

Fy Nghyf / My Ref: NRS/RM/PB/11.11.16

Dyddiad / Date: 16 November 2016



Councillor Phil Bale  
Leader, City of Cardiff Council  
County Hall  
Cardiff  
CF10 4UW

Dear Councillor Bale

## **ECONOMY AND CULTURE SCRUTINY COMMITTEE – 11 NOVEMBER 2016**

### **Dumballs Road Regeneration**

Thank you for attending the November meeting of the Economy and Culture Scrutiny Committee, where we considered an item on Dumballs Road Regeneration. I appreciate that a Friday evening isn't the ideal timing for a rearranged Committee meeting and welcome the flexibility shown by both yourself and officers in accommodating this. I will be grateful if you could also pass on the thanks of the Committee to Neil Hanratty for his presentation and for addressing the questions that arose during the meeting. The Committee had a few comments and observations following the meeting, which are set out below.

Members of the Economy and Culture Scrutiny Committee support the proposals described at the meeting, namely to work in partnership with Vastint on the regeneration of this section of Dumballs Road. We accept that the location of this land, proposed other developments and transport improvements to the south of Cardiff Central station, coupled with the reputation of Vastint makes this an attractive proposition.

During the meeting discussion took place around the source of funds the Council will draw on to purchase its allocation of the site. We understand that this money has been secured through an Enterprise Zone Capital Allocation borrowed against a revenue budget that was allocated a number of years ago. Members are keen to stress that there should be a limit to the amount of money this Council borrows, given our increasing dependence on borrowed finances. That said, we can see that in this case there is potential for the value of this land to increase and anticipate there could be opportunities for the Council to make money in the long run through this transaction.

The Committee understands that there is an important role for the Council to play in pulling together and coordinating development opportunities in Cardiff, but we perceive the Council's role as a catalyst, or an enabler for other organisations, rather

than taking on financial commitments and risk as a lead developer ourselves. In this situation we appreciate that the Dumballs Road site is larger than Vastint is willing to purchase alone, requiring the Council to make a significant land acquisition to secure Vastint's investment. We would, however, prefer that the Council were not so heavily involved in every development opportunity in the city, and in the future should ideally look to facilitate such developments without taking on financial risks.

Discussion also took place during the meeting with regard to the Council's exit strategy on this matter, in that they have purchased approximately 12 acres of land near the City Centre. We were informed that there are a number of options currently being considered, with housing high on the agenda, and that details will become clearer through the site masterplan developed with Vastint. Members of the Committee would wish this master planning to be undertaken with a clear vision in mind from the Council, a clear idea of what the land will be used for and how the Council will recoup its expenditure. Members wish to request that details of the masterplan and the Council's exit from this land ownership are shared with us as soon as possible.

Members understand that there is a very short timeline between seeking Cabinet approval for these proposals and the final deadline for purchase on 16 December 2016. This proposal might under normal circumstances seem therefore to have been hastily assembled, but given the deadline set by previous options agreements and the potential difficulties in reaching similar agreement in the future, we acknowledge that the Council cannot afford to let these options agreements expire, and we endorse this swift course of action.

In summary, and in relation to the contents of the Cabinet Report, Members of the Committee endorse the report and recognise why the recommendations have been framed, namely; to work in partnership with Vastint on proposals for Dumballs Road; to purchase approximately 12 acres of land; and to dispose of the former Depot Building at Bessemer Close. We would support a decision for authority on these grounds to be granted by the Cabinet.

I will be grateful if you would consider the above comments, observations and recommendations, and look forward to receiving your feedback.

Regards,

A handwritten signature in black ink, appearing to read 'Rod McKerlich', with a horizontal line underneath it.

**Councillor Rod McKerlich**  
**Chairperson, Economy and Culture Scrutiny Committee**

cc Economic Development Officers  
Andrew Cobden – Vastint  
Members of the Economy and Culture Scrutiny Committee  
Cabinet Support Office