

CARDIFF BAY REGENERATION OVERVIEW: PRE-DECISION SCRUTINY

Appendices 4-9, 11, 13 and 15-17 of the Cabinet Report attached at Appendix A are not for publication as they contain exempt information of the description contained in paragraphs 14, 16 and 21 of Schedule 12A of the Local Government Act 1972.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 provide Members with background information to assist pre-decision scrutiny of the draft report to Cabinet titled '*Cardiff Bay Regeneration Overview*, to be considered by Cabinet at their meeting on 10 March 2022.
2. Members should note that **Appendices 4-9, 11, 13 and 15-17** of the Cabinet report 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 10 March 2022, the Cabinet will consider a report that provides an update on the Indoor Arena project and the Council's priorities for the regeneration of Cardiff Bay and seeks approval:
 - a. Of the updated International Sports Village masterplan
 - b. To develop a Full Business Case for combined cycling activities
 - c. Of the Evaluation Criteria for the procurement for the Multi Storey Car Park (MSCP) at Atlantic Wharf
 - d. To delegate all aspects of the procurement of the MSCP up to award of the contract, subject to approval of the Full Business case.

4. During this scrutiny, Members can explore:
 - a. The updates on the Indoor Arena, Atlantic Wharf and Red Dragon Centre, including *Cardiff Live* and Lloyd George Avenue proposals
 - b. The proposed evaluation criteria for the Multi Storey Car Park at Atlantic Wharf
 - c. The updates on the International Sports Village, including work with Cardiff Bay Yacht Club, Mermaid Quay proposals, and Graving Docks proposals
 - d. The proposal to develop a Full Business Case for combined cycling activities
 - e. The financial, legal and property implications for the Council and any risks to the Council
 - f. The next steps and timelines involved, and
 - g. 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 4-9, 11, 13 and 15-17.***
6. Members will hear from Councillor Russell Goodway (Cabinet Member – Investment and Development). Neil Hanratty (Director of Economic Development), Chris Barnett (Operational Manager – Major Projects) and Jon Day (Operational Manager – Investment and Tourism) will give a confidential presentation. Members will be able to ask questions of the panel of witnesses.
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. **Points 5 – 12** of the report to Cabinet provide:

- a. an overview of the strategies and policies underpinning the Cardiff Bay regeneration projects
 - b. that the vision is to establish Cardiff Bay as a leading UK urban visitor destination, through establishing an environment to attract visitors from within Wales, the UK and internationally
 - c. improved visitor infrastructure will focus on culture, heritage, and creativity
 - d. local communities will feel the benefits of and be part of the regeneration story
 - e. a major improvement in transport connectivity is required.
9. **Points 13 – 21** highlight Cabinet approvals for Atlantic Wharf, Indoor Arena, Red Dragon Centre, the Multi Storey Car Park at Atlantic Wharf, the International Sports Village Masterplan, Velodrome, Car Parking Solution, Toys R Us building, acquisition of Greenbank Partnership Ltd land, relocation of Motocross, delivery of Closed Road Cycling Circuit, Cardiff Bay Metro and Transport White Paper.
10. The draft report to Cabinet titled '*Cardiff Bay Regeneration Overview*, is attached at **Appendix A** and has **17** appendices:
- **Appendix 1** - Atlantic Wharf Masterplan
 - **Appendix 2** - Arena Site Plan
 - **Appendix 3** - Atlantic Wharf Updated Masterplan
 - **Confidential Appendix 4** - Cardiff Live Proposal
 - **Confidential Appendix 5** - This is Wales/TICA Proposal
 - **Confidential Appendix 6** - WMC Proposal
 - **Confidential Appendix 7** - Family Attraction Proposal
 - **Confidential Appendix 8** - MSCP Procurement Evaluation Criteria
 - **Confidential Appendix 9** - Cardiff Bay Metro
 - **Appendix 10** - Transport Hub Proposal
 - **Confidential Appendix 11** - Lloyd George Avenue Study
 - **Appendix 12** - ISV Updated Masterplan
 - **Confidential Appendix 13** - Yacht Club / Cardiff Cruise Plans
 - **Appendix 14** - ISV Consultation Report
 - **Confidential Appendix 15** - ISV Operator Strategy Report

- **Confidential Appendix 16** - Mermaid Quay Site Plan
- **Confidential Appendix 17** - Graving Dock Proposal

