

CABINET MEETING:

December 2019

LLANRUMNEY DEVELOPMENT PROPOSAL

INVESTMENT & DEVELOPMENT (CLLR RUSSELL GOODWAY)

AGENDA ITEM:

Appendices 2-3 and 5-7 of this report are not for publication as they contain exempt information of the description contained in paragraphs 14 of part 4 and paragraph 21 of part 5 of Schedule 12A of the Local Government Act 1972.

PORTFOLIO: INVESTMENT & DEVELOPMENT

Reason for this Report

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

Background

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

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

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

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

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

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

Issues

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

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

Development Strategy

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

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

Other Site Considerations

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

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

Proposed Outdoor Sports Complex

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

Next Steps

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

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

Local Member Consultation

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

Reason for Recommendations

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

Financial Implications

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

Legal Implications (including Equality Impact Assessment where appropriate)

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

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

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

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

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

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

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

RECOMMENDATIONS

Cabinet is recommended to:

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

SENIOR RESPONSIBLE OFFICER	Neil Hanratty Director of Economic Development
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The following appendices are attached:

Appendix 1: Cardiff East Spatial Strategy

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

Confidential Appendix 3: Indicative Masterplan (No Status)

Appendix 4: Site Plan

Confidential Appendix 5: Development Appraisal

Confidential Appendix 6: Proposed Outdoor Sports Complex

Confidential Appendix 7: Draft Heads of Terms

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