

ATLANTIC WHARF MASTERPLAN

**INVESTMENT & DEVELOPMENT (COUNCILLOR RUSSELL
GOODWAY)**

AGENDA ITEM: 11

Appendices 2 - 6 of this report are not for publication as they contain exempt information of the description contained in paragraphs 14 and 16 of part 4 and paragraph 21 of part 5 of Schedule 12A of the Local Government Act 1972.

Reason for this Report

1. To seek Cabinet approval of the draft Atlantic Wharf masterplan relating to the regeneration of circa 25 acres of Council owned land in Cardiff Bay.
2. To seek authority to commence a public consultation process to engage local residents and businesses on the proposals.
3. Following completion of the consultation process, to seek authority to prepare of an outline planning application, to support delivery of the Indoor Arena project.

Background

4. The regeneration of Cardiff Bay is widely regarded as an exemplar urban transformation project. The area is now completely unrecognisable from the scarred landscape left behind by the demise of the coal and steel industries. The renewal strategy was spear-headed in the mid 1980s by the County Council's decision to locate its new headquarters building on reclaimed land adjacent to Bute West Dock.
5. In 1987, the Cardiff Bay Development Corporation was established by the UK Government to provide a dedicated regeneration focus over an area that made up almost one sixth of the total area of Cardiff. Over a period of 13 years, to March 2000, CBDC reclaimed around 200 acres of derelict land, and over £1.8 billion of private finance was invested. The Council also played a critical role in the regeneration process, retained all planning powers; a unique arrangement across the 11 Urban Development Corporations created at the time. The result was the creation of a mixed-use urban environment that is now home to many thousands of people and has

become established as Wales' leading urban visitor destination. Ambitious projects of international repute, such as the Cardiff Bay Barrage project, creating a 200 hectare impounded lake, the iconic Wales Millennium Centre and the Richard Rogers designed Senedd building have catalysed the regeneration of the area, particularly the 'Inner Harbour' area, which is now a vibrant mix of waterfront residential, offices and leisure/retail uses.

6. Whilst the transformation of Cardiff Bay is evident for all to see, there remains significant work to do to elevate the area into the top echelons of UK urban visitor destination capable of delivering a step-change to Cardiff's visitor numbers. Cardiff still lags significantly behind cities like Bristol and Liverpool both in terms of the number of visitors attracted from outside of the local area, and importantly in terms of GVA uplift generated off the back of the length of time visitors stay.
7. Cardiff Council remains committed to building on the momentum of previous investment and to '*writing the next chapter in the Cardiff Bay regeneration story*' as set out in the political administration's policy framework document Capital Ambition.
8. In April 2019, the Council launched its new Economic Strategy, endorsed by the city's business community following a public consultation process, setting out priorities and commitments for the future economic regeneration of the city. The plan sets out two key priorities:
 - i) **Metro Central** – the completion of a new office-led mixed use business district in the city centre anchored by the modernisation of Cardiff Central Station.
 - ii) **Atlantic Wharf** – delivery of the next phase of the Cardiff Bay regeneration story to establish Cardiff Bay as a premier UK visitor destination, anchored by a new Indoor Arena.
9. The Council's Corporate Plan also sets out the importance of continuing the regeneration of Cardiff Bay and highlights its role in helping to tackle poverty and improve equality and opportunity for the residents located in the city's 'Southern Arc'.
10. The Atlantic Wharf project is regarded by the Council as the primary catalyst for the next phase regeneration of Cardiff Bay. The site encompasses circa 25 acres of Council owned land including the existing County Hall site and the recently acquired Red Dragon Centre site, as well as land in the ownership of Welsh Government on Lloyd George Avenue and an area of privately owned land on Pierhead Street, as illustrated by the site plan at Appendix 1.
11. The plan seeks to deliver a major extension to Cardiff Bay's Inner Harbour area and is of similar scale in terms of square footage and investment value to the St David's 2 shopping centre development recently delivered in Cardiff city centre. The aim is to provide a long-term sustainable footing for the businesses that have already invested in the area, as well as providing the necessary footfall uplift to attract the next phase of new investment. It also

seeks to address the Council priority to *improve the link between the city-centre and Cardiff Bay* through redesigning parts of Lloyd George Avenue and by supporting the delivery of new public transport infrastructure and active travel links along the key Lloyd George Avenue route.