Issues identified in the Cabinet Report

11. **Points 22-25** highlight the interconnectedness of the above projects, both financially and in terms of seeking environmentally friendly developments, which are carbon neutral, have sustainable drainage, support biodiversity, active travel, and public transport. They also highlight recent cost price inflation on construction projects.
12. **Point 26** sets out that consultations with local communities have taken place for Atlantic Wharf, Indoor Arena and Red Dragon Centre redevelopment, as well as the ISV masterplan. It highlights further consultations will be required, including on ideas for Lloyd George Avenue.
13. The report contains updates on several projects, found at the following points:
 - a. Points 29 – 32 – Indoor Arena
 - b. Points 33 -34 – Levelling Up Fund
 - c. Points 35-36 – Atlantic Wharf Regeneration
 - d. Points 37 – 38 – Red Dragon Centre
 - e. Points 39 – 41 – This is Wales Visitor Attraction
 - f. Points 42 – 44 - WMC Production Space
 - g. Points 45 – 46 – New Family Attraction
 - h. Point 47 – Cardiff Story Museum
 - i. Points 48 – 49 – Multi Storey Car Park
 - j. Points 50 – 54 – Cardiff Bay Metro
 - k. Points 55 – 58 Lloyd George Avenue
 - l. Points 59 – 68 – ISV land acquisition and updated Masterplan
 - m. Points 69 - 70 – new Velodrome
 - n. Points 71 – 74 – Maindy Velodrome relocation
 - o. Points 75 – 77 – Operation of ISV
 - p. Points 78 – 79 – Mermaid Quay and the Graving Docks
 - q. Points 80 – 83 – Alexandra Head
 - r. Point 84 – One Planet Cardiff Energy Strategy.

14. To avoid a lengthy cover report, bullet points of key changes for each of these are listed below:

Indoor Arena

- a. Decision on planning application due 16 March 2022.
- b. Several planning agreement conditions will fall to the Council, as landowner of the wider masterplan.
- c. The capacity of the Arena has increased to circa 17,000.
- d. The Development Funding Agreement is due to be concluded and signed by 18 March 2022. The Arena project is due to commence construction in summer 2022 and be operational early 2025.
- e. Proposing to put forward the Arena and wider Atlantic Wharf development for round two of the Levelling Up Fund.

Atlantic Wharf Regeneration Scheme Masterplan

- a. Proposed office development is now located on the plot fronting Lloyd George Avenue
- b. Proposed split replacement Red Dragon Centre into two separate developments, one delivered by the Council and one by the private sector. The building to be delivered by the Council will accommodate the existing tenants of the Red Dragon Centre
- c. *Cardiff Live* - Live Nation/ OVG consortium has approached the Council with an opportunity to expand the event infrastructure by providing a major Exhibition Centre and ancillary facilities including a business centre and conference hotel, which collectively would be branded *Cardiff Live*. This would require relocation of County Hall.

Red Dragon Centre

- a. Outline Business Case (OBC) due Spring 2022 – soft market exercise feedback highlights need to consider related projects in parallel to Red Dragon Centre, including the relocation of existing tenants, the public square, the demolition of all or part of existing RDC and delivery of indoor arena.

***'This is Wales'* Visitor Attraction**

- a. Designs and costs will be considered at the same time as the OBC for the replacement Red Dragon Centre in spring 2022

- b. Ongoing discussions to consider property transaction secured by 25 years+ lease

WMC Production Space

- a. Ongoing dialogue and design work progressing, with aim of considering OBC at same time as Red Dragon Centre OBC in spring 2022.

New Family Attraction

- a. A brief overview of proposal is attached at Confidential Appendix 7.
- b. An OBC is being developed within existing resources and will be presented to Cabinet in 2022, to seek authority to proceed to Full Business Case.

Cardiff Story Museum

- a. Potential space in new Red Dragon Centre – an OBC will need to be undertaken to understand financial implications to Council

Multi Storey Car Park

- a. Evaluation criteria set out in Confidential Appendix 8, for use during Pre-Qualification Questionnaire and Initiation to Tender stages.
- b. FBC to return to Cabinet in Autumn 2022, with works on site early 2023.

