

Meeting of:	Cabinet
Date of Meeting:	Monday, 07 June 2021
Relevant Scrutiny Committee:	Environment and Regeneration
Report Title:	Barry Town Centre Gateway Regeneration Project (Compound and Clinic Sites)
Purpose of Report:	To provide update regarding Barry Town Centre Gateway Regeneration Project.
Report Owner:	Deputy Leader and Cabinet Member for Education and Regeneration
Responsible Officer:	Rob Thomas, Managing Director
Elected Member and Officer Consultation:	<p>Leader</p> <p>Cabinet Member for Regeneration and Education</p> <p>Local Ward Members</p> <p>Managing Director</p> <p>Head of Regeneration and Planning</p> <p>Housing Development Manager</p> <p>Head of Adults Social Care</p> <p>Head of Finance</p> <p>Operational Manager, Property</p> <p>Operational Manager, Public Housing</p> <p>Operational Manager, Regeneration</p> <p>Operational Manager, Engineering</p> <p>Operational Manager, Accountancy</p> <p>Senior Lawyer</p>
Policy Framework:	This is a matter for Executive Decision

Executive Summary:

- This report to Cabinet provides an update regarding Barry Town Centre Gateway Regeneration project and its objective to deliver a range of new affordable homes (and if required, private market homes), integrated with health facilities and commercial uses at the western end of Barry town centre.
- The report focuses on proposals, as part of Barry Town Centre Gateway Project, to facilitate the redevelopment of two sites comprising (a) the Gladstone Road Bridge Compound Site and (b) the Broad St Clinic site, with two landmark buildings delivering new affordable residential apartments and replacement accommodation for the Broad St Clinic, subject to statutory consents and funding.
- The two-site redevelopment concept is subject to ongoing discussions between the Council, Welsh Government and Cardiff and Vale University Health Board.
- If it is not possible to deliver the two-site redevelopment concept, the Council proposes a fallback option facilitating the redevelopment of the Gladstone Road Bridge Compound Site as an older person's residential development.

Recommendations

- 1.** That the Barry Town Centre Gateway Regeneration Project aimed at redeveloping the Gladstone Road Bridge Compound Site and Broad St Clinic Site (identified in Appendix B) is endorsed, subject to the appropriate legislative provisions, statutory consents and funding;
- 2.** That authority is granted to the Head of Regeneration and Planning (in consultation with the Leader, Deputy Leader and Cabinet Member for Education and Regeneration, Managing Director and Head of Finance) to negotiate and agree terms with Cardiff and Vale University Health Board for the Council to purchase the freehold interest in the Broad St Clinic Site pursuant to the principles and best practices of the Welsh Government's Estate Co-ordination and Land Transfer Protocol;
- 3.** That authority is granted to the Head of Regeneration and Planning (in consultation with the Leader, Deputy Leader and Cabinet Member for Education and Regeneration, Managing Director and Head of Finance) to negotiate and agree terms to dispose of (by virtue of a long lease), circa 520 Sq M health clinic (within part of the proposed redevelopment of the Gladstone Road Bridge Compound Site) to Cardiff & Vale University Health Board at less than best consideration with the required consent under the General Disposal Consent (Wales) 2003 and pursuant to the principles and best practices of the Welsh Government's Estate Co-ordination and Land Transfer Protocol;
- 4.** That authority is granted to the Head of Regeneration and Planning (in consultation with the Leader, Deputy Leader and Cabinet Member for Education and Regeneration, Managing Director and Head of Finance) to submit and accept grant applications to secure funding towards the cost of the project;
- 5.** That authority is granted to the Head of Housing and Building Services (in consultation with the Leader, Deputy Leader and Cabinet Member for Education and Regeneration, Managing Director, Head of Regeneration and Planning and Head of Finance) to procure and appoint a design team and other consultants as may be required to achieve project delivery, subject to funding;
- 6.** That authority is granted to the Head of Housing and Building Services (in consultation with the Leader, Deputy Leader and Cabinet Member for Education and Regeneration, Managing Director, Head of Regeneration and Planning and Head of Finance) to submit a planning application(s) for the project by virtue of either Regulation 3 or Regulation 4 of The Town and Country Planning General Regulations 1992 (As Amended);
- 7.** That the fallback option of only redeveloping the Gladstone Road Bridge Compound Site is endorsed in principle, if it is not possible to facilitate the redevelopment of the Broad St Clinic Site as part of the project, subject to a further Cabinet Report if this alternative option is pursued;
- 8.** That authority is granted to the Monitoring Officer/Head of Legal and Democratic Services to prepare, execute, and complete all legal documentation required to acquire and dispose of land and procure and facilitate the delivery of the project.

