

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

2ND NOVEMBER 2016

REDEVELOPMENT OF THE FORMER 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 progress with the redevelopment of the former Taff Vale Precinct site and to seek approval for the next stages of the delivery of development on the site.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Agree to instigate the procurement of external consultant teams for the next stages of surveys, design, project and cost management in order to proceed to the next stage of project delivery.
- 2.2 Agree to carry out all work necessary to further develop the programme producing a detailed delivery programme with key milestones; producing a robust cost plan to set a realistic budget; to developing fully detailed design proposals to deal with all reserved matters, and procuring a suitable contractor.
- 2.3 Agree to receive further reports as the scheme progresses, in particular the full business case that includes further details of the total funding package for the capital investment.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The Taff Vale redevelopment project has progressed well since Cabinet considered the scheme last in July 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. The recommendations above will ensure that the momentum can be

maintained to ensure that this ambitious and important development is progressed.

4. BACKGROUND

- 4.1 The former Taff Vale Precinct site currently acts as a disincentive to significant future investment in Pontypridd Town Centre. The development of the site will not only safeguard and maximise the opportunities from existing investment, but will also act as a catalyst for future economic opportunities presented by the site and the town centre, to be realised.
- 4.2 The wider Pontypridd area is a key strategic area, within the Cardiff City Region. It is a pivotal place in the heart of the region, forming a key junction between the valleys, the cities and the coast. 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 is a focus and hub for economic and social activity, and is a gateway for new investment, innovation, sustainable development and growth. The importance of Pontypridd to the economy and growth potential of the wider region is further emphasised by its employment and commuting patterns. Current assets within the area will form the basis for future investment and growth opportunity, and the Taff Vale site is a key opportunity.
- 4.4 In a pivotal location on the A470 and the main valleys railway line, Pontypridd has strong links south to the M4 and coastal cities, to the north the valleys and Merthyr Tydfil, and beyond to the Midlands via the M5. It also directly serves a population the valleys communities to the north and west in the Rhondda, Ely and Cynon Valleys. Linking these communities to Pontypridd will be further strengthened by the South Wales Metro and Valley Lines Electrification Project which place it as a key regional centre and network hub, and build on significant recent investment such as the modernisation of Pontypridd railway station and associated platform reopening to increase capacity and improve linespeed.
- 4.5 The University of South Wales Pontypridd Campus at Treforest, and Coleg Y Cymoedd main campus at Nantgarw/Treforest , together give the area a key role in the region in terms of research and development, innovation, training and links with business. The creation of employment opportunities and associated training in a highly accessible location is a clear focus for this location.

- 4.6 Pontypridd town centre and its surrounding area has continuing potential for economic diversification, investment and growth. This is supported by new facilities with national significance for visitors such as the Lido Ponty and the Royal Mint Experience, which makes the area an increasing destination for visitors and students from outside the area, including international students, which give a boost to the local labour market and add value to the offer of the area.
- 4.7 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 and development, in addition to leveraging private sector involvement and investment.
- 4.8 The development of the Taff Vale site will build on the current momentum and add significant value. It forms part of a set of further initiatives which together will result in additional investment, growth and employment that will have regional benefit. These include:
- **Redevelopment of the Taff Vale Site** – a major mixed use site opportunity at a key town centre location with investment and employment potential
 - **The New Bridge Link** – a statement making bridge link over the River Taf providing a new gateway link between the town centre and Lido Ponty facility providing economic and visitor linkages that will focus further investment (see Cabinet Report July '16)
 - **Ynysangharad Park** – Building on Lido Ponty as a regional visitor attraction upgrading the park and introducing complementary and innovative features and restoring original features providing employment and visitor opportunities (see Cabinet report July 2016)
 - **Pontypridd YMCA** – Redeveloping the YMCA to be fit for the future as a community centre for creative arts facilitating social enterprise, training opportunities and community involvement.
 - **Bingo Hall Site Redevelopment** – a major privately owned disused site at the southern entrance to the town, ripe for development for a variety of uses and creating further investment in the town
 - **Townscape Enhancements (under Vibrant and Viable Places)** – continuing a targeted approach to upgrading town centre buildings for increased business and commercial use and continuing to improve the quality of the townscape providing business investment and employment growth
 - **Business Improvement District (BID)** - the BID is a private sector led development bringing businesses and other stakeholders together to improve the trading environment and increase profitability. They are progressing a number of initiatives in the town.

