



CABINET – 13TH JUNE 2018

**SUBJECT: RISCA – TESCO DEVELOPMENT SECTION 106 AGREEMENT:
COMMITMENT OF FUNDING**

REPORT BY: INTERIM CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval of the priority projects to be implemented in Risca utilising the Section 106 (S106) funding resulting from the large Tesco store development.
- 1.2 To seek Cabinet agreement to a delegated approval process for potential additional Town Centre projects that would utilise the residual S106 funding that exists following completion of the priority projects.

2. SUMMARY

- 2.1 The Report updates Cabinet on the legal position with the Section 106 monies and identifies priority projects within Risca Town Centre following Cabinet's agreement on 25th November 2015:
 - (i) To utilise the Tesco store development Section 106 monies for improvements to Risca Town Centre;
 - (ii) That consultation be undertaken with Ward Members and a further report be presented to Cabinet on the proposals.
- 2.2 Officers have identified that priority schemes at the former Longbridge Baths and at the Council's Brookland Road site offer the best opportunity for the use of S106 monies. Details of the proposed priority projects are set out within the Report. The report references a Cabinet decision in January 2008 to demolish stock at Brooklands and outlines how this objective can best be achieved.
- 2.3 The report also asks Cabinet to delegate authority to the relevant Head of Service to agree agreement to the use of the Council's Scheme of Delegation to agree additional project proposals should any residual S106 funding be available following the completion of the two priority projects.

3. LINKS TO STRATEGY

- 3.1 The proposed projects will have a beneficial impact upon the social and environmental well-being of the area and the local community concerned. In particular the proposals will contribute to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015:
 - A Wales of Cohesive Communities
 - A Healthier Wales
 - A Wales of vibrant culture and thriving Welsh Language
 - A globally responsible Wales.

- 3.2 Risca is recognised as a Principal Town within the Adopted 2010 Caerphilly County Borough Local Development Plan and plays an important sub regional role in relation to shopping, employment, leisure and tourism provision.
- 3.3 Regeneration of key urban settlements and underutilised sites contribute to several priorities as set out in the Council's Draft Regeneration Strategy – "A Foundation or Success".
- 3.4 Risca is ideally placed to benefit from the emerging strategies of the Cardiff Capital Region City Deal and Valleys Metro due its close proximity to the M4 corridor and Ebbw Valley Rail link.
- 3.5 The proposed projects align with the Council's Adopted Town Centre Action Plan for Risca and Pontymister (2014).

4. THE REPORT

Background

- 4.1 In 2010 Planning Consent was granted for the construction of a new Tesco superstore in Risca, subject to a Section 106 (S106) Agreement dated 15th March 2010 that included six planning obligations. On 25th November 2015 Cabinet considered a Report that outlined the difficulties in progressing one of the specific obligations of the S106 agreement in relation to the "Town Centre Contribution".
- 4.2 The S106 agreement allocated an Index Linked sum of £425,000 in respect of the "Town Centre Contribution". The sum was paid to the Council and is subject to a need to spend or commit the monies within an eight year period (until March 2018) or to return the monies to the developer, Tesco.
- 4.3 The wording of the S106 Agreement in relation to the "Town Centre Contribution" is provided below:
- "Town Centre Contribution - Means the sum of £425,000 Index Linked (four hundred and twenty five thousand pounds) to be paid to the Council for the purpose of improvements within the Risca/Pontymister Town Centre which may include any or all of the Environmental, Transport or Security proposals (particularly including improvements to pedestrians linkages between the Existing Bridge and the town centre) as illustrated on Plan 5."*
- (Plan 5 is included at Appendix A).**
- 4.4 The Report to Cabinet on the 25th November 2015 set out reasons why the planned construction of the footbridge could not be delivered and sought approval of alternative options. Cabinet resolved that the S106 monies be used for improvements to Risca town centre within the black line boundary as defined on Plan 5 (Appendix A)
- 4.5 Specifically Cabinet recommended the following for further investigation:
- A. Proposals within the Adopted Town Centre Action Plan
 - B. Improving Development Sites; (i) Land at Commercial Street; (ii) Longbridge Baths Site (iii) Brookland Road
 - C. Proposals that support European Bids for Risca Canal Corridor
- 4.6 The potential use the S106 monies to support an ERDF bid for the Risca Canal Corridor (as outlined under option C above) has not been taken forward as WEFO/Visit Wales subsequently determined that their grant funding should be restricted to projects focused on the Canal and Cwmcarn Forest.

- 4.7 In order to capitalise on the delivery of flood alleviation works within Risca the opportunity to unlock potential development sites has been prioritised. The focus has therefore been on unlocking the development sites identified under option B above.
- 4.8 Out of the three sites identified, the Commercial Street site suffers from a complex range of site constraints that has resulted in minimum progress being made in bringing it forward for development. The site is predominantly privately owned and other private sector parties are currently investigating options for unlocking it. Two other sites within Option B remain, namely Longbridge Baths and Brookland Road. The latter was subject to a previous cabinet decision in January 2008 to instigate a programme of demolitions to facilitate residential development on the site.
- 4.9 Any residual funding would be used to take forward Option A above – projects outlined in the Adopted Town Centre Action Plan.
- 4.10 At the time of the 2015 Cabinet approval local Members from Risca East and Risca West were consulted and were in agreement with the recommendations within the report.

