

CARDIFF BAY REGENERATION: PRE-DECISION SCRUTINY

Appendices 2, 3, 4, 6, 7, 8 and 9 of the Cabinet Report are not for publication as they contain exempt information of the description contained in paragraphs 14 and 16 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local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. 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 background information to Members to aid their scrutiny of the draft report to Cabinet titled *Cardiff Bay Regeneration*, which is due to be considered by Cabinet at their meeting on 15 December 2022.
2. Members should note that **Appendices 2, 3, 4, 6, 7, 8 and 9** 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.

Scope of Scrutiny

3. At their meeting on 15 December 2022, the Cabinet will consider a report that provides an update on Cardiff Bay Regeneration work and seeks authority to dispose of land to attract two new attractions in Cardiff Bay.
4. During this scrutiny, Members have the opportunity to explore:
 - i. The proposed approach for disposal of land
 - ii. How proposals fit with the overall regeneration strategy for Cardiff Bay
 - iii. Whether there are any risks to the Council
 - iv. The financial and legal implications
 - v. The timeline and next steps for delivering the project
 - 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, 3, 4, 6, 7, 8, and 9**.
6. Members will hear from Councillor Russell Goodway (Cabinet Member – Investment and Development) and Neil Hanratty (Director of Economic Development). There will be a presentation taking Members through the proposals and recommendations to Cabinet, followed by 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 March 2022, a report was presented to Cabinet that provided an overview of the work in recent years to regenerate Cardiff Bay, including proposals for leisure-based opportunities aimed at attracting more visitors.
9. The Council has received two approaches by potential investors interested in leasing land from the Council:
 - i. Nordic Urban – to deliver a Sea Pool and Finnish Sauna attraction at Graving Docks
 - ii. Skyview Towers – to deliver a 90m high viewing platform on unused land above Butetown Tunnel.
10. The draft report to Cabinet entitled '*Cardiff Bay Regeneration*' is attached at **Appendix A** and has **nine** appendices:
 - Appendix 1 – Nordic Urban Site Plan
 - Confidential Appendix 2 - Nordic Urban Proposal – Graving Dock Presentation
 - Confidential Appendix 3 - Heads of Terms for Nordic Urban
 - Confidential Appendix 4 - Site Constraints Report
 - Appendix 5 – Skyview Towers Site Plan

- Confidential Appendix 6 - Skyview Feasibility Study
- Confidential Appendix 7 - Heads of Terms for Skyview
- Confidential Appendix 8 - Site Constraints Report
- Confidential Appendix 9 - Valuation Note & Financial Summary

Issues identified in the Cabinet Report

Graving Docks – Nordic Urban

11. **Points 8 – 13** outline the proposals to deliver a sea pool and Finnish sauna attraction at two of the Graving Docks, including:

- i. Appendix 1 – site plan
- ii. Confidential Appendix 2 – concept and vision
- iii. Confidential Appendix 4 – Site Constraints Report
- iv. Confidential Appendix 8 – sets out the estimated capital investment
- v. The Council is not being asked for a financial contribution but to provide the land at a nominal rent
- vi. Confidential Appendix 3 – Heads of Terms.

Atlantic Wharf - Skyview Tower

12. **Points 14 – 18** outline the proposals to deliver a 90m high viewing platform on unused land above Butetown Tunnel, including:

- i. The platform would rotate, providing panoramic views of the city and waterfront
- ii. Appendix 5 – site plan
- iii. Confidential Appendix 6 – visuals of proposed attraction
- iv. Confidential Appendix 7 – Heads of Terms

Commercial Considerations

13. **Point 19** sets out that both parties are initially seeking Agreements to Lease with an agreed long-stop date, followed by a lease with nominal rent upon successful grant of planning. Confidential Appendix 9 provides context for this.

14. **Financial Implications** are at **points 21 - 25**, and highlight:

- i. Council costs include initial feasibility studies, legal and disposal fees, and are met by existing directorate budgets

- ii. All other planning, design and development costs are to be met by the private sector
- iii. A Council Valuer valuation, included in Confidential Appendix 9, shows releasing the land as set out in Heads of Terms at Confidential Appendix 3 and Confidential Appendix 7 Heads of Terms would represent good value for money for the Council
- iv. VAT implications will need to be considered and actioned as appropriate.

15. Legal Implications are at **points 26 – 35** and highlight:

- i. The legal basis for disposal of Council-owned land
- ii. The need for the decision maker to consider its duties with regard to the Equality Act 2010, the Public Sector Equality Duties, the Socio-Economic Duty, and the Well- Being of Future Generations (Wales) Act 2015
- iii. That the decision maker must be satisfied proposals are within the Policy and Budget Framework.

Proposed Recommendations to Cabinet

16. The report to Cabinet contains the following recommendations:

- i. Agree in principle to dispose of land to Nordic Urban in accordance with the Heads of Terms set out in Confidential Appendix 3.*
- ii. Agree in principle to dispose of land to Skyview Towers Ltd in accordance with the Heads of Terms set out in Confidential Appendix 7.*
- iii. Delegate authority to the Director for Economic Development in consultation with the Cabinet Member for Investment and Development, the Section 151 Officer and the Legal Officer to deal with all matters relating to the completion of the disposals set out in recommendations (1) and (2) above.*

Previous Scrutiny

17. In March 2022, this Committee undertook pre-decision scrutiny of a report to Cabinet on the Cardiff Bay Regeneration proposals, which included initial concept designs for an outdoor Lido/ Spa at Graving Docks. Following this scrutiny, the Chair, Councillor Howells, wrote a public and a confidential letter to Councillor Russell Goodway, Cabinet Member – Investment and Development, dated 10 March 2022, setting out the Committee’s comments and observations. Copy of these letters have been shared with Committee Members.

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:

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- i. Members sought to understand the viability of the various family attractions, given the current cost of living crisis. Members note the Outline Business Case for Atlantic Wharf will contain data on this.
- ii. Members are delighted to see progress being made to find a good use for the Graving Docks.
- iii. Members wish to highlight the need to ensure that free facilities are promoted in Cardiff Bay, for walking, running, cycling, and swimming. Whilst we need the employment and economic benefits that flow from events and adventure tourism, we must ensure that residents and visitors are not ‘priced out’ of enjoying Cardiff Bay for recreational use.

Way Forward

19. Councillor Russell Goodway (Cabinet Member – Investment and Development) will be invited to make a statement. Neil Hanratty (Director of Economic Development), and Chris Barnett (Operational Manager – Major Projects) will attend to give a presentation and all witnesses will be available to answer Members’ questions.

20. All Members are reminded of the need to maintain confidentiality regarding the information provided in **Appendices 2, 3, 4, 6, 7, 8 and 9**. Members will be invited to agree the meeting go into closed session to enable discussion of this information.

Legal 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 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

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 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 15 December 2022, and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

DAVINA FIORE

Director of Governance & Legal Services

06 December 2022