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## AGENDA

**Committee** ECONOMY & CULTURE SCRUTINY COMMITTEE

**Date and Time of Meeting** TUESDAY, 12 OCTOBER 2021, 3.30 PM

**Venue** REMOTE VIA MS TEAMS

**Membership** Councillor Howells (Chair)  
Councillors Henshaw, Gordon, Gavin Hill-John, Lay, Parkhill, Robson, Sattar and Stubbs

*Time  
approx.*

**1 Apologies for Absence** 3.30 pm

To receive apologies for absence.

**2 Declarations of Interest**

To be made at the start of the agenda item in question, in accordance with the Members' Code of Conduct.

**3 Minutes** (Pages 5 - 10)

To approve as a correct record the minutes of the previous meeting.

**4 James Street, Merchant Place and Cory's Building Regeneration** 3.35 pm  
(Pages 11 - 134)

Pre-Decision Scrutiny.

***Appendices 4 to 9 of this report are not for publication as they contain exempt information of the description contained in paragraphs 14 of part 4 and paragraph 21 of part 5 of Schedule 12A of the Local Government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

**5 Replacement Local Development Plan** (Pages 135 - 138) 4.35 pm

Scrutiny Joint Task and Finish Group Nominations.

*This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg*

- |   |  |         |
|---|--|---------|
| 6 | <b>Correspondence</b> ( <i>Pages 139 - 142</i> ) | 4.45 pm |
| 7 | <b>Urgent Items (if any)</b>                     |         |
| 8 | <b>Way Forward</b>                               | 4.50 pm |
| 9 | <b>Date of next meeting-16 November 4.30pm</b>   |         |

**Davina Fiore**

**Director Governance & Legal Services**

Date: Wednesday, 6 October 2021

Contact: Andrea Redmond, 02920 872434, [a.redmond@cardiff.gov.uk](mailto:a.redmond@cardiff.gov.uk)

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## ECONOMY &amp; CULTURE SCRUTINY COMMITTEE

20 SEPTEMBER 2021

Present: Councillor Howells(Chairperson)  
Councillors Henshaw, Parkhill, Robson, Sattar and Stubbs

## 21 : APOLOGIES FOR ABSENCE

Apologies were received from Cllrs Lay, Gavin Hill-John and Gordon

## 22 : DECLARATIONS OF INTEREST

None

## 23 : MINUTES

The minutes of the meeting held on 13 July 2021 were agreed as a correct record.

## 24 : REPLACEMENT LDP - VISION, ISSUES, OBJECTIVES, INTEGRATED SUSTAINABILITY APPRAISAL - APPENDIX B TO FOLLOW

Members were advised that this item was to undertake pre-decision scrutiny of a report to Cabinet that sets out the results of the consultation undertaken on the first stage of the replacement LDP. The report seeks Cabinet approval for the proposed vision, issues, and objectives and the Integrated Sustainability Appraisal. At Appendix 5, it also sets out the proposed methods for consulting on the next stage of the replacement LDP.

The scope of the scrutiny today covers those areas that fall within the Committee's terms of reference as well as any generic queries Members may have. The sister scrutiny committees are also undertaking scrutiny of this report and a letter combining all committees' comments, observations and recommendations will be sent to the Cabinet ahead of Thursday's meeting.

The Chairperson welcomed Cllr Bradbury – Cabinet Member for Culture & Leisure; Cllr Goodway– Cabinet Member for Investment & Development; Andrew Gregory – Director of Planning, Transport & Environment; Neil Hanratty – Director of Economic Development; Simon Gilbert – Head of Planning; Stuart Williams – Group Leader, Policy; Ken Poole – Head of Economic Development; Jon Maidment – Operational Manager – Parks & Cardiff Harbour Authority and Jon Day – Operational Manager – Economic Policy & Tourism to the meeting.

Cllr Wild – Cabinet Member for Strategic Planning & Transport, was unable to attend the meeting for personal reasons and sent his apologies.

The Chairperson invited the Cabinet Members to make brief statements and Officers provided Members with a presentation, after which they were invited to ask questions or make comments and observations.

With regard to consultation, Members discussed the importance of engaging with hard to reach, vulnerable groups such as those on the housing waiting list, homeless people and children and young people. Officers explained that these were all cohorts that they planned to engage with by holding focus groups and workshops going forward.

Members also asked how the Music/Sport/Culture sectors would be engaged. Officers acknowledged the importance of this and welcomed any suggestions that Members may have, and that Officers already engage with the Cardiff Music Board but will widen this to larger cultural groups.

Referring to the music eco-system in Cardiff, Members asked how this could be protected through the RLDP. Officers explained that the LDP looks at existing policies but also reflects on the past, they anticipate there will be a stronger focus on placemaking and promoting the Night-time Economy etc going forward.

Members asked how Sports Facilities are being considered and engaged with in the RLDP. Officers explained that they will work on candidate sites, and these will be vigorously tested to ensure that previous issues experienced with UDP sites and flooding are not repeated. Officers also acknowledged the importance of Green open spaces play areas and Blue spaces.

With reference to Employment Land, Members stressed the need to ensure that existing land is protecting and also the importance of future employment land being of high quality and in areas where most opportunities could be provided. The Cabinet Member referred to the fact that this needs to be considered within the administrations policies and the Economic Development strategy, noting that Cardiff already zones land into, for instance, Industrial/Science and Technology/Innovation, so the RLDP should build on this.

Members asked how the RLDP would address the Climate Emergency. Officers drew Member's attention to Objectives 1 and 4 which highlighted the need to protect and enhance the existing natural and built environment and also to align with the One Planet Cardiff Policy.

Members noted that the Population Projection was a single figure and considered there would be more value in providing a range. Officers explained that when they go out to consultation, they will look at a range and provide these with a spatial dimension in order that people can see where they are mapped. Officers stated it was also important to find a middle ground within the range to facilitate more sustainable and less stop/start developments.

AGREED: that the Chairperson, on behalf of the Committee, writes to the Cabinet Member conveying the observations of the Committee when discussing the way forward.

25 : INDOOR ARENA FBC AND DEVELOPMENT AGREEMENT - TO FOLLOW

Members were advised that this item was to undertake pre-decision scrutiny of a report to Cabinet that seeks approval of the Full Business Case, land appropriation,

an enabling package of works, and an extension of the Council's cost underwrite, as well as in principle authority to make a Compulsory Purchase Order.

This is a critical stage that will result in the Council confirming the Live Nation consortium as the successful bidder and awarding the contract.

The Chairperson welcomed Cllr Goodway – Cabinet Member for Investment & Development; Neil Hanratty – Director of Economic Development and Chris Barnett – Operational Manager, Major Projects to the meeting.

The Chairperson invited the Cabinet Member to make a brief statement then Officers were invited to provide their presentation on the Confidential information and Members were reminded that Committee are required to consider this in a closed session to discuss information deemed exempt, in accordance with paragraphs 14 and 16 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972.

RESOLVED: to exclude the Press and Public from the meeting.

The Chairperson re-opened the meeting to the press and public and invited questions and comments on the open information.

Members sought assurance that the Indoor Arena building would be Carbon Neutral and sustainable. Officers explained that they are working hard on this and that work to date has reduced the anticipated energy usage by 40%, by including the Indoor Arena as part of the Cardiff Heat Network among other measures that were being considered.

Members discussed the recent Welsh Government announcement on Covid Passes for larger events and asked if officers had considered what the impact of this would be. Officers noted that the announcement was very recent, and it was too early to have undertaken an impact assessment. Officers were hopefully however that the position would be more positive after the winter months.

Members referred to the artists impressions of the Indoor Arena and noted that they were all impressions at night-time. Members would like to see some daytime impression too.

AGREED: that the Chairperson, on behalf of the Committee, writes to the Cabinet Member conveying the observations of the Committee when discussing the way forward.

26 : ISV UPDATE - TO FOLLOW

Members were advised that this item was to undertake pre-decision scrutiny of a report to Cabinet that seeks authority to formally terminate the Waterfront Development Agreement with GPL and acquire land and property assets at the ISV, including the Ice Arena Wales building.

Committee last scrutinised this in March 2021 and July 2021 and its confidential letters following these meetings have been circulated to all Committee Members.

The Chairperson welcomed Cllr Goodway– Cabinet Member for Investment & Development; Neil Hanratty – Director of Economic Development and Chris Barnett – Operational Manager, Major Projects and Jo Anne Phillips, Project Manager, to the meeting.

The Chairperson invited the Cabinet Member to make a brief statement after which Officers were invited to provide their presentation on the Confidential information and Members were reminded that Committee are required to consider this in a closed session to discuss information deemed exempt, in accordance with paragraphs 14 and 16 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972.

RESOLVED: to exclude the Press and Public from the meeting.

The Chairperson re-opened the meeting to the press and public and invited questions and comments on the open information.

Members discussed the Bay Edge Walkway and asked if this was being considered as part of the scheme. Officers explained that it was an aspiration, but the width of the walkway would depend on the developer and costs.

Members made reference to an email they had received from the Save Maindy Group. It was noted that it was not in the remit of the report before Committee, but Officers explained that they are engaging with various bodies and are taking their views and concerns on board.

AGREED: that the Chairperson, on behalf of the Committee, writes to the Cabinet Member conveying the observations of the Committee when discussing the way forward.

## 27 : WORK PROGRAMME

The work programme report was outlined to Members. Members were asked to consider Appendices A&B which outlined the proposed work programme and asked if they had any amendments to the proposals. Members discussed topics including ISV, Norwegian Church and the Tourism Strategy. Members considered they could agree the work programme but noted that there would be flexibility and slippage with some items.

Members were asked to consider the 3 short, focussed inquiries at Appendix C and nominations for each were sought. After some discussion Members considered that due to time constraints, they should focus on 2 inquiries and nominations were as follows:

Sports Wales Reorganisation – Cllrs Howells and Gordon  
Events Recovery – Cllr Howells, Robson and Parkhill

Members were asked to consider the Forward Work Plan at Appendix D. Members agreed the Forward Work Plan could be published on the Council's website.



28 : CORRESPONDENCE UPDATE

Members were advised that all correspondence was up to date and published on the Council website.