Current Position

- 4.11 As at 22nd May 2018 the value of the original S106 Town Centre Contribution plus accrued interest is **£478,164**.
- 4.12 There has been some urgency in identifying projects to commit this funding to in order to prevent repayment of the S106 monies to Tesco. The Council had been working to a deadline of 15th March 2018 to have the money “committed” to schemes based on the interpretation of the wording in the S106 agreement.
- 4.13 The S106 stipulates:
“if the Footbridge and the Accessway have not been constructed in accordance with paragraph 2 of Schedule 1 to this Deed and where the Council has not used or committed for use the Town Centre Contribution within 8 years after the date of receipt such unspent or uncommitted amounts will be repaid to the Party who made the original payment within 14 working days of a written demand.”
- 4.14 Up until December 2017, The Council had been working on an interpretation that the term ‘committed’ in the S.106 meant that a legal contractual obligation to commit the monies would need to be in place. In this respect officers had been working towards putting demolition or build contracts in place by the March deadline.
- 4.15 In December 2017, officers opened discussions with Tesco Property Management in respect of the S106 and the exact definition of ‘committed’. Officers presented the case to Tesco that the monies are already committed in that they have been set aside to fund a selective demolition programme with any residual funds being identified for community environmental projects within the town centre (as identified in the Town Centre Action Plan).
- 4.16 On 12th December 2017, Tesco’s UK Town Planning Manager wrote to the Council confirming that they are content that the monies are to be used for this purpose and they agreed with the Council’s interpretation that the monies have already been committed.
- 4.17 Prior to this event, in July 2017, officers met with ward Members from Risca West and Risca East to discuss the most suitable projects to progress. At this meeting the main development sites (outlined as Site A and B below) were discussed and it was agreed that a programme of selective demolition be prioritised in order to utilise the S106 monies. At the meeting officers presented two priority schemes which at the time did not meet with opposition from Members.

PROPOSED PRIORITY PROJECTS

Site A: Longbridge Baths – Partial demolition of former swimming baths & two storey portion of the attached building plus refurbishment of changing rooms (Total estimated costs £160,000)

- 4.18 The Council owned sports changing room facilities are within the former swimming baths complex and are in need of significant investment. The existing changing rooms and associated car parking form a small part of the wider leisure site at the northern end of the town centre. The former swimming baths structure is in dilapidated condition and is an eyesore. Photographs of the existing building are included in Appendix B.
- 4.19 The proposed scheme includes the demolition of the former outdoor swimming baths, the demolition of the two storey portion of the attached building and the revision and internal and external refurbishment of the two retained changing rooms. This project would remove the eyesore, enhance the car park and provide improved changing rooms that are available for community use. The project would result in a reduction in the number of changing rooms from four rooms to two. (Preliminary details of revisions to changing rooms are included in Appendix C).
- 4.20 The local ward Members for Risca West, supported by the Town Council has stated that a four team changing facility should continue to be available because on some occasions both Pontymister Football Club and Risca Rugby Club use the pitches and facilities at the same time. However, Community and Leisure Services advise that on the rare occasions when this may occur one team could be relocated to another facility or arrangements could be made with the league secretaries to alternate the fixtures. The Council's Community and Leisure Services further advise that this approach has proven successful at other locations such as Bargoed and Islwyn Park, where both football and rugby teams share the same facilities.
- 4.21 Perhaps more important in determining the requirements for the site going forward is the fact that two of the four current changing rooms have suffered significant damage from water ingress and have not been operational during the 2017/18 season without any disruption to the sports programme on the pitches.
- 4.22 Local Members, the Town Council and officers agree that the current swimming baths building is an eyesore and is slowly deteriorating. All parties feel that if action is not taken soon then major investment would be required in this structure in the near future. Based on the information outlined above, it is recommended that the partial demolition and the provision of a two team changing facility is pursued.

Site B: Brookland Road – Selective demolition of building stock to facilitate redevelopment. (Total estimated costs £280,000)

- 4.23 This Council owned Brookland Road site is close to the main shopping centre and located within a residential area and adjoins the Social Services Adult Day Centre facility which is to be retained. The site features a surplus and vacant small garage, a surplus and vacant library building, a surplus and vacant two storey former gymnasium and a small building which currently houses the Basic Skills Unit (which will soon become vacant). The remaining building on the site remains in use for Youth and community provision. These buildings are clustered around a large grassed area.
- 4.24 Cabinet approval was attained on 22nd January 2008 to facilitate selective demolition on the Brooklands site with a view to future disposal of the Council's land asset for development. Minutes of that Cabinet meeting resolved that the lawned area, the former gym, the current Basic Skills Unit and the current Youth Services building be considered for sale for residential development, subject to planning permission being obtained, once it had been cleared. Since this time the on-site requirements have changed and the focus for demolition has moved away from the Youth Services building to the redundant library building. The 2008 report advocated that the former gym be demolished as soon as practicable.

