

## **RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

### **CABINET**

**9<sup>TH</sup> MARCH 2017**

#### **REDEVELOPMENT THE TAFF VALE PRECINCT SITE**

#### **REPORT OF DIRECTOR OF REGENERATION AND PLANNING IN DISCUSSION WITH THE RELEVANT PORTFOLIO HOLDER, COUNCILLOR R BEVAN**

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#### **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of the report is to update Members on the considerable progress which has been made on the redevelopment of the Taff Vale site.

#### **2. RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Note the progress made and endorse the next steps.

#### **3. REASONS FOR RECOMMENDATIONS**

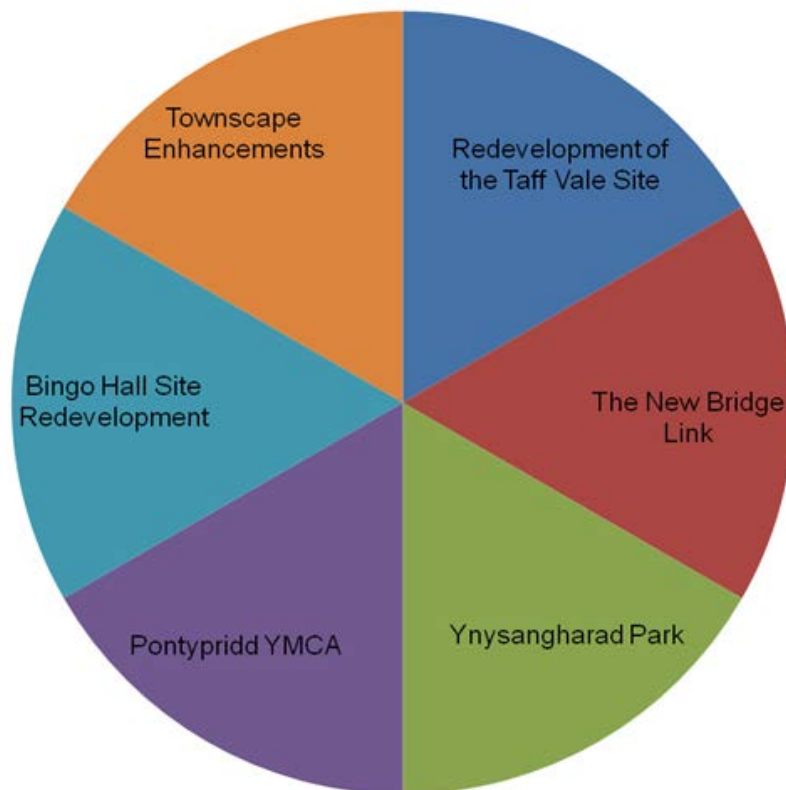
- 3.1 The Taff Vale redevelopment project has progressed well since Cabinet considered the scheme last in November 2016. It is important to continue the delivery of this key development in Pontypridd, to benefit the economy of the town, the wider Borough, and the SE Wales City Region.

#### **4. BACKGROUND**

- 4.1 Until recently the Taff Vale Precinct site had remained virtually untouched since the previous private sector led scheme stalled in 2012. It served as a major detractor at this gateway to the town, and a disincentive to significant future investment in Pontypridd. The development of the site will not only safeguard and maximise the opportunities from the investment already made in the town, but will be a real catalyst for future investment.
- 4.2 Pontypridd is a pivotal place in the heart of the region, forming a key point between the valleys, the cities and the coast. This important

geographical location supports the town's key strategic role in the Cardiff Capital Region. Pontypridd's economic and physical assets give it the potential to bring real and sustainable economic growth for Rhondda Cynon Taf and the wider City Region. Focussed investment will assist the realisation of this potential.

- 4.3 Pontypridd also directly serves the population of the Rhondda, Ely and Cynon Valleys. Linking these communities to Pontypridd will be further strengthened by the South Wales Metro and Valley Lines Electrification. These developments leave Pontypridd as a key regional centre and network hub, and build on significant recent investment in Pontypridd railway station and associated platform reopening to increase capacity and improve line speed.
- 4.4 There is already a continuing and significant programme of regeneration investment which is now delivering positive change and economic improvement to Pontypridd. It is delivering outcomes in terms of jobs, housing and development, in addition to leveraging private sector involvement and investment.
- 4.5 The development of the Taff Vale site will build on the current momentum, forming part of a set of current and further initiatives which together will bring investment, growth and employment :-



## **5. TAFF VALE SITE – PROGRESS**

- 5.1 Progress on the site is now clearly evident, which given that the site has suffered numerous previous setbacks following the decline of the precinct, is clearly extremely positive for the town.
- 5.2 The last time there was significant activity on the site was in 2012 when the buildings above the concrete slab /car park roof, were demolished. This was the latest in a series of private sector schemes for commercial / retail uses which have not been delivered. Works stopped in 2012 when the developer went into receivership.
- 5.3 Despite the Council actively engaging with prospective purchasers it was not possible to secure a fully commercial development and the site continued to act as a disincentive to significant future investment in the town.
- 5.4 Members will recall that in March 2015, with the support of Welsh Government funding from the Vibrant and Viable Places Regeneration Framework (VVP), the Council acquired the Receiver's long leasehold interest. This was a major step in removing a significant barrier to the future development of the site.
- 5.5 Funding of £1.5 million was approved by Council on 28<sup>th</sup> October 2015 as part of the Investment Priorities to progress the successful development of the site. A further £2 million approved by Council in November 2016.
- 5.6 The importance of securing the *right* development is absolutely paramount and in November 2016 Cabinet agreed that officers progress an office led scheme for the site. This was based on specialist commercial property advice prepared in light of current and anticipated future market conditions.
- 5.7 Importantly, the commercial advice identified these uses as deliverable, and this advice is supported by positive responses from other significant national property agents. The commercial property advisors were very clear that a mainly retail led scheme would neither be likely to be deliverable nor viable in today's climate.
- 5.8 The concept designs were also considered at that time showing the single biggest development opportunity in Pontypridd, which will deliver footfall in the town to help sustain and improve the town's retail and commercial offer.



