

CARDIFF COUNCIL CYNGOR CAERDYDD

CABINET MEETING: 19 NOVEMBER 2020

LLANRUMNEY DEVELOPMENT STRATEGY - NEXT STEPS

INVESTMENT & DEVELOPMENT (COUNCILLOR RUSSELL GOODWAY)

AGENDA ITEM:

Appendices 2-9 of this report are not for publication as they contain exempt information of the description contained in paragraphs 14 of part 4 and paragraphs 21 of part 5 of Schedule 12A of the Local Government Act 1972.

PORTFOLIO: INVESTMENT AND DEVELOPMENT

Reason for this Report

1. To seek authority to progress with the disposal of land adjacent to the A48 junction at Pentwyn to enable delivery of the new bridge and road link to connect the A48 to the Llanrumney ward as part of the Council's East Cardiff Industrial Strategy.
2. To seek authority to commence a statutory consultation process required to release land for disposal to enable delivery of new housing in the Llanrumney ward.
3. To seek authority to ring-fence the residual capital receipt over and above the costs of delivering the new road link and bridge towards delivery of the proposed new Outdoor Sports Complex off Mendip Road, Llanrumney and other community projects in the Pentwyn/Llanrumney wards.

Background

4. In December 2019, a report setting out a number of development proposals for the Llanrumney ward was presented to Cabinet. The development strategy was approved by Cabinet including the delivery of a new road link and bridge to the Llanrumney ward from the A48 junction alongside the Pentwyn Park and Ride site. Authority was also provided for officers to market three parcels of land and report the outcome to a future Cabinet meeting.
5. At the same meeting, Cabinet agreed the principal of a capital contribution towards a new outdoor sports complex proposed for land off Mendip Road, Llanrumney, to assist with the relocation of existing sports

provision in Llanrumney from land suitable for development to land unsuitable for development in the same vicinity.

6. The December 2019 report was set in the context of the East Cardiff Industrial Strategy approved by Cabinet in October 2019. The Strategy identifies transport improvements as the key driver to unlocking access to employment opportunities for local communities. The study goes on to say *“A key project in this regard is the proposed new bridge linking the Llanrumney community to the A48 to provide improved public transport connectivity”*.
7. 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. The Llanrumney ward suffers from the highest rates of unemployment at over 50% higher than the average for the city as a whole.
8. At present, the Llanrumney area suffers from poor connectivity. Road access has become 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.
9. 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 and provides quick public transport access to the city centre and to Heath Hospital.
10. The area also has no access to rail services. The Cardiff Bay train station remains the most easterly train station in the city. Consequently, bus journey times to the city centre can take as long as one hour at peak times for many of the communities in the east.
11. It is proposed that access across the bridge will be controlled at morning and evening peaks to encourage modal shift in line with the Council’s transport objectives and targets. This will create a significant improvement to bus priority measures and should consequently attract more bus passengers as service provision will become more reliable. Direct link onto the A48 at peak times for buses will provide access to existing bus priority measures and enable quicker (limited stop services) access into the city centre. Providing access to the park and ride facility will also increase the range and choice of bus service to local residents providing better access to employment destinations at Cardiff Gate, the City Centre, Heath Hospital and further afield. Outside of peak periods,

car movements from and to Llanrumney will have improved access to the strategic highway network.

12. The East Cardiff Industrial Strategy specifically outlines the need for investment in connectivity to improve the economic outcomes of the area:

“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.”

“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.”

13. The Strategy also sets out the need to address natural barriers within the local area, notably the River Rhymney. In particular, the strategy states that *“The railway, River Rhymney and A-road network are major barriers to movement between residential and employment areas, increasing reliance on cars for access to work and limiting accessibility to the coastal area...Routes across the Rhymney River are limited, with access only available at Lamby Way and Newport Road, with hostile environments around highway junctions. Other routes through the area are also disconnected and poorly identified.”*

14. The new bridge will enable improved cycleway links between the communities of Llanrumney, Rumney, Pentwyn and Llanedeyrn providing better links to schools in the area and green spaces including the Rumney Trail. Additionally, the new Active Travel infrastructure to be provided in the future as part of the LDP North East Cardiff development will further enhance and complement connectivity of the emerging Cycle Super Highway networks links.

15. The development strategy approved by Cabinet in December 2019 therefore proposed the disposal of three plots of Council owned land illustrated in Appendix 1 to generate capital receipts to fund new transport infrastructure. The sites are summarised as follows:

- A) Circa 17 acres of land adjacent to the A48 junction at Pentwyn currently occupied by the Park & Ride facility to deliver local employment uses, whilst retaining the full existing Park & Ride capacity on site. The aspiration is to deliver a logistics/retail centre at this location.