- 4.25 It is therefore clear that from 2008, the Council recognised that the Brookland Road site offered considerable potential for redevelopment and that demolition of the vacant council owned buildings would allow the Authority to make the best use of this prime site within the heart of the Town Centre.
- 4.26 It is now proposed that the S106 monies are utilised to progress the selective demolition of:
- the vacant former library building,
 - the small vacant garage located next to the former library
 - the former gymnasium which has been vacant for over 10 years.
 - the soon to be vacated Basic Skills Unit
- 4.27 Each of these units is identified on the Appendix D plan. The demolition of these buildings would remove the ongoing maintenance obligation and associated costs which are currently borne by the Council and would facilitate the mandate set in January 2008 to make the site as clean and attractive for development as possible.
- 4.28 Although party to ongoing discussions about its future, the current Youth and Community Services Building does not form part of this report and will remain in situ whilst the service provision there is reviewed.
- 4.29 Due to the passage of time, Property Services contacted the various service areas on 5th April 2018 to advise that there are proposals to demolish the small garage, former Library, gym block and the Basic Skills unit. They invited comments regarding any potential interest with a return date of Friday 20th April. Following circulation of the email correspondence, no service area interest has been registered against any of the buildings proposed for demolition.
- 4.30 Risca Town Council, supported by the Risca West Ward Members agree that the former library building and small garage be prioritised for demolition but consider that the former gym building should be retained and brought back into beneficial use as a community facility. They propose that other Council owned buildings on the site should be prioritised for demolition (including the current Youth Services building and the Basic Skills building – the latter is now identified for demolition)
- 4.31 An initial inspection by the Council's Building Consultancy has estimated that the building refurbishment works required for bringing the former gym building back into beneficial use would be a minimum of £270k. In addition, if it is intended to bring this building back into use as a community facility there are functionality and accessibility issues that would have to be considered with it being a two story building which would add an estimated further £100k to the costs. It has been suggested by a local Ward Member that the pennant stone arising from the demolition is re-used to build a new, more attractive perimeter wall at the memorial site opposite Lidl.
- 4.32 The Council have yet to be presented with a business plan for a new community facility at the former gym site, nor have any parties outlined how the facility would generate enough revenue to ensure its long term financial viability. Neither has there been a recognition from the Town Council/local Members that there are other community facilities within the area that could be enhanced to provide additional local support, the current library at the former Palace Cinema being one of them.
- 4.33 Taking into account the costs for bringing the building stock into beneficial use, the uncertainty over the sustainability and operation of a proposed community facility at the former gym and current provision elsewhere, it is recommended that all four buildings identified in paragraph 4.26 are demolished. This position is supported by the knowledge that as the empty buildings deteriorate and others become vacant, the Council becomes more exposed to the risk of insurance and health and safety issues with the building stock.
- 4.34 Cabinet agreement is also sought to allow the allocation of any residual S106 funding for additional projects is delegated to the relevant Head of Service or Director, in consultation with the relevant Cabinet Member in accordance with the Council's approved scheme of Delegation. This would allow the residual S106 monies to be allocated once the actual costs of the two prioritised schemes are able to be confirmed.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 This proposed projects contribute to the Well-being Goals as set out in Links to Strategy above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act and it is aimed at improving the economic well being of the area.
- 5.2 As such the proposals align with the following well being goals:
- A Wales of Cohesive Communities – the proposals aim to achieve more attractive and viable communities through the removal of dilapidated buildings and their associated health & safety risks;
 - A Healthier Wales – the refurbishment of the Longbridge Baths changing rooms may encourage increased participation in activities to improve people’s physical wellbeing;
 - A Wales of vibrant culture and thriving Welsh Language – the proposed refurbishment of the changing rooms may encourage increased participation in sports and recreation
 - A globally responsible Wales – the proposals will deliver actions to improve the social and environmental well-being of the local area.

6. EQUALITIES IMPLICATIONS

- 6.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified, therefore a full EIA has not been carried out.

7. FINANCIAL IMPLICATIONS

- 7.1 The value of the S106 monies at 22nd May 2018 plus accrued interest is £478,164. The necessity to commit this money to works or demolition contracts by March 2018 (8 years from the date of the original S106 agreement) has now been removed with agreement of Tesco.
- 7.2 The total indicative costs of the two prioritised projects within this report at the former Longbridge Baths and Brookland Road sites is estimated at £440,000. Should the schemes be progressed, it is anticipated on current project estimates that residual S106 funding would remain to fund additional “environmental” projects within the Town Centre. The scale and number of these potential additional projects will be governed by the actual costs incurred in implementing the two priority schemes.
- 7.3 The proposed demolitions on the Brooklands site would eliminate future NNDR, maintenance and security obligations and associated costs .