5. TAFF VALE SITE – PROGRESS TO DATE

- 5.1 The former Taff Vale Precinct Site is in a highly prominent position and is critical in terms of the regeneration of the town, and ensuring that it's potential within the wider City Region is realised.

- 5.2 The site has had many false dawns following the decline of the precinct, a mid 1960's a commercial development of offices, shops and a basement car park. The last scheme in 2009 was granted planning permission for commercial / retail use and the site's buildings were demolished. However, development stopped in 2012 when the developer went into receivership. The development of the site was subsequently held up by the complex tenure arrangements.



- 5.3 The Council actively engaged with prospective purchasers and some interest in the site was received however, despite seeing significant potential in the site, all the prospective investors failed to deliver a development.
- 5.4 The site now clearly acts as a disincentive to significant future investment in the town.



- 5.5 In response to the failure of the private sector to deliver the site, 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, thereby removing a significant barrier to the future development of the site.
- 5.6 Funding of £1.5 million was approved by Council on 28th October 2015 as part of the Investment Priorities to progress the successful development of the site.

- 5.7 Since that time there has been considerable activity across a number of Council Service areas, resulting in very good progress on this complex and challenging site.
- 5.8 The importance of securing the *right* development is absolutely paramount. In order to achieve this, considerable work has been completed to investigate site conditions and the potential for the re-use of the existing structure and also to consider all potential development opportunities for the site.
- 5.9 The detailed and complex structural work concluded that to maximise this redevelopment opportunity and to allow the site to be redeveloped without such restrictions, the demolition of the existing remaining structure is required. A detailed plan for the demolition has been developed and it is anticipated that works will be completed by the end of March 2017.
- 5.10 Other preparation work completed includes geotechnical and geoenvironmental studies; ecological work including bats and otters; structural, mechanical and electrical surveys; and asbestos assessments.
- 5.11 Specialist commercial property advice has also been secured which considered all potential development options in light of current and anticipated future market conditions. Supporting this work, architectural services were commissioned and concept designs completed for the site.
- 5.12 Concept designs and a feasibility study for a new footbridge over the River Taff has also been completed. The bridge would connect the town with the Ynysangharad War Memorial Park and recently completed Lido restoration project, to encourage pedestrian movement around the whole town centre.
- 5.13 Members will recall that in January 2016, views on preferred future uses were sought from local residents and businesses via a questionnaire. 1,551 respondents completed the questionnaire and the main preferred uses for the site were retail and restaurants, with a selection of other uses in the middle range including public services, hotel, bars and gym, with housing and student accommodation being least supported in the consultation.
- 5.14 As noted above, this site represents the single biggest development opportunity in Pontypridd. It needs to deliver footfall in the town to help sustain and improve the town's retail and commercial offer, whilst also contributing to the vibrancy of Pontypridd. A key message from the commercial property advisors was that a mainly retail led scheme would neither be likely to be deliverable nor viable in today's climate.

- 5.15 A range of purely commercial mixed use options were reviewed, but the key to certainty of delivering development of the site within a reasonable timeframe, is for any scheme to include public sector development, rather than a reliance on a changing commercial marketplace. Therefore, having considered the need to increase footfall in the town to support the existing local economy as well as acting as a catalyst for future investment, the development option that is proposed contains major office accommodation development for private and public sector occupancy together with A3 (food and drink) uses.
- 5.16 The scheme currently proposes 3 individual buildings sitting above a combined basement area that will provide some parking capacity, plant facilities and service yard/storage areas. Building A is a major office building comprising office floor space, and a modest element of restaurant/cafe floor space on the ground floor level. Building B is similar to Building A, a major office building with a small element of food or drink floor space on the ground floor level. Building C is a distinctively different looking building to the two other office buildings, flexible enough to provide uses including library, front office, leisure and office type uses. Additional public realm, street scape and views of the river will also be incorporated into the site.
- 5.17 The commercial advice received has identified these uses as deliverable, and this advice is supported by positive responses from other significant national property agents.
- 5.18 Ambitious plans have been developed to build these uses into a quality development, right for this key opportunity site in Pontypridd, Rhondda Cynon Taff and the wider region. The scheme prepared is bold, but respects the historic features around the site. It is modern in design taking Pontypridd forward and enabling it to realise the opportunities outlined earlier.





