

CARDIFF BAY REGENERATION OVERVIEW

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

AGENDA ITEM: 15

Appendices 4-9, 11, 13 and 15-17 of this report are not for publication as they contain exempt information of the description contained in paragraphs 14 and 16 of part 4 and paragraph 21 of part 5 of Schedule 12A of the Local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.

Purpose

1. To provide an update on the new Indoor Arena project.
2. To provide an update on the Council's priorities for the continued regeneration of Cardiff Bay and to establish the area as a leading UK urban visitor destination.
3. To seek approval of the updated International Sports Village masterplan and to develop a Full Business Case for combined cycling activities.
4. To seek approval of the Evaluation Criteria for the procurement for Multi Storey Car Park development at Atlantic Wharf, and to delegate all aspects of the procurement up to award of the contract, subject to approval of the Full Business case.

Background

5. The political administration's strategic policy document *Capital Ambition* sets out the Council's priority to play a lead role in the creation of job opportunities for the city and wider city-region:

'Looking to the future, the capital city represents Wales's strongest economic asset and best opportunity to secure economic success. In short, a successful Wales needs a successful capital city.'

6. The administration has an ambitious agenda for growing the city's economy and delivering a series of exciting programmes and projects that will benefit all of Cardiff's residents and those that live beyond the city limits. A major part of this agenda is the regeneration of Cardiff Bay with an emphasis on establishing the area as a leading UK destination for leisure, culture and

tourism to increase the number of visitors to the city and to generate more jobs for local people, particularly people living in the 'southern arc'.

7. Whilst Cardiff Bay has seen considerable investment in recent decades, the early closure of the Cardiff Bay Development Corporation saw momentum lost in the regeneration programme. The Council's Economic Strategy has subsequently recognised the need for *"a new momentum to be put into the regeneration of Cardiff Bay. Whilst the first phase of its redevelopment has seen large scale investment in the area, it has yet to deliver its full potential."*
8. Cognisant of this, the Economic Strategy proposed that *"We will seek to re-ignite the Bay, with a focus on driving more visitors to the area, providing a bigger range and choice of attractions, and improving the means of getting in and out of the Bay. At the heart of this will be a revitalised Atlantic Wharf – the gateway to the Bay, where a new Indoor Arena will serve to attract a new and bigger audience."*
9. The vision is to establish Cardiff Bay as a leading UK urban visitor destination, through establishing environment to attract visitors from within Wales, the UK and internationally. Critically the proposed projects for the next phase of Cardiff Bay will deliver improved visitor infrastructure, with a focus on culture, heritage and creativity, as well as ensuring that local communities feel the benefits of and are part of the regeneration story.
10. If considered as a discrete area in its own right, the southern arc of the city, which includes the Butetown ward, 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.
11. It is also clear that a major improvement in transport connectivity is required, with no direct rail link to Cardiff Central and a limited service that operates a single route between Cardiff Bay Station and Cardiff Queen Street. This has impacted on the ability of the wider Bay area and the southern arc to drive forward regeneration and has also restricted the ability for communities to access other economic opportunities within the city and across the city-region.
12. Over recent years, the Council has made significant progress towards realising its Capital Ambition priorities in this regard. A number of important projects are now well underway with others progressing through the feasibility stages. The new Indoor Arena, the Atlantic Wharf Regeneration scheme and the revitalised International Sports Village projects are now reaching a stage where development will soon be progressing on site. In addition, the initial phase of the Cardiff Bay Metro project is due to start on-site in August 2022, and the plans to link the new line into Cardiff Central and

on to a new station at Roath Basin are moving rapidly through the design phases. Exciting plans to upgrade Mermaid Quay and the Graving Docks and to provide a long-term use for the site at Alexandra Head are also coming forward.

Indoor Arena and Atlantic Wharf Regeneration Scheme

13. In December 2020, Cabinet approved in principle the masterplan for the re-development of the Atlantic Wharf site (see Appendix 1) and authorised the commencement of a consultation process. At the same meeting, Cabinet authorised the preparation of a planning application for the new Indoor Arena and the wider Atlantic Wharf development and the preparation of an Outline Business Case to consider options for bringing forward the redevelopment of the Red Dragon Centre.
14. In July 2021, Cabinet approved the Multi-Storey Car Park OBC and authorised the development of a Full Business Case (FBC), along with the development of an OBC to consider options for the redevelopment of the Red Dragon Centre, including a soft market testing exercise.
15. In September 2021, Cabinet approved the Full Business Case for the Indoor Arena and confirmed the Live Nation consortium as the successful bidder to be the Council's partner to deliver and operate a new Indoor Arena and a replacement Travelodge Hotel.

International Sports Village

16. In March 2021, Cabinet approved in principle a new masterplan for the International Sports Village including plans to provide a new purpose-built Velodrome. Authority was granted to complete the Full Business Case for the Velodrome including the appointment of professional advisors, procurement of a contractor and the development of a planning application. Authority was granted to undertake a soft market testing exercise for the delivery of a car parking solution for the site and to secure tenants for a refurbished Toys 'R' Us building. Cabinet also considered the future operation of the site and gave authority for an Outline Business Case to be developed.
17. In July 2021, Cabinet approved the Outline Business Case and granted permission to proceed with the development of the new Velodrome allocating the budget required to complete its delivery, subject to final approval of a Full Business Case. A contractor was subsequently appointed to assist with the development of detailed designs and cost as part of the FBC work.
18. A key aspect of the Full Business Case will be the future operation of the leisure facilities and the ongoing maintenance of landscaping and public realm. In July 2021, independent advisors completed research and analysis to inform the Council's consideration.
19. In September 2021, Cabinet received a further update on the ISV project including a proposal to acquire the land owned by Greenbank Partnership Ltd including the Ice Arena to enable the development agreement with Greenbank Partnership Ltd to be terminated. This has progressed and will

concluded by the end of March 2022. The report also proposed the relocation of the Cardiff MX facility from Rover Way to the International Sports Village and the delivery of a 1 km Closed Road Cycling Circuit around the perimeter of the leisure destination. Authority was granted to undertake further business case work.

