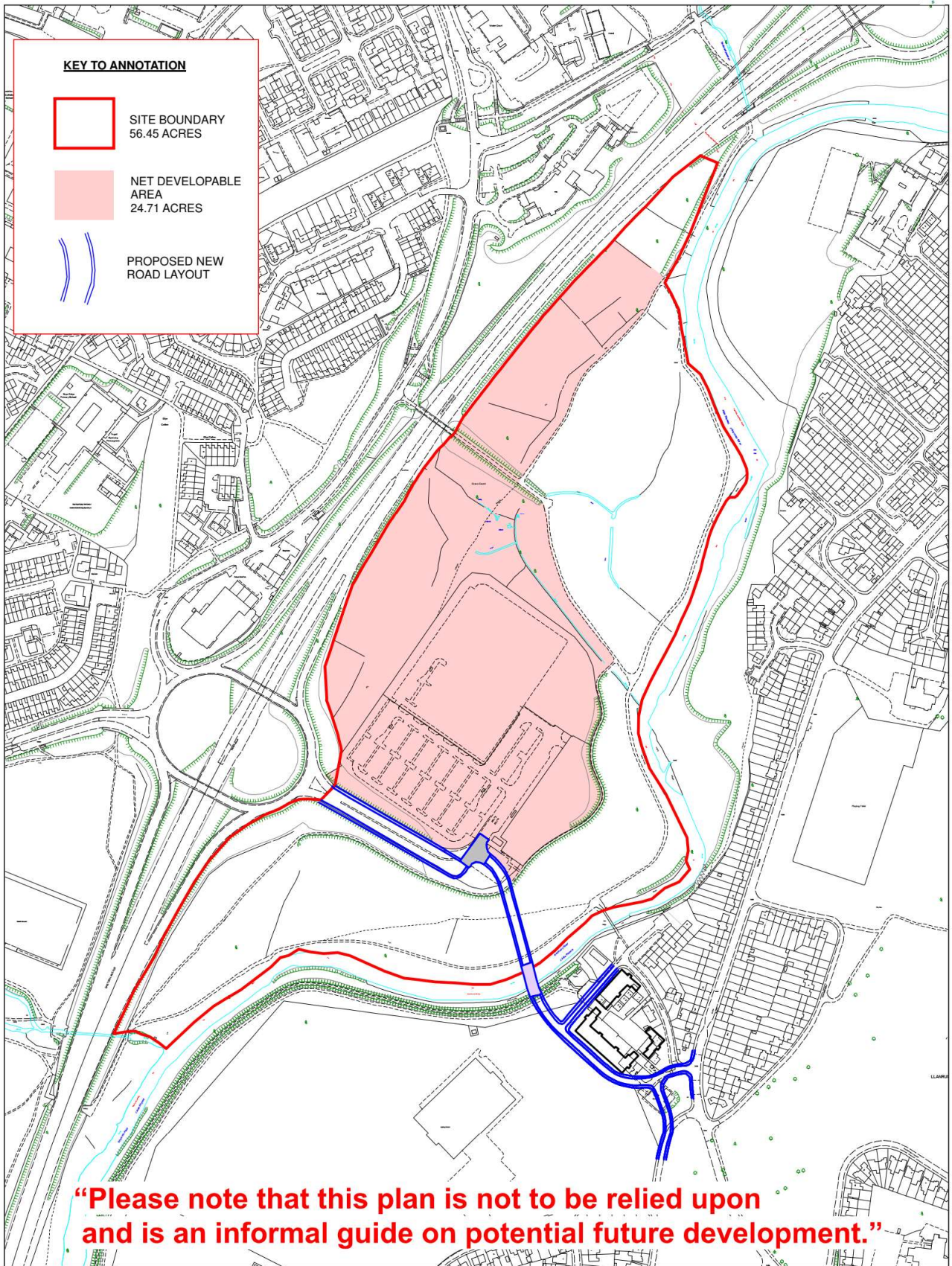
- 1) Delegate authority to the Director of Economic Development in consultation with the Cabinet Member for Investment and Development, the Monitoring Officer and the Section 151 Officer to:
 - I. Complete the disposal of 17 acres of Council owned land adjacent to the A48 at Pentwyn as illustrated by the site plan at Appendix 1 and in line with the Heads of Terms set out in Confidential Appendix 4.
 - II. Undertake the statutory consultation process required in relation to the disposal of land off Ball Road illustrated by the site plan at Appendix 1 and to agree draft Heads of Terms and return to a future meeting of Cabinet for authority to complete the disposal.
- 2) Ring-fence the capital receipt from disposal of the 3 parcels of land to deliver the proposed road link and bridge, the new Outdoor Sports Complex of Mendip Road, Llanrumney and other community initiatives in the Pentwyn and Llanrumney wards.