- 5.9 The planning application was approved by the Council's Development Control Committee on 20<sup>th</sup> October. The granting of planning permission was a major milestone in this programme of development.
- 5.10 There has been a significant amount of progress made on the project over the past 3 months with National Procurement Service tenders and an EU tender process being followed to interview and appoint suitable Project/Cost Managers (PCM) and a Multi-Disciplinary Design Team (MDDT).
- 5.11 Rhomco Consulting have been appointed as PCM and DarntonB3 appointed to lead the MDDT.
- 5.12 An initial cost estimate has been produced by the PCM and it indicates that a £32-40M budget is achievable for the construction contract. However, there is still a need to assess the total project cost for the project.
- 5.13 Initial stakeholder and briefing meetings have commenced with the MDDT and a stage 2 gap analysis undertaken. Some further information on ground condition and M&E strategy is required and this is currently being addressed.
- 5.14 A procurement strategy is currently being worked up by the PCM and it is currently proposed to utilise a two stage tender process to try and mitigate any delays anticipated through stage 3.
- 5.15 Walters UK Limited were appointed as demolition contractor and attended a pre-contract meeting before Christmas and placed orders for site set up to enable an immediate start when they returned in the new year. They also produced the draft newsletter over the Christmas break and delivered it to the local traders and community on 5 January 2017 before they actually started back to work.



- 5.16 They have progressed well on site with site set up complete, soft strip including removal of asbestos containing materials and erection of new steel hoardings. They are currently removing the slab.



## 6. NEXT STEPS

- Procurement Strategy to be agreed with early contractor engagement anticipated March/ April.

- Design Review Panel meeting with the Design Commission for Wales scheduled for 28<sup>th</sup> March.
- Demolition completed by 31<sup>st</sup> March. 2 further Walters newsletters to be circulated in February and March.
- Stage 3 Developed Design complete by end April with reserved matters application to follow.

6.1 The delivery of this scheme is very much supported by services right across the Council with construction aspects of the project being led by Corporate Estates. Overall responsibility for the redevelopment of the site to contribute to the town centre regeneration is being retained by Regeneration and Planning.

6.2 The detail of the funding package will be developed in the coming months, but the overall capital investment cost is currently estimated in the range of £32 to £40M excluding the demolition/design costs.

6.3 There is work ongoing to secure the occupation of the buildings by a range of occupants. Opportunities to rationalise the Council's Property Portfolio will be explored to determine the best fit of services/occupants to be relocated within buildings B and C, generating potential capital receipts and/or alternative uses for existing Council owned sites.

6.4 Importantly there are discussions ongoing with significant potential occupiers.

6.5 The outline programme has remained constant and shows the following stages:-

- |                                  |               |
|----------------------------------|---------------|
| • Complete on site demolition    | March 2017    |
| • Start construction procurement | May 2017      |
| • Start of construction          | November 2017 |
| • Complete                       | May 2019      |

## 7. **EQUALITY AND DIVERSITY IMPLICATIONS**

7.1 An Equality Impact Assessment screening form has been prepared for the purpose of this report. It has been found that a full report is not required at this time. The screening form can be accessed by contacting the author of the report or the Cabinet Business Officer.

## 8. **CONSULTATION**

8.1 Consultation has been undertaken about the potential uses for the site, and further consultation on the proposed Taff Vale site redevelopment

has been completed as part of the Statutory Planning process. Further consultation will take place at the Reserved Matters stage.

## **9. FINANCIAL IMPLICATIONS**

9.1 The capital investment in the development remains in the region of £32 - £40M excluding the demolition/design costs incurred to date. The funding package is being developed which is likely to be a combination of Council resources, external funding, capital receipts and prudential borrowing.

9.2 The operational revenue running costs will depend on final designs and functions of the site. A business case is being developed alongside the detailed design and will detail the operational costs and income to take account of the potential commercial rents.

## **10. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

10.1 The site is wholly controlled by the Council in terms of freehold and leasehold. The detailed legal issues which arise in the delivery of capital projects will be considered and progressed in accordance with relevant legislation, within the usual project management arrangements.

## **11. LINKS TO THE COUNCIL'S CORPORATE PLAN**

11.1 The development opportunities outlined in this report will make a positive contribution towards the Corporate Priorities "Economy – Building a stronger economy" and "A prosperous Wales".

## **12. CONCLUSION**

12.1 Pontypridd is a pivotal location in the Cardiff Capital Region, and the Taff Vale site presents a significant opportunity to secure a step change to the economic performance of the town, beneficial to Rhondda Cynon Taf and the region.

12.2 The development has progressed well since the scheme was considered by Cabinet in November with key activity completed / underway:-

- Project Management / Cost Consultant - Rhomco appointed November 2016.
- Multi Disciplinary Design led Team – Darnton B3 appointed December 2016 subject to 10 day standstill period.
- Demolition Contractor – Walters appointed December 2016. Started on site 9<sup>th</sup> January 2017 with completion by 31st March 2017.

12.3 It is important that this momentum is maintained. The next steps outlined in this report will allow the delivery of this ambitious scheme to be successfully developed.

**Other Information:-**

***Relevant Scrutiny Committee***

Finance and Performance Scrutiny

***Contact Officer***

Jane Cook, Director of Regeneration and Planning. Tel 01443 490406



**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

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