Cardiff Bay Metro

20. On 21st February 2014, Cabinet considered a report on the Cardiff Capital Region Metro vision and provided authority for work to be undertaken with Welsh Government and other stakeholders to develop the Metro proposals and to put in place appropriate delivery mechanisms.
21. In January 2020, Cabinet approved the Transport White Paper: Transport Vision 2030, which sets out the priorities over the next ten years to fundamentally transform the way people move around the city. The strategy highlights the importance of working closely with Welsh Government and Transport for Wales on the delivery of the Metro – including new and refurbished stations – and fully integrated ticketing.

Issues

22. The Council's strategy for Cardiff Bay involves an extensive programme of increasingly inter-connected projects. The Council's financial investment across various projects continues to require careful management and also creates conditions where the delivery of a project is reliant on completion of another. In addition, the Council has committed to delivering projects that are environment friendly. Alongside the growing number of regulatory obligations facing new development, the Council's ambition to reduce the impact of development on the environment has become an important consideration in the development and delivery of projects leading to a greater level of inter-dependence between projects. For example, the Atlantic Wharf redevelopment is reliant on delivery of the new Indoor Arena as the key anchor project to establish private sector confidence. The Arena project requires the delivery of the Cardiff Bay Metro project to underpin the transport strategy, and the Lloyd George Avenue project to assist with the re-provision of public open space and to deal with planning obligations such as sustainable drainage. The Council's Heat Network project supports the energy strategy for the Atlantic Wharf site and will play a fundamental role in supporting the policy ambition of achieving Carbon neutrality. Managing the interface between projects creates an added layer of complexity.
23. The management of scarce Council funding remains the greatest challenge to project delivery. Over recent months, construction projects in the UK have witnessed unprecedented cost price inflation. Many businesses in the sector have also failed. As a result, projects have been subject to significant delay. Large capital projects are extremely sensitive to cost inflation resulting from delays. To date the Council has managed to progress projects within approved financial envelopes, but this has required private sector partners to taken on the risk and in some cases the cost of price inflation.

24. The Council has committed to delivering net zero Carbon developments moving forward. This is an extremely challenging requirement, particularly for brownfield projects where substantial demolition and/or site remediation is needed to pave the way for new development. The Council has developed Carbon Management Plans for both the Atlantic Wharf and International Sports Village projects and will deliver net zero Carbon developments primarily through direct on-site interventions. The Council's strategy to achieve net zero is built on delivering green energy strategies as an integral part of the development masterplan. This inevitably increases the requirement for investment but can also lead to an improvement in the overall commercial case for development, including future proofing of the project.
25. The new planning framework places an additional burden on new development to make a more positive contribution to the environment. In addition to energy considerations, the Council will need to meet obligations relating to sustainable drainage and biodiversity. This is a particular challenge for the Indoor Arena project due to the extensive surface area of the development and the need for large areas of hard landscaping for external crowd management. Addressing the sustainable drainage requirement for this project can only be achieved in the context of the wider Atlantic Wharf development and associated opportunities arising from the opportunity to improve the landscaping of the adjacent Lloyd George Avenue. Lloyd George Avenue has significant potential to support the Atlantic Wharf development with sustainable drainage, biodiversity, active travel and public transport connectivity and the replacement of public open space.
26. The scale and nature of the Council's priority projects for Cardiff Bay at Atlantic Wharf and the International Sports Village require the Council to engage with the community for feedback on proposals. An extensive consultation has been undertaken relating to the Indoor Arena project and the associated proposals for Atlantic Wharf, including the redevelopment of the Red Dragon Centre. The Council has also recently undertaken a consultation on the ISV masterplan which included consideration of the relocation of the existing velodrome from Maindy to the ISV. The Council will need to undertake further consultations as the proposals for the wider Bay area emerge. In particular, there is a need to embark on a consultation process with the local community on the idea of transforming Lloyd George Avenue into a linear park linking the city centre to the Bay. This needs to be done at an early stage to ensure the community has the opportunity to come forward with ideas and proposals. The progress being made with the implementation of the Cardiff Bay Metro, including the provision of new stations along the length of Lloyd George Avenue/Bute Street, suggests that a public consultation exercise should be progressed as soon as possible to ensure proper integration between the projects and to avoid abortive spend.

Programme Management

27. The Council adopts a Prince 2 based approach to programme and project management to ensure good governance. Business cases are built up through a series of steps that aim to ensure decisions are robust and minimise the potential for abortive spend. The normal business case development process is as follows:

- Strategic Outline Case – to consider strategic alignment and policy fit;
 - Outline Business Case – to consider options and the preferred approach;
 - Full Business Case – to confirm deliverability and cost.
28. For construction projects the Full Business Case (FBC) stage can be lengthy requiring the procurement of a contractor and the submission of a planning application to confirm costs and deliverability. On some occasions it can involve a public consultation exercise especially if the project impacts on public open space or other existing public facilities. FBCs are presented to Cabinet for final approval before proceeding to the delivery stage.

