

LLANRUMNEY DEVELOPMENT STRATEGY - NEXT STEPS : PRE-DECISION SCRUTINY

Appendices 2 - 9 of the Cabinet Report, Appendix A, and Appendix B are not for publication as they contain exempt information of the description contained in paragraph 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government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

Purpose of the Report

1. To give Members background information to aid the scrutiny of the draft report to Cabinet regarding the next steps in the development of Llanrumney, which is due to be considered by Cabinet at their meeting on 19 November 2020.
2. Members should note that **Appendices 2-9 inclusive** of the Cabinet report, at **Appendix A**, and **Appendix B** are exempt from publication. Members are requested to keep this information confidential, in line with their responsibilities as set out in the Members Code of Conduct and the Cardiff Undertaking for Councillors.

Scope of Scrutiny

3. At their meeting on 19 November 2020, the Cabinet will consider a report that seeks authority to:
 - i) progress with the disposal of land adjacent to the A48 Pentwyn junction to enable delivery of a new bridge and road link;
 - ii) commence a statutory consultation process to release land near to Ball Close for residential development; and
 - iii) ring-fence residual capital receipts, over and above the bridge and road link costs, towards delivery of proposed outdoor sports

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

4. During this scrutiny, Members have the opportunity to explore:
 - i) The proposed approach for disposal of land;
 - ii) The proposal to ring-fence receipts;
 - iii) How proposals fit with the overall development strategy for Llanrumney;
 - iv) Whether there are any risks to the Council;
 - v) The timeline and next steps for delivery;
 - vi) The recommendations to Cabinet.

Structure of the meeting

5. The Chair will move that this item be considered in two parts: an open session, where Members will be able to ask questions on the issues and papers that are in the public domain; and a closed session, where members of the public will be excluded, where Members can ask questions that pertain to **Appendices 2-9 inclusive**.
6. Members will hear from Councillor Russell Goodway (Cabinet Member – Investment and Development), Neil Hanratty (Director of Economic Development), Giles Parker (Head of Property), Chris Barnett (Operational Manager – Major Projects) and Eirian Jones (Principal Surveyor) who will give a presentation and be available to answer Members questions.
7. Members will then be able to decide what comments, observations or recommendations they wish to pass on to the Cabinet for their consideration prior to making their decisions.

Background

8. In October 2019, Cabinet approved the Cardiff East Industrial Strategy, which prioritised transport improvements, including a new bridge and road linking Llanrumney with the A48, as key to attract investment and enable local

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

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

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

Issues identified in the Cabinet Report

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

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

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

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

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

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

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

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

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

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

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

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

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

Proposed Recommendations to Cabinet

16. The report to Cabinet contains the following recommendations:

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

Previous Scrutiny

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

Way Forward

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

Legal Implications

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

Financial Implications

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

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

RECOMMENDATION

The Committee is recommended to:

- i) Consider the information in this report, its appendices and the information presented at the meeting;
- ii) Determine whether they would like to make any comments, observations or recommendations to the Cabinet on this matter in time for its meeting on 19 November 2020; and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

DAVINA FIORE

Director of Governance & Legal Services

12 November 2020