



CABINET – 17TH JULY 2007

SUBJECT: BARGOED TOWN CENTRE DEVELOPMENT

REPORT BY: DIRECTOR OF THE ENVIRONMENT

1. PURPOSE OF REPORT

- 1.1 To seek approval of a development brief to be issued to prospective developers of the Bargoed town centre 'Plateau' site. To seek approval of various proposed terms and conditions to be issued in relation to the marketing of that site.

2. SUMMARY

- 2.1 Consultants have now prepared, in conjunction with officers of CCBC and WAG, a development brief setting out what is required to be provided on the Bargoed town centre 'Plateau' site. The brief sets out the requirements for the site, including which types of land uses are essential and which are desirable and contains an illustrative layout demonstrating how the requirements could be achieved.
- 2.2 This report discusses options for the eventual tenure of the site, planning obligations, car parking targets and other matters that developers will need to know in order to make a realistic bid for the site.
- 2.3 Meaning of acronyms used in this report;

CCBC – Caerphilly county borough council
WAG – Welsh Assembly Government
DEIN – Department of Enterprise, Innovation & Networks (now the Department of Economics and Transport)
UDP – Unitary Development Plan

3. LINKS TO STRATEGY

- 3.1 Bargoed is the only significant retail centre in the part of the county borough covered by the Heads of the Valleys programme – identified by the Welsh Assembly Government as a regeneration priority area. As such Bargoed will play an important role in the Heads of the Valleys programme and strategy.
- 3.2 Bargoed is identified as a district shopping centre in the Council approved UDP and its southern car park is one of five key town centre retail allocations in that plan. The Bargoed Town Centre Action Plan identifies redevelopment of this part of the town centre as its main proposal.
- 3.3 Bargoed town centre is identified in the recently published Local Development Plan Preferred Strategy as a location for major retail and leisure development.

- 3.4 Regenerating the county borough's town centres, including Bargoed, is one of the main priorities in the Council's economic development strategy – "The Smart Alternative".
- 3.5 The redevelopment of Bargoed town centre is a key proposal for regenerating the town and for this to occur a private sector developer partner must be attracted to implement the scheme.

4. THE REPORT

Background

- 4.1 In August 2004 consultants Camlin Lonsdale were commissioned to undertake a regeneration study for Bargoed Town Centre. They reported in 2005. Their principle and most radical proposal, 'Package 2' affects the area around the town's library, which would be demolished under the proposals, along with 13 adjacent properties (12 fronting Hanbury Road and one fronting the rear access road). A new plateau is proposed at the southern end of the town in order to create a tiered shopping centre with a frontage onto Hanbury Road and a large food store underneath at basement level, opening out at the rear onto a large parking area. A 'town wall' would contain the plateau and support a promenade providing views over the country park and surrounding areas. The Barton Willmore brief is based on this concept but carries it forward in much more detail, taking into account the many constraints on the site.
- 4.2 In September 2005, cabinet resolved to progress the main elements of the Camlin Lonsdale study including creation of the plateau and redevelopment of the library and the privately owned properties to the north of it.
- 4.3 In July 2006 the Council, jointly with the WAG's Department of Enterprise, Innovation and Networks (DEIN) commissioned E.J. Hales to advise on the likelihood that major food retailers would want to locate in the proposed Bargoed town centre development. E.J. Hales reported that they consider that *"it is apparent from the work we have carried out and the direct interest via the developer that potentially several of the major national food store operators could be interested in the town"*.
- 4.4 E.J. Hales' recommendations for the way forward on this scheme were;
- That a compulsory purchase order be available if required for site assembly.
 - With the potential for several anchor store occupiers being interested in the site, the natural way forward is for a development brief to be produced and the site marketed. . . . The natural progression would be for a tender / best bids process to be followed by the appointment of a preferred developer. From there a conditional contract could be entered into and the developer could then seek detailed planning consent. Following expiry of the judicial review period and achieving vacant possession of the site, construction could commence.
- 4.5 In November 2006 cabinet resolved to pursue the process recommended by E.J. Hales.
- 4.6 Significant progress in implementing this ambitious regeneration programme has been made recently with WAG approval for funding for the proposed retail plateau reclamation scheme and Heads of the Valleys approval of funding towards property acquisition.

Compulsory Purchase Order

- 4.7 With regard to the compulsory purchase order, cabinet has already instructed officers to commence negotiations with the relevant property owners and several have already been purchased by agreement. In May 2007 cabinet resolved to use CPO powers if necessary and authorised additional expenditure for the acquisition of the properties. On that date cabinet also instructed officers to pursue the option of relocating the town's library in Hanbury Road Baptist Chapel.