29 : URGENT ITEMS (IF ANY)

None

30 : DATE OF NEXT MEETING - 12 OCTOBER 2021

The meeting terminated at 7.25 pm

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CYNGOR CAERDYDD  
CARDIFF COUNCIL

ECONOMY & CULTURE SCRUTINY COMMITTEE

12 OCTOBER 2021

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**JAMES STREET REGENERATION: PRE-DECISION SCRUTINY**

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*Appendices 4-9 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 regeneration at James Street, Butetown, Cardiff, which is due to be considered by Cabinet at their meeting on 14 October 2021.
2. Members should note that **Appendices 4-9** 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 14 October 2021, the Cabinet will consider a report that seeks cabinet authority to dispose of a collection of buildings known as Merchant's Place/ Cory's Buildings, situated on the corner of James Street and Bute Street, and to appropriate Council owned land at James Street, Butetown, to the Housing Revenue Account.
4. During this scrutiny, Members have the opportunity to explore:
  - i) The proposal to dispose of the buildings at Merchant's Place/ Cory's Buildings and specifically:
    - i. The proposed approach to proceeds and costs arising

- ii) The proposal to appropriate Council owned land at James Street to the Housing Revenue Account (HRA) and the implications of this for the HRA, specifically:
  - i. Any changes required to the agreed HRA 5-year capital programme
  - ii. The implications of the proposed approach re Royal Stuart Workshops and Douglas Buildings
  - iii. Any risks, costs, or benefits to the HRA arising from the appropriation
- iii) Whether there are any risks to the Council
- iv) The timeline and next steps for delivering the proposals
- v) 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 4-9**.
- 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 January 2020, Cabinet agreed a refreshed Capital Ambition that set out the key priorities and commitments for Cardiff for the remainder of the administration's term. This includes a commitment to support regeneration of heritage buildings and to '*writing a new chapter in Cardiff Bay's regeneration story*'. These echo

similar commitments in the Council's Local Development Plan and a report to Cabinet in 2018, titled '*Securing the Future of Cardiff's Heritage Buildings*', with consequent £2M capital in the 2019-20 Budget to support this. Capital Ambition also sets out the Council's target to deliver at least 1,000 new council homes by 2022 and to have a development programme capable of delivering over 2,000 council homes in the longer term.

9. In March 2020, Cabinet gave authority to appropriate land situated on the corner of James Street and Adelaide Street in Cardiff Bay to enable a high-quality mixed-use development extending to and including the restoration and improvement of the Council owned Royal Stuart Workshops and Douglas Buildings. These workshops accommodate circa 35 businesses in one of the city's most important creative clusters<sup>1</sup>.
  
10. In November 2020, Cabinet gave authority to acquire the freehold interest in the land and buildings at Merchant Place/ Cory's Building, undertake a marketing process to engage a development partner to bring forward the regeneration of the site and engage with Welsh Government and other relevant organisations to secure grant funding.
  
11. 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.
  
12. In February 2021, the Council commenced a soft market exercise to seek development proposals for both sites.
  
13. The draft report to Cabinet entitled 'James Street Regeneration' is attached at **Appendix A** and has **nine** appendices:
  - **Appendix 1** - Site Plan
  - **Appendix 2** - Marketing Brochure (Merchants Place)

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<sup>1</sup> Members of the Innovation and Workshop Inquiry visited these buildings in August/ September 2018.

- **Appendix 3** - Marketing Brochure (James Street)
- **Confidential Appendix 4** - Surveyors Recommendation Report (Merchants Place)
- **Confidential Appendix 5** - Offer letter (Merchants Place)
- **Confidential Appendix 6** - Proposed Heads of Terms (Merchants Place)
- **Confidential Appendix 7** - Scheme proposals (Merchants Place)
- **Confidential Appendix 8** - Enabling Works (James Street)
- **Confidential Appendix 9** - Market Value Report (James Street).

### Issues identified in the Cabinet Report

14. At **point 9**, the report to Cabinet states the Council's interventions '*seek to simplify opportunities and provide confidence to the market*' to accelerate bringing properties back into effective use.

15. The soft market testing exercise undertaken for Merchant Place/ Cory's Building and the Council-owned land at James Street resulted in a significant number of offers, so the Council's agents advised inviting second bids and to use a framework to compare and assess these bids. The framework scoring matrix was included in the marketing material, with key considerations being to recoup the Council's initial investment and to deliver a mixed-use scheme contributing to the Council's strategy for the area. Bidders were given clear guidance not to specifically link the two sites.

16. At **point 14**, the report to Cabinet states that four bids were received. However, **point 15** highlights that some developers required both sites to deliver their proposals. **Confidential Appendix 4** contains an independent report reviewing each bid and providing professional opinion on the recommended Preferred Bidder.

#### Merchant Place/ Cory's Building

17. The Preferred Bidder is Dukes Education. A formal offer letter has been received from them and Heads of Terms agreed in principle; these are available at **Confidential Appendix 5 and 6**. The report to Cabinet sets out that the Council will fully recover the capital expended in acquiring the site and that the historic buildings will be reclaimed and upgraded for use as teaching accommodation,

with ground floor activity including a coffee shop. The site at the rear of the buildings will be developed to provide residential accommodation for the school's students, with further provision planned at a site on Pierhead Street.

#### Council owned land at James Street

18. At **point 16**, the report to Cabinet states that '*following further consideration, the Council decided to remove the James Street site from the market*'. Following feasibility work by the Council's Housing Department, the proposal is to appropriate the James Street site into the Housing Revenue Account so that a council led redevelopment of the site can be delivered.
  
19. **Point 28** of the report to Cabinet sets out the high level of housing need in Cardiff and **Point 30** summarises the need for inter-generational family housing in Butetown.
  
20. The report to Cabinet sets out that enabling works to prepare the site will commence over the next few months, as set out in **Confidential Appendix 8**, including the demolition of remaining structures on the site and relocation of the sub-station as agreed with Western Power. This includes the Council providing a long-term lease for a new sub-station site.
  
21. A detailed planning application will be prepared for the full scheme. Initial feedback from the Local Planning Authority indicates the need for active, commercial ground floor frontages on James Street and Adelaide Street. Economic Development will work with Housing to develop a solution to enable delivery of the required ground floor uses.
  
22. **Confidential Appendix 9** contains an external valuation of the whole development site. The report to Cabinet states, at **point 34**, that a '*commensurate accounting transaction will take place between the Housing Revenue Account and the General Fund accordingly. In addition, the transaction will address the reasonable costs already incurred by Economic Development in preparing the site for development, as well as the programmed costs set out in Confidential Appendix 8.*'

23. The financial implications section of the report to Cabinet, at **points 36-46**, highlight the following:

- i) Merchant Place/ Cory's Building - the Economic Development revenue budget will need to absorb any income losses resulting from disposal of Merchant Place/ Cory's Buildings. Any proceeds from disposal will be earmarked and available for further re-investment in Economic Development initiatives or for re-investment as part of the Council's Investment Property Strategy. Any disposal must charge VAT in accordance with HMRC process.
- ii) James Street appropriation – the valuation must demonstrate best value for the site as well as site acquisition and total development costs – further due diligence is required, as set out in Confidential Appendices 8 and 9. HRA funding can be re-prioritised from within the overall 5-year capital programme approved in the HRA budget setting proposals in March 2021. Following appropriation, the HRA will incur interest and be liable for holding costs and all subsequent capital and revenue costs, benefits, and risks. Due Diligence must include consideration of the ability to use HRA funds to pay for and operate commercial elements of the development and the VAT implications for the Council.

24. The legal implications section of the report to Cabinet, at **points 47- 57**, highlight:

- i) The Council has the power to appropriate land for any of its statutory functions where that land is no longer required for the purpose for which it is currently held
- ii) The Council has the right to dispose of land and is required to obtain best consideration reasonably attainable. Council procedures require consideration of advice from a qualified valuer to ensure value for money
- iii) The Council must have regard to the Council's duties under the Equality Act 2010, Socio-Economic Duty, Welsh Language (Wales) Measure 2011 and the Welsh Language Standards, as well as the Well-being of Future Generations (Wales) Act 2015
- iv) Proposals must be within the Policy and Budgetary Framework.



## **Proposed Recommendations to Cabinet**

25. The report to Cabinet contains the following recommendations:

- (i) Delegate authority to the Director of Economic Development, in consultation with the Cabinet Member for Investment & Development, the Section 151 Officer and the Legal Officer to:
  - a) Conclude the disposal of the property known as Merchants Place/Cory's Building marked red on the site plan attached at Appendix 1 to the Preferred Bidder set out in this report and in line with the Heads of Terms set out in Confidential Appendix 6.*
  - b) Appropriate land at James Street marked blue on the plan attached as Appendix 1 to the Housing Revenue Account in line with the valuation attached at Confidential Appendix 9.**

## **Previous Scrutiny**

26. In March 2020, this Committee undertook pre-decision scrutiny of a report to Cabinet seeking approval to appropriate land situated on the corner of James Street and Adelaide Street in Cardiff Bay to enable a high-quality mixed-use development extending to and including the restoration and improvement of the Council owned Royal Stuart Workshops and Douglas Buildings.

27. Following the meeting, the Chair, Councillor Howells, wrote a confidential letter to Councillor Russell Goodway, Cabinet Member - Investment and Development; the letter included a recommendation. A response has been received from Councillor Goodway and the recommendation has been accepted. Both letters have been emailed to Members ahead of this meeting.

28. In November 2020, this Committee undertook pre-decision scrutiny of a report to Cabinet seeking approval to acquire the freehold interest in the land and buildings at Merchant Place/ Cory's Building, undertake a marketing process to engage a development partner to bring forward the regeneration of the site and engage with Welsh Government and other relevant organisations to secure grant funding.

29. Following the meeting, the Chair, Councillor Howells, wrote a confidential letter to Councillor Russell Goodway, Cabinet Member - Investment and Development; the letter included a recommendation. A response has been received from Councillor Goodway and the recommendation has not been accepted. Both letters have been emailed to Members ahead of this meeting.

### **Way Forward**

30. 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 detailed in the report to Cabinet.

31. All Members are reminded of the need to maintain confidentiality regarding the information provided in **Appendices 4-9**. Members will be invited to agree the meeting go into closed session to enable discussion of this information.

### **Legal Implications**

32. 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**

33. 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 14 October 2021, and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

**DAVINA FIORE**

**Director of Governance & Legal Services**

**6 October 2021**

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**JAMES STREET REGENERATION, CARDIFF.**

**INVESTMENT & DEVELOPMENT (COUNCILLOR GOODWAY)**

**AGENDA ITEM:**

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**PORTFOLIO: BUSINESS & INVESTMENT**

Appendices 4 to 9 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 dispose of a collection of buildings known as Merchant's Place/Cory's Buildings situated on the corner of James Street and Bute Street, Butetown.
2. To seek authority to appropriate Council owned land at James Street, Butetown, to the Housing Revenue Account.

**Background**

3. The regeneration of Cardiff Bay has been a core Council priority for a number of decades. The political administration remains committed to the on-going regeneration of the Bay and to restoring and upgrading the remaining heritage assets that require investment as confirmed in their strategic policy vision document *Capital Ambition* which includes a commitment to "writing a new chapter in Cardiff Bay's regeneration story".
4. A report was presented to Cabinet in November 2018 outlining a strategic plan to secure investment into the city's heritage buildings. In March 2020, Cabinet provided authority for the Council to assemble a development site at James Street (see **Appendix 1**) to bring an area of land that had remained vacant and largely derelict for circa 30 years back into effective use.
5. In November 2020, Cabinet provided authority for the Council to acquire a collection of buildings known as Merchant Place/Cory's Buildings on the corner of James Street and Bute Street (see **Appendix 1**). These buildings have been vacant and in decline for over 20 years and given

their prime location in the heart of Cardiff Bay, this was a strategic acquisition to complement the Council's regeneration proposals for Atlantic Wharf and the remainder of the Bay area.