Indoor Arena Update

29. Following approval of the Full Business Case, a hybrid planning application for the new Indoor Arena was submitted by the Live Nation/OVG consortium in November 2021 covering the area illustrated by the site plan attached at Appendix 2. The application involves detailed consideration of the new Indoor Arena and the relocation of Travelodge Hotel, with outline for the balance of the site including:
- (i) the proposed redevelopment of the Red Dragon Centre with significant commercial and residential development.
 - (ii) delivery of a production space for the Wales Millennium Centre and improved connections to Roald Dahl Plaza, Mermaid Quay
 - (iii) a pedestrian bridge link to the proposed new Transport Hub on Pierhead Street.
30. The application also presents the delivery of a new public square/event space for Cardiff Bay and provides a high-level strategy for the potential redevelopment of the County Hall site, should the Council take a decision in the future to move away from the site. The planning submission is due to be determined by the Local Planning Authority on 16th March 2022.
31. The Live Nation/OVG consortium has commenced dialogue with the Local Planning Authority to develop the planning agreement to ensure that there are legal commitments in place to deliver the associated infrastructure for the Arena covering SUDS, an energy strategy, and green space. A number of the conditions contained within the planning agreement will fall to the Council as landowner of the wider masterplan linked to future decisions on Council assets such as County Hall and the Red Dragon Centre.
32. Through the planning process, the Live Nation/OVG consortium have increased the capacity of the new Arena to circa 17,000 to ensure the new Cardiff Arena becomes the leading venue for the whole of the West of England and Wales region. The Arena project remains on course to commence construction in the summer of 2022 and to be operational by early 2025. The Development Funding Agreement (DFA) is due to be concluded and signed by no later than 18th March 2022, and this will provide the legal contract for the development to proceed.

33. In addition to the social value benefits of the arena driven by the procurement exercise, which commits to almost £4m worth of community benefits including jobs, training and direct investment in community projects, the Council is also working with Metro Dynamics as part of its participation in the Inclusive Growth Network to explore how more can be done to establish the longevity of the venue's relationship with residents and its role as a community asset and part of the social and cultural fabric of the Butetown ward. This work will aim to build inclusion into the development and amplify the economic benefits of the project. In particular their work will look at:
- Ensuring that jobs created, both in construction and operation, are high quality and of benefit to local residents.
 - Establishing the longevity of the venue's relationship with residents and its role as a community asset and part of the social and cultural fabric of Butetown (e.g. embedded community relationship, youth offer).
 - Complementing the city's music strategy and existing offer (e.g. working with the Music Board, possible community music hub, complementing grassroots music).

Levelling Up Fund

34. A report was taken on 17th June 2021 that outlined the initial Council response to the Levelling Up Fund. The £4.8bn Levelling Up Fund (LUF) will invest capital in local infrastructure, town centre and high street regeneration, local transport projects, and cultural and heritage assets. The scheme is competitive in that there are no set allocations for local authority areas, and each area will need to submit relevant applications for funding to the UK Government, which will assess bids. The fund is open for bids in rounds and will be operating until 2025. One bid per parliamentary constituency is allowed per round, and only one successful bid can be approved for each constituency. The funding guidance for round one of funding outlined that the LUF will support projects that deliver transport investments, regeneration and town centre investment and cultural investment.
35. In round one the Council submitted an application for Cardiff Market (in the Cardiff Central Constituency), which was not successful. Feedback from phase one of the Levelling Up Fund process suggested that 'shovel ready' projects that are ready to deliver, with approved business cases and planning approval, were more likely to receive funding. Whilst no clear timescale has been announced, it is expected that round two of the Levelling Up Fund will be launched in the Spring of 2022. In anticipation the Council is considering the readiness of proposals for submission. Given the progress that has been made in the business case and planning application for the Arena and the wider Atlantic Wharf development it is proposed that this is now brought forward as a project for round two.

Atlantic Wharf Regeneration Scheme

Updated Masterplan & 'Cardiff Live' Proposal

36. Following the appointment of the Arena developer/operator, feedback through the process of submitting a planning application, and feedback from potential investors and developers through a market testing exercise, the approved masterplan for the Atlantic Wharf development has been updated and is attached at Appendix 3. The key changes to note are:
- i) the site for the proposed office development has been reviewed and is now located on the plot fronting Lloyd George Avenue. This is mainly to address the phasing requirements of delivering the replacement Red Dragon Centre.
 - ii) the replacement Red Dragon Centre is now proposed to be split into two separate developments subject to approval of the Outline Business Case and subsequently the Full Business Case. One development is proposed to be delivered by the Council and one to be delivered by the private sector. The building to be delivered by the Council will accommodate the existing tenants of the Red Dragon Centre and this will be located on the site originally earmarked for the office development which is currently unencumbered. This idea of delivering the leisure development in two separate parts is a direct response to market feedback on the specific lack of appetite for funding developments that involve flying leases.
37. The formal appointment of the Arena developer/operator has also led to a new opportunity which the Council will need to consider in due course. The Live Nation/OVG consortium has approached the Council regarding the potential to significantly expand the event infrastructure at Atlantic Wharf to compliment the new Arena through the provision of a major Exhibition Centre and ancillary facilities including a business centre and conference hotel. This could only be delivered if the Council subsequently takes a decision to relocate out of County Hall. The proposal put to the Council has been branded as 'Cardiff Live' and has the ambition of establishing Atlantic Wharf as one of the leading UK live event locations outside of London, providing a modern start-of-the-art rival to Glasgow, Liverpool, Manchester, Birmingham and Aberdeen. Some initial concept drawings are attached as Confidential Appendix 4.