Reasons for Recommendations

1. To obtain endorsement from Cabinet for the Barry Town Centre Gateway Regeneration Project and its delivery subject to statutory consents and funding;
2. To obtain authority to purchase the freehold interest of the Broad St Clinic Site;
3. To obtain authority to dispose by virtue of a long lease the proposed new Clinic accommodation that would be provided as part of the redevelopment of the Gladstone Road Bridge Compound Site;
4. To obtain authority to submit and accept grant applications for the project;
5. To obtain authority to procure and appoint the design team and other consultants as may be required for the project;
6. To obtain authority to submit planning application(s) for the project;
7. To obtain an endorsement for the fallback option of only redeveloping the Gladstone Road Bridge Compound Site if required, subject to a separate future Cabinet Report, if pursued;
8. To obtain authority for the Monitoring Officer/Head of Legal and Democratic Services to prepare, execute and complete all legal documentation required to facilitate the delivery of the project.

1. Background

- 1.1 The objective of Barry Town Centre Gateway Regeneration Project is to facilitate the comprehensive mixed-use redevelopment of several key sites at the western end of the town centre (Holton Road/Broad Street) identified within the area indicatively dashed red in Appendix A.
- 1.2 The aims of Barry Town Centre Gateway Regeneration project are to deliver a range of new affordable homes (and if required private market homes), integrated with health facilities and commercial uses, safeguarding and creating new jobs and bringing back into economic use several undeveloped and underutilised sites at the western end of Barry town centre. This would help boost the town centre, improving it as a sustainable place for living, working, and shopping.
- 1.3 As part of the Barry Town Centre Gateway Regeneration Project, the focus of this report is on the proposed coordinated redevelopment of the Gladstone Road Bridge Compound Site and the Broad Street Clinic Site, identified in Appendix B:

(A) GLADSTONE ROAD BRIDGE COMPOUND SITE

The Gladstone Road Bridge Compound Development Site is a vacant area of undeveloped land (measuring approximately 0.7 acres (0.28 Hectares). The Vale of Glamorgan Council owns the freehold interest of the land; and

(B) BROAD STREET CLINIC SITE

The Broad Street Clinic Site measures approximately 0.42 acres (0.17 Hectares) and comprises a two-storey detached building and car park. The freehold interest of the site is owned by the Cardiff and Vale University Health Board. The Clinic serves central Barry and the wider Vale Locality, and pre-pandemic had high utilisation rates for a variety of clinics.

- 1.4 The Vale of Glamorgan Council is working in collaboration with the Welsh Government and other key stakeholders such as Cardiff and Vale University Health Board to facilitate this aspect of the gateway regeneration project

2. Key Issues for Consideration

- 2.1 Subject to viability, funding and statutory consents, the proposal is to facilitate the coordinated master planned redevelopment of the Gladstone Road Bridge Compound Site and the Broad Street Clinic Site. The preliminary aim is to deliver a pair of high-quality contemporary landmark buildings accommodating a mix of affordable residential homes (including some older persons homes complementing the existing extra care facility at neighbouring Golau Caredig) and as part of the development new accommodation for the Broad St Clinic at the western entrance to the town centre.
- 2.2 Scheme design proposals for the redevelopment of the two sites would be prepared in due course, subject to statutory consents and therefore determined by the separate statutory planning process and associated community consultation.
- 2.3 It is intended to deliver the project in two phases (subject to statutory consents and community consultation):
 - (A) PHASE 1 – firstly, the Gladstone Road Bridge Compound Site is proposed to be redeveloped with a new block of affordable older persons residential apartments including new accommodation for the Broad St Clinic; and
 - (B) PHASE 2 – secondly, the existing Broad Street Clinic building would be demolished and cleared, and the site redeveloped with a new block of affordable residential apartments. Prior to this phase commencing Broad St Clinic would have relocated over to the new Clinic space created by Phase 1.
- 2.4 In terms of project delivery, the proposal is for the two building developments to be delivered by the Vale of Glamorgan Council's Housing Service's section working closely with the Council's Project Management and Regeneration teams. Along with securing statutory consents, delivery of the two-site development project is subject to:
 - (i) AVAILABILITY OF FUNDING – The project is proposed to be funded by the Council (Housing Services) with gap funding sought from the Welsh Government via their Transforming Towns and Integrated Care Fund programmes;
 - (ii) THE PUBLIC SECTOR LAND TRANSFER OF THE BROAD ST CLINIC SITE TO THE COUNCIL - Discussions are ongoing with Cardiff and Vale University Health Board