6. In February 2021, the Council commenced a soft market exercise to seek development proposals for both sites. A comprehensive marketing brochure was prepared for each site (see **Appendices 2 & 3**), together with a data room to assist with the detailed surveys undertaken for the sites over many years.

## **Issues**

7. Whilst Cardiff Bay has been transformed from its derelict state following the decline of the Coal and Steel industries, there remains several small pockets of dereliction that have required Council intervention to unlock development either through the provision of repayable loan finance or through the Council proactively assembling land into development sites.
8. The Council is committed to securing the future of the city's heritage buildings and has intervened in recent years to bring a number of buildings back into effective use including most recently the former Cardiff Bay Train Station on Bute Street. Although Cardiff Bay has some of the best examples of historic buildings in the city there are relatively few compared to other cities. This means the preservation of such buildings is even more important for Cardiff. Such buildings have often presented significant challenges for the private sector to overcome which has left buildings vacant and in decline.
9. The Council's interventions are primarily aimed at stimulating the private sector to deliver investment to reclaim derelict land and/or regenerate declining buildings. The Council's investment is always on the basis that it will seek to recover the initial outlay required to unlock a site for development. The Council's intervention seeks to simplify opportunities and provide confidence to the market with a view to accelerating the investment required to bring property back into effective use.
10. Cardiff Bay is framed as the city's focal point for leisure and tourism activity. The Council's Economic Regeneration Strategy sets out two strategic regeneration priorities: Metro Central, which involves the regeneration of the area around Cardiff Central Station for office-led mixed use development, and Atlantic Wharf, Cardiff Bay, for leisure-led regeneration centred around a new indoor arena. Securing investment to promote the continued development of leisure and tourism activity in Cardiff Bay remains a core priority.

## **Merchant Place/Cory's Buildings**

11. Following the Cabinet Decision in November 2020, the Council agreed terms to acquire Merchant Place/Cory's Buildings in January 2021. The collection of historic buildings have been vacant for over 20 years and given the prime location in the heart of Cardiff Bay coupled with the

Council's commitment, this was a strategic acquisition to complement proposals at Atlantic Wharf and the remainder of the Bay area.

12. In February 2021, the Council began a soft market testing exercise to seek offers from the market. Independent agents were appointed to manage the process. 37 legal packs were downloaded from a variety of interested parties to bring forward schemes including hotels, residential, education and mixed use. Several viewings of the buildings were undertaken.
13. A significant number of offers came forward through the marketing process with a variety of uses and opportunities. Given the volume of interest and variety in offers the Council's agents advised to invite second bids to firm up on detail and to establish a framework for fair comparison and assessment. A scoring matrix was included as part of the marketing material with the aim of guiding interested parties on the level of detail required and the key considerations that were important to the Council, so that offers could be channelled and similar detail supplied by all parties.
14. The Council's key considerations were to recoup its initial investment and to deliver a mixed use scheme which contributed to the Council's strategy for the area. 4 such bids were received.
15. The soft market testing exercise was undertaken jointly with the James Street site (detailed later in this report). Despite clear guidance not to specifically link the Merchant Place/Cory's building opportunity to the James Street site opportunity, a number of developers required both sites to deliver their proposals.
16. Following further consideration, the Council decided to remove the James Street site from the market and will instead bring forward a proposal to develop the James Street site for Council housing. Details of this scheme will be presented to Cabinet at a later date. As a result of this internal consideration, the anticipated timescales for the disposal of Merchant Place/Cory's Building has been impacted by a few months.
17. The Council's appointed agents have prepared an independent report reviewing each bid and providing professional opinion on the recommended Preferred Bidder. The report is attached as **Confidential Appendix 4**.
18. A formal offer letter has been received from the Preferred Bidder which is attached as **Confidential Appendix 5**. Heads of Terms have been agreed in principle set-out in **Confidential Appendix 6**.
19. The Preferred Bidder is Dukes Education, owners of the Cardiff 6<sup>th</sup> Form College currently based on Newport Road with residential accommodation based in the Unite Student block on Adam Street. The college attracts students from all over the world and provides an intense residential based education package aimed at helping students gain access to the world's top 100 universities. Around one fifth of places are allocated to students from Cardiff and the surrounding area, most of which are provided by the college's scholarship scheme and 100% subsidised.

20. Dukes Education has been seeking alternative premises in Cardiff for a number of years. They currently lease office space on Newport Road for their teaching accommodation and lease space at the Unite Student block on Adam Street for their residential accommodation. The company would prefer to own their own premises and to co-locate their teaching accommodation with their residential accommodation. The company has been unable to find a suitable location in Cardiff, despite extensive consideration, and has begun to consider options in Oxford, the base of their administrative HQ.
21. Their proposal for the Merchant's Place/Cory's building will see the historic buildings totally reclaimed and upgraded for use as teaching accommodation with ground floor activity including a coffee shop. The site to the rear of the buildings off Docks Lane will be developed to provide a proportion of the required residential accommodation. A second site has also been secured on Pierhead Street to deliver the remaining residential accommodation.
22. The bid from Dukes Education is regarded by the Council's independent agents as the best bid. The proposal provides the most confidence of the heritage buildings being fully refurbished, and the Council fully recovering the capital expended in acquiring the site. The proposal provides a vibrant scheme attracting a significant number of young people to the area. Dukes Education is a well funded organisation backed by a number of high profile pension funds. They will deliver a self-funded, owner-occupied scheme, minimising development risk, particularly risk relating to the attraction of finance and tenants. Initial drawings for the Dukes Education proposal are attached as **Confidential Appendix 7**.

### **James Street**

23. The James Street development site is made up of 3 separate parcels of land as illustrated by the plan attached at **Appendix 1**. The whole site is now under the Council's control. The substantive part of the site is an area of derelict land consisting of circa 0.5 acres fronting James Street and Adelaide Street. The second parcel is Mandalay House, a circa 2,000 sq ft, two-storey office building fronting Royal Stuart Lane, adjacent to the Council owned Royal Stuart and Douglas Workshops. The third parcel is the existing Western Power Sub Station. The Sub Station is now subject to an agreement between the Council and Western Power that will enable a new Sub Station to be re-provided in an alternative location as part of the final development scheme. Once the final scheme is agreed, the new Sub Station will be commissioned by Western Power. The Council will then provide a long-term lease to Western Power. Once the new Sub Station is operational, Western Power will dispose of their freehold interest in the existing Sub Station to the Council.
24. The James Street site benefits from a strategic location in close proximity to Mount Stuart Square and the Coal Exchange as well as Cardiff Bay's key visitor attractions at the Inner Harbour and the proposed new Atlantic Wharf development. The site also sits immediately adjacent to Mount



Stuart Primary School. Given the derelict state of the site over a number of decades, it has become a significant blight on the local community and environment.

25. Following the acquisition, the Council has cleared the site and hoarded the entire site in order to improve the general appearance of the immediate area. A planning application is being prepared for the demolition of the remaining structures and the relocation of the Sub Station.
26. In February 2021, the Council jointly marketed the development site alongside Merchants Place/Cory's Buildings. At the same time the Council's Housing department undertook feasibility work to determine if the site was suitable for the delivery of council housing.
27. Capital Ambition sets out the Council's target of delivering at least 1,000 new council homes by 2022 and to have a development programme capable of delivering over 2,000 new council homes in the longer term.
28. The housing need is increasing year on year and there are currently around 8,000 people on the housing waiting list. The most recent Local Housing Market Assessment indicated that 2,024 new affordable homes are required each year to meet the current demand. However, on average over the last 5 years the social housing sector has delivered around 250 new homes each year in Cardiff. This represents a significant gap between demand and supply.
29. The Council's programme can also directly target specific housing need, provide more accessible homes and promote downsizing and deliver more specialist properties or adapted properties. These type of properties are in high demand but are not currently being delivered in volume through more traditional delivery routes.
30. Specifically, the James Street site developed as new council housing can provide homes suitable for inter-generational, family housing within the ward of Butetown. This is a unique housing need identified for the Ward. Such a development would provide suitable and adaptable accommodation for larger, extended families delivering accommodation that provides for older family members who wish to live with their extended families. The site is well located close to local facilities and parkland and the development would provide a private communal garden.
31. The indicative scheme prepared by Economic Development for the soft market testing of the James Street site is being adapted by Housing and Communities to deliver the required council housing scheme. A high-level financial feasible has been undertaken using the indicative scheme and estimated build costs which has shown the scheme to be viable for delivery through the council house build programme. The proposal therefore is to appropriate the James Street site into the Housing Revenue Account (HRA) in order that a council led redevelopment of the site can be delivered.

32. In order to accelerate the regeneration of the site, a series of enabling works have been prepared to take place over the next few months. It is proposed that these works will progress as planned in advance of a detailed planning application for with the proposed scheme and the costs will be recovered into the General Fund. A full schedule of works already undertaken alongside the proposed works to be undertaken is attached as **Confidential Appendix 8**.
33. Initial feedback from the Local Planning Authority on the proposed development scheme requires the ground floor frontages along James Street and Adelaide Street to have active frontages with a commercial interest. Economic Development has committed to continue to work with Housing and Communities to develop a solution to enable delivery of the required ground floor uses.
34. An external valuation of the whole development site is attached as **Confidential Appendix 9**. A commensurate accounting transaction will take place between the Housing Revenue Account and the General Fund accordingly. In addition, the transaction will address the reasonable costs already incurred by Economic Development in preparing the site for development, as well as the programmed costs set out in **Confidential Appendix 8**.

#### **Reason for Recommendations**

35. To enable the regeneration of James Street by protecting and refurbishing the iconic Merchant Place/Cory's Buildings and redeveloping derelict land to deliver new Council housing.

#### **Financial Implications**

36. The report identifies the freehold disposal of Merchant Place/Cory's Building and the appropriation of the James Street development site into the Housing Revenue Account.
37. In terms of Merchant Place/Cory's Building, any revenue implications will need to be managed within the existing Economic Development revenue budget, including any short-term rental income losses as a result of the disposal. However, the disposal would also result in removal of any holding costs and maintenance liabilities, support wider economic regeneration, and allow re-investment in an alternative asset to secure a longer-term equivalent income stream.
38. The initial acquisition costs of Merchant Place were funded from three different sources: 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 met from disposal receipts already received as part of the Council's Investment Property Strategy.
39. Any proceeds from the disposal of the site would be earmarked and available for further re-investment in Economic Development initiatives or

for re-investment as part of the Councils Investment Property Strategy. The disposal process adopted should aim to secure best value for the site as recommended by valuation advice.