SENIOR RESPONSIBLE OFFICER	Director Name
	Neil Hanratty
	Date submitted to Cabinet office

The following appendices are attached:

Appendix 1 - Site plans
 Confidential Appendix 2 - Development Appraisal
 Confidential Appendix 3 - Marketing Report and Bids
 Confidential Appendix 4 - Heads of Terms - Site A
 Confidential Appendix 5 - Heads of Terms - Site B and C
 Confidential Appendix 6 - Plan of Site A
 Confidential Appendix 7 - Programme of Site A
 Confidential Appendix 8 - Plan of Site B and C
 Confidential Appendix 9 - Plan of new Llanrumney Sports Complex

Llanrumney Masterplan - Park and Ride



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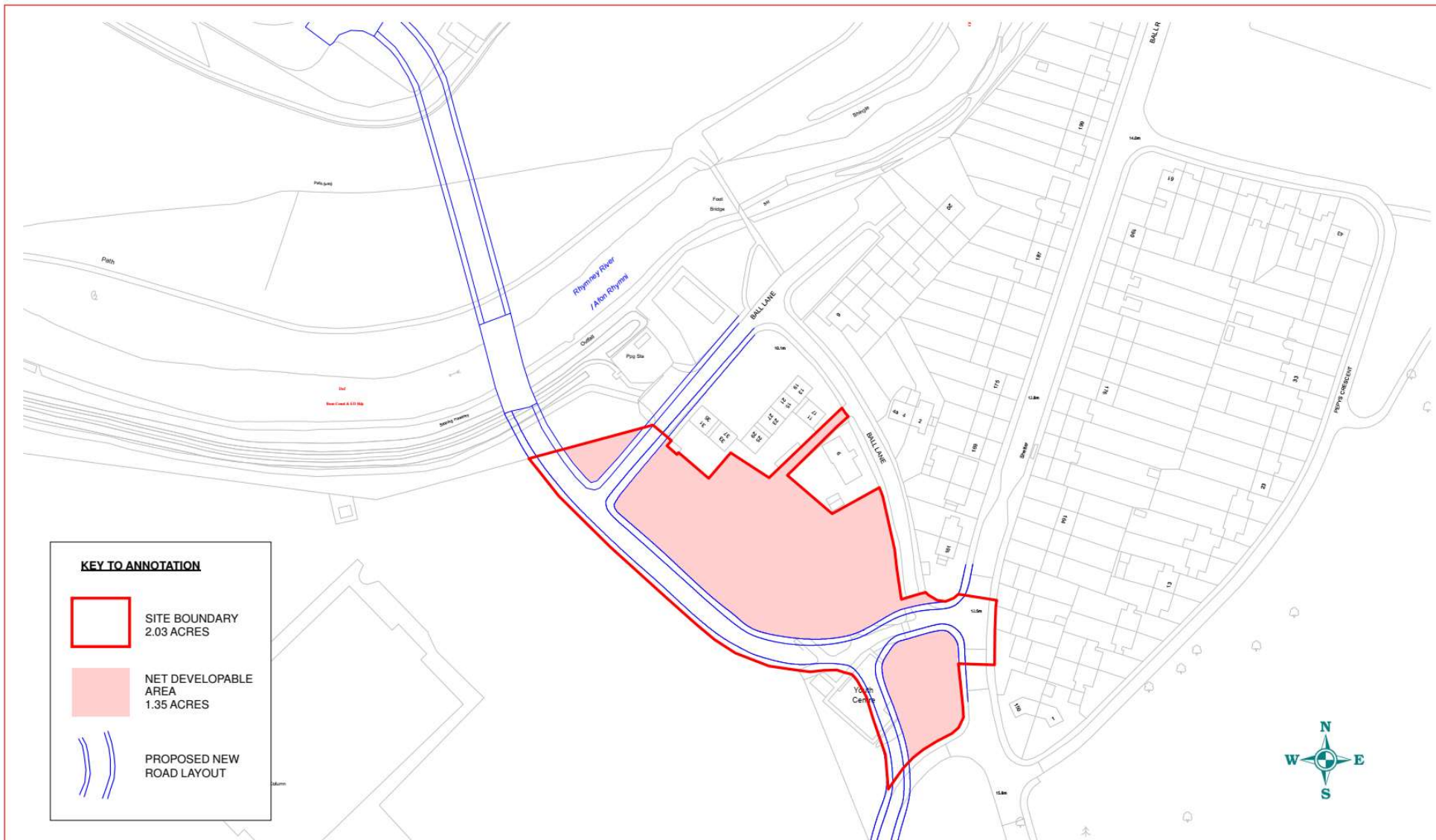