Red Dragon Centre - Outline Business Case

38. The Outline Business Case (OBC) for the redevelopment of the Red Dragon Centre is due to be completed and presented back to Cabinet in the spring of 2022. The feedback from investors and developers following the soft market testing exercise has helped to further refine the delivery approach and as stated above it is now intended for the new development to be delivered in two separate developments. Feedback has also confirmed that a number of related projects outlined later in this report should be considered in parallel with the Red Dragon Centre OBC.

39. The key considerations of investors and developers where certainty is required are as follows:
- (i) the relocation of the existing Red Dragon Centre (RDC) tenants
 - (ii) delivery of the public square
 - (iii) demolition of all or part of the existing RDC
 - (iv) delivery of the new indoor arena

'This is Wales' Visitor Attraction – Outline Business Case

40. The Council continues to work with TICA, the owners of the *'This is Holland'* visitor attraction located in Amsterdam, to develop a significant tourist attraction for Cardiff Bay and for Wales. Designs and costs have been developed and will be considered at the same time as the OBC for the replacement Red Dragon Centre in the spring 2022.
41. TICA have introduced Continuum as their operating partner and discussions are progressing to consider a property transaction secured by a 25 year plus lease for the delivery and operation of this attraction. An overview of the proposal is set-out at Confidential Appendix 5. The proposed location of the *'This is Wales'* attraction is illustrated at Appendix 3.
42. As part of the development of the business case, TICA and Continuum have requested the Council's support in engaging with Welsh Government. The operator is looking for government support to assist primarily with the production of the *'fly-over'* films, which will have the benefit of promoting the whole of Wales to visitors of the capital city.

Wales Millennium Centre Production Space – Outline Business Case

43. Dialogue continues with the Wales Millennium Centre (WMC) regarding the proposal to deliver of a new Production Facility at Atlantic Wharf. The facility will provide space to support and encourage the production of local content with the aim of delivering new local productions to the stage at the WMC. The new Production Facility will also be able to host small productions with an audience capacity of up to circa 500.
44. The proposed location for this new facility is directly opposite the WMC, fronting the new pedestrian connection linking the Oval Basin to the new public square at Atlantic Wharf. Design work is being progressed and has been costed to RIBA Stage 2. The projected funding of the project is via a lease-back to the Council of 30-40 years for circa 60-70% of the cost with the balance made-up by WMC via capital investment.
45. The aim is to consider the OBC for the new Production Facility as the same time as the Red Dragon Centre OBC in the spring 2022. An outline proposal is set out at Confidential Appendix 6.

New Family Attraction - Outline Business Case

46. Cardiff Council has been in discussion for a number of years with a specialist provider of attractions/events to deliver an authentic attraction for Cardiff that

has the potential to attract a significant number of new visitors to the city visitors as well as supporting the city's major event programme. The intention is to deliver an attraction that becomes synonymous with Cardiff. A brief overview of the proposal is attached at Confidential Appendix 7.

47. The next step is to develop an Outline Business Case for the proposal. The Council will need to engage further with the provider to develop a detailed proposal which will include a requirement for investment by the Council to enable the development of the concept. The cost to the Council of making this investment will be from within existing resources. The OBC once developed will be presented back to Cabinet for authority to proceed to the Full Business Case stage. The general lead-time for delivery of such an attraction is circa 2-3 years covering design and build. It is intended to present the OBC and subsequently the FBC during 2022.

Cardiff Story Museum – Outline Business Case

48. The Council would like to deliver a bespoke space for the relocation of the Cardiff Story Museum from the Old Library to Atlantic Wharf to enhance the cultural offer in Cardiff Bay. There is potential for a space to be delivered as part of the new Red Dragon Centre development. The proposal would form part of the private sector delivered element of the development and will be tested through the related procurement process. An Outline Business Case will need to be undertaken in due course to understand the financial implications to the Council.

Multi-Storey Car Park - Full Business Case

49. In July 2021, Cabinet approved the OBC for the delivery and operation of a new Multi-Storey Car Park (MSCP) for Atlantic Wharf in consideration of releasing the existing surface car parking areas for redevelopment. Professionals have been appointed and designs are being developed. Engagement has also commenced with contractors through an open procurement process with a number of contractors showing significant interest at the launch event. The next stage of this process is to issue a Pre-Qualification Questionnaire (PQQ) and an Invitation to Tender (ITT). This requires Cabinet to approve evaluation criteria which is set-out at Confidential Appendix 8.
50. The Full Business Case for the MSCP is on target to be concluded and returned to Cabinet for authority to proceed in autumn 2022, with works programmed to commence on-site in early 2023.

Cardiff Bay Metro

51. Transport for Wales (TFW) is on target to commence works on the Core Valley Line (CVL) extension from Queen Street station to Cardiff Bay in August 2022, with works due to be completed by the summer of 2023. The report at Confidential Appendix 9 provides an overview of the works that TFW are bringing forward which includes the provision of a dual track link between Queen Street station and the existing Cardiff Bay station as well as

improvements to the existing Cardiff Bay station and a new station at Loudoun Square.