Cardiff Bay Metro

- a. Confidential Appendix 9 provides overview of Transport for Wales works.
- b. On target to commence works from Queen Street station to Cardiff Bay in August 2022, completing summer 2023
- c. Ongoing work with Welsh Government to provide direct link to Central Station and connections to new transport hub at Pierhead Street and Roath Basin
- d. Levelling Up funding bid being prepared for round 3, to deliver phase 1 of Crossrail

Lloyd George Avenue

- a. Opportunity to make better use of this space to provide a landscaped environment and encourage active travel; plan at Confidential Appendix 11.
- b. Requires engagement with local community to understand appetite for change and scale and nature of intervention that is possible; intention to commence this in next few months
- c. OBC to be presented to Cabinet in spring 2022

ISV Land Acquisition and Updated Masterplan

- a. Acquisition of Greenbank Partnership Ltd land underway, with first phase due March 2022 and second phase by end of 2022. Soft market testing of proposed disposal of some of the land is to be undertaken spring/summer and reported back to Cabinet in autumn before agreeing sales.
- b. Public consultation on updated ISV masterplan and relocation of Maindy Velodrome took place 15 December 2021- 17 February 2022 – full consultation report is attached at Appendix 14.
- c. The planning application for the new Velodrome is due to be considered in March 2022.
- d. The results of the soft market testing for a Multi Storey Car Park at the ISV will be reported back to Cabinet in summer 2022.
- e. A FBC for the Toys R Us site will be presented to Cabinet in summer 2022
- f. The Council has been working with Cardiff Bay Yacht Club to review the interface between their land ownership and the proposed residential development – see Confidential Appendix 13
- g. The plan for residential-led development includes an extended waterfront promenade enabling public access and new amenity spaces. Additional public open space will be provided to establish the core of a food and beverage destination.

New Velodrome Proposal

- a. It is proposed to extend the scope of the FBC to include the Off-Road Cardiff Motocross Facility and the Closed Road Cycle Circuit and to deliver the three facilities as one development, given the synergies and to reduce earth moving costs.
- b. It is proposed to prepare and submit a planning application, to RIBA Stage 3, covering the Off-Road Cardiff Motocross facility and Closed Road Cycle Circuit, to be determined in the late summer/ early autumn
- c. A FBC for the combined cycling facility will be taken to Cabinet in summer/ autumn 2022
- d. Subject to planning permission, the new Velodrome will progress to RIBA Stage 4, and remain on track for a start-on-site by end of 2022.

Relocation of Maindy Velodrome

- a. Public consultation on updated ISV masterplan and relocation of Maindy Velodrome took place 15 December 2021- 17 February 2022 – full consultation report is attached at Appendix 14. The report to Cabinet states, at Point 74, *‘Where there is acknowledgement that the relocation of the Maindy Velodrome will be upsetting for some, the public opinion shows no significant opposition or support for the relocation of the existing velodrome. The responses received do, however, include support for the development of modern, dedicated sports facilities at the International Sports Village.’*

Operation of the ISV

- a. The Council needs to confirm the future operating model of the leisure destination at the ISV, as this will impact on future revenue projections and may have other financial implications including VAT.
- b. The conclusion of independent advisors exploring the optimum operating model is set out in Confidential Appendix 15; they suggest a hybrid model of operation
- c. Soft market testing work will be reported back to Cabinet in summer 2022.

Mermaid Quay and the Graving Docks

- a. The owners of Mermaid Quay have approached the Council regarding the lease of land owned by the Council, illustrated at Confidential Appendix 16. This opportunity will be taken forward under delegated authority.
- b. It is proposed to promote Gravings Docks as an opportunity for the private sector to secure investment to deliver and operate an outdoor Lido/ Spa facility – initial concept designs are at Confidential Appendix 17.

Alexandra Head

- a. In recent years there have been discussions with investors to develop a spa resort of international standing at this site. The site has also been used for significant events and has potential to be developed as an outdoor festival park.
- b. A decision on the future use of this site is a priority for the Council. A report will be brought to Cabinet in due course to seek authority to develop a business case once an appropriate use is identified.

One Planet Cardiff - Energy Strategy

- a. The Council is committed to bringing forward energy strategies for each of its major regeneration projects; aligning these strategies will inform a

Strategic Energy Masterplan to help the Council meet its net zero Carbon obligations.

- 15.** Members are advised to consider the **Financial Implications** at **Points 86-88**, the **Legal Implications** at **Points 89-99**, and the Property Implications, at **Points 100-103**.