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 Llunwyd gan / Drawn By : LHC Dyddiad / Date : 14/02/2020
 Graddfa / Scale : 1 : 2500 Cyl Adolygiad / Revision Ref. :

Ball Lane Llanrumney



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Llanrwyd gan / Drawn By : LHC Dyddiad / Date : 23 / 4 / 1020

Graddfa / Scale : 1 : 1250 Cyl Adolygiad / Revision Ref. :

Cyfarwyddwr / Director : Neil Hanratty

Mae'r dudalen hon yn wag yn fwiadol

Yn rhinwedd paragraff (au) 14, 21 Rhan (nau) 4 a 5 o Atodlen 12A
o Ddeddf Llywodraeth Leol 1972.

Mynediad Cyfyngedig i'r Ddogfen

Mae'r dudalen hon yn wag yn fwriadol

Yn rhinwedd paragraff (au) 14, 21 Rhan (nau) 4 a 5 o Atodlen 12A
o Ddeddf Llywodraeth Leol 1972.

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o Ddeddf Llywodraeth Leol 1972.

Mynediad Cyfyngedig i'r Ddogfen

Mae'r dudalen hon yn wag yn fwriadol

CYNGOR CAERDYDD
CARDIFF COUNCIL

ECONOMY & CULTURE SCRUTINY COMMITTEE

16 NOVEMBER 2020

MERCHANT PLACE/ CORY'S BUILDING: PRE-DECISION SCRUTINY

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

Purpose of the Report

1. To give Members background information to aid the scrutiny of the draft report to Cabinet regarding Merchant Place/ Cory's Building, which is due to be considered by Cabinet at their meeting on 19 November 2020.
2. Members should note that **Appendices 2, 3 and 4** 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 November 2020, the Cabinet will consider a report that seeks authority to:
 - i) acquire the freehold interest in the land and buildings at Merchant Place/ Cory's Building;
 - ii) undertake a marketing process to engage a development partner to bring forward the regeneration of the site;
 - iii) engage with Welsh Government and other relevant organisations to secure grant funding.

4. During this scrutiny, Members have the opportunity to explore:
 - i) The proposal to acquire land and buildings at Merchant Place/ Cory's Buildings;
 - ii) The proposed approach to fund these acquisitions and holding costs;
 - iii) The proposed approach to enable development of this site;
 - iv) How these proposals fit into wider proposals for the area;
 - v) Whether there are any risks to the Council;
 - vi) The timeline and next steps for delivering the proposals;
 - 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 and 4**.
6. Members will hear from Councillor Russell Goodway (Cabinet Member – Investment and Development) and Neil Hanratty (Director of Economic Development), Giles Parker (Head of Property), Chris Barnett (Operational Manager – Major Projects) and Eirian Jones (Principal Surveyor) who will give a presentation and be available to answer 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 'Capital Ambition' included a commitment to work with partners to secure the required level of investment to protect the city's heritage assets, echoing a similar commitment in the Council's Local Development Plan. In 2018, the Cabinet approved a report titled 'Securing the Future of Cardiff's

Heritage Buildings' and, in 2019-20, the Budget included £2M capital to support this. The Council's Economic Strategy prioritises the continued regeneration of Cardiff Bay to establish it as a premier UK visitor destination.

9. Merchant Place/ Cory's Buildings are Grade II listed properties considered important and iconic heritage assets in Cardiff Bay. They are currently vacant, boarded up and in a state of disrepair. They occupy a prominent position in Cardiff Bay, opposite the Wales Millennium Centre and adjacent to the site of the Atlantic Wharf regeneration project.