52. The Council is working with Welsh Government to extend the current investment in the CVL extension, to provide a direct link to Cardiff Central station and to extend the line further into Cardiff Bay connecting to a proposed new transport hub at Pierhead Street and on to a new station at Roath Basin. This would essentially form the first phase of the Council's Crossrail project.
53. Positive discussions have taken place and remain ongoing with the owner of the Pierhead Street site which has been identified as the preferred location for the new Cardiff Bay Transport Hub (illustrated at Appendix 10).
54. The delivery of Phase 1 of Crossrail is based on the submission of a successful Levelling Up Fund bid by the Council matched by a funding commitment from Welsh Government. Work is now underway to prepare a Levelling Up Fund bid. Work is also on-going with Welsh Government to prepare a business case for their investment.
55. Later phases of the Council's Crossrail project will see new stations delivered at Splott, Tremorfa, Newport Rd and then on to the proposed new Cardiff Parkway mainline station, providing the first public transport rail infrastructure for the east of Cardiff, connecting a large swathe of the Southern Arc.

Lloyd George Avenue

56. The relocation of the Indoor Arena from the city centre to Cardiff Bay has amplified the importance of Lloyd George Avenue as a primary public transport and active travel corridor between the city centre and the Bay. The investment being undertaken by TFW to introduce a tram connection between Queen Street station and Cardiff Bay station provides an opportunity to review infrastructure provision in this area to make better use of the space to encourage more active travel (cycling and walking) along the circa 1km route.
57. At present the dual carriage way connection between Tyndall Street and Bute Place represents one of the most under-utilised and consequently over engineered roads in the city. The potential for a significant reduction in road space along the length of the route, coupled to the introduction of tram style infrastructure rather than heavy rail infrastructure creates an opportunity to improve east-west connections and to provide a landscaped environment that encourages more people to walk and cycle between the city centre and the Bay.
58. The TFW works will create new access points to the existing Cardiff Bay station from Bute Street and Lloyd George Avenue and a new station north of Loudoun Square with new connections from Bute Street and Lloyd George Avenue. The plan attached at Confidential Appendix 11 provides a simple high-level concept plan for landscaping improvements based on a reduction of the dual carriage way to a single lane carriageway in each direction. However, there is potential for a much more comprehensive review of

infrastructure in the area to deliver further environmental improvements and improved amenity space. This would require full and early engagement with the local community to understand the appetite for change and the scale and nature of intervention that is possible.

59. It is the Council's intention to begin an engagement process with the community in the next few months. The initial proposals to upgrade the landscaping along Lloyd George Avenue will be brought forward through an Outline Business Case to be presented to Cabinet in the spring 2022. This is to ensure the works align with the works being brought forward by TFW and avoid abortive spend.

International Sports Village

Land Acquisition and Updated Masterplan

60. Following Cabinet approval in September 2021, the Council has progressed the acquisition of land and assets from Greenbank Partnership Ltd. The acquisition of the first phase of land is due to be completed in March 2022. The second phase, which will also include the Ice Arena, will be completed by 31st December 2022. The Council is required to have earmarked capital receipts from the disposal of a proportion of the land acquired from Greenbank in the first phase transaction to meet the costs of funding the second phase transaction. A soft market testing exercise will be undertaken in the spring/summer to establish market interest and will be reported back to Cabinet in the autumn before agreeing sales.
61. As a result of the Council's growing interest in the site, the masterplan approved by Cabinet in September 2021 has now been extended to include the land being acquired from Greenbank Partnership Ltd. The updated masterplan is attached at Appendix 12 and consists of 2 key components: a leisure destination attraction located to the rear of the site, incorporating the International White Water Rafting Centre, the International Pool and the Ice Arena alongside the proposed new Velodrome, the Cardiff MX off-road facility and the Closed Road Circuit; and a residential-led mixed use development fronting the water. A public consultation on the updated International Sports Village masterplan and the relocation of Maindy Velodrome took place over 9 weeks from 15th December 2021 to 17th February 2022. The updated masterplan deals mainly with the extension of the site to include residential-led mixed use development on the waterfront. There was insignificant feedback received through the consultation on these proposals with the focus of responses relating to the already approved leisure destination and the proposed relocation of the Maindy Velodrome. The full consultation report has been published and is attached at Appendix 14.
62. The Council will be involved in direct delivery of the proposed new facilities that make up the leisure attraction subject to approval of business cases, whereas the residential-led mixed use development will be brought forward by developers procured by the Council on a phased programme. The residential-led development includes a new hotel development to be located on the site of the existing International Pool surface car park. The Council's

intention is to bring forward the hotel development as an early phase to provide a buffer between the existing residential development on-site and the new leisure attraction.

63. The leisure destination attraction has a strong sport and adventure leisure theme with a number of new facilities proposed to enhance cycling sport provision in the city. In July 2021, Cabinet approved the Outline Business Case for the proposed new Velodrome and provided authority to prepare a Full Business Case including the procurement of a contractor and the submission of a planning application. A planning application for the new Velodrome was submitted in December 2021 and is due to be considered by the Local Planning Authority in March.
64. A key component of the International Sports Village leisure attraction is the development of a new Multi-Storey Car Park (MSCP) to consolidate all existing surface car parking into one location. The delivery of the MSCP will help the Council maintain its parking obligations to existing facilities whilst freeing up land for development and the provision of new public spaces. The intention is for the MSCP to become a Park & Ride hub on the west of the city, enabling more regular and direct bus services connecting the ISV back to the city centre. The Council is in the process of the soft marketing testing the delivery and operational of the MSCP and the results will be reported back to Cabinet in the summer.
65. The conversion and upgrade of the former Toys R Us building offers the opportunity to attract additional new indoor leisure facilities to the site. The proposal is to remodel the building and to subdivide to accommodate 2-3 new attractions alongside a large format bike shop. It is also proposed to provide a series of small format, container style, food & beverage units underneath the raised elements of the Closed Road Circuit. These commercial spaces will enhance the food & beverage offer and dwell time on site whilst also creating a revenue stream to support the on-going maintenance of the site. The proposals for the Toys R Us building will be presented back to Cabinet in the form of a Full Business Case in the summer, and the proposed food & beverage units will form part of the business plan covering the Closed Road Cycle Circuit outlined below.
66. The whole leisure attraction will also benefit from a comprehensive upgrade to the public realm with new landscaped areas and tree planting, including the removal of Olympian Drive. There is potential for additional free to use leisure activities to be introduced within the public realm such as skate parks and pump tracks. As the site matures, opportunity has been identified to extend the 'High-Ropes' attraction across the site and to deliver a long Zip Wire attraction potentially landing on a platform in the River Ely.
67. Although the Cardiff Bay Yacht Club is physically separated from the core area of the leisure attraction, the Council and the Yacht Club are keen for the Yacht Club to become an integral part of the ISV leisure offer with a range of water-based activities available to the public. The Council has been working with the Yacht Club to review the interface between their land ownership and the proposed residential development including the realignment of the entrance road into the Yacht Club. The plans attached at Confidential