Proposed Recommendations to Cabinet

16. The report to Cabinet contains the following recommendations:

- i. Note progress on the Indoor Arena project and other projects that support the Council's commitment to the regeneration of Cardiff Bay.*
- ii. Approve the Evaluation criteria set out in Confidential Appendix 8 and to delegate authority to the Director of Economic Development in consultation with the Cabinet Member for Investment and Development, the Section 151 Officer and the Legal Officer to deal with all other aspects of the procurement of the Multi-Storey Car Park development at Atlantic Wharf up to the final appointment of the contractor which is subject to the approval of the Full Business Case at a future Cabinet meeting.*
- iii. Approve the updated masterplan for the International Sports Village attached at Appendix 12 and provide authority for the development of a Full Business Case for the combined cycling facilities, including submission of a planning application, as set out in this report.*

Previous Scrutiny

17. This Committee has undertaken numerous scrutinies of the Indoor Arena and International Sports Village, including scrutinies of the proposals for a Velodrome and the Multi Storey Car Park at Atlantic Wharf. In 2021, this scrutiny has included:

- a. March 2021 – Velodrome and ISV Development Strategy
- b. July 2021 – Atlantic Wharf Regeneration – Next Steps (*includes MSCP*)
- c. July 2021 – Velodrome: International Sports Village
- d. September 2021 – Indoor Arena Full Business Case
- e. September 2021 – ISV Update and Development Strategy

18. Much of the information considered in the above scrutinies has been confidential and therefore Members comments, observations and recommendations on this information cannot be included here. Regarding the information in the public domain, Members have made the following points:

Atlantic Wharf Regeneration – July 2021¹

- a. Member re-iterate their view, expressed following our scrutiny in December 2020, that designs should reflect the heritage of the area, of the Port of Cardiff, Butetown and Cardiff Docklands, bringing the sea and coast to bear.
- b. Members request consideration be given to providing social and affordable housing throughout the site, given the high levels of housing need in Cardiff and that these are predicted to increase post-pandemic.
- c. Members recommend that officers work with the Access Forum to gain a full understanding of access needs, so that these can be considered and addressed from the start of the footbridge design process.
- d. Members recommend that a further report to Cabinet be brought on the proposed delivery arrangements for the Cultural Production Partnership, to provide transparency and clarity
- e. Members request a copy of the questionnaire posted to local residents and details of the languages this has been provided in, given the high proportion of local residents from Black and Minority Ethnic communities whose first language is not English or Welsh.

Velodrome – July 2021²

- f. Members request that you provide details of the plans to achieve improvements to active travel routes to the ISV site, including access from Cogan Station, the Ely trail, routes around the Cardiff Bay Retail Park and routes within the ISV site and Cardiff Bay. We are seeking reassurance that active travel is being planned into the overall improvement of the ISV site.

¹ Public Letter to Cllr Goodway, dated 14 July 2021 re Atlantic Wharf

² Public Letter to Cllr Goodway, dated 14 July 2021, re Velodrome

Indoor Arena – September 2021³

- g. Members feel it would be beneficial to use daytime CGIs as well as night-time CGIs in future press releases
- h. Members were pleased to hear that the design discussions to date have reduced energy usage by 40%, that discussions are ongoing regarding the Arena joining the Cardiff Heat Network and that an Energy Strategy is being developed that focuses on ensuring net carbon zero.

ISV – September 2021⁴

- i. Members took the opportunity to raise again our wish for the Bay edge walkway to be both continuous and wide enough to facilitate enjoyable and safe access for the public to the water's edge. We have set out in previous correspondence our expectations and the reasons for these. Members thank officers for reiterating that it is their aspiration to provide a continuous walkway of sufficient width but that the width will depend on market conditions and site viabilities.
- j. Regarding the Velodrome, Members acknowledge that this is not within the remit of this report. However, Committee Members have received an email from the Save Maindy velodrome campaign setting out various concerns with existing proposals. I have requested that Scrutiny Services forward this email to you and to the officers copied into this letter. Members request that, in your reply to this letter, you provide responses to the issues raised in the email.
- k. Members note that reports on Outline Business Cases for the Closed Loop Circuit and the relocation of Motocross will be taken to Cabinet in future months.

19. Copies of the confidential letters relating to this item will be re-circulated to Committee Members ahead of the meeting.

³ Public Letter to Cllr Goodway, dated 21 September 2021, re Indoor Arena

⁴ Public Letter to Cllr Goodway, dated 22 September 2021, re ISV

Way Forward

20. Councillor Russell Goodway (Cabinet Member – Investment and Development) will be invited to make a statement. Neil Hanratty (Director of Economic Development), Chris Barnett (Operational Manager – Major Projects) and Jon Day (Operational Manager – Investment and Tourism) will attend to give a confidential presentation and all witnesses will be available to answer Members' questions on the proposals.

21. All Members are reminded of the need to maintain confidentiality with regard to the information provided in **Appendices 4-9, 11, 13 and 15-17**. Members will be invited to agree the meeting go into closed session to enable discussion of this information.

Legal Implications

22. 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

23. 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 10 March 2022, and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

DAVINA FIORE

Director of Governance & Legal Services

4 March 2022