regarding the proposed transfer of the freehold interest of the Broad Street Clinic Site to the Vale of Glamorgan Council;

(iii) BROAD ST CLINIC RELOCATING TO NEW ACCOMMODATION – It is proposed the Council disposes of (by virtue of a long lease at below market value/nil consideration) new accommodation for the Clinic within the proposed affordable older persons residential block at the Compound Site to Cardiff & Vale University Health Board. The new accommodation for the clinic would be designed in consultation with the health board to ensure it is fit for purpose and enables the clinic to continue to deliver services for the benefit of the local community.

FALLBACK OPTION - COMPOUND SITE

- 2.5** This is a complex land development project and if for any reason it is not possible to deliver the two-site concept, a proposed fall-back position for the Council is for Housing Services to develop the Compound Site as an older person's residential scheme subject to statutory consents. The funding of the alternative (Compound Site only) redevelopment would be funded by the Council's Housing Services section. This single site alternative option would still deliver major regeneration benefits including new affordable older persons homes but would not involve the Broad St Clinic Site, which would remain under the control of Cardiff and Vale University Health Board. If the fallback option is ultimately pursued, a separate report would be submitted to Cabinet seeking the appropriate authorisations.
- 2.6** The Compound Site was surplus to the requirements of the Highways Section and Emergency Powers were approved during March 2021 to facilitate the appropriation of the Compound Site from the General Fund to the Housing Revenue Account (Housing Services).
- 2.7** This regeneration project and the redevelopment of the Compound Site was recently considered and supported by the Council's Insight Board during December 2020.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** a) INVOLVEMENT - The Council will facilitate consulting the community as part of the statutory planning process.
- 3.2** b) COLLABORATION - The Council, Welsh Government and Cardiff and Vale University Health Board are working closely to facilitate the delivery of the project to provide much needed affordable homes and health facilities.
- 3.3** c) INTEGRATION - An aim of the project is to sensitively integrate the proposed new development within the town centre.
- 3.4** d) PREVENTION - An aim of the project is to prevent a lack of much needed affordable homes and integrated health facilities.

- 3.5** e) LONG TERM - An aim of the project is to deliver a sustainable mixed-use development of affordable homes and health uses that will provide a long term solution to the regeneration of this important gateway to the town centre.

4. Resources and Legal Considerations

Financial

- 4.1** To date the survey, feasibility and design of the project has been funded largely by existing revenue budgets.
- 4.2** Funding (£43,420) has also been secured from the Welsh Government's Integrated Care Fund, which is distributed via the local Health Board towards the cost of feasibility and design work during 2020/21.
- 4.3** The concept to redevelop the Gladstone Road Bridge Compound Site and Broad St Clinic Site is estimated to cost in the region of £13.4 Million. The Development Viability Appraisal has identified a funding gap of £3.15 Million. It is proposed to submit grant application(s) of £3.15 Million to the Welsh Government (Transforming Towns and Integrated Care Fund or other grant schemes) towards the cost of the project.
- 4.4** The Council's match funding of £10.25 Million is included by Housing Services in the current Housing Business Plan from 2022/23 towards the cost of the project.
- 4.5** Of the above funding gap circa £1.3 Million is attributed to the estimated build cost of circa 520 SqM of new floorspace required for the retained Clinic use. Cardiff and Vale University Health Board reportedly has no capital funding to contribute to the project. However, subject to ongoing negotiations, the Capital Receipt (subject to valuation) the Council would pay Cardiff and Vale University Health Board to purchase the freehold interest of their Broad St Clinic Site would be invested by Cardiff and Vale University Health Board back into the project towards the cost of for example, fitting out the new accommodation for the retained Clinic use.
- 4.6** To achieve project delivery requires the Council to dispose to Cardiff and Vale University Health Board the circa 520 SqM of new accommodation (and on-site car parking) for the Clinic at no cost by virtue of a long lease (125 years) at a peppercorn rental. Consultant land valuers (JLL) advise the Market Value for the Premium that the UHB would ordinarily have to pay for Development Rights of a new 520 SqM Clinic at this location is £350,000. This means to deliver the project the Council is required to dispose of the long lease for the new Clinic below market value, subject to Cabinet approval. The legal mechanism is outlined below.