12. The Atlantic Wharf site is located in the Butetown ward of the 'Southern Arc'. The Southern Arc encapsulates around two fifths of the whole of Cardiff and consists of 11 wards in the south of the city. If considered as a discrete area in its own right, it would be by far the most deprived area in Wales, as defined by the Wales Index of Multiple Deprivation. The Butetown ward has for some time experienced poorer economic outcomes than the Cardiff and Welsh averages, and current claimant count data suggests that the unemployment rate for the area is 2.4 times higher than both the Welsh and UK average. The BTN01 Lower Super Output Area within the Butetown Ward is also amongst the most deprived in Wales according to the 2019 Wales Index of Multiple Deprivation and ranked in the worst 10% of performing areas in terms of both the Overall Index as well as the income, health, housing and physical environment domains. The new Indoor Arena is located on the boundary of BTN01, with some of the site in BTN01.
13. The proposed Atlantic Wharf regeneration project will provide a substantial number of new jobs, both during construction and thereafter, in close proximity to a number of Cardiff's most disadvantaged communities. Through engagement with developers, the Council will secure commitments to deliver local jobs and local training. Commitments have already secured in relation to the delivery of the new Indoor Arena project, which has now entered the Preferred Bidder stage following a decision by Cabinet on 26th November 2020.
14. The new Indoor Arena project is regarded as the anchor project of the Atlantic Wharf regeneration. In February 2018, Cabinet authorised the selection of Atlantic Wharf as the preferred location for the new Indoor Arena. In February 2019, as part of the budget setting process, Cabinet approved an affordability envelope in the Council's Medium Term Financial Plan to support delivery of the new Indoor Arena including financial provision for the acquisition of the Red Dragon Centre site. In July 2019, Cabinet gave authority to begin a procurement process to secure a developer/operator consortium to deliver an Indoor Arena at Atlantic Wharf, Cardiff Bay with a minimum capacity of 15,000.
15. In December 2019, Cabinet approved the acquisition of the Red Dragon Centre investment and other land.
16. The procurement process for the new Indoor Arena has moved forward significantly over recent months and the Council now has a private sector offer that meets the city's aspirations. In November, Cabinet approved appointment of a preferred bidder and is now in the processes of completing a Full Business Case ahead of final contractual commitment and the submission of a planning application in the summer of 2021.
17. The Indoor Arena project is regarded as an anchor project in the Atlantic Wharf scheme for a number of key reasons. It will provide a step-change in

the number of visitors to the area, with over 1 million people attracted to circa 140 events at the venue each year. This is fundamental in attracting investment in new leisure related businesses, including hospitality businesses, as well as helping to sustain the existing investments in the Inner Harbour area.

18. The level of footfall increase delivered by the new arena is anticipated to attract complementary investment that will further grow the footfall attracted to the area. This will help to support and sustain new public transport services, including the proposed Cardiff Metro tram-train link from the city centre to the Bay. It should also create the customer patronage required to boost fare-box takings and underpin proposals to extend the Cardiff Metro by linking to the City Line in the west and to the proposed new St Mellons Parkway station in the East.

Issues

19. In order to support delivery of the new Indoor Arena, the Council is required to bring forward a plan for the transformation of the area that will surround the new Arena, both in terms of supporting access to and from the new venue, but also to provide a strong commercial context for the property investment required for the new Arena.
20. The Council selected Atlantic Wharf as the preferred location in February 2018. This was followed by detailed feasibility work to identify the optimum location within Atlantic Wharf for the location of the new Indoor Arena. The existing County Hall car park site was chosen for a number of reasons:
 - It represents the least cost option following detailed financial appraisal including impact on services and infrastructure.
 - It allows the development to progress unencumbered by the need to demolish and relocate any other building before progressing.
 - It provides the opportunity for a very strong physical connection back to the Oval Basin and the Cardiff Bay Waterfront.
 - It provides the opportunity to disperse crowds to minimise impact on surrounding communities post event by requiring a short walk by visitors to proposed new transport nodes.
 - It minimises impact on key road infrastructure required to provide an alternative route to allow for management of the Butetown Tunnel.
21. In addition to the location of the new Arena, there are a number of considerations that need to be taken into account in establishing a redevelopment framework:
 - Whilst the Council is committed to modernising its operational estate and to consolidating into '*fewer but better buildings*' it is yet to decide whether to refurbish County Hall to make it fit for purpose for the long-term or to relocate into a new purpose built building. As such, the masterplan framework needs to provide for the continued operation of the existing County Hall building whilst also identifying opportunities for alternative arrangements.