8. PERSONNEL IMPLICATIONS

- 8.1 None.

9. CONSULTATIONS

- 9.1 The report reflects the views of the Consultees. The Risca East Members are supportive of the proposals whilst the Risca Town Council and Risca West Ward Members have expressed concerns over the proposed works. Their views are outlined within the body of the report but can be summarised as follows:
- i) They believe a two team changing room facility would not be sufficient for Longbridge Baths and argue that a minimum of a four team changing facility is required.

- ii) They disapprove of the demolition of the former gym building at Brooklands. They believe this building could be brought back into beneficial community use and that other building stock on site should be prioritised for demolition (including the current Youth and Community Services building and the Basic Skills Building – the latter of which is now identified for demolition).

9.2 One local Risca East Member has suggested that the pennant stone from the gym building is re-used to build a new, more attractive perimeter wall at the memorial garden opposite Lidl. This request can be accommodated by inclusion of appropriate conditions within the proposed demolition contract to salvage the stone for such a purpose, should the demolition proceed.

Council Response to Concerns Raised

9.3 Section 4 of this report does give detailed responses to the concerns outlined above. These responses are summarised below:

9.4 As outlined in paragraph 4.20, Community and Leisure Services advise that a two team changing room would cater for the needs of the local sporting clubs using the pitches at Longbridge fields and this co-ordinated shared approach between clubs has proven successful at other locations within the county borough.

9.5 The Council has considered the request to utilise the former gym as a community building but because of its unsuitability, the costs for converting the building for this purpose (as set out in paragraph 4.31 above) would be uneconomic. There are also concerns over the sustainability and operation of a proposed community facility at this location and coupled with alternative provision in Risca/Pontymister, Officers would still recommend its demolition.

9.6 As outlined above, the request for the re-use of the pennant stone can be accommodated.

10. RECOMMENDATIONS

It is recommended that:-

10.1 Cabinet approves the use of the Tesco Development S106 monies to:

- (i) Undertake the partial demolition of Longbridge Baths and reconfiguration and refurbishment of the remaining two changing rooms;
- (ii) Demolish the former Library, the small garage, the former gym and the Basic Skills Building (when it becomes vacant) at Brookland Road.

10.2 That any residual monies remaining from the completion of the above schemes is utilised on additional environmental projects within the Town Centre; with the additional projects to be approved by the relevant Head of Service or Director in consultation with the relevant Cabinet Member.

11. REASONS FOR THE RECOMMENDATIONS

11.1 To ensure that the Council fully utilises the S106 funding from the Tesco development on suitable regeneration projects within Risca Town Centre.

12. STATUTORY POWER

12.1 Local Government Act 1972 and 2000.

Author: Rhian Kyte - Head of Regeneration and Planning
Consultees: Cllr Sean Morgan, Deputy Leader and Cabinet Member for Economy, Infrastructure, Sustainability & Wellbeing of Future Generations
Cllr Lisa Phipps, Cabinet Member for Homes and Places
Cllr Nigel George, Cabinet Member Neighbourhood Services
Cllr Mrs Arianna Leonard, Ward Member Risca (East)
Cllr Ms Philippa Leonard, Ward Member Risca (East)
Cllr Bob Owen, Ward Member Risca (West)
Cllr Ross Whiting, Ward Member Risca (West)
Secretary of Risca Town Council
Mark S Williams - Interim Corporate Director Communities
Dave Street, Corporate Director – Social Services
Mark Williams – Interim Head of Property
Mike Headington - Green Spaces Manager
Jeff Reynolds – Sports and Leisure Facilities Manager
Lisa Lane – Monitoring Officer
Anwen Cullinane – Senior Policy Officer, Equalities and Welsh Language
Shaun Watkins – Human Resources Manager
Allan Dallimore – Team Leader, Urban Renewal
Tim Stephens – Chief Planning Officer
Paul O’Neil – Senior Youth Services Manager
Tim Broadhurst – Property Services, Estates Manager
Richard Crane - Senior Solicitor, Legal Services
Stephen Harris - Interim Head of Corporate Finance
Nadeem Akhtar - Group Accountant, Corporate Finance
Liz Lucas, Head of Procurement

Background Papers:

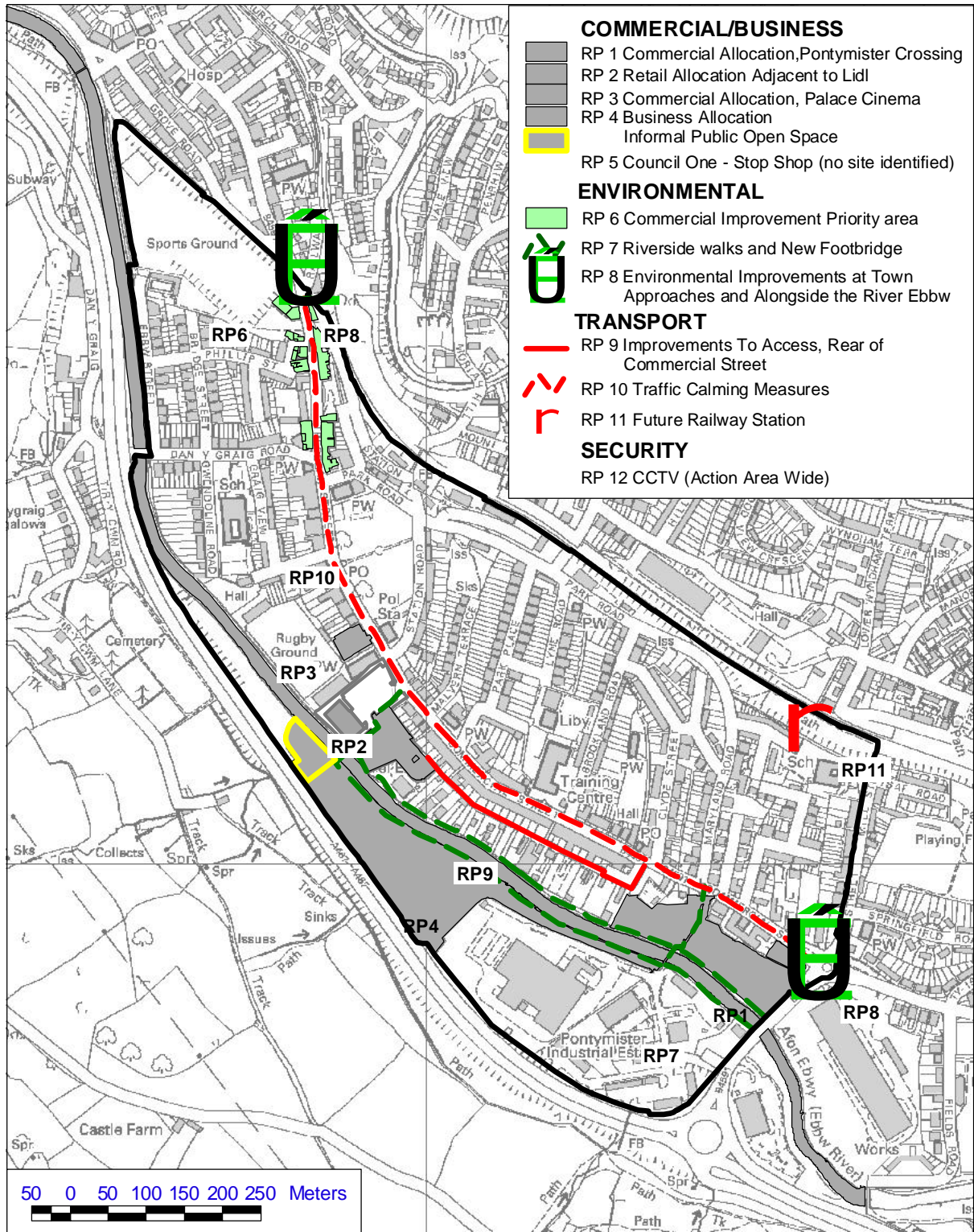
Cabinet Report – 25th November 2015 “Risca – Tesco Section 106 Options Report”
Cabinet Report – 22nd January 2008 “Site At Brooklands Road Risca”

Appendices:

Appendix A – Plan 5 S106 Boundary Plan
Appendix B – Photographs of existing building at Longbridge Baths
Appendix C – Plans and elevation of Proposed Longbridge Bath Building Scheme
Appendix D - Council Buildings Proposed for demolition at Brookland Road, Risca

Risca/Pontymister Town Centre Action Plan

Plan 5 Draft Proposals



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Atgynhychwyd o fapiad yr Arolwg Ordnans gyda chaniatad rheolwr Llyfrfa ei Mawrhydi hawfrait y Goron. Mae atgynhychu heb awdurdod yn torri hawfrait y Goron. Gall hyn arwain at erlyniad neu achos sifil. Cyngor Bwrdeistref Sirol Caerffili, LA09004L, 2001.