Issues Identified in the Cabinet Report

10. The draft report to Cabinet entitled 'Merchant Place/ Cory's Buildings' is attached at **Appendix A** and has **four** appendices:

- **Appendix 1** - Site Plan
- **Confidential Appendix 2** - Heads of Terms
- **Confidential Appendix 3** - Independent Valuation Report
- **Confidential Appendix 4** - Acquisition Costs including land tax.

11. The report to Cabinet identifies the issues at **Points 8 – 15**. These include:

- i) Significant investment is required to bring the buildings back into effective use;
- ii) It is proposed the Council acquire the site via private treaty for the terms set out in **Confidential Appendix 2**, in line with independent valuation attached at **Confidential Appendix 3**, with the costs of acquisition set out in **Confidential Appendix 4**;
- iii) Detailed structural surveys will be undertaken prior to completing acquisition and the negotiated terms remain subject to a satisfactory outcome of this process;
- iv) The Council understands that proposals for the refurbishment of the property are likely to qualify for an element of grant funding, subject to normal application process and due diligence
- v) It is proposed that the Council undertake a soft market exercise to determine market interest and commercial feasibility and engage a development partner.

12. The report to Cabinet sets out, at **point 12**, that the end use of the buildings could include a mix of offices, residential, hotel and food & beverage.

13. The Financial Implications are set out at **points 18-22** of the report to Cabinet and include:

- i) details of the funding sources available to be used to acquire the site;
- ii) that no capital funding is required to ensure the building remains safe or to undertake emergency preservation works;
- iii) that holding costs – including insurances, security and utilities but not Non-Domestic Rates - will be incurred and will need to be met from existing budgets;
- iv) that there is no capital funding included in the Council's capital programme to redevelop the site.

14. The Financial Implications highlight that, if it takes longer than anticipated to secure a development partner, this may result in unforeseen costs. They also highlight the need to, prior to any agreed completion of the site, opt respective parts of the site for tax in accordance with the process set out by HMRC.

15. Legal Implications are set out at **Points 23-30** and include:

- i) The legal basis for the local authority acquiring land
- ii) The need to obtain independent valuation advice and bear in mind the Council's fiduciary duties
- iii) Equalities, Wellbeing of Future Generations and Welsh Language duties.

16. Property Implications at **Point 31** clarify that day-to-day holding costs will be low, as the building is weather tight and secure, NDR exempt, with low utility costs.

Proposed Recommendations to Cabinet

17. The report to Cabinet contains the following recommendations:

'The Cabinet is recommended to delegate authority to the Director of Economic Development, in consultation with the Cabinet Member for Investment and Development, the Monitoring Officer and the Section 151 Officer to:

- 1. Complete the acquisition of the property in accordance with the Heads of Terms attached at Confidential Appendix 2 and the independent valuation attached at Confidential Appendix 3 and subject to any further legal or property due diligence deemed necessary.*
- 2. Undertake a soft market exercise to determine the appropriate delivery strategy.*

Previous Scrutiny

18. This Committee has undertaken several related scrutinies, as follows:

- i) November 2018 – *'Securing the Future of Cardiff's Heritage Buildings'* – pre decision scrutiny of report to Cabinet
- ii) November 2018 – *'Harbour Drive'* - pre decision scrutiny of report to Cabinet
- iii) January 2020 – *'Coal Exchange'* – confidential pre-decision scrutiny
- iv) March 2020 – *'James Street'* – confidential pre-decision scrutiny
- v) Various – *'Indoor Arena'* and *'Dumballs Road'* - pre decision scrutinies of reports to Cabinet.

19. The over-riding theme emerging from these scrutinies has been Members' wish for the Council to take a proactive role in enabling the protection and regeneration of Cardiff's historic buildings, enhancing the built environment and promoting Cardiff's economy, without exposing the Council to risk or additional cost burdens.

Way Forward

20. Councillor Russell Goodway (Cabinet Member – Investment and Development) will be invited to make a statement. Neil Hanratty (Director of Economic Development), Giles Parker (Head of Property), Chris Barnett (Operational Manager – Major Projects) and Eirian Jones (Principal Surveyor) will give a presentation and be available to answer Members' questions.