Employment

- 4.7** It is anticipated the project will create temporary construction jobs and safeguard and create operational jobs. At this stage it is not possible to identify actual estimated numbers of jobs.

Legal (Including Equalities)

- 4.8** The Vale of Glamorgan Council owns the freehold interest of the Gladstone Road Bridge Compound Site. The Broad St Clinic Site is in the freehold ownership of the Cardiff and Vale University Health Board.
- 4.9** The proposed purchase by the Vale of Glamorgan Council of the freehold interest in the Broad St Clinic Site from Cardiff and Vale University Health Board, would be facilitated as a Public Sector Land Transfer pursuant to the principles and best practices of the Welsh Government's Estate Co-ordination and Land Transfer.
- 4.10** It is proposed to dispose of part the property (circa 520 SqM of accommodation) within the proposed development of the Gladstone Road Bridge Compound Site to Cardiff and Vale University Health Board by way of a long lease. The consideration for the lease will be at below market value/nil consideration. However, the Council will seek to rely on general consents contained in Local Government Act 1972: General Disposal Consent (Wales) 2003 which permits disposals for a long lease disposal at less than best consideration in the circumstances detailed below.
- 4.11** Under Section 123 of the Local government Act 1972, the Council may dispose of its land in any manner it wishes but is under a duty to achieve the best consideration reasonably obtainable on the disposal of land unless it has the consent of the Welsh Ministers to dispose of land for less. However, general disposal consents have been issued by the Welsh Ministers (the General Disposal Consent (Wales) 2003) and under these consents, a local authority may dispose of an interest in land for a sum which is less than best consideration that can reasonably be obtained where the authority considers that the purpose for which the interest in the land is to be disposed of is likely to contribute to one or more of the following objects in respect of the whole or any part of its area, or all or any persons resident in its area, or all of the persons resident in its area:(i) the promotion or improvement of economic well-being; (ii) the promotion or improvement of well-being; (iii) the promotion or improvement of social well-being; and the difference between the unrestricted value of the interest to be disposed of and the consideration agreed does not exceed £2,000,000