40. As part of the original purchase of Merchant Place/Cory's Building, the Council chose to opt to tax the site to minimise any impact on the Council's partial exemption position. Therefore, any disposal must charge VAT in accordance with the process set out by HMRC.
41. The report also proposes the appropriation of James Street development site to the HRA for the purpose of developing new affordable council housing to let at social rent levels. Any decision to appropriate the site should be based on a valuation demonstrating best value for the site as well as an indication of the total costs of both the site acquisition and an estimate of total development costs. An initial housing viability assessment to support decision making is included as part of the report and will need to be updated as part of the due diligence process set out by the HRA in respect to housing developments. (See Confidential Appendix 8 and 9)
42. Funding to acquire and develop the site can be re-prioritised from within the overall 5 year capital programme approved as part of the HRA budget setting proposals in March 2021.
43. The certified value of the appropriation has been agreed by a qualified valuer employed by the authority. The appropriation does not result in any cash transfer between the General Fund and the HRA, but a transfer of debt (CFR) which is an accounting transaction.
44. Following the appropriation, the HRA will incur interest and will need to make prudent repayment of debt.
45. The responsibility for the land appropriated will transfer to the Housing Revenue Account who will be responsible for all subsequent capital and revenue costs, benefits and risk in relation to the property transferred. On appropriating the land the HRA will be responsible for the holding costs of the site until development proceeds.
46. The report proposes that any development may include a commercial element. Whereas part of any development other commercial or community uses are proposed, any due diligence needs to include consideration of the ability to use HRA funds to pay for and operate such facilities, the approved budget framework in place for such facilities and the VAT impact on the council. These items need to be considered at an early stage of any development work.

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

47. The Council has power to appropriate land for any of its statutory functions where that land is no longer required for the purpose for which it is currently held pursuant to section 122 of the Local Government Act

1972. It is proposed in this case that the land at James Street will be appropriated to the HRA to be used for Housing purposes.

48. Section 123 of the Local Government Act 1972 gives power to the Council to dispose of land and is required to obtain the best consideration reasonably attainable.
49. The Council's Disposal and Acquisition of Land Procedure Rules requires the decision maker to have regard to advice from a qualified valuer, to ensure value for money.

#### Equalities & Welsh Language

50. In considering this matter the decision maker must have regard to the Council's 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. Protected characteristics are: (a) Age, (b) Gender reassignment, (c) Sex, (d) Race – including ethnic or national origin, colour or nationality, (e) Disability, (f) Pregnancy and maternity, (g) Marriage and civil partnership, (h) Sexual orientation, (i) Religion or belief – including lack of belief.
51. When taking strategic decisions, the Council also has a statutory duty to have due regard to the need to reduce inequalities of outcome resulting from socio-economic disadvantage ('the Socio-Economic Duty' imposed under section 1 of the Equality Act 2010). In considering this, the Council must take into account the statutory guidance issued by the Welsh Ministers ([WG42004 A More Equal Wales The Socio-economic Duty Equality Act 2010 \(gov.wales\)](#)) and must be able to demonstrate how it has discharged its duty.
52. An Equalities Impact Assessment aims to identify the equalities implications of the proposed decision, including inequalities arising from socio-economic disadvantage, and due regard should be given to the outcomes of the Equalities Impact Assessment.
53. The decision maker should be mindful of the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards.

#### The Well-being of Future Generations (Wales) Act 2015

54. 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. 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 wellbeing objectives are set out in Cardiff's Corporate Plan 2020 -23.

55. 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.
56. 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 on line using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

#### Policy and Budget Framework

57. The decision maker must be satisfied that the proposal is within the Policy and Budget Framework, if it is not then the matter must be referred to Council.

## **RECOMMENDATIONS**

Cabinet is recommended to:

- (i) Delegate authority to the Director of Economic Development, in consultation with the Cabinet Member for Investment & Development, the Section 151 Officer and the Legal Officer to:
  - a) Conclude the disposal of the property known as Merchants Place/Cory's Building marked red on the site plan attached at Appendix 1 to the Preferred Bidder set out in this report and in line with the Heads of Terms set out in Confidential Appendix 6.
  - b) Appropriate land at James Street marked blue on the plan attached as Appendix 1 to the Housing Revenue Account in line with the valuation attached at Confidential Appendix 9.

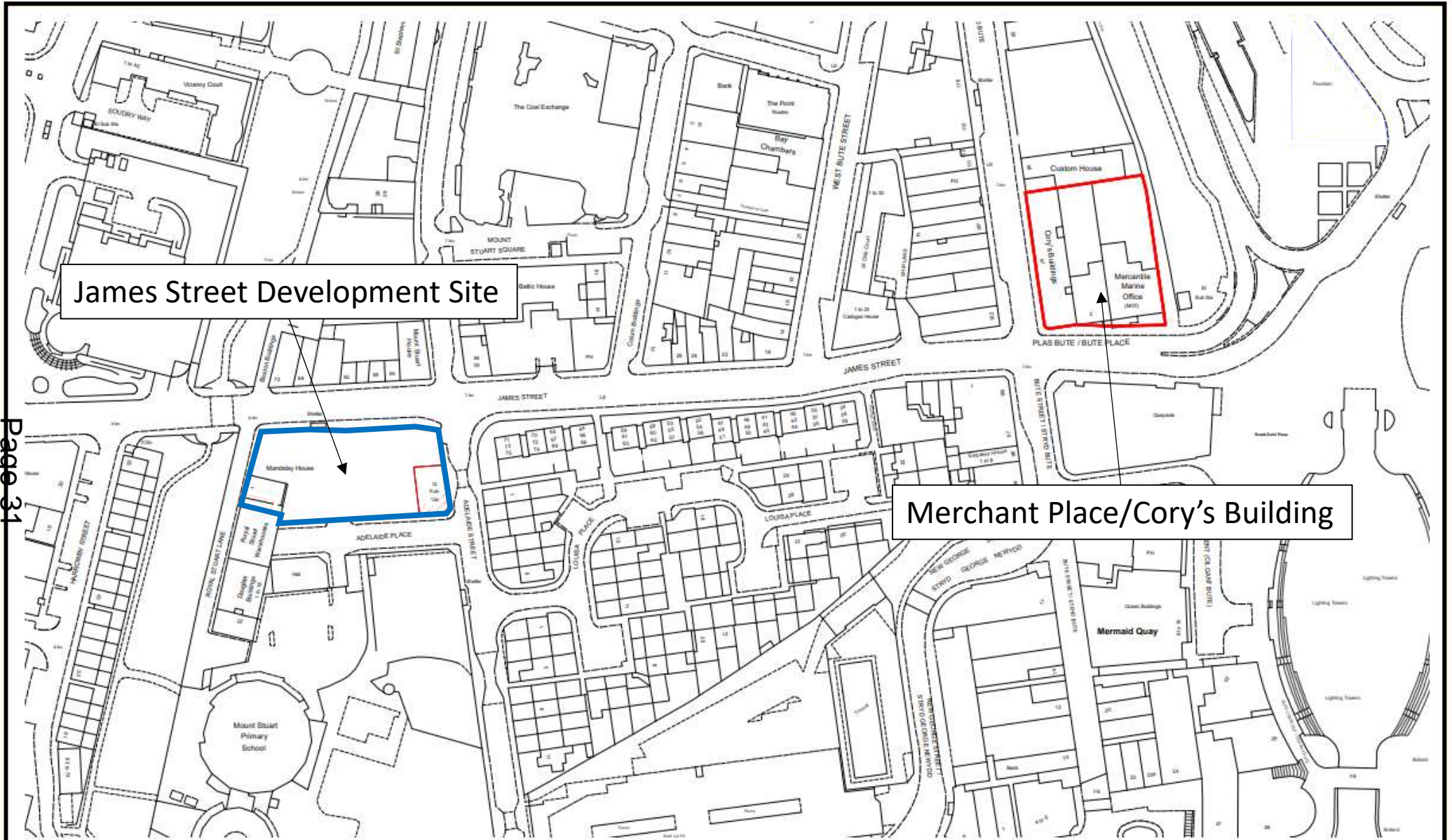
**NEIL HANRATTY  
DIRECTOR OF ECONOMIC DEVELOPMENT**

*The following appendices are attached:*

- Appendix 1 - Site Plan
- Appendix 2 - Marketing Brochure (Merchants Place)
- Appendix 3 - Marketing Brochure (James Street)
- Confidential Appendix 4 - Surveyors Recommendation Report (Merchants Place)
- Confidential Appendix 5 - Offer letter (Merchants Place)
- Confidential Appendix 6 - Proposed Heads of Terms (Merchants Place)
- Confidential Appendix 7 - Scheme proposals (Merchants Place)
- Confidential Appendix 8 - Enabling Works (James Street)
- Confidential Appendix 9 - Market Value Report (James Street)

DRAFT

APPENDIX 1 - SITE PLAN



James Street Development Site

Merchant Place/Cory's Building

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[www.eiddocyngrcaerdydd.com](http://www.eiddocyngrcaerdydd.com)

[www.cardiffcouncilproperty.com](http://www.cardiffcouncilproperty.com)



O'rweithio dros Gae'rwyd, gweithio gda'n gilydd  
Working for Cardiff, working together



CARDIFF  
CAERDYDD

Plan / Enw /wyd / Project / Dyluniad Rhif. / Ffio / Pwllname / Project / Drawing No.

R / 1 / propret2 / PLANSFORLEDA / 2021 / JAMESSTREETMERCHANT.EJ.WOR

Lunwyd gan / Drawn By LHC Dyddiad / Date : 27 / 9 / 2021

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

Cyfarwyddwr / Director : Neil Harvatt

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FOR SALE ON THE INSTRUCTIONS OF CARDIFF COUNCIL

# Merchant Place & Cory's Buildings

BUTE PLACE AND BUTE STREET, CARDIFF BAY

**Prime  
Cardiff Bay  
development  
opportunity**

Page 33

**Landmark Development  
Opportunity**

**Freehold Site Sale**

**Located in the heart  
of Cardiff Bay**

**Potential uses including  
Build To Rent, Hotel,  
Private Residential,  
Apart-Hotel could  
be considered on a  
Subject to Planning Basis**

**Vacant Possession**





# Cardiff

- 1. Principality Stadium
- 2. Cardiff City Centre
- 3. Dumballs Road regeneration scheme
- 4. County hall
- 5. Cardiff Bay train station
- 6. Wales millenium centre
- 7. Cardiff Waterside
- 8. Mermaid Quay
- 9. St Davids Hotel

# The Properties

The site is located within the historic core of the Cardiff Bay area and is bounded by Bute Place to the south, Bute Street to the west and Lloyd George Avenue to the east.

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The opportunity comprises two listed buildings known as Merchant Place and Cory's Buildings, a development site of circa 0.20 hectares (0.5 acres).

Merchant Place (the former Post Office) is a Grade II Listed building dating from 1881 and Cory's Buildings an ornate five storey property dating from 1889, facing on to Bute Street.

# Location & Connectivity

The property is located at Bute Street, in the heart of the historic Mount Stuart Square core of the Cardiff Bay area.