- 5.19 An outline planning application for the Taff Vale site redevelopment was submitted in July 2016. The Design Commission for Wales said “This is a positive and confident approach to an important scheme for the town centre, and its ambition is welcomed by the Commission.” It is notable that a development proposal of this scale and importance generated no objections. Importantly comments and consultation responses were received, but other than some concerns, the responses were overwhelmingly positive.
- 5.20 The planning application was approved by the Council’s Development Control Committee on 20th October. The granting of planning permission is a major milestone in this programme of development.
- 5.21 As the project has developed from a concept proposal it is now entering into a phase of project delivery. During this transition stage, revised Project Management protocols have been discussed with the officer Project Board and responsibility for delivery of the demolition and construction aspects of the project have been transferred to Corporate Estates. Overall responsibility for the redevelopment of the site to contribute to the town centre regeneration is being retained by Regeneration and Planning. The delivery of this scheme is very much supported by services right across the Council.

6. NEXT STEPS

- 6.1 The delivery of the scheme will be undertaken by the Council. This will provide certainty and control. The redevelopment has not been successfully delivered by the private sector, however under a public sector delivery model, the approach to development is different, with regeneration at its heart, rather than the need to hit a particular profit target, and maintain the support of shareholders. The Council’s priority is the delivery the development for the town, the wider community in Rhondda Cynon Taf, the region, and the Council.

- 6.2 Clearly the scheme must be appropriately funded, for both the capital investment for development of the site and the ongoing operational running costs, and deliver the right outcomes for the town and the Council. However, the ability to structure the funding package of the capital investment with available external funding Welsh Government grants, potential capital receipts and prudential borrowing, provides a more robust approach to delivery. This is further supported by the revenue stream which the development can generate once the development is operational.
- 6.3 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 incurred to date.
- 6.4 The programme for the development is also currently being completed. It is proposed that the remaining Taff Vale site structure is demolished to allow the site to be redeveloped without current restrictions, and that this will be completed by March 2017.
- 6.5 Work is ongoing in preparation for a procurement exercise, subject to Cabinet approval, which would follow the European Union (EU) process. This procurement would obtain tenders and consultant proposals for the next stages of design development to take the project from its current concept stage through to detailed design to discharge reserve matters and produce a package of work suitable for procurement of a contractor to redevelop the site. It is hoped that appointment of a full design team will be before the end of December 2016.
- 6.6 Preparation work is also ongoing to start a procurement exercise, subject to Cabinet approval, to procure the services of an external Project and Cost Manager to manage the following stages of project delivery and work up a realistic programme and produce a robust cost plan. This procurement would use a mini-competition following the NPS Wales Framework process.
- 6.7 There is a need to develop proposals for the occupation of the individual buildings using a mix of private and public sector 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.

6.8 The outline programme currently 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.

9. FINANCIAL IMPLICATIONS

9.1 The outcome of the next stage tendering exercises referred to above, will inform the detail of costs for project and cost management, detailed design, and production of a package of work suitable for procurement of a contractor, etc. Once detailed costs are identified, funding options will then be considered. It is likely that funding flexibility will be identified as part of the Quarter 2 Performance report and this will be reported to Members at the end of November.

9.2 The capital investment in the development is likely to be in the region of £32 - £40M excluding the demolition/design costs incurred to date. When more certain cost estimates are available a business case and funding package will be developed which is likely to be a combination of Council resources, external funding, capital receipts and prudential borrowing.

9.3 The operational revenue running costs will depend on final designs and functions of the site. A business case will be prepared detailing 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 July and 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

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LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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PORTFOLIO HOLDER (CLLRS)**

Item:

Background Papers

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