Development brief

- 4.8 Barton Willmore's development brief tackles three main issues; - design, car parking and scheme content.

Urban Design

- 4.9 A series of design requirements, intended to ensure that the principals of the Camlin Lonsdale study that the Council has already endorsed, are proposed in the development brief. These include the massing of the development at the northern end of the site with a two or two-and-a-half storey frontage to Hanbury Road, the provision of safe internal and external links for pedestrians between the lower and upper levels, and the need, in design terms, to address the Coedtir country park.
- 4.10 A change from the original site boundary is that consultants now recommend excluding the current bus station site from the development area, in order for it to be developed as the principal public open space in the town centre after the bus station is relocated under the Angel Way scheme.
- 4.11 An additional design requirement is that the developer should include £250,000 of public artworks on the development site. This is in accord with a parallel Arts Strategy for the town centre that the consultants have produced to accompany the brief.
- 4.12 The consultants have also produced a Design Code that will accompany the brief and, like the arts strategy, will apply throughout the town centre to public and private sector initiatives in the future.
- 4.13 The result of these carefully thought out design requirements, which include environmental sustainability criteria, is that the proposed development will be an exemplar of good design in the county borough, maintaining the county borough's excellent reputation in this field set by developments such as those at Tredomen.

Parking

- 4.14 There is a requirement in the brief for 500 car parking places to be provided on the site. A dogmatic interpretation of parking guidelines would suggest up to 800 spaces would be required, including replacements for the current provision in the Cardiff Road car park. However there are a number of mitigating features, including;
- A large degree of sharing of parking facilities between the numerous elements of the development.
 - The introduction of a pay and display regime (to be agreed with the developer/operator) that will discourage long term and commuter parking
 - The excellent public transport facilities that will be available in the town centre.
 - The large numbers of shoppers that access the town centre by foot due to the proximity of dense residential housing

Therefore a total of 500 spaces, some of which would have to be provided on a decked or underground structure, are considered sufficient in these circumstances.

Scheme content

- 4.15 There is a requirement for the commercial elements of the scheme to include a large anchor foodstore, a range of unit shops and a multiplex cinema. It is also suggested that cafes and pub-restaurant facilities overlooking the country park would be desirable, as would some residential apartment blocks at the southern entrance to the site.
- 4.16 The consultants have identified the corner site north of the Cardiff road / Angel Way junction as a key location in terms of the visual impression of the town to drivers approaching over the Angel way viaduct. For this reason they have proposed that an architecturally attractive residential block be located on this site, even though under the current plans for the road scheme the area was to be given over to parking – an issue of some concern locally.
- 4.17 A pack of technical information to accompany the invitation to bid for the site will include a plan showing the areas to be retained and maintained by the local authority. These will include the plateau retaining wall, perimeter walkway, access road to the northern (Hanbury Road) car park and a parking area, laid out as an attractive town ‘square’ at the southern end of the development site.
- 4.18 The commercial elements of the scheme broadly reflect those envisaged in the Camlin Lonsdale plan. The exception is the addition of a multiplex cinema. This has been included following an approach from a cinema operator, who, following an initiative by officers of the Council, is very keen to locate in this development,
- 4.19 The regeneration impact of the inclusion of a multiplex cinema in the development would be enormous. Currently the only such facility in the whole of the South Wales Valleys is at Nantgarw. The proposal would therefore instantly promote Bargoed to a sub-regional leisure destination and fill a substantial gap in the leisure provision of the county borough as a whole. Such a facility would also draw additional trade into the shops in the town and, located on top of the superstore overlooking the valley, could present a strikingly dramatic architectural statement. Indeed the inclusion of a cinema is seen by the consultants as greatly enhancing the urban design, as well as the regeneration, impact of the development.
- 4.20 There is, however a downside to the inclusion of such a facility in the development. Multiplex cinemas tend to be marginal ventures in terms of profitability and usually require a significant initial subsidy from the developer in the order be viable. For this reason, a developer is unlikely to include such a facility in his offer if it displaces more profitable commercial floorspace. This is why it is essential for the Council to require a development option that includes a multiplex cinema to be submitted.
- 4.21 In previous reports to cabinet it has been suggested that two bids should be invited from each developer – one with a cinema included and one without. Consultants now advise that the cinema should be included as an essential element of the scheme, even though it could reduce the potential financial offer for the site by an estimated £1.5 million.
- 4.22 However an additional advantage of the inclusion of a significant residential element in the scheme is that it would increase the value of the development, potentially counteracting the negative impact of the cinema on the scheme’s finances.
- 4.23 Finally, it is proposed that in the assessment of competing bids for the site, the regeneration objectives of the brief will comprise 75% of the assessment and the financial offer 25%. Therefore the Council and its partners will not be not bound to accept the highest financial offer in choosing an appropriate developer for the scheme.