Appendix B

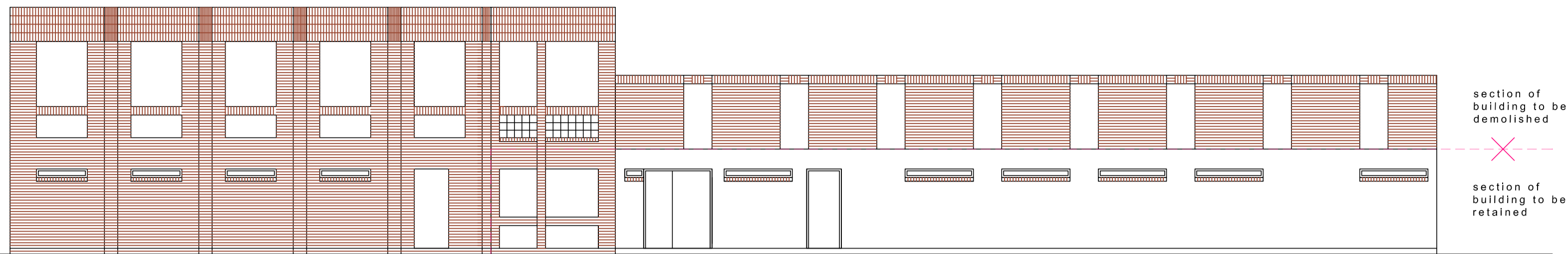
Longbridge Baths External Images



Longbridge Baths - Internal Images



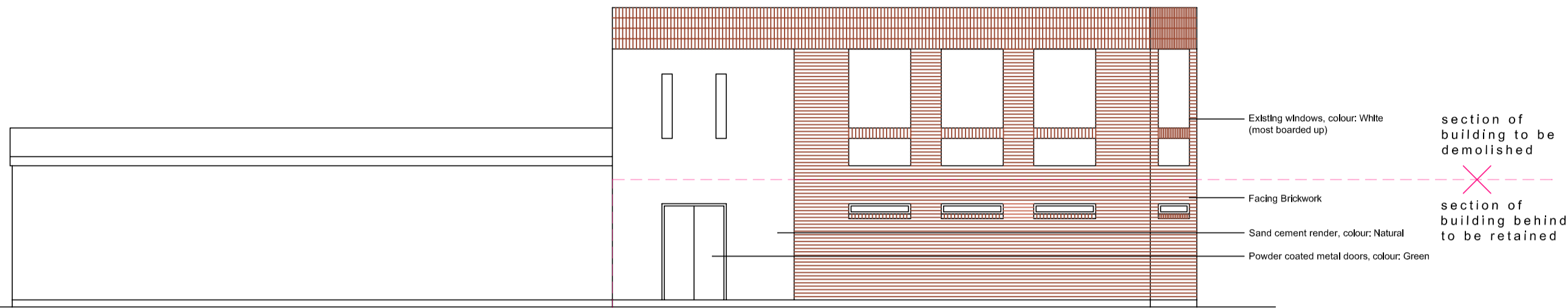
APPENDIX C



EXISTING NORTH ELEVATION

section of building to be demolished
 section of building to be retained

section of building to be demolished
 section of building to be retained

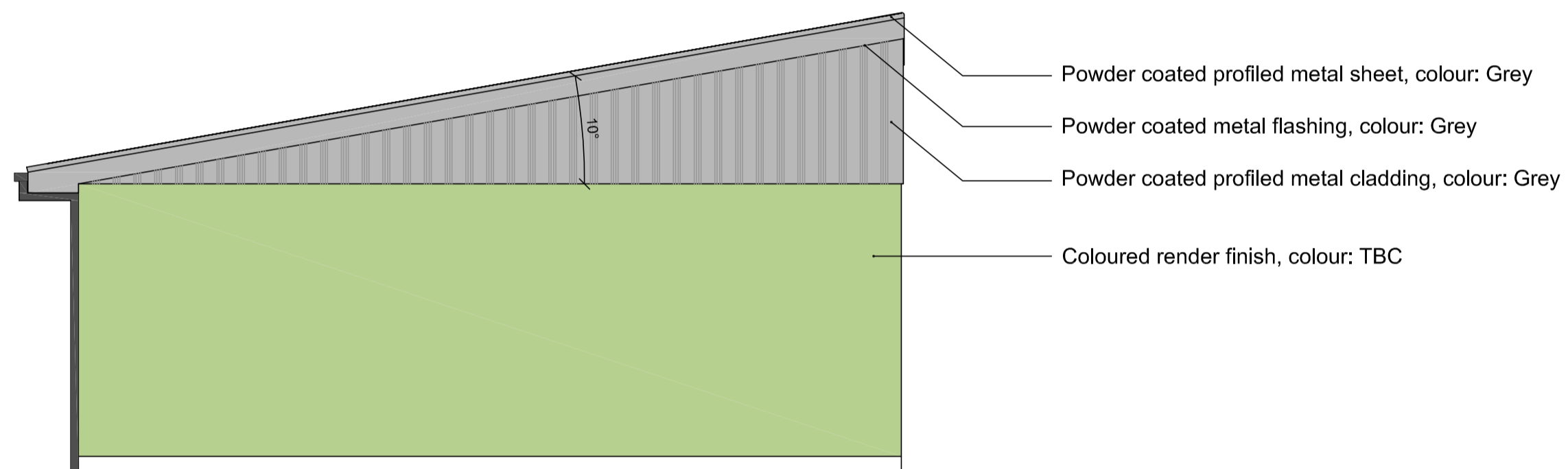