21. All Members are reminded of the need to maintain confidentiality with regard to the information provided in **Appendices 2, 3 and 4**. Members will be invited to agree the meeting go into closed session to enable discussion of this information.

Legal Implications

22. 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

23. 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 November 2020; and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

DAVINA FIORE

Director of Governance & Legal Services

12 November 2020

Mae'r dudalen hon yn wag yn fwriadol

CABINET MEETING: 19 November 2020

MERCHANT PLACE/CORY'S BUILDINGS

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

AGENDA ITEM:

PORTFOLIO: Investment and Development

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

Reason for this Report

1. To seek authority to acquire the freehold interest in the land and buildings known as Merchant Place/Cory's Buildings to regenerate what are widely considered important and iconic heritage assets in Cardiff Bay.
2. To seek authority to undertake a marketing process to engage a development partner to bring forward the regeneration of the site including the refurbishment of the listed assets and to engage with Welsh Government and other relevant organisations in respect of securing grant funding opportunities.

Background

3. Merchant Place/Cory's Buildings are Grade II Listed properties occupying a prominent position in Cardiff Bay directly opposite the Wales Millennium Centre and in the heart of Cardiff's vibrant visitor destination.
4. The properties total just under 39,000 sq ft of gross internal floor area and are currently vacant, boarded up and in a state of disrepair requiring significant investment to come back into effective use.
5. The importance of protecting heritage assets is identified in the Cardiff Council Local Development Plan (2016). Key Policy 17 states that "*Cardiff's distinctive heritage assets will be protected, managed and enhanced*".

6. The Cabinet Report of November 2018 “Securing the Future of Cardiff’s Heritage Buildings” identified a number of important historic buildings in the city, in both public and private ownership, that remain in need of investment including Merchant Place/Cory’s Buildings. In April 2019, £2m of capital was allocated in the Council’s budget to support this Council priority.
7. The political Administration set out in their policy document Capital Ambition their commitment to working with a range of public and private sector partners to secure the required level of investment to protect the city’s heritage assets. They have also recognised the importance of continuing the regeneration of Cardiff Bay to establish a premier UK visitor destination, which is prioritised as one of two strategic economic regeneration priorities ‘to write a new chapter in Cardiff Bay’s regeneration story’ in their recently adopted Economic Strategy.

Issues

8. Merchant Place and Cory’s Building occupy a prominent position at the gateway to the Inner Harbour, directly opposite one of Wales most iconic buildings, the Wales Millennium Centre, and adjacent to the site of the Atlantic Wharf regeneration project including delivery of Cardiff’s new Indoor Arena. The site is illustrated outlined red on the attached plan at Appendix 1.
9. The properties have been unoccupied for over a decade and represent a major blight on the local area and serve to undermine the investment confidence in the area. However, although in need of significant investment, the buildings are in a general good condition, safe and water tight. The Council will undertake detailed structural surveys prior to completing the acquisition and the negotiated terms remain subject to a satisfactory outcome of this process.

Funding

10. The site is to be acquired via private treaty by the Council for the terms set out in Confidential Appendix 2 and in accordance with the independent valuation attached at Confidential Appendix 3.
11. The total cost of acquisition, including VAT and land transaction tax is shown at Confidential Appendix 4.

Delivery Strategy

12. At this stage, the Council remains open minded as to the final end use of the buildings, which could include a mixture of offices, residential, hotel and food & beverage.
13. In 2016, the property was granted planning permission for a new 8 storeys office development on the undeveloped part of the site to the rear of Merchant House consisting of circa 0.5 acres. A scheme on this undeveloped land could deliver up to circa 75,000 sq ft gross of new accommodation.

14. The Council's will undertake a soft market exercise to determine market interest and commercial feasibility.
15. The Council has held preliminary discussions with Welsh Government regarding the availability of regeneration funding for a suitable development. It is understood that proposals for the refurbishment of the property are likely to qualify for an element of funding subject to the normal application process and due diligence. A previous proposal to redevelop the buildings secured loan funding from the Development Bank of Wales and through the Council administered Town Centre Loan Scheme. Both of these loans have been repaid in full.

Local Member Consultation

16. Local members have been informed of the proposed acquisition.

Reasons for Recommendations

17. To authorise the acquisition of an important listed property to protect the city's heritage assets and providing a development opportunity which enables the Council to continue the regeneration of the Cardiff Bay area.