Appendix 13 illustrate the work that has been undertaken with the Yacht Club and Cardiff Cruise to enable new facilities to be provided that will facilitate the provision of a regular water taxi service between the ISV and the Inner Harbour.

68. The residential-led development can now be planned in a coherent way right along the water's edge. The site is earmarked for residential-led mixed use development with active ground floor uses clustered mainly in the centre of the site where numerous primary access routes intersect. The plan provides for an extended waterfront promenade enabling public access to the waterfront to be maintained and new amenity spaces are proposed to be provided. It is proposed that the residential development will be brought forward on a plot-by-plot basis starting with land adjacent to the existing residential development on the River Ely side and working its way around the water's edge in an anti-clockwise direction. Indicatively, at this stage, development will start off as low-rise blocks (4-5 storeys) adjacent to the existing residential development and will build-up to a cluster of higher-rise blocks (10-15 storeys) in the centre of the waterfront promenade. There is a proposal for one very tall building in this location. Additional public open space will be provided in this area to establish the core of a food & beverage destination. This location is anticipated to benefit from the highest levels of footfall being in close proximity to the pedestrian entrance to the Multi-Storey Car Park and adjacent to the proposed Water Taxi pier. In this location there is potential for offices to be located above the ground floor food & beverage uses lifting the residential development away from crowded public spaces. Also, as projected footfall diminishes, there is potential for offices to be delivered on the ground floor to provide an active use where retail is less likely to work commercially.
69. It is proposed to report progress on the ISV development back to Cabinet in the summer of 2022 including disposal strategies for the proposed hotel, the residential development, and the proposed MSCP.

New Velodrome Proposal - Full Business Case

70. In July 2021, Cabinet provided authority for the development of a Full Business Case relating to the new Velodrome proposal for the ISV. This work has been progressed and has involved the procurement of a contractor and submission of a planning application to confirm costs and deliverability. During the development of the Full Business Case, it has become apparent that to avoid unnecessary additional costs on the new Velodrome project and the subsequent projects proposed for the ISV, the new Velodrome should be brought forward at the same time as the proposed Off-Road Cardiff MX facility and the Closed Road Cycle Circuit under a unified FBC. This is due to the requirement for substantial earth movement across the site and the desire to avoid the abortive costs of removing earth from the site only to require earth to be returned to site at a later date. Engagement with stakeholders through the process of developing the new Velodrome project has also confirmed the important synergy between the proposed cycling related facilities and the need to complete the public realm to enable the whole site function effectively. Although work on the Full Business Case for the new Velodrome has largely been completed, it is now proposed to extend

the scope of the FBC to include the Off-Road Cardiff MX facility and the Closed Road Cycle Circuit and to deliver the 3 facilities as one development. The procurement of the contractor allows for this extended scope. However, at present, only the new Velodrome proposal has been submitted for planning permission. It is therefore proposed to prepare and submit a planning application covering the Off-Road Cardiff MX facility and for the Closed Road Cycle Circuit including all of the public realm that sits inside the Closed Road Cycle Circuit connecting the new and existing facilities. This will be prepared over the coming months with a view to being determined by the Local Planning Authority in the late summer/early autumn. It is proposed that the Full Business Case for a combined cycling facility be presented back to Cabinet in the summer/autumn of 2022.

71. Subject to successfully securing planning permission in March, the new Velodrome project will continue to progress through the development of detailed designs to RIBA Stage 4. This work will be undertaken at the same time as the preparation of a planning application for the Off-Road (Cardiff MX) facility and the Closed Road Cycle Circuit involving the development of designs to RIBA Stage 3. This will mean the programme for delivery of the Velodrome project will not be significantly affected by the proposal for a combined FBC and will remain on track for a start on-site by the end of the year.

Relocation of Maindy Velodrome

72. In December 2020, Cabinet gave authority to the Schools Organisation Programme to begin the consultation process relating to the proposed expansion of Cathays High School. The proposed new development would require the closure of the existing Velodrome at the Maindy Leisure Centre site.
73. The updated masterplan for the International Sports Village presented to Cabinet in March 2021 included delivery of a new purpose-built Velodrome facility. This new facility is proposed to be part-funded by the Schools Organisation Programme to release the land currently occupied by the Maindy Velodrome for the school expansion.
74. Following the SOP consultation and statutory notice, Cabinet approved the school proposals, subject to various land matters, including approval of the relocation of the Velodrome.
75. A public consultation on the International Sports Village masterplan and the relocation of Maindy Velodrome took place over 9 weeks from 15th December 2021 to 17th February 2022. 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. The full consultation report has been published and is attached at Appendix 14. Consideration will be given to the consultation when considering the Full Business Case.