- The retention of existing tenants in the Red Dragon Centre (RDC), both in terms of the successful operation of existing businesses during the redevelopment phases around the RDC and the need for any replacement RDC to be built before the existing building can be demolished to allow tenants an uninterrupted transition.
 - The consolidation of existing low value surface car parking into a multi-storey car park (MSCP) to free up land for development/the provision of new public open space.
 - Opportunities to attract more people to live and work in the area to create a vibrant new urban centre that has life and activity 7 days a week.
 - Opportunities for major environmental improvements including upgraded public realm, new areas of public open space, and the introduction of green spaces and trees.
22. A key aim of the new masterplan is to create a seamless extension to the Inner Harbour area to create a larger attraction that improves Cardiff Bay's long-term viability and its status as a UK visitor destination.
23. Based on the above, an initial phase of work has been undertaken to establish a draft masterplan as the basis for undertaking a process of engagement with the local community, the residents of Cardiff more widely, and the business community of Cardiff.

Development Zones

24. The masterplan will act as an investment prospectus that will promote opportunities to the private sector in support of the Council's vision. A public-private partnership approach will continue to be the Council preferred way of delivering the development.
25. In addition to the Council owned County Hall site and Red Dragon Centre site, the masterplan boundary also includes land privately owned on Pierhead Street, and land owned by Welsh Government along the length of and adjacent to Lloyd George Avenue as illustrated by the plan attached at Appendix 1.
26. Confidential Appendix 2 illustrates a number of development zones identified around key anchor developments as follows:
- **Indoor Arena** - a new 15,000 capacity Indoor Arena hosting circa 130 events each year, including the relocation of the existing Travelodge Hotel provide a new, extended 176 Bedroom hotel.
 - **New RDC** - the redevelopment of the Red Dragon Centre to deliver:
 - a new Leisure Offer (re-locating Hollywood Bowl, Gym, Casino etc)
 - a new Odeon LUX
 - a new A3 Food & Beverage offer
 - 150 Residential Units (PRS)
 - A 'This is Wales' Virtual Reality Fly-through attraction

- **Cultural Quarter** - the creation of a new cultural quarter adjacent to the Wales Millennium Centre including a proposed new Production Studio and a major new cultural attraction subject to the identification of funding.
- **Commercial Quarter** – a new 150,000 sq ft headquarter office building fronting the event square and a new 150 bed, 4 star plus, 14 storeys hotel.
- **Residential Quarter A** – in the event that the Council decides to relocate out of the existing County Hall building, the proposal is to provide a residential-led, waterfront, mixed-use development with active ground floors to include retail, food & beverage and potentially office uses delivering around 600+ new homes in a mixed complex of apartment blocks of circa 10 storeys in height.
- **Residential Quarter B** – fronting Lloyd George Avenue (to the west) and the new event square (to the east) a residential-led development with the opportunity for vertically integrated mixed-uses including offices, hotels and residential with the potential to deliver 400+ new homes. This area of the plan has the potential to deliver some height.
- **Event Square** - a major new event square and family attraction (of circa 10,000m² - bigger than a full size sports playing pitch).
- **Car Parking** – consolidation of existing parking into an MSCP delivered in 2 phases.
- **Transport Hub** – to provide a main terminus and interchange for new tram-train services and bus services to Cardiff Bay to be based on the Pierhead Street site as part of a mixed-use development. The proposal includes a new pedestrian bridge across the A4232 to provide direct access from the main event square to the Transport Hub.
- **Lloyd George Avenue** - re-design of the existing dual carriageway highway to reduce the road capacity to a single-lane in each direction to provide space for an extended landscaped walkway promenade connecting the city centre to the Bay and opening up the opportunity for limited development at key intersections along the route. This zone includes proposals for the re-alignment of the flourish area to reduce traffic and enhance the pedestrian connectivity between the Inner Harbour and Atlantic Wharf.