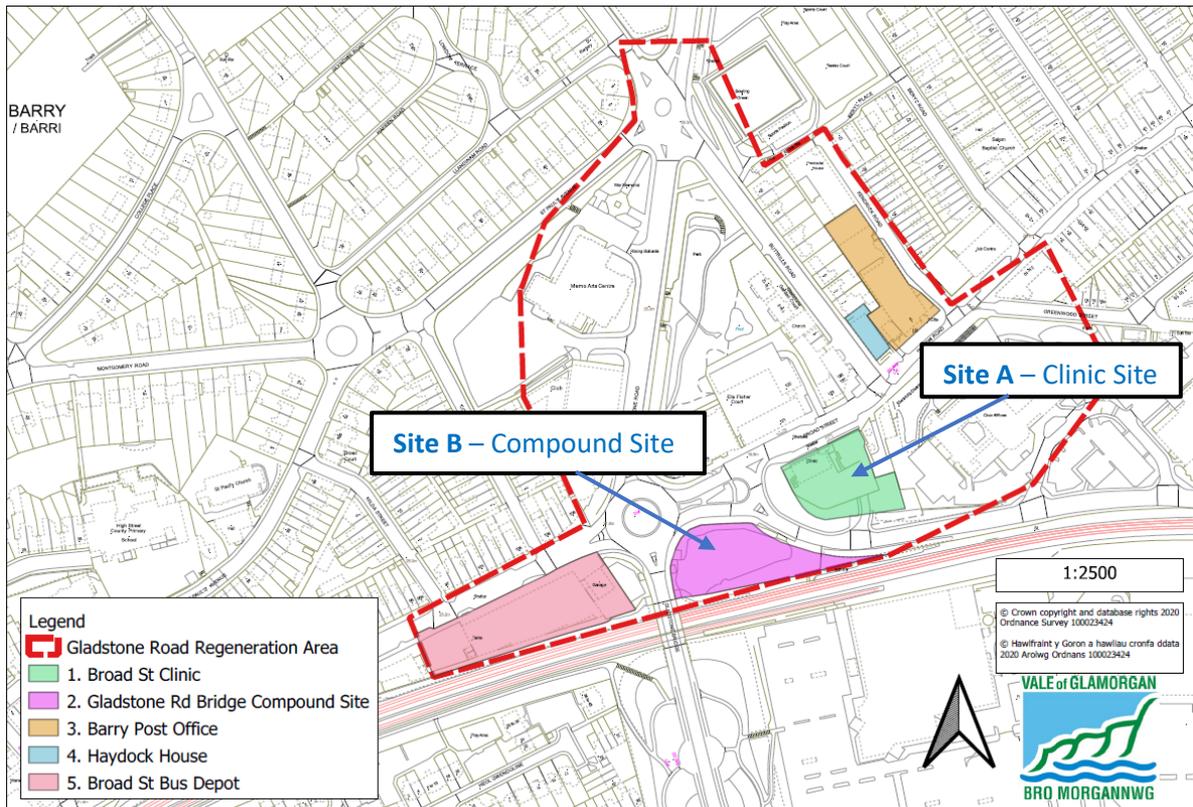
5. Background Papers

None.

APPENDIX A:

Barry Town Centre Gateway Regeneration Project (Gladstone Road Regeneration Area – indicatively dashed red)

Location of Gladstone Road Bridge Compound Site (Site A)
And Broad St Clinic Site (Site B)



APPENDIX B:

Site Boundaries (Compound and Clinic Sites)

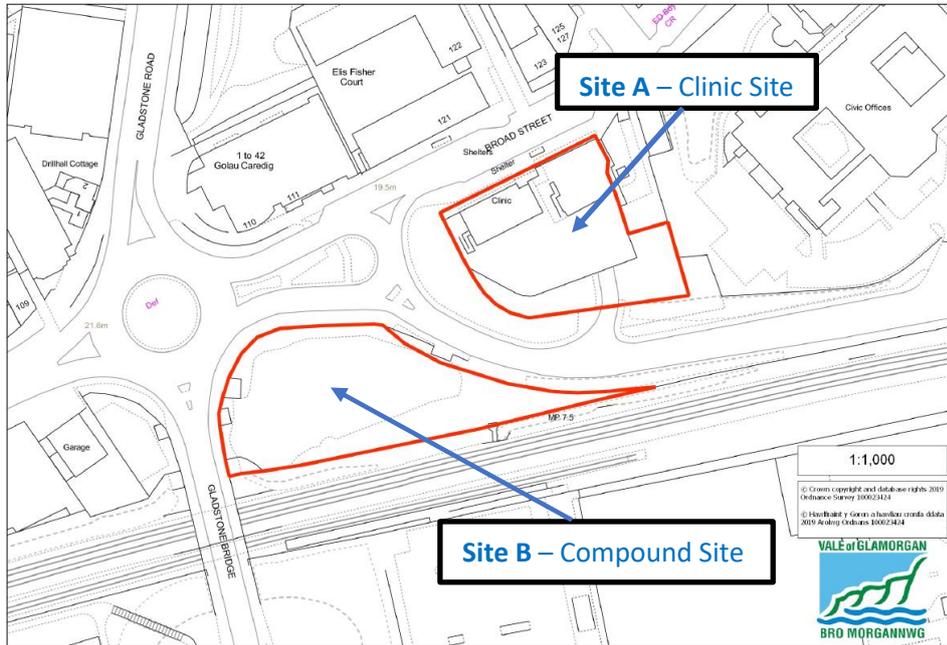


Photo: Broad St Clinic Site



Photo: Gladstone Road Bridge Compound Site