Operation of the ISV

76. It is proposed that the Council will directly deliver a number of leisure proposals outlined in the ISV masterplan, subject to the approval of related business plans. In order to support the development of Full Business Cases, 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.
77. The Council has appointed independent advisors to explore the optimum operating model. The conclusion of their work is set out in Confidential Appendix 15. The Council is keen to ensure that the ISV becomes a destination leisure attraction where individual facilities co-exist well together, co-ordinating around events, but at the same time offering the individual specialisms to meet the needs of users. The independent advice suggests a hybrid model of operation, which establishes a 'TopCo', responsible for the branding, management and marketing of the overall leisure offer as a whole and individual 'OpCos' responsible for the operation of each individual facility.
78. Cabinet has already provided authority for a soft market testing exercise to establish interest in the operation of the ISV. This work will be taken forward over the spring months and will be presented back to Cabinet in the summer to coincide with decisions to be taken on the various business cases relating to individual facilities.

Mermaid Quay and the Graving Docks

79. The owners of Mermaid Quay had embarked on a substantial investment programme to modernise and refurbish the Mermaid Quay development before the on-set of the pandemic. This has involved the introduction of new facilities such as the Everyman Cinema and improvements to the facades of buildings and the start of investment in replacement public realm. The Council continues to work closely with Schrodgers who remain committed to their investment for the long-term. As part of their plans, Schrodgers have approached the Council regarding the lease of an area of land owned by the Council that forms part of the Mermaid Quay development but sits outside of Schrodgers management and maintenance regime. The area of land is illustrated by the plan attached at Confidential Appendix 16. It includes a property that currently produces rental income for the Council, an area of public realm in need of upgrading, and a potential development site. This opportunity is presented to Cabinet for information only and will be taken forward under delegated authority.
80. The review of Mermaid Quay undertaken with Schrodgers has identified an opportunity to deliver a new attraction at the Graving Docks. The site lends itself to the development of an outdoor Lido/Spa attraction which have become increasingly popular across the UK. Some initial concept designs are included in the scheme attached at Confidential Appendix 17. The proposal is to promote the site as an opportunity for the private sector with a view to securing the investment to deliver and operate the facility, with the Council's contribution limited to the provision of land.

Alexandra Head

81. Alexandra Head occupies a strategic location at the eastern end of the barrage and provides a unique opportunity to extend the leisure attraction around the water's edge of Cardiff Bay. The site is unique in that it offers views over the Bay and out to sea. This feature alone has generated significant interest from potential investors. In terms of key anchor developments around the edge of the Bay, Alexandra Head has the potential to be as significant as Mermaid Quay, the International Sports Village and the barrage itself as a potential generator of visitors and footfall.
82. Since 2019, the Council has been working with a European investor on the potential to deliver a spa resort of international standing at the Alexandra Head the site. The developer was initially attracted to the site by its unique waterfront aspect. The proposal for the site has the potential to attract as many visitors as the new Indoor Arena to Cardiff Bay, with a larger proportion coming from outside of the region. In 2020, the developer commenced delivery of a state-of-the art facility in the north of England. They remain interested in the Alexandra Head opportunity, but only if the project is developed to the extent that it can be delivered immediately after their current UK project is completed. Work continues with the developer to understand their funding requirements.
83. In recent years the site has hosted a number of significant events for the city including the Volvo Ocean Race. It has now become the established home for the annual Live Nation Titan Festival. The site has significant potential to be developed as an outdoor festival park providing a dedicated location for the hosting of outdoor events. This could include the provision of a waterfront parkland along the Bay edge linking into the barrage including scope for an urban beach proposal on the waterfront.
84. A decision on the future use of the Alexandra Head site is a priority for the Council, not only to support the Council's ambition to establish Cardiff Bay as a leading UK visitor destination, but also to provide the footfall to underpin an extension of the Metro towards the Docks and to support the regeneration of the Roath Basin site. The Council will continue to explore opportunities with the Welsh Government and will return to Cabinet in due course to seek authority to develop a business case once an appropriate use is identified.

One Planet Cardiff - Energy Strategy

85. The impact of development on the environment will increasingly become an integral part of business case development for construction related projects. The Council is now committed to bringing forward energy strategies for each of its major regeneration projects. This is the case for both the Atlantic Wharf Regeneration Scheme and the International Sports Village development. Aligning these strategies across projects will inform a Strategic Energy Masterplan that will help the Council meet its net zero Carbon obligations.

Reasons For Recommendations

86. To provide Cabinet with an update on progress with the new Indoor Arena project and the Capital Ambition priority to continue the regeneration of Cardiff Bay.