Place Making

27. A central theme of the masterplan is to create a new destination place in Cardiff Bay by significantly extending the Inner Harbour with additional attractions, spaces and cultural assets.
28. Whilst the plan seeks to create a place that is welcoming and attractive to visitors, it is very much designed to become an extension of the local community, with over 1150 mixed tenure new homes planned. The aim is to

establish a vibrant urban environment that is active all year round, including weekends and in the evening.

29. Investment in high quality public spaces is critical if the plan is to deliver the aspiration of extending the Cardiff Bay visitor destination. Confidential Appendix 2 outlines the proposal for a major new formal event square. The event square is complemented by a series of informal spaces around its edge, which provide the opportunity for significant greening, including the planting of new trees. An initial review, subject to detailed design, suggest potential for a net increase of circa 300 trees. It is also intended to provide a free to use children's play attraction in the event space, which will be complimentary to the space being used to host events from time to time.
30. Enhancing the relationship between the Atlantic Wharf site and the Cardiff Bay waterfront is a central design feature. The orientation of public realm corridors and buildings attempts to make the most of the connection back to the waterfront, to provide views from development, and also a strong pedestrian connection to re-inforce the intension that the Atlantic Wharf site becomes an extension of the Inner Harbour area.

Mixed Use Development

31. The redevelopment of the Atlantic Wharf site aims to deliver a leisure-led mixed-use development to enhance Cardiff Bay's credentials as a visitor destination. This will potentially involve the full range of mixed uses including residential, offices, retail, leisure etc, but will seek to place key leisure infrastructure in the focal areas of the plan.
32. The mixed-use approach may also emerge vertically (i.e. within a building) as well as horizontally (i.e. across a site). Recent development in cities such as London and Manchester have seen individual buildings include retail/leisure activities on the ground floor; a number of floors of office development; with residential/hotel above. This type of 'city centre' urban development allows vibrancy and activity at the ground level with residential buffered from noise/intrusion either by double/triple height ceiling levels on the ground floor or a number of stories of offices which elevate the residential to a level where intrusion is minimised. The St David's 2 development is an example of the former; however, more and more vertically integrated developments including offices as a buffer are being delivered in areas of busy footfall.
33. The principle of active frontages is designed into the draft plan throughout.

Phasing Plan

34. The Atlantic Wharf masterplan is intended to be a flexible document that can adapt to market interest and investment opportunities as they arise. It is anticipated that the plan will take at least 7 years to implement depending on market conditions over that period.

35. Confidential Appendix 2 sets out a phasing plan developed around the key building blocks outlined in paragraph 26 above; some of these phases could potentially be delivered concurrently.
36. **Phase One:** Delivery of the new Indoor Arena is regarded as the key anchor project and the first phase of the plan. The Council's commitment to the Arena project will help to create confidence in the private sector to engage in the subsequent phases. The Arena will also deliver a significant increase in footfall in the area that will bolster the investment case for uses such as retail/leisure/culture etc. The new Indoor Arena project requires the relocation of the existing Travelodge Hotel, and the consolidation of surface car parking into a multi-storey car park (MSCP) and therefore both of these developments are considered part of the first phase.
37. **Phase Two:** Transformation of the Red Dragon Centre into a new purpose built development with modern upgraded facilities and including circa 150 units of PRS residential above. This phase requires the new MSCP to be completed before it can commence to ensure leases with existing tenants can be maintained and smoothly transitioned (see Confidential Appendix 3).
38. **Phase Three:** Delivery of a new head quarter office building and 4 star hotel fronting the event square. The hotel development will need to commence after completion of the Arena as its proposed location is allocated as the site office during the Arena construction period. The delivery of offices will be subject to end user demand and can only be brought forward after the MSCP is delivered.
39. **Phase Four:** The proposed residential fronting Lloyd George Avenue and on the site of the current County Hall should it become available for development are considered latter phase development subject to completion of the earlier phases and a decision on the future of County Hall.
40. **Transport Hub:** The proposed Transport Hub is located on a separate site to the rest of the Atlantic Wharf development and could potentially come forward at any point in the development cycle following a commitment to funding.
41. **Cultural Quarter:** The land allocated to the delivery of the Cultural Quarter will be available following the completion of Phase Two, with timing dependent on the availability of funding for the component parts.

