

DUMBALLS ROAD REGENERATION: UPDATE

Purpose of the Report

1. To give Members background information to aid pre-decision scrutiny of the report to Cabinet on Dumballs Road regeneration, which is due to be considered by Cabinet at their meeting on 16 May 2019. The full draft report to Cabinet is 'to follow' as **Appendix A**.

Scope of Scrutiny

2. At their meeting on 16 May 2019, the Cabinet will consider a report that outlines proposals regarding the regeneration of Dumballs Road.
3. During this scrutiny, Members have the opportunity to explore:
 - i) The proposals re Dumballs Road regeneration;
 - ii) Whether there are any risks to the Council;
 - iii) The timeline and next steps;
 - iv) The recommendations to Cabinet.

Structure of the meeting

4. Councillor Russell Goodway (Cabinet Member – Investment and Development) will be invited to make a statement and he and Neil Hanratty (Director of Economic Development) will be available to answer Members' questions.
5. 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

6. The Dumballs Road site is a circa 40 acres brownfield site, south of Central Train Station and Callaghan Square, allocated in the Local Development Plan for housing-led mixed-use developments. On 1 December 2016, Cabinet received a report¹ setting out proposals from Vastint² to regenerate the area, delivering up to 2,000 new homes, including affordable housing, commercial use and community use and providing jobs during the construction phase and beyond.

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

8. Following consideration of the report, including confidential information and a presentation by Vastint, Cabinet agreed that:
 - '1) The Heads of Terms attached as Appendix 4 be approved.*

 - 2) Authority be delegated to the Director of Economic Development in consultation with the Leader of the Council, the Cabinet Member for Corporate Services and Performance, the Corporate Director Resources, and the Director of Governance and Legal Services to:*
 - i) Conclude the acquisition of 8.5 acres of land at Dumballs Road as illustrated at Appendix 2 and in accordance with the Heads of Terms attached as Appendix 4.*

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

 - iii) Dispose of the former Depot Building at Bessemer Close to enable the relocation of a business from the Dumballs Road area as illustrated in the plan*

¹ Available at: <http://cardiff.moderngov.co.uk/mgAi.aspx?ID=7214&LLL=0>

² Vastint is the property arm of the IKEA group

at Appendix 5 and in accordance with the independent valuation at Appendix 6.

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

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

9. Since then, the Council has worked with Vastint in developing a comprehensive approach to the regeneration of the area, leading to the development of new proposals that build on some of the key development principles already established through the planning process, including:

- i) Integration of sustainable travel opportunities
- ii) Maximising the potential of the river frontage
- iii) Providing high quality urban public spaces
- iv) Providing high quality standards of design.

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

Report to Cabinet

11. A report to Cabinet providing an update on Dumballs Road regeneration scheme is scheduled for 16 May 2019. The full report is '*to follow*' and will be circulated to Members shortly. Members are reminded of the need to scrutinise the proposed recommendations to Cabinet, the timeline and next steps and whether there are any risks to the Council.

Previous Scrutiny

12. This Committee undertook policy development scrutiny of the Dumballs Road regeneration proposals at their meeting on 11 October 2018. A copy of the Chair's letter and the response received, is attached at **Appendix B**. Overall, Members were supportive of the approach taken by Vastint and the Council.

Way Forward

13. Councillor Russell Goodway (Cabinet Member – Investment and Development) will be invited to make a statement and he and Neil Hanratty (Director of Economic Development) will answer Members' questions on the proposals re Dumballs Road.

Legal Implications

14. 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

15. 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, 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 16 May 2019; and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

DAVINA FIORE

Director of Governance & Legal Services

2 May 2019