- B) Circa 3 acres of land adjacent to Ball Road and fronting Llanrumney Hall currently utilised as a playing field by Llanrumney Rugby Club to provide up to 90 new open market residential units. The release of this land for development requires a statutory consultation process. The proposal is brought forward on the clear basis that a significant area of open space, larger than the site proposed for development, will be retained in front of Llanrumney Hall. In addition, the existing playing field will be re-provided in close vicinity, with enhanced new facilities on the site of the former Llanrumney High School. Community access will also be provided at community rates to new 3G pitches to be delivered as part of the scheme to upgrade the existing Cardiff University Sports complex off Mendip Road (see Confidential Appendix 9). The release of this land for development is based on the principle of swapping land unsuitable for residential development due to flood management regulations with land suitable for residential development, with the aim of delivering significantly enhanced community facilities.
- C) Circa 1.5 acres of brownfield land off Ball Lane to enable the development of approximately 80 units of predominantly affordable residential units.
16. A development appraisal was undertaken by independent valuers and was attached to the report IN December 2019 as Confidential Appendix 2. This appraisal made a number of assumptions in the absence of any specific site due diligence and legal title reports but concluded that following financial appraisal, disposal of the three sites could deliver capital receipts to meet the capital costs of delivering the new road link and bridge plus the required contribution towards improved local sports facilities.
17. As recommended in the 'Next Steps' section of the December report, agents were appointed to market the three sites for Expressions of Interest.
18. In July 2020, bids were received for all three sites and the agents have provided a summary of each bid with recommendations relating to best value under the provisions of the Local Government Act - Section 123, attached as Confidential Appendix 3 to this report.
19. Heads of Terms have been drafted for site (A) outlined in paragraph 10 above and are attached as Confidential Appendix 4. Heads of Terms have been drafted for sites (B) and (C) outlined in paragraph 10 above and are attached as Confidential Appendix 5.

Issues

Land adjacent to the A48 Junction, Pentwyn - Site (A)

20. The Council has received an offer to deliver a logistics centre incorporating a replacement Park and Ride facility of the same capacity as currently provided that subject to planning will deliver a capital receipt

sufficient to fund the proposed new road link and bridge. Heads of Terms outlining a timetable that the proposed developer will agree to work to is attached at **Confidential Appendix 4**. The developer would seek to enter into an exclusivity agreement with the Council following Cabinet approval to begin commissioning necessary surveys/reports to determine the abnormal costs and ascertain these within a period of twelve weeks. The offer currently made is subject to having further certainty around abnormal costs, which will be deducted from the offer made in the Heads of Terms. Once this figure is agreed, exchange of contracts is to be secured within a period of 30 days.

21. Ordinarily, the developer will then seek to submit a planning application within three months of the exchange of contracts. There are however, a number of ecological issues to address with the site given its proximity to the river Rhymney and planning colleagues have been engaged through the tender process to advise and mitigate the risk of delays due to timings of surveys required as part of a planning process.
22. The developer is keen to progress with the development and has expressed a strong desire to be operational by December 2021 with an indicative scheme outlined at **Confidential Appendix 6**.
23. The developer has prepared a draft programme outlined at **Confidential Appendix 7** and will work with the Local Planning Authority and the Council's Transport Department to meet this schedule. This may mean that the development is brought forward in two separate planning applications with relevant conditions attached.
24. Throughout the marketing process the retention of the Park and Ride facility at the same capacity as currently provided is a condition of sale and whilst it is recognised that there may be some disruption during construction, the importance of the facility is noted by all parties and temporary arrangements will be made on site to enable continuity of service.
25. As part of the ongoing dialogue, the preferred developer would be prepared to deliver the new road link and bridge as part of the delivery of their development in lieu of a capital receipt. If this is ultimately deemed to be the preferred delivery route it would be secured as a s106 planning obligation against the development.

Land at Ball Road and Ball Lane –Sites (B) and (C)

26. The Council has secured an offer to deliver the proposed residential development on the two sites of Ball Road/Ball Lane. Heads of Terms have been drafted and a masterplan has been commissioned as part of the Heads of Terms, which is appended as **Confidential Appendix 8**.
27. A condition of the sale is the re-provision of four existing Council dwellings. Discussions have progressed to the point where these will be provided through the planning process. The proposal is that these dwellings will be constructed to the Council's Design Quality

Requirements as social housing units and transferred to the Council on a freehold basis under a s106 obligation.

28. Engagement with the Local Planning Authority will again be crucial as part of this process. Further statutory consultation is required and therefore a final decision on the disposal of these parcels of land will be subject to a further Cabinet decision. It is proposed to issue licences during this period to enable site due diligence to progress.

Local Member consultation (where appropriate)

29. Local members have been engaged with the proposals for the new road and bridge and endorsed the December 2019 to progress with the marketing of the three sites.