EXISTING EAST ELEVATION

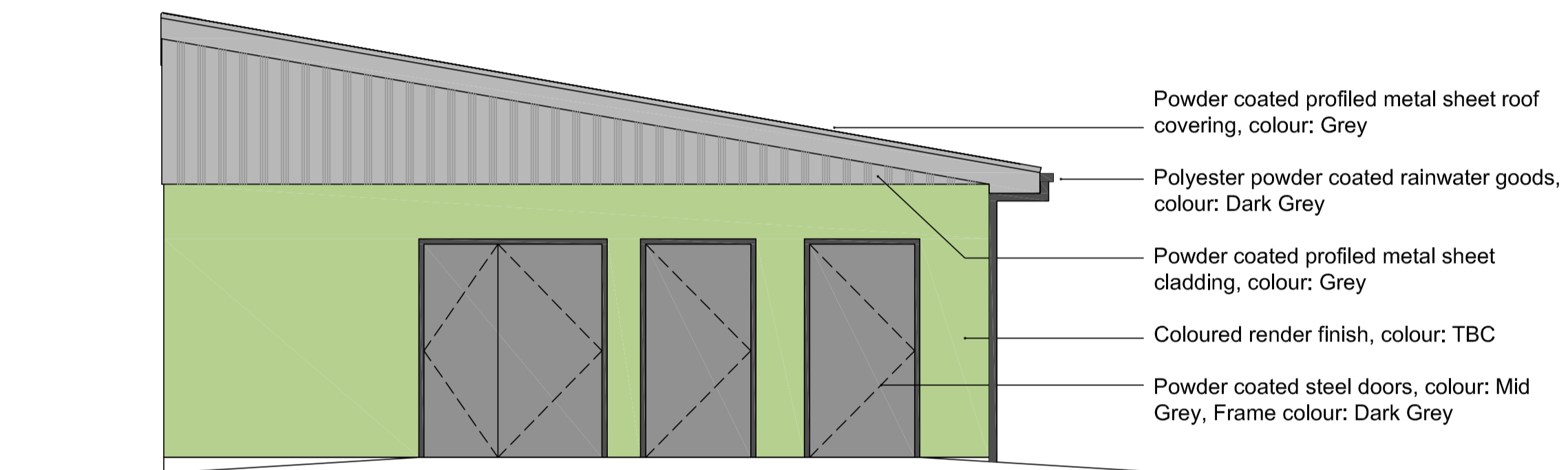
section of building to be demolished
 section of building behind to be retained

section of building to be demolished
 section of building behind to be retained

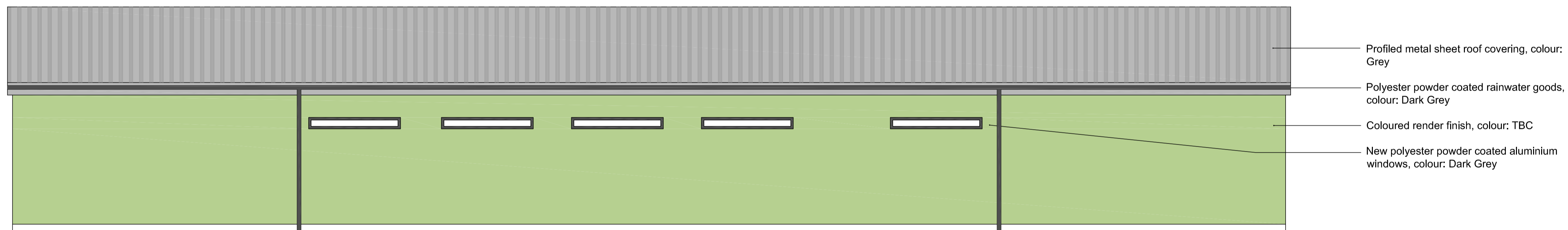
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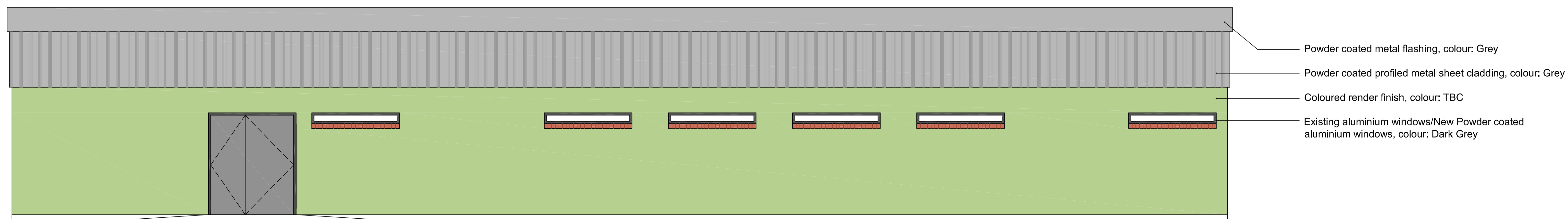
PROPOSED EAST ELEVATION