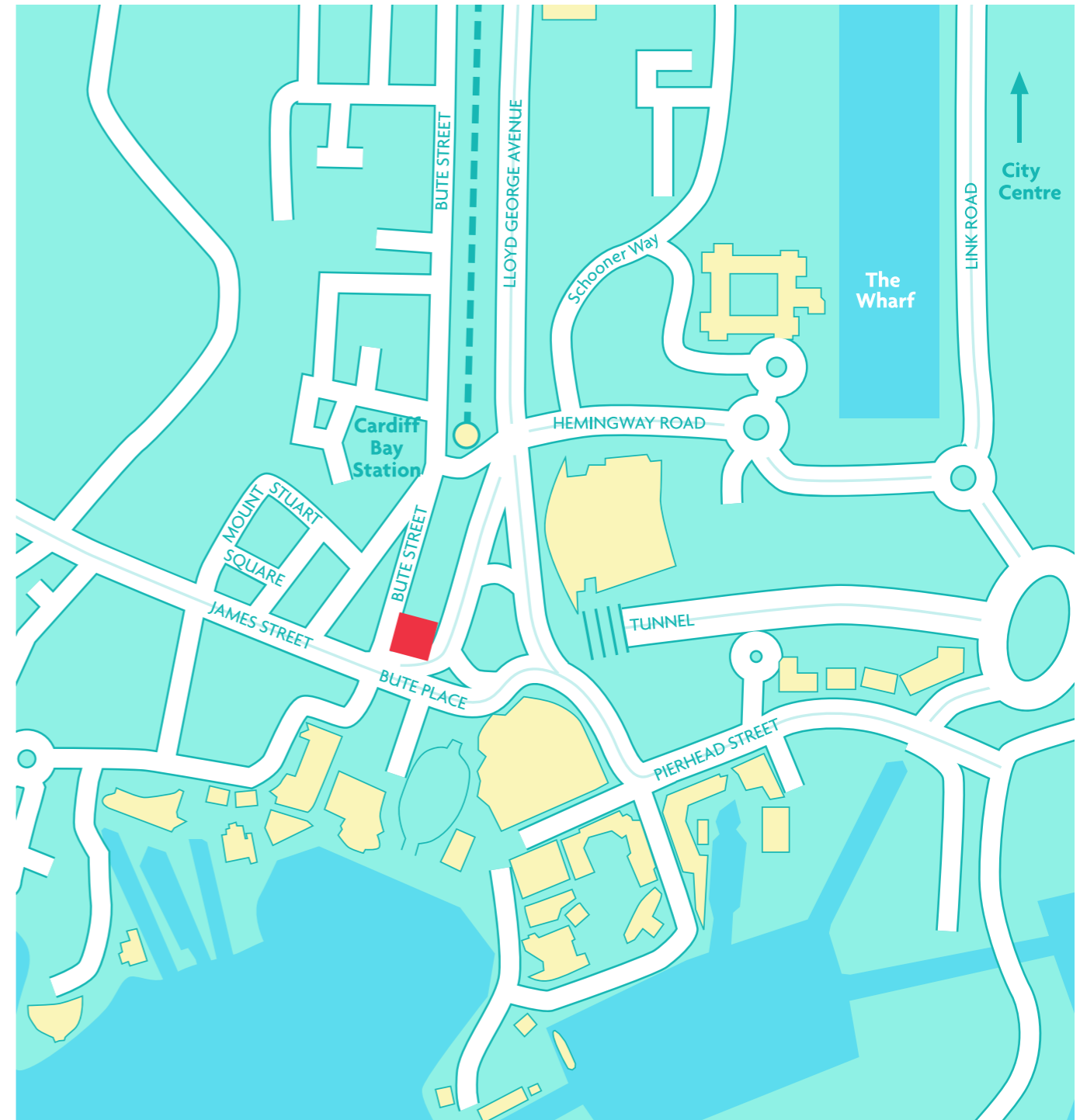
Page 36

Cardiff Bay has seen substantial improvements and redevelopments over the last 20 years including the construction of Mermaid Quay, The Senedd and the completion of the Wales Millennium Centre.

The site already has good links to the wider City with major improvement immanent with the delivery of the Metro in 2023.

Cardiff itself is served by the M4 motorway which links east/west with access at Junction 30 five miles to the north and Junction 29 around eight miles to the east.

The Cardiff Bay train line terminus is around 100 metres to the north of the site, and there is a regular bus service to the City Centre from Bute Place.



**Surrounded by outstanding communications infrastructure, offering superb access by rail and road, with an airport and heliport within an easy commute.**

## CAR

Less than a mile to the city centre, A4232 link road leading to the M4 motorway.

## TRAIN

Approximately 100 yards to Cardiff Bay railway station

## BUS

The Bay Express links the city centre to the waterfront with scheduled routes every 10 minutes.

## WATER BUS

Cardiff Water Bus offers a scheduled service from Penarth to Cardiff Bay and the city centre.

# The Opportunity

**Merchant Place & Cory's Buildings is a renowned local landmark. They have the potential to provide an iconic development in the Heart of Cardiff Bay.**



This is a computer generated image and details may vary. Indicative scheme (No Status)

## RE-PURPOSING & RE-VITALISATION

The properties lend themselves to be re-vitalised to create a sympathetic development for a range of uses, including office accommodation, residential and hotel.

## ALTERNATIVE USES

The property is situated within an area that has and continues to be subject to significant development for commercial, leisure and residential uses.

Given its excellent location, the property offers an exciting refurbishment / redevelopment opportunity. Prospective purchasers are advised to make their own enquiries of the Local Planning Authority.



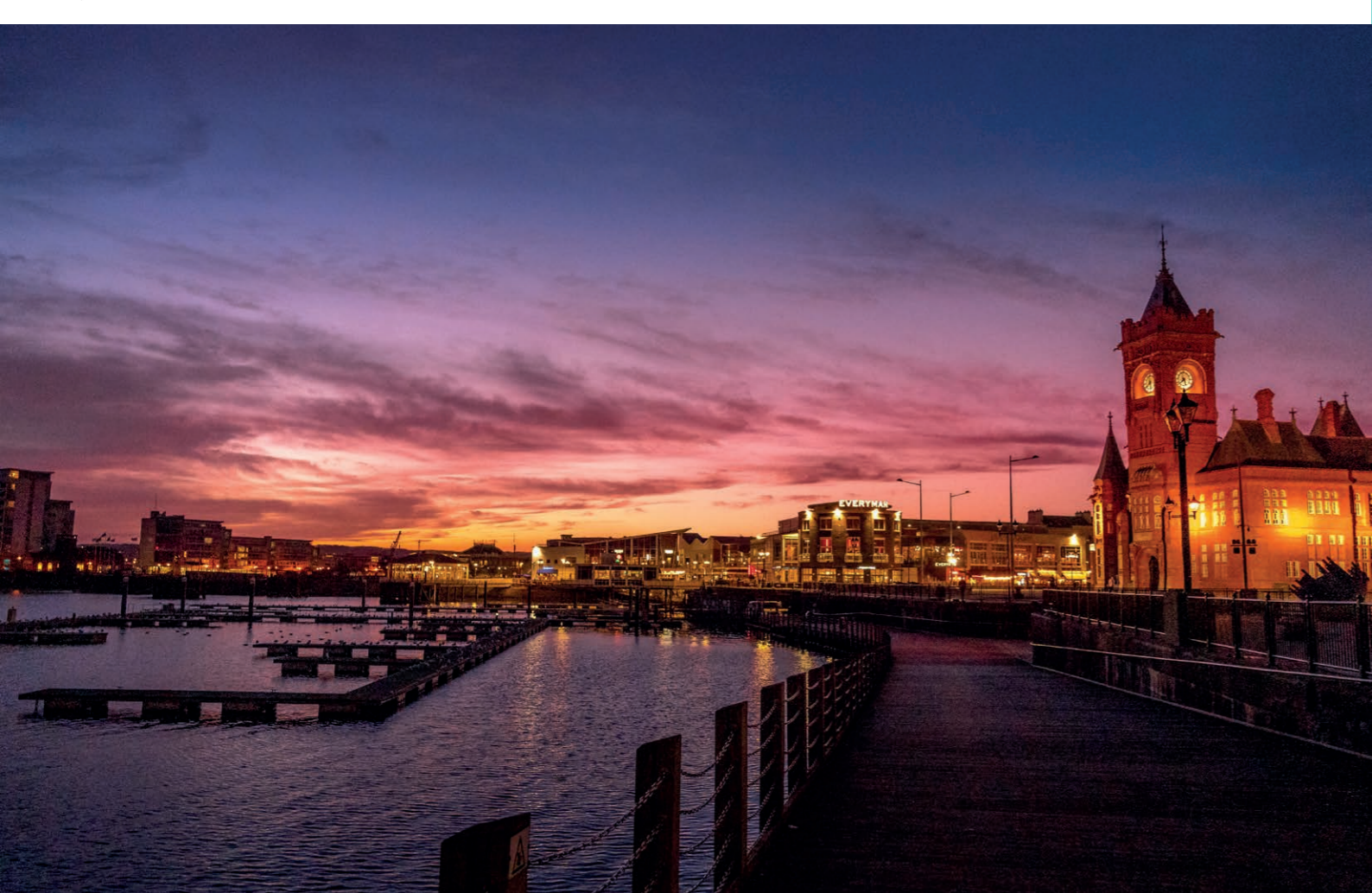
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MERCHANT PLACE & CORY'S BUILDINGS

# Cardiff Bay

Cardiff Bay is one of the largest waterfront redevelopment project in Europe.



Cardiff Bay Cardiff owes much of its history to the Industrial Revolution of the 1790's. During the 1880's it was home to the largest port handling more coal than any other port in the world.

The Wales Millennium Centre is home to the Welsh National Opera.

Walk from Cardiff Bay to Penarth along the Barrage.

Mermaid Quay is the core of Cardiff Bay set in a stunning waterfront location providing over 30 restaurants, bars and cafés, The Glee comedy club and a new 5-screen Everyman boutique.

You can enjoy white water rafting inside the city at Cardiff International White Water.

The seat of Welsh politics, The Senedd overlooks the Bay.

Pobol y Cwm, Doctor Who & Casualty are filmed in the Bay

# Hotels

**Cardiff has a well-established hotel sector supported by a broad base of demand including commercial, Government, major events and leisure tourism. Hotel market performance has been robust in recent years with 80.2% occupancy across the city in 2019 at an average daily rate (ADR) of £69.63.**

The majority of hotel supply is in and around the city centre, with only six hotels (and two serviced apartments) in the Cardiff Bay area. The majority of hotel rooms in the Bay are at the limited service and economy end of the market, and there are a number of product and brand gaps currently.

Whilst there is a large pipeline of new supply in the city centre, there are only two schemes in Cardiff Bay.

Major accommodation demand drivers in Cardiff Bay include the Wales Millennium Centre, National Assembly for Wales, BBC Wales studios, Life Sciences Hub Wales and the International Sports Village. There are numerous other commercial and leisure demand drivers across the city centre.

Merchant Place is less than 200 metres from the proposed new 15,000 capacity Arena at Atlantic Wharf that will drive significant new accommodation demand to the Bay. The Arena will be operated by Live Nation and is scheduled to open in 2024. Over the coming years, the Atlantic Wharf master plan will deliver further commercial and leisure demand drivers to Cardiff Bay.