Reason for Recommendations

30. To seek approval for the disposal of land adjacent to the A48 at Pentwyn and to note the intention to dispose of land at Ball Road and Ball Lane to bring forward delivery of a new road link and bridge between the Llanrumney ward and the A48 as part of the East Cardiff Industrial Strategy.

Financial Implications

31. This report seeks approval to progress with the disposal of Pentwyn Park and Ride site to enable delivery of the new bridge and road link to connect the A48 as part of the Council's East Cardiff Industrial Strategy. Following on from the Cabinet decision in December 2019 to seek expressions of interest in the sites within this report, a marketing exercise was undertaken resulting in a number of bids being received in July and August 2020. Following a review of the bids received, a recommendation was put forward by Council's independent property advisors (**Confidential Appendix 3**) to proceed and progress with the offer from the highest bidder. Heads of Terms (**Confidential Appendix 4**) have now been drafted for the proposed conditional sale of freehold interest in the site to the proposed purchaser.
32. A summary of the marketing process by Council's independent property advisors (**Confidential Appendix 3**) compares the highest bid received with the 'base case' report presented to Cabinet in December 2020, and notes that the offer received by the highest bidder exceeds the proposed receipt anticipated in the 'base case'. This assists in demonstrating the proposed offer provides the Council with the best value for money solution. It must be noted though that the actual capital receipt achieved will remain subject to the deduction of certain deductible items and abnormal costs the Developer incurs in obtaining planning consent and preparing the site for development.
33. Subject to Cabinet approval of the Heads of Terms set out in **Confidential Appendix 4**, the Council will enter into a formal Exclusivity Agreement with the proposed purchaser. The purchaser will then begin

commissioning necessary surveys / reports to determine the applicable abnormal costs and any deductible items with a view to exchanging conditional contracts within 30 days of agreeing the abnormal costs and deductible items. All costs of these works will remain with the purchaser, who will pay the Council a refundable deposit upon exchange of contracts.

34. As set out in December 2019 Cabinet report, 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. The marketing exercise described above, and the subsequently agreed Heads of Terms, currently meet this criteria and demonstrate the delivery of the new bridge and road link can be self-financing. This report recommends Cabinet agree to ringfence any capital receipts received to enable delivery of proposed bridge and road link, the new Outdoor Sports Complex in Llanrumney and other projects in the immediate vicinity.
35. 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.
36. The report also requests Cabinet note the proposed Heads of Terms agreed for the potential disposal of Ball Road and Ball Lane sites, as well as authorising a consultation process and licences for investigatory works. Included within the Heads of Terms (**Confidential Appendix 5**) is a condition that the purchaser commits to re-providing four existing Council dwellings. These dwellings will be re-provided at no cost to the Council, with the Council also due to hold the freehold interest in the re-provided dwellings.
37. Any disposal of this land will be subject to a future Cabinet decision, and must be supported by independent valuation advice at the time to demonstrate value for money. Independent valuations will therefore need to be carried out ahead of any proposed disposal of land being completed.
38. 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.

Legal Implications (including Equality Impact Assessment where appropriate)

39. The Council has general power to dispose of land pursuant to s.123 of the Local Government Act 1972 and is required to secure the best price reasonably obtainable. Where land held or has been appropriated by the

Council is held for planning purposes, specific power of disposal is available under s.233 of the Town and Country Planning Act 1990 to secure the best use of land or buildings or to secure the erection or construction of any buildings or works for the proper planning of its area.

40. The Council's Acquisition and Disposal of Land Procedure Rule require advice to be obtained from the Council's Valuer as to the terms of the disposal and ancillary licence arrangement.
41. Where a Council disposes of land containing a playing field or part of a playing field, it must have regard to the Playing Fields (Community Involvement in Disposal Decisions) (Wales) Measure 2010 and comply with the procedure set out in the Playing Fields (Community Involvement in Disposal Decisions)(Wales) Regulations 2015. The Regulations requires the Council to undertake a process of public consultation and to consider any responses prior to the making of a decision to dispose.
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 and the report deals with all these obligations. The Council has to consider the Well-being of Future Generations (Wales) Act 2015 and how this strategy may improve the social, economic, environmental and cultural well-being of Wales.
43. 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.
44. 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 2019-22: <https://www.cardiff.gov.uk/ENG/Your-Council/Strategies-plans-and-policies/Corporate-Plan/Pages/Corporate-Plan.aspx> When exercising its functions, the Council is required to take all reasonable steps to meet its well-being objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the well-being objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.
45. The well-being 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.
46. 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>
47. The Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties) – the Public Sector Equality Duties (PSED). These duties require the Council to 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 • Sexual orientation • Religion or belief – including lack of belief.

HR Implications

48. There are no HR implications in this proposed transaction.

RECOMMENDATIONS

Cabinet is recommended to:

- 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.

SENIOR RESPONSIBLE OFFICER	Director Name Neil Hanratty
	Date submitted to Cabinet office

The following appendices are attached:

- 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