PROPOSED WEST ELEVATION




PROPOSED SOUTH ELEVATION



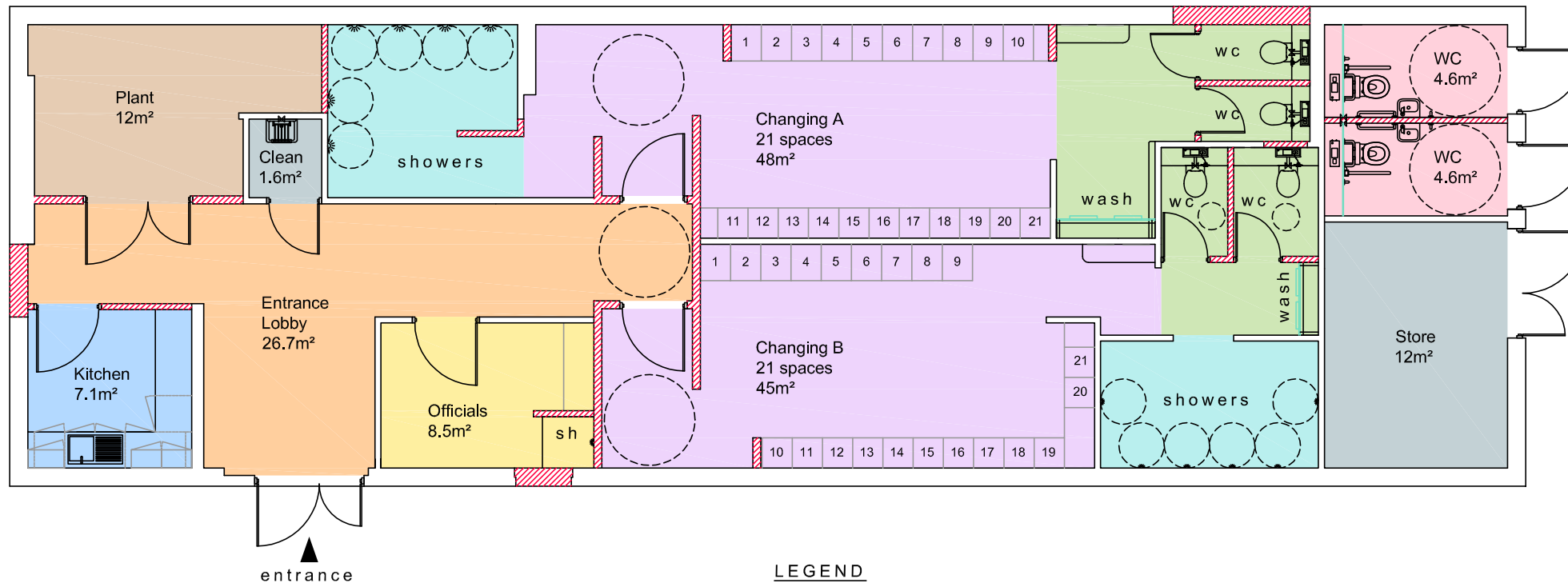
PROPOSED NORTH ELEVATION

Notes :-
 DO NOT SCALE FROM THIS DRAWING
 ANY DISCREPANCIES TO BE REPORTED TO THE CONTRACT ADMINISTRATOR
 CONTRACTOR TO CHECK DIMENSIONS ON SITE
 DRAWINGS ISSUED WITHOUT STATUS ARE DRAFT ONLY

rev	date	amendment	drawn	chckd
drawing status				
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 Building Consultancy Ty Penallia Tredomen Park Ystrad Mynach Hengoed CF82 7PG Tel: (01495) 235569 Interim Head of Property: M. Williams B.Eng, C.Eng, M.J.C.E.				
project title				
Refurbishment of Changing Rooms Longbridge Pavillion Off Bridge Street, Risca				
drawing title				
Existing & Proposed Elevations				
date	scale	drawn	checked	
Jan 18	1:50 @ A1	JLW		
project no.	drawing no.	rev		
4537	A003			

APPENDIX D

Notes :-
 DO NOT SCALE FROM THIS DRAWING
 ANY DISCREPANCIES TO BE REPORTED TO THE CONTRACT ADMINISTRATOR
 CONTRACTOR TO CHECK DIMENSIONS ON SITE
 DRAWINGS ISSUED WITHOUT STATUS ARE DRAFT ONLY



PROPOSED LAYOUT

LEGEND

- changing
- circulation
- store
- toilets
- officials
- plant
- showers
- spectator toilets
- kitchen
- new walls

rev	date	amendment	drawn	chckd
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drawing status
 Preliminary Tender Construction

Building Consultancy
 Tŷ Penallta
 Tredomen Park
 Ystrad Mynach
 Hengoed
 CF82 7PG

Tel: (01495) 235569

Interim Head of Property: M. Williams B.Eng, C.Eng, M.I.C.E.

SHEET SIZE A3 project title Longbridge Pavillion Refurbishment of Changing Rooms	drawing title Proposed Floor Layout	date Nov 17	scale 1:200 @ A3	drawn JLW	checked
project no. 4537		drawing no. SK002		rev	