Transportation Strategy

42. The transport strategy for the Atlantic Wharf masterplan will be public transport-led. This is a critical aspect of ensuring the development demonstrates a strong contribution towards the administration's commitment to the climate emergency.
43. The choice of Atlantic Wharf as the preferred location for the new Indoor Arena was cognisant of the need to improve public transport connectivity to Cardiff Bay. The anticipated 1m plus visitors to the Arena each year should significantly improve the business case for investment in public transport

infrastructure. This includes the potential to extend the committed Cardiff Metro investment linking Queen Street Station to the Bay to create a cross-rail service linking westwards to Central Station and the City Line and eastwards to the proposed new Cardiff Parkway station at St Mellons.

44. The masterplan proposes the creation of a new hub station for the Bay on Pierhead Street providing an interchange for tram-train services and bus services as well as facilities for taxi's and coaches. As yet, the funding for this proposal is not secured, however it is anticipated to be delivered through a combination of public and private investment.
45. The plan also understands that Arena development will require an element of car based journeys. To that end the plan proposes to provide a new MSCP on the site. However, given the administration's commitment to the climate emergency, and the desire to deliver a public transport led development, car parking will be limited to the existing level of spaces available across the Atlantic Wharf site. All other car journeys would be expected to utilise city centre car parks with the last mile of journeys either involving public transport or active travel.
46. Active travel will also form a key part of the strategy. The plan includes proposals to remodel Lloyd George Avenue by reducing the road infrastructure from a dual carriageway to a single lane in each direction to free up space to create a much-improved landscaped boulevard corridor linking the city centre to Cardiff Bay. This proposal also explores the potential to improve east-west connectivity by establishing new focal points at intervals along the length of the road to open up access between existing communities either side of the existing railway line and wall, and to provide visitors to the area with facilities and points of interest to break up the journey. The active travel plan will also be supported by a proposed extension to the existing cycle superhighway plans along Lloyd George Avenue to connect into the proposed new transport hub on Pierhead Street and beyond through Porth Teigr towards the barrage.

Sustainability Strategy

47. On 28 March 2019, Cardiff Council approved a motion to declare a climate emergency. The Welsh Government also declared a climate emergency on 29 April 2019, the day after the Scottish Government and followed by the UK Government on 1 May. Over 70 Councils in the UK have now declared a climate emergency with the majority including targets to be achieved by 2030. As part of this, the Council has agreed to support the implementation of the Welsh Government's Low Carbon Delivery Plan, which aims to secure a carbon neutral public sector in Wales by 2030. This includes the commitment for the Council to progress a wide range of projects in support of the existing Carbon Reduction Strategy and to further reduce carbon emissions from the Council's operations.
48. The Atlantic Wharf masterplan aims to deliver a Net Carbon Zero development across the whole of the site based on delivering energy efficient buildings with supply of energy from renewable sources. The Council is mindful that this ambition does not only relate to the operational

phase of development, i.e. it also includes the construction phase, which can account for more than half of all carbon emissions. Net Carbon Zero therefore needs to take account of embodied emissions from materials sourcing and construction, as well as maintenance, replacement and eventual demolition.