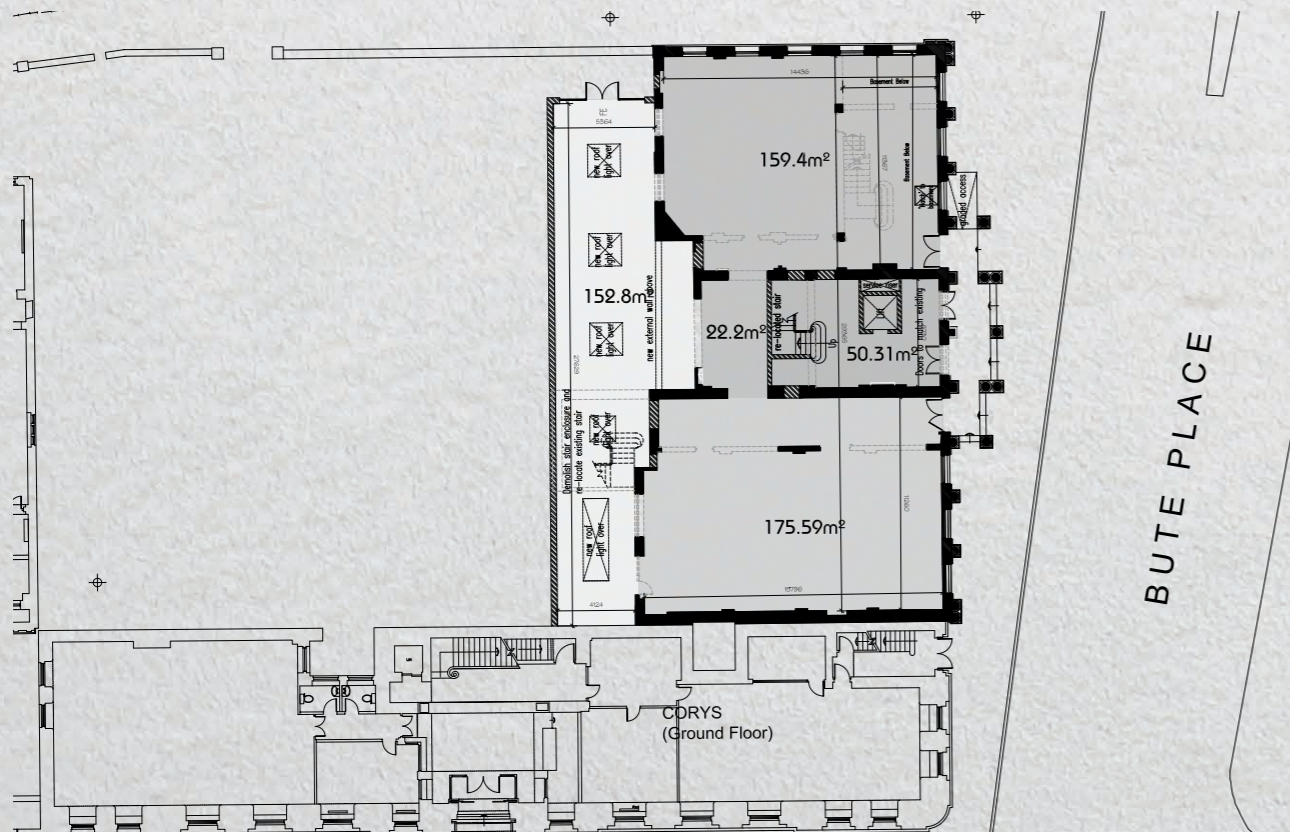
# The Existing Space

## EXISTING SCHEDULE OF AREAS

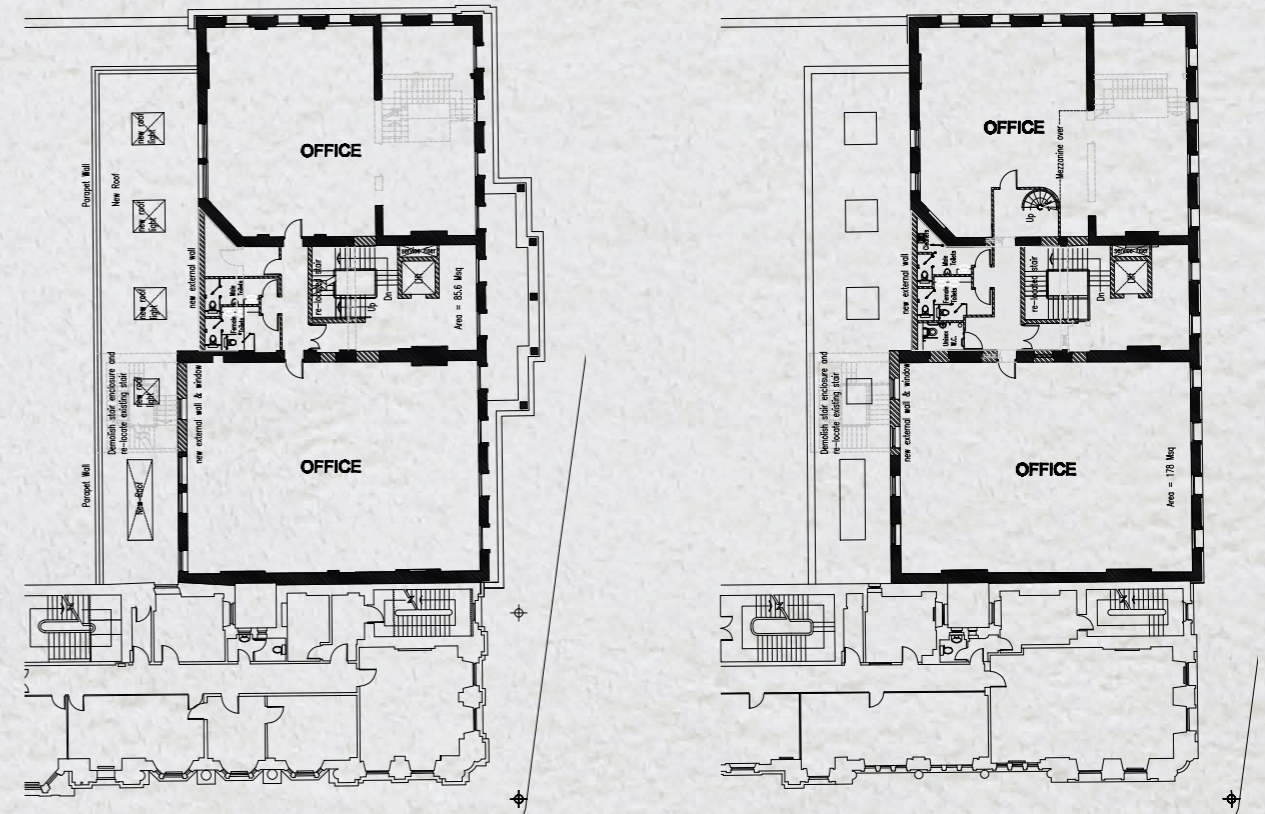
| UNIT             | NIA           |              | GIA           |              |
|------------------|---------------|--------------|---------------|--------------|
|                  | Sq Ft         | Sq M         | Sq Ft         | Sq M         |
| Cory's Buildings | 19,647        | 1,825        | 25,517        | 2,370        |
| Merchant Place   | 10,426        | 969          | 13,370        | 1,242        |
| <b>TOTAL</b>     | <b>30,073</b> | <b>2,794</b> | <b>38,887</b> | <b>3,612</b> |

NB: Knight Frank and Avison Young did not have access to all areas during our inspection of the property.