Financial Implications

87. This report provides progress updates on a number of proposed developments across the Cardiff Bay, including the Indoor Arena Project, the wider Atlantic Wharf Regeneration Scheme, as well as schemes at the International Sports Village. The report seeks Cabinet approval of the updated masterplan for the International Sports Village attached at Appendix 12, including authority for the development of a Full Business Case and submission of a planning application for the combined cycling facilities as set out in the report. Whilst approval in principle is being sought at this stage for the updated masterplan at International Sports Village, the report sets out that a business case led approach will be utilised with more detailed individual scheme proposals to be brought forward to Cabinet for review and approval in due course. More detailed financial implications will be provided as and when these detailed proposals are brought forward, with clear funding strategies needing to be identified to implement these proposals.
88. The report also seeks approval of the MSCP Procurement Evaluation Criteria as set out in Confidential Appendix 8, as well as delegated authority to deal with all aspects of the procurement of the Multi-Storey Car Park development at Atlantic Wharf. Procurement and design costs will be met from the Arena Affordability Envelope as delivery of the Multi-Storey Car Park is a Council obligation within the Indoor Arena Development and Funding agreement (DFA), albeit it is anticipated that in the long-term the overall scheme will be self-financing and sustainable. Once this work has been undertaken, design works are complete and a preferred contractor has been identified via the procurement process, a further report will be presented back to Cabinet to review and approve Full Business Case and the final appointment of the contractor. More detailed financial implications will be provided on this at a future Cabinet meeting.
89. Other schemes identified within this report will not result in a commitment of capital expenditure at this stage. In the event of any actions being undertaken to further progress of these schemes to fulfil objectives set out in the report, then any associated revenue or capital costs would need to be found from within the existing budgetary resource allocation or from externally funded sources. Where externally funded sources are identified then consideration needs to be given of any terms and conditions associated with the funding and financial advice sought as appropriate.

Legal Implications

90. The purpose of this report is largely to provide an overview of the current and proposed projects that form part of the wider regeneration of the Cardiff Bay area, which are for noting. Specific legal advice on implications arising

from these projects is expected to be provided in further reports as those issues arise during the development of those projects.

91. This report does require a decision with regard to approving the Evaluation Criteria at Confidential Appendix 8 and to delegate all aspects of the procurement to the Director for Economic Development. Legal Services has not specifically advised on this matter to date [but legal advice has/is been sought externally]. It is noted that all aspects of the procurement save for the contract award (subject to approval of the full business case) is to be delegated further and it expected that the matter will comply with the Council's Contract Procedure Rules and all aspects of procurement law.
92. In connection with the International Sports Village, the decision requires approval of the existing masterplan and regard should be given to the matters contained in the updated plan at Appendix 3 and the responses to the consultation report at Appendix 13. Any property transactions arising from the proposed masterplan will require further decisions and should comply with the Council's Acquisition and Disposal of Land Procedure Rules.

Equalities & Welsh Language

93. In considering this matter the decision maker must have regard to the Council's 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. Protected characteristics are: (a). Age,(b) Gender reassignment(c) Sex (d) Race – including ethnic or national origin, colour or nationality, (e) Disability, (f) Pregnancy and maternity, (g) Marriage and civil partnership, (h)Sexual orientation (i)Religion or belief –including lack of belief.
94. When taking strategic decisions, the Council also has a statutory duty to have due regard to the need to reduce inequalities of outcome resulting from socio-economic disadvantage ('the Socio-Economic Duty' imposed under section 1 of the Equality Act 2010). In considering this, the Council must take into account the statutory guidance issued by the Welsh Ministers ([WG42004 A More Equal Wales The Socio-economic Duty Equality Act 2010 \(gov.wales\)](#)) and must be able to demonstrate how it has discharged its duty.
95. An Equalities Impact Assessment aims to identify the equalities implications of the proposed decision, including inequalities arising from socio-economic disadvantage, and due regard should be given to the outcomes of a Equalities Impact Assessment.
96. The decision maker should be mindful of the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards.

The Well-being of Future Generations (Wales) Act 2015

97. 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 wellbeing objectives are set out in Cardiff's Corporate Plan 2020 -23.
98. When exercising its functions, the Council is required to take all reasonable steps to meet its wellbeing objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the wellbeing objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.
99. The wellbeing 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
100. 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 online using the link below:
<http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

Property Implications

101. The Cardiff Bay Regeneration Overview Report provides an update on the current and proposed projects that form part of the wider regeneration of the Cardiff Bay area. The Strategic Estates team continues to provide specific property advice on implications, valuations and transactions arising from the delivery of these projects, including the new Indoor Arena, the Atlantic Wharf Regeneration scheme and the International Sports Village. For example, the team is presently working closely with the Major Projects team on the proposed acquisition of development land and assets from Greenbank Partnership.

102. The Strategic Estates team also provide significant resource towards the on-going management of certain property and land acquired by the Council in the delivery of development in and around Cardiff Bay, such as the Red Dragon Centre and Toys R Us building. Therefore, as projects develop, the level of resource required for the team to provide appropriate support in this area should be continually reviewed, as well any budget implications for the Strategic Estate Department.
103. There are no further specific property implications to be reported at this stage, in respect of the Cardiff Bay Regeneration Overview Report. It should be noted that the Corporate Property Strategy 2021-26 (CPS) was approved at Cabinet in December 2021. The CPS sets out in detail on the Council's wider property strategy going forwards, including relevant targets over the next five years such as on carbon reduction, which may have a bearing how the individual project business cases are developed.
104. The Strategic Estates Department will continue to assist where necessary in supporting delivery of projects within the context of the Cardiff Bay Regeneration Overview Report. Any property transactions or valuations required to deliver any proposals should be done so in accordance with the Council's Asset Management process and in consultation with Strategic Estates and relevant service areas.

HR Implications

105. There are no HR implications arising from the recommendations set out in this Cabinet report.

RECOMMENDATIONS

Cabinet is recommended to:

1. Note progress on the Indoor Arena project and other projects that support the Council's commitment to the regeneration of Cardiff Bay.
2. 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.
3. 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.

SENIOR RESPONSIBLE OFFICER	Neil Hanratty Director of Economic Development

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