49. At this same meeting, Cabinet is also considering a report to approve the Full Business Case for the Cardiff Heat Network. This follows approval by Cabinet on the 19th April 2018 of the Outline Business Case which is mostly based on the supply of heat from the Trident Park Energy Recovery Facility (ERF). As part of the development of the Full Business Case, grant funding of £6.628m for Phase 1 has been obtained from the Department of Business, Energy and Industrial Strategy's Heat Network Investment Project. As part of the application for HNIP Capital funding, the Council committed to ensuring the proposed new indoor Arena is connected to the heat network and this will also be connected to Phase 1. The Arena makes a significant contribution towards the overall financial viability of the scheme.
50. The Council is also seeking to learn from exemplar schemes across Europe such as the battery storage scheme at the Amsterdam Arena, which seeks to provide the venue with an element of energy independence. Proposals for a green parking solution are also being considered.
51. A detailed sustainability strategy will be submitted as part of the planning application process.

Land Assembly

52. The Council is now in control of the vast majority of land required to deliver the regeneration of Atlantic Wharf. There are a number of minor residual land interest that need to be acquired and two significant land interests: one to assist with the delivery of the Arena; and one to enable delivery of a new MSCP in the location identified by the draft masterplan.
53. As part of the November Cabinet decision to appoint a 'Preferred Bidder' for the Arena development, Cabinet agreed to delegate authority to specified officers in consultation with relevant Cabinet Members to conclude the land assembly strategy.

Development Appraisal

54. The Development Appraisal attached at Confidential Appendix 5 illustrates that the proposed masterplan is a commercial viable proposition. However, each element of the plan will need to be tested in more detail through a detailed business planning process, in particular:
 - The new Indoor Arena
 - The future of County Hall
 - Red Dragon Investment

- Each Cultural Quarter Asset

The Cardiff Metro and the Cardiff Heat Network projects will also be subject to the business planning process.

County Hall

55. The draft masterplan addresses the potential of the current County Hall site and identifies a potential location for a new County Hall development. It is however important to stress that the Council is yet to decide its long-term strategy for its core office accommodation. The current plan remains to consolidate into the fewest possible buildings with staff relocating into the existing County Hall building.
56. The Council was preparing to undertake a Detailed Business Case to determine the preferred approach to its core office estate. However, the onset of the COVID-19 pandemic has led to a pause in this work to provide sufficient time to understand the impacts of the changes to working patterns and service delivery that have taken place and to determine the extent to which these changes will be retained as the norm in the future. This could inevitably affect the Council's long-term requirement for office accommodation and therefore it is anticipated that the Detailed Business Case will not commence until the pandemic has been fully managed.
57. Nonetheless the draft masterplan explores the potential of the whole site including the redevelopment of the existing County Hall site should a decision subsequently be taken to relocate. The plan also provides an option for the existing building being retained, however this is explored in less detail as this option would have less of an impact on the overall masterplan.

Financial Approach

58. The Council has established a financial envelop to assist with delivery of the new Indoor Arena and the broader Atlantic Wharf masterplan. The Council has already invested significant resources in land assembly and will be seeking to recover this investment through the redevelopment process. An overview of the financial approach is attached in the Financial Report at Confidential Appendix 6
59. A number of the proposed developments have the potential for Council involvement. The Council will need to consider the extent of its involvement which can range from: simply disposing of land to facilitate development; or building out a development and then disposing of the development, taking on developers risk in return for a greater receipt; or build out a development and keep the asset as an investment to generate long-term income.
60. For each project, the Council will need to balance risk and reward. Each opportunity will be considered through a detailed business case process, with approval required from Cabinet before proceeding.

Next Steps

61. The masterplan attached at Confidential Appendix 2 is a draft proposal designed to enable consultation and engagement with local communities, businesses and stakeholders, in advance of the pre-planning application process that will commence in the summer of 2021. The intention is to prepare a hybrid planning application to secure outline permission for the masterplan at the same as securing detailed permission for the new Indoor Arena development.
62. The Council has now appointed a preferred bidder for the Arena development and will seek to progress the consultation process on the draft masterplan at the same time as engaging with local communities, businesses and stakeholders on the Indoor Arena development.
63. The report to Cabinet on the Arena development in November also secured authority to undertake an Outline Business Case to determine the preferred approach for delivery of a new Multi-Storey Car Park (MSCP).
64. Once the draft masterplan has been agreed, work will then need to progress on the development of an OBC to determine the preferred approach for delivery of the proposed redevelopment of the Red Dragon Centre (RDC).
65. The OBC for the proposed new MSCP and the OBC for the redevelopment of the Red Dragon Centre will both need to be presented back to Cabinet for authority to proceed to the Full Business Case stage to determine final designs and costs.