Marketing of the site

- 4.24 Subject to approval of the recommendations in this report, Cook and Arkwright (part of the consultancy team led by Barton Willmore) will be marketing the site for the Council and the WAG from late July to the end of September. The deadline for submission of bids is likely to be in October and consultants will help the Council to evaluate bids received so that a preferred developer partner can be identified as soon as possible.

Terms and conditions

- 4.25 It is proposed that the freehold of the site be offered for sale, to be transferred on practical completion of the development. The eastern boundary of the site, including a parking area, would remain in Council ownership following completion of the development. The full heads of terms of any agreement will be reported to cabinet at a future date once a preferred developer partner has been appointed.
- 4.26 Planning obligations in the form of financial contributions will be minimised in order not to threaten the viability of the development but will include a sum of £170,000 towards the relocation costs of the library service and £100,000 towards the relocation costs of the health facilities displaced by the development.

5. FINANCIAL IMPLICATIONS

- 5.1 WAG has authorised funds for land reclamation for the construction of the plateau that is essential to this development. The Heads of the Valleys Programme has granted £1 million for land acquisition. The Council's land and property assets in the site area have been valued at approximately £800,000. All of these contributions, and the funding for the remaining property acquisitions (estimated at £750,000) and any other expenditure on the scheme, will be taken into account through the Joint Venture Agreement.
- 5.2 The Council will be expected to contribute its land and property assets to the scheme and will be entitled in return, to a proportion of the capital receipts from eventual disposal. Cabinet has already resolved that the first call on the Council's share of the capital receipt will be the sum advanced to complete the purchase of properties required for the development.
- 5.3 This report points that a reduced financial offer is likely to be provided by a developer if a cinema complex is included in the development, The financial implication of this for the public authorities is that it would reduce the capital receipt from the sale of the site. However this could be offset by the inclusion of a residential element in the scheme.
- 5.4 The requirement for £250,000 of public artwork, a contribution of £170,000 towards the cost of relocating the library and £100,000 towards the cost of relocating the health centre will also detract from the potential financial offer. These sums could, however, provide a valuable match-funding element for any future bids for Convergence or other grants for regeneration schemes in the town centre.

6. PERSONNEL IMPLICATIONS

- 6.1 None.

7. CONSULTATIONS

- 7.1 *to be inserted following consultations*

8. RECOMMENDATIONS

- (i) That the Development Brief for the Bargoed plateau site be approved.
- (ii) That the Public Arts Strategy and Design Code for Bargoed town centre be approved
- (iii) That marketing of the site to prospective developers be commenced as soon as possible.
- (iv) That the terms and conditions described in this report for disposing of the site be approved

9. REASONS FOR THE RECOMMENDATIONS

- (i) In order to secure the optimum development scheme for Bargoed town centre in terms of its regeneration benefits
- (ii) In order to ensure that the design of the redevelopment scheme and subsequent regeneration projects in Bargoed are of the highest quality.
- (iii) In order to facilitate the implementation of the development.
- (iv) In order to facilitate the implementation of the development.

10. STATUTORY POWER

10.1 Local Government Act 1972 and 2000. This is a Cabinet function.

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Consultees; Steve Slocombe, Department of Economics and Transport
Bargoed Town Centre Management Committee (11th July)
Chief Executive
Head of Corporate Finance
Director of Environment
Chief Planning Officer
Chief Property Officer
Head of Lifelong Learning and Leisure
Chief Engineer
Dave Whetter – senior engineer
Dave Churchward – network management engineer
Geoff Gordon – Legal services
Monitoring Officer
Cllr D.T Davies; Cabinet member, Regeneration
Cllr E.K Griffiths; Cabinet member, Transportation & Planning
Local members – Cllrs Price, Carter, Andrews
Barton Willmore, planning consultants

Background Papers:

- Bargoed Retail Plateau development brief; Barton Willmore; June 2007.
- Bargoed Public Arts Strategy; Barton Willmore; June 2007.
- Bargoed Design Code; Barton Willmore; June 2007.

This recommendation is endorsed by . . . [subject to consideration by CMT and Regeneration Scrutiny Cttee]