Financial Implications

18. The total costs of acquiring the site are included in the appendix that forms part of this report and includes the acquisition price, recoverable VAT and Land transaction Tax payable. Three sources of funds are in place to meet the initial acquisition cost: A balance of £1.7m for Economic Development Initiatives included in the current Capital Programme, an earmarked receipt held from the sale of the medicentre for reinvestment, £1.28 million, with the balance to be met from disposal receipts already received as part of the Council's Investment Property Strategy. In the event of the disposal of the site, any proceeds will be a capital receipt and would be available for further re-investment in economic development initiatives or for re-investment in other investment property.
19. No Capital funding is deemed required currently to ensure that the building remains safe or to undertake emergency preservation works. In respect to holding costs whilst the property remains empty, these include security, utilities. The sites are exempt from NDR in their current condition. There will be costs of holding the site including insurances and these will need to be managed from within existing directorate budgets. In the event that the time to secure a development partner or a future agreed use of the buildings is extended, this may result in unforeseen costs. In order to mitigate against this, a clear timetable should be set out for the future use of the site.
20. No Capital funding is included in the Council's capital programme for redevelopment of the site and the report indicates that a development partner will be sought for the site. Where grant and contributions are sought for any works, this should be after consideration of the terms and conditions of any grant as well as any VAT implications arising.

21. In respect to VAT, prior to any agreed completion of the site, the respective parts of the site should be opted to tax in accordance with the process set out by HMRC.
22. In respect to holding costs whilst the property remains empty, these include security, utilities. The sites are exempt from NDR in their current condition. There will be costs of holding the site including insurances and these will need to be managed from within existing directorate budgets, with the aim to minimise the period of holding costs by identifying a developing partner and a future use for the buildings.

Legal Implications

23. 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) any of its functions under any enactment.
24. The Local Government Act 2000 grants the Council wellbeing powers with regard to promoting and improving the social, economic, environmental well-being of its area.
25. The Council's Acquisition and Disposal of Land Procedures rules require advice to be obtained from a qualified valuer. The decision makers should take into account the Council's fiduciary duties to local residents and taxpayers. As such proper consideration should be given to the risks, rewards and potential failure of the proposals which are subject of the report. The risks and liabilities should be should be proportionate to securing the stated economic development objectives.
26. Equalities Impact Assessment/public duties: The Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties) – the Public Sector Equality Duties (PSED). These duties require the Council to 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.
27. Well Being of Future Generations (Wales) Act 2015: 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.
28. In discharging its duties under the Act, the Council has set and published wellbeing objectives designed to maximise its contribution to achieving the national wellbeing goals. The wellbeing objectives are set out in Cardiff's Corporate Plan. When exercising its functions, the Council is required to take all

reasonable steps to meet its wellbeing objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the wellbeing objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.

29. The wellbeing duty also requires the Council to act in accordance with a '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 compromising 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 integrated 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>

30. The Council must 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.

Property Implications

31. In the event of a delay to redevelopment, the day-to-day holdings costs will be low as the buildings are ratings exempt, currently secure and weather tight, with utility costs limited to a small amount of lighting and alarm systems.

RECOMMENDATIONS

The Cabinet is recommended to delegate authority to the Director of Economic Development, in consultation with the Cabinet Member for Investment and Development, the Monitoring Officer and the Section 151 Officer to:

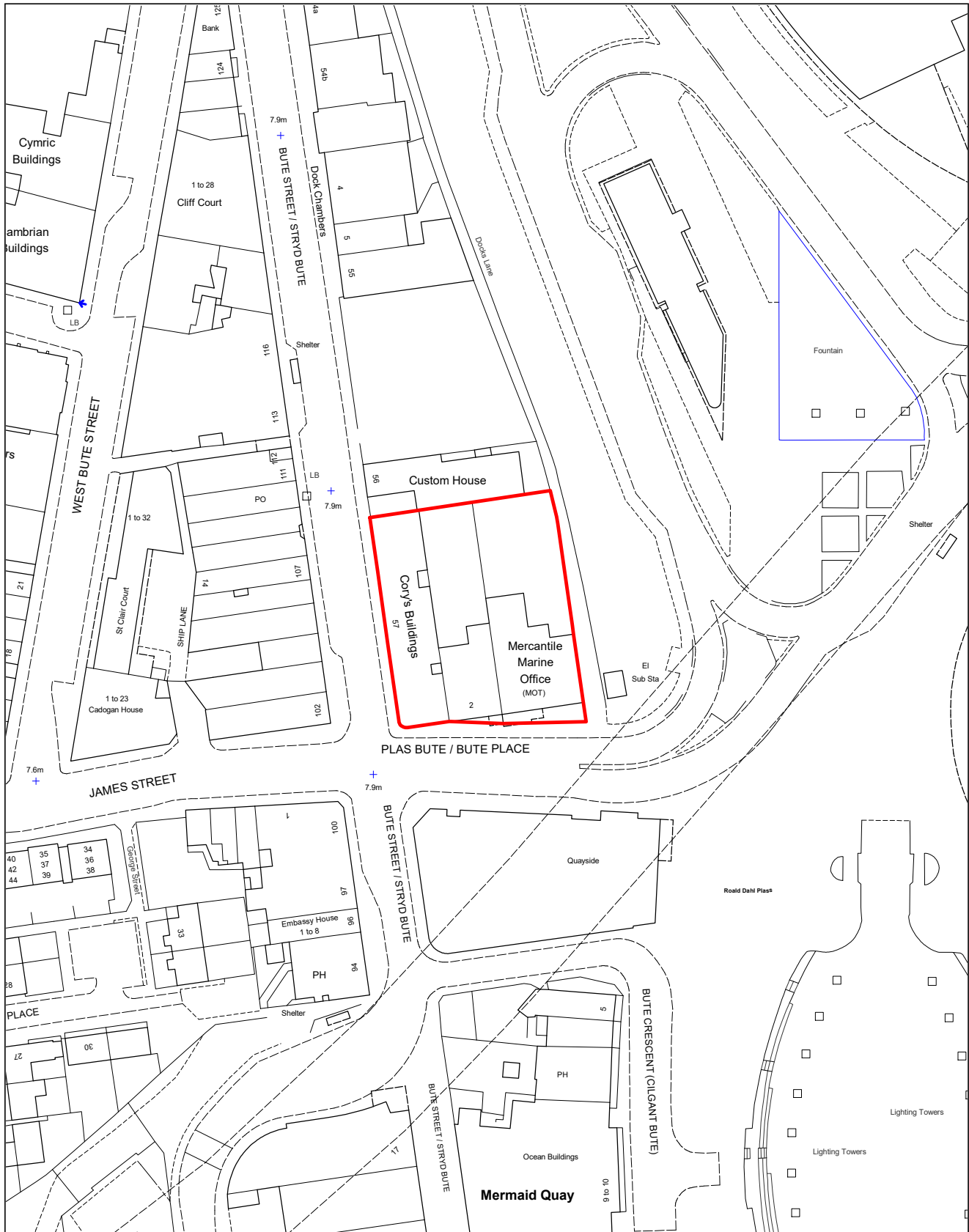
1. Complete the acquisition of the property in accordance with the Heads of Terms attached at Confidential Appendix 2 and the independent valuation attached at Confidential Appendix 3 and subject to any further legal or property due diligence deemed necessary.
2. Undertake a soft market exercise to determine the appropriate delivery strategy.

SENIOR RESPONSIBLE OFFICER	NEIL HANRATTY Director of Economic Development
	DATE: 19 October 2020

The following Appendices are attached:

Appendix 1: Site location plan
Confidential Appendix 2: Heads of Terms
Confidential Appendix 3: Independent Valuation
Confidential Appendix 4: Acquisition costs including land tax

Appendix 1 - Land at Merchant Place & Cory's Buildings



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Gwelthio dros Gaerdydd, gwelthio gyda'n gilydd
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R:\Propinfo 2\Ownership Plans\2020\MerchantPlace.WOR

Luniwyd gan / Drawn By : SF Dyddiad / Date : 20/10/2020

Graddfa / Scale : 1:1,250

Cyf Adolygiad / Revision Ref. :

Cyfarwyddwr / Director : Neil Hanratty

Mae'r dudalen hon yn wag yn fwriadol

Yn rhinwedd paragraff (au) 14, 21 Rhan (nau) 4 a 5 o Atodlen 12A
o Ddeddf Llywodraeth Leol 1972.

Mynediad Cyfyngedig i'r Ddogfen

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