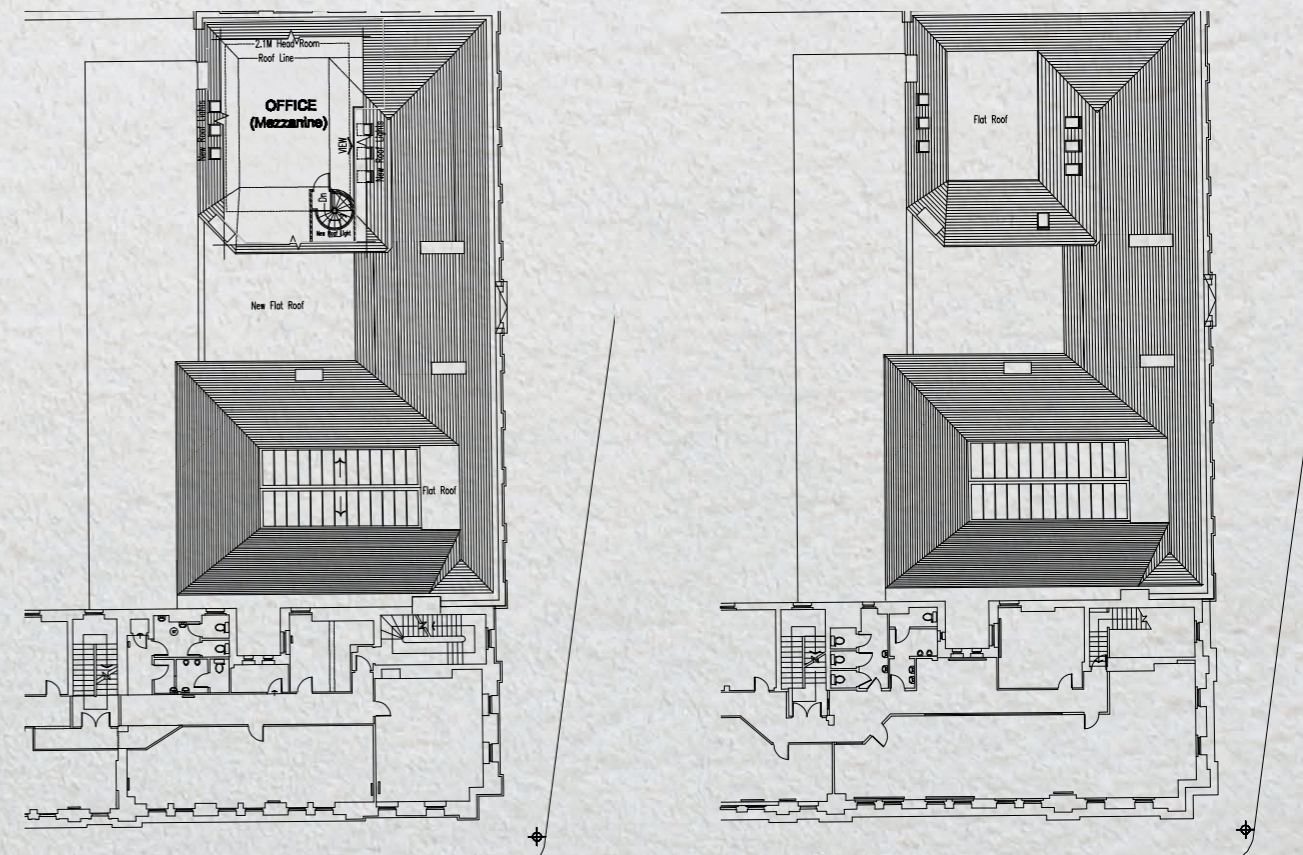
## MERCHANT PLACE GROUND FLOOR PLAN



## MERCHANT PLACE FIRST AND SECOND FLOOR PLAN



## MERCHANT PLACE THIRD FLOOR AND ROOF PLAN

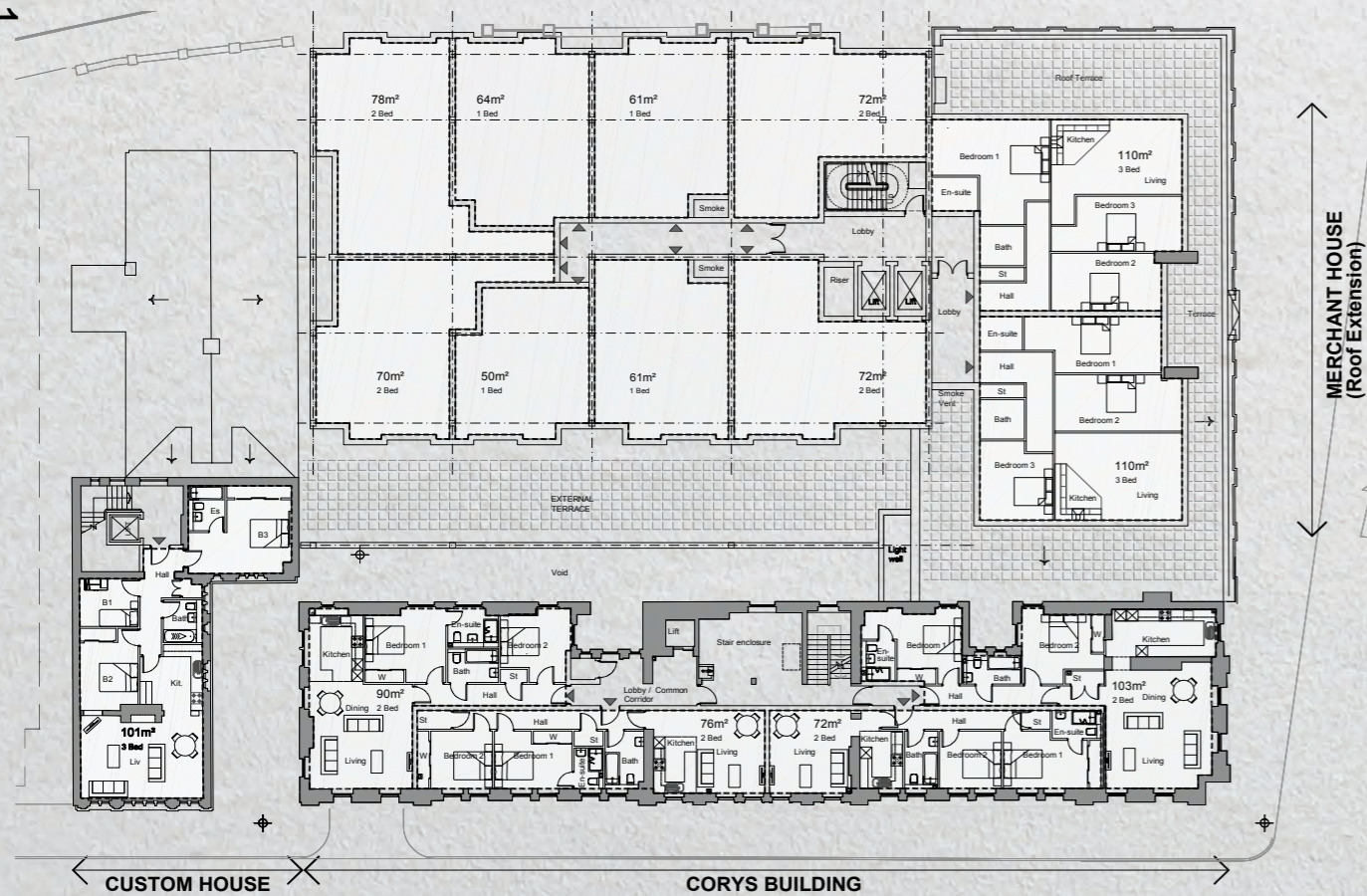




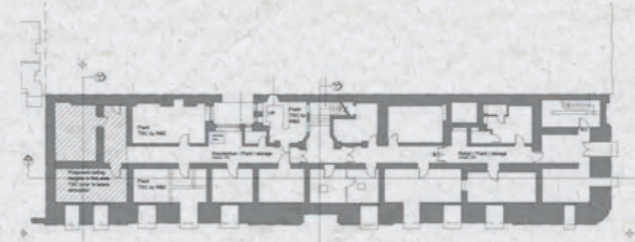
# The Proposed Space

Indicative Plans - alternative options will be considered

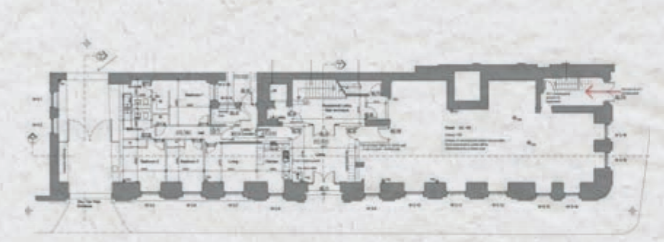
PROPOSED THIRD FLOOR PLAN



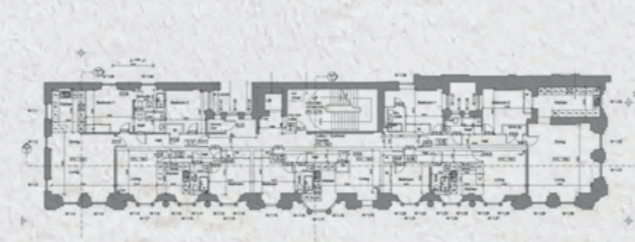
PROPOSED BASEMENT FLOOR PLAN



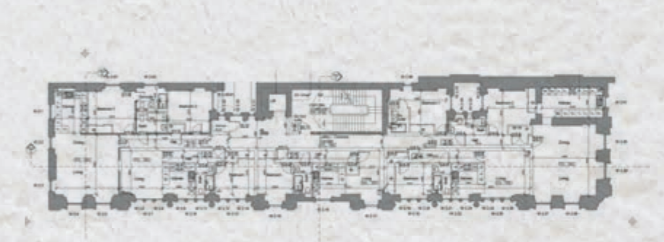
PROPOSED GROUND FLOOR PLAN



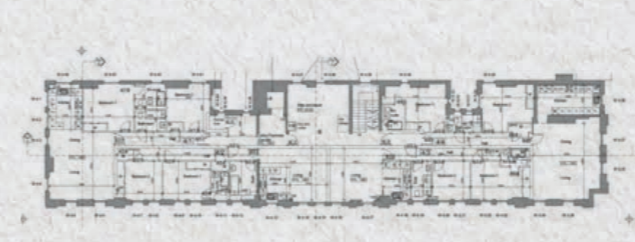
PROPOSED FIRST FLOOR PLAN



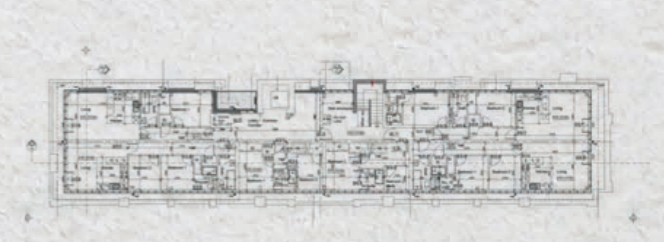
PROPOSED SECOND FLOOR PLAN



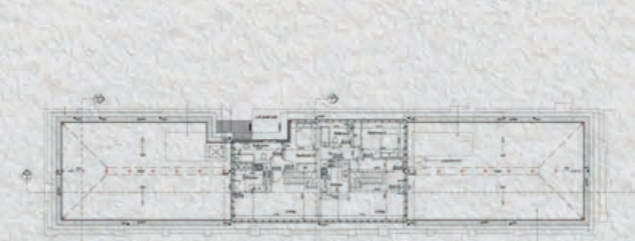
PROPOSED FOURTH FLOOR PLAN



PROPOSED FIFTH FLOOR PLAN



PROPOSED SIXTH FLOOR PLAN



This is a computer generated image and details may vary.

## VAT

VAT will be charged on the sale of the property.

## EPC

Certificates are available on request.

## Dataroom

Detailed legal, planning and technical information is available on the dataroom at:

[www.MerchantPlaceCardiff.co.uk](http://www.MerchantPlaceCardiff.co.uk)

## Transaction Structure

Interested parties are requested to formally register their interest and will be informed of the tender process in due course.

## Contacts

For further information and to arrange a viewing please contact:



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andrew.renouf@avisonyoung.com

**Jodie Al-Khafaji** 07769 285207  
Jodie.al-khafaji@avisonyoung.com

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# JAMES STREET, CARDIFF BAY

PRIME CARDIFF BAY DEVELOPMENT OPPORTUNITY FOR SALE ON THE INSTRUCTIONS OF CARDIFF COUNCIL



Page 43

## OPPORTUNITY SUMMARY

- ◇ Prime Development Opportunity
- ◇ Freehold Site Sale with Vacant Possession
- ◇ Located in Cardiff Bay
- ◇ Redevelopment which could include ground floor commercial, Build to Rent or private residential. Subject to Planning.

# JAMES STREET, CARDIFF BAY

## Location

The property is located on James Street, Cardiff in the heart of the historic Mount Stuart Square core of the Cardiff Bay area.

Cardiff Bay has seen substantial improvements and redevelopments over the last 20 years including the construction of Mermaid Quay, Cardiff Waterside, The Senedd and the completion of the Wales Millennium Centre.

Links to the city centre are provided by Lloyd George Avenue and Bute Street. The Florish, to the south of Lloyd George Avenue part of the Atlantic Wharf Masterplan, which includes the Cardiff Bay Arena.

Cardiff itself is served by the M4 motorway which links east/west with access at Junction 30 five miles to the north and Junction 29 around eight miles to the east.

The Cardiff Bay train line terminus is around 100 metres to the south of the site, and there is a regular bus service to the City Centre from Bute Place.