Local Member consultation (where appropriate)

66. Local Members are aware of the proposals and will be consulted as part of the planning process.

Reason for Recommendations

67. To seek approval of the draft Atlantic Wharf masterplan and authority to undertake a consultation process before commencing the preparation of a planning application.

Financial Implications

68. This report is seeking Cabinet approval of the draft Atlantic Wharf masterplan and contains a wide range of proposals, including the proposed redevelopment of circa 25 acres of Council owned land in Cardiff Bay. Whilst approval in principal is being sought at this stage for the overall masterplan, the report sets out that this will be a business case led approach with more detailed individual scheme proposals to be brought to Cabinet for approval in due course. More detailed financial implications will be provided as and when these detailed proposals are brought forward with clear funding strategies identified to implement these proposals.

69. As set out within the report, the new Indoor Arena is intended to be the anchor project for this regeneration scheme, with several component parts of the proposed masterplan being intrinsically linked to delivery of the Arena. It is anticipated that the Arena Affordability Envelope, as agreed by Council in February 2019, will be utilised as the funding source for the early stages of this scheme. In the long-term, the overall scheme should be sustainable and self-financing in its own right by utilising capital receipts, s106 contributions, and new revenue streams generated.
70. This self-financing view is supported by the independent development appraisal attached as **Confidential Appendix 5** which concludes that *"a baseline financial position has shown the scheme could be self-financing if delivered by the Council. Given the wider regeneration impact investment the site could have, a benefits case for the scheme has the potential to be value for money at the city-wide level."*
71. The development appraisal, and in particular peak cashflow requirements, will need to be continually reviewed as the appraisal develops, with the phasing and delivery structure to be further optimised at the next stage to ensure peak cashflow and debt requirements remain within Council budgets. Further consideration to these points will be required at the next business case stage of the process ahead of more specific Cabinet approvals
72. This report also seeks authority to prepare a planning application for the masterplan to be submitted as part of a hybrid planning application with the new Indoor Arena, as well as preparation of an Outline Business Case (OBC) for redevelopment of the Red Dragon Centre (RDC). **Confidential Appendix 6** sets out the proposed budgets required to achieve this. It is proposed that these budgets will be initially funded via the Arena Affordability Envelope.
73. Any future disposal of Council land must be supported by an independent site valuation to demonstrate value for money. Similarly, each component part of the masterplan must also demonstrate value for money within a business case before it can be brought forward for approval.

Legal Implications (including Equality Impact Assessment where appropriate)

74. The Council has an obligation to ensure value for money in its management, acquisition and disposal of land and property as public assets. It is anticipated that additional detailed reports will be required upon specific transactions linked to the masterplan specific legal advice will be provided
75. 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, sexual orientation, religion or belief – including lack of belief. If the recommendations in the 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.

76. 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.

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> 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.

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

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>

77. 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 Generations (Wales) Act 2015 and how this strategy may improve the social, economic, environmental and cultural well-being of Wales.

RECOMMENDATIONS

Cabinet is recommend to:

- 1) Approve in principle the masterplan set out at Confidential Appendix 2 for the re-development of Atlantic Wharf site illustrated by the site plan at Appendix 1 and to authorise the commencement of a consultation process.
- 2) Authorise the preparation of a planning application to secure outline planning permission for the masterplan to be submitted as part of a hybrid planning application with the detailed application for the new Indoor Arena.
- 3) Authorise the preparation of an Outline Business Case to consider options for bringing forward the redevelopment of the Red Dragon Centre.

SENIOR RESPONSIBLE OFFICER	Neil Hanratty Director of Economic Development

The following appendices are attached:

Appendix 1 - Site Plan

Confidential Appendix 2 - Masterplan Report

Confidential Appendix 3 - RDC Tenant Report

Confidential Appendix 4 - Cardiff Bay Transport Strategy

Confidential Appendix 5 - Development Appraisal

Confidential Appendix 6 - Financial Report