## The Site

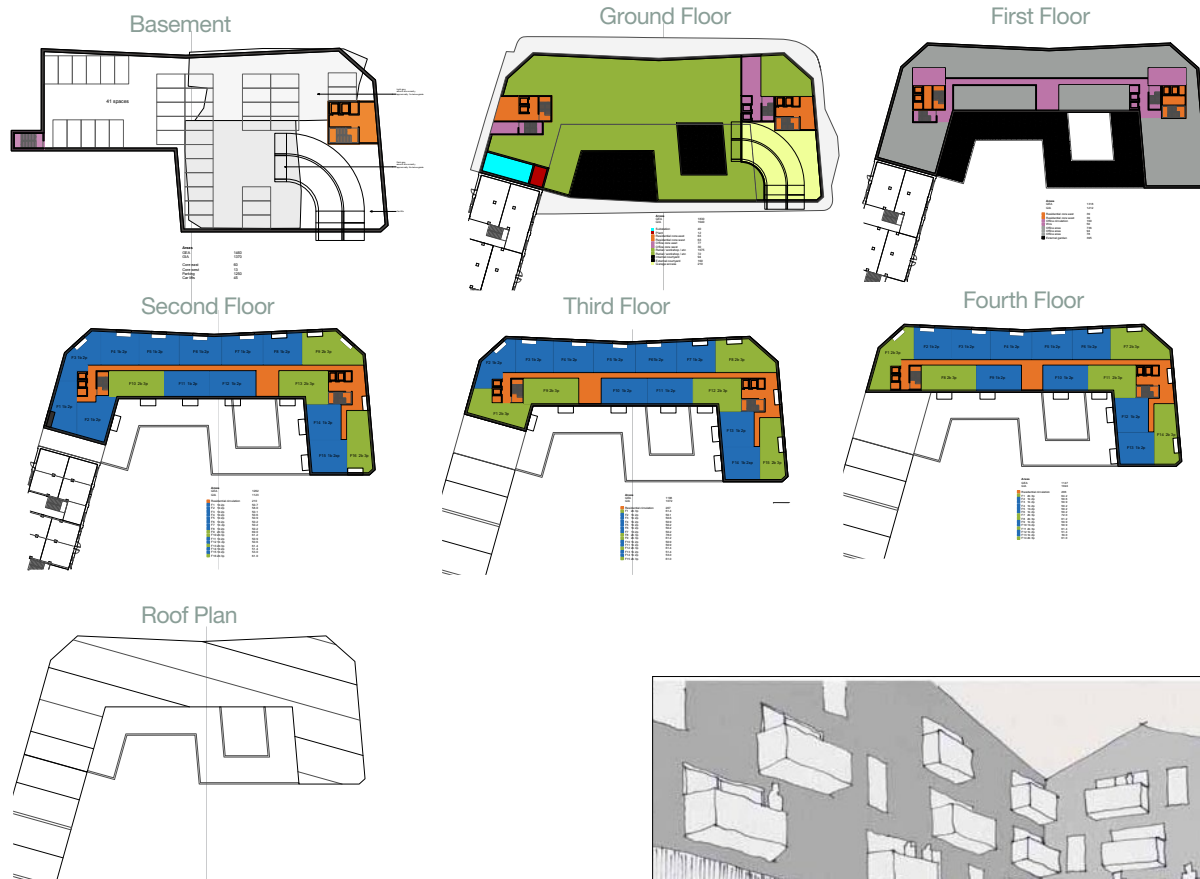
James Street is situated south of Cardiff city centre in Cardiff Bay and is the main access road into Cardiff Bay and just a short walk from both Cardiff Bay, Cardiff Bay Train Station.

The site is located within the historic core of the Cardiff Bay area and is bounded by James Street to the north, Adelaide Street to the east and Adelaide Place to the south.

The opportunity comprises a vacant island site which extends to 0.193 Ha (0.476 acres). The regular shaped site is mainly level and is vacant with the exception of the substation building which will be relocated.



This is a computer generated image. Details may vary. Credit – Dow Jones Architects.



## The Opportunity

Redevelopment - The site lends itself to be re-vitalised to create a statement development for a range of uses, including office accommodation, residential and hotel. Situated within an area that has and continues to be subject to a number of developments including commercial, leisure and residential uses.

Recent developments include, The Bank, Cardiff Bay Railway Station and Marine House have been successfully converted to provide commercial space and residential apartments.

Given its excellent location, the property offers an exciting development opportunity, which could complement the adjacent Royal Stuart and Douglas Workshops. Prospective purchasers are advised to make their own enquiries of the Local Planning Authority.

## Connectivity

Surrounded by outstanding communications infrastructure, offering superb access by rail and road, with an airport and heliport within an easy commute.

Road - James Street is less than a mile to the city centre and offers instant access to the A4232 link road leading to the M4 motorway.

Rail - For commuters, Bute Street railway station is within walking distance from the development and provides connections with Cardiff Central Station and Valley Lines. A journey to London Paddington can be completed in two hours.

Bus - Regular bus services operate in the immediate locality with direct services to the city centre. The Bay Express links the city centre to the waterfront with scheduled routes every 10 minutes.

Water Bus - Cardiff Water Bus offers a scheduled service from Penarth to Cardiff Bay and the city centre along the River Taff.

## Potential Development



### VAT

VAT will be charged on the sale of the property.

### Dataroom

Detailed legal, planning and technical information is available on the dataroom at:

[www.jamesstreetcardiff.co.uk](http://www.jamesstreetcardiff.co.uk)

### Transaction Structure

Offers are invited on a freehold basis.

### Further Information

Interested parties are requested to formally register their interest and will be informed of the tender deadline in due course.

For further information and to arrange a viewing please contact:

**Leah Mullin**

029 2044 0138

[leah.mullin@knightfrank.com](mailto:leah.mullin@knightfrank.com)

**Tom Griffiths**

029 2044 0140

[tom.griffiths@knightfrank.com](mailto:tom.griffiths@knightfrank.com)

#### Important Notice

1. Particulars: These particulars are not an offer or contract, nor part of one. Any information about price or value contained in the particulars is provided purely as guidance, it does not constitute a formal valuation and should not be relied upon for any purpose. You should not rely on statements by Knight Frank in the particulars or by word of mouth or in writing ("information") as being factually accurate about the property, its condition or its value. Neither Knight Frank LLP nor any joint agent has any authority to make any representations about the property. No responsibility or liability is or will be accepted by Knight Frank LLP, seller(s) or lessor(s) in relation to the adequacy, accuracy, completeness or reasonableness of the information, notice or documents made available to any interested party or its advisers in connection with the proposed transaction. All and any such responsibility and liability is expressly disclaimed. 2. Photos, Videos etc: The photographs, images, property videos and virtual viewings etc. show only certain parts of the property as they appeared at the time they were taken. Areas, measurements and distances given are approximate only. 3. Regulations: Any reference to alterations to, or use of, any part of the property does not mean that any necessary planning, building regulations or other consent has been obtained. A buyer or lessee must find out by inspection or in other ways that these matters have been properly dealt with and that all information is correct. 4. VAT: The VAT position relating to the property may change without notice.

5. Financial Crime: In accordance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and Proceeds of Crime Act 2002 Knight Frank LLP may be required to establish the identity and source of funds of all parties to property transactions. 6. To find out how we process Personal Data, please refer to our Group Privacy Statement and other notices at <https://www.knightfrank.com/legals/privacy-statement>. [Particulars dated [ 06.07.20 ]. Photographs and videos dated [ 06.07.20 ].]

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**CYNGOR CAERDYDD  
CARDIFF COUNCIL**

**ECONOMY & CULTURE SCRUTINY COMMITTEE**

**12 OCTOBER 2021**

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**REPLACEMENT LOCAL DEVELOPMENT PLAN – JOINT SCRUTINY TASK AND  
FINISH GROUP – EXPRESSIONS OF INTEREST**

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**Purpose of the Report**

1. To invite Members to express an interest in sitting on the Replacement Local Development Plan (RLDP) Joint Scrutiny Task and Finish Group.

**Background**

2. In September 2021, the five Scrutiny Committees individually considered the draft report titled *Cardiff Replacement Local Development Plan: Vision, Issues and Objectives and Integrated Sustainability Appraisal Scoping Report*, prior to its consideration by Cabinet. Following these meetings, a collective letter capturing all concerns and observations from all five committees was sent to Cabinet.
3. Going forward, the five Scrutiny Chairs consider it would be good practice to pool scrutiny expertise from all committees and continue a culture of collaboration. This was supported by the Scrutiny Committees at their September meetings, with the Environmental Scrutiny Committee agreeing that they wished to progress scrutiny of the next stages of the RLDP via a Task and Finish Group.
4. Councillor Patel, Chair - Environmental Scrutiny Committee, has offered to lead the Task and Finish Group. The Environmental Scrutiny Committee has an in-depth knowledge of the LDP process gained from receiving the LDP Annual Monitoring Report. Membership of the Task and Finish Group will primarily be taken from the Environment Scrutiny Committee, with all Scrutiny Committees offered the opportunity to propose Members from their own Committee to also sit

on the Group. This will ensure that all Committees are represented and can scrutinise aspects directly related to their Terms of Reference.

5. The Task and Finish group needs to be established as soon as possible to plan and commence work around the RLDP Strategic Options, scheduled to go out to consultation in November 2021. The intention is to complete and report any findings and recommendations on this stage back to Cabinet by the end of February 2022.
6. The Terms of Reference for the Task and Finish Group have yet to be set but will be established by the Task and Finish Group and presented to the 5 Scrutiny Committees for agreement.

### **Way Forward**

7. Committee Members may express an interest to sit on the RLDP Task and Finish Group that will consider the next stage of the RLDP process.

### **Legal Implications**

8. 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 seek and agree expressions of interest, 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**

9. 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 seek and agree expressions of interest, 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) Seek and agree expressions of interest in sitting on the Replacement Local Development Plan Joint Scrutiny Task and Finish Group.

**DAVINA FIORE**

**Director of Governance & Legal Services**

**6 October 2021**

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**CYNGOR CAERDYDD  
CARDIFF COUNCIL****ECONOMY & CULTURE SCRUTINY COMMITTEE****12 OCTOBER 2021**

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**CORRESPONDENCE REPORT**

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**Background**

1. Following most Committee meetings, the Chair writes a letter to the relevant Cabinet Member or officer, summing up the Committee's comments and recommendations regarding the issues considered.
2. At the Committee meeting on 20 September 2021, Members received a report detailing the correspondence sent and received up to that meeting, showing correspondence was up to date. Correspondence was sent following that meeting, and the current position is set out below:
  - i. *Response Received*– from Councillor Goodway to the Chair's public letter following pre-decision scrutiny of '*Indoor Arena Full Business Case*' in September 2021
  - ii. *Response Not Required*– from Councillor Goodway to the Chair's confidential letter following pre-decision scrutiny of '*Indoor Arena Full Business Case*' in September 2021
  - iii. *Response Received* – from Councillor Goodway to the Chair's public letter following pre-decision scrutiny of '*International Sports Village Development Strategy*' in September 2021
  - iv. *Response Not Required*– from Councillor Goodway to the Chair's confidential letter following pre-decision scrutiny of '*International Sports Village Development Strategy*' in September 2021
  - v. *Response Awaited* – from Councillor Wild to the joint Scrutiny Chairs' letter following pre-decision scrutiny of '*Replacement Local Development Plan: Proposed Vision, Issues, Objectives and Integrated Sustainability Appraisal*' in September 2021.

3. Copies of the public Chair's letters and responses received can be found on the Council's website page for the relevant Committee meeting, with a hyperlink provided at the top of the page, entitled '*correspondence following the committee meeting*'. Copies of confidential letters have been shared with Committee Members, on a confidential basis.

### **Way Forward**

4. During their meeting, Members will have the opportunity to reflect on the correspondence update.

### **Legal Implications**

5. 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**

6. 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. 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 reflect on the update on committee correspondence.

**Davina Fiore**

**Director - Governance and Legal Services**

**6 October 2021**

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