



CABINET – 19TH OCTOBER 2022

SUBJECT: REGENERATION BOARD – PROJECT PROPOSALS

REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT

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1. PURPOSE OF REPORT

- 1.1 To approve the allocation of £561K from the Regeneration Board Development Budget towards the overall cost of the projects outlined in the report. In order to meet the funding request, a further £150K from the Council's place shaping reserve is required.
- 1.2 To further recommend the allocation of £46,985 from the Infrastructure CIL budget towards the costs associated with the re-introduction of a car park in Pontymister.

2. SUMMARY

- 2.1 At the meeting on 30th May 2018, Cabinet agreed that a Regeneration Project Board would be set up with a cross-party political representation of Councillors plus key officers. This group is supported by a Regeneration Assessment Panel consisting of officers from a range of service areas. An initial sum of £300,000 was allocated to the Project Board.
- 2.2 The Regeneration Assessment Panel have met on numerous occasions to consider the prioritised list of capital projects, which have been identified by the Board to move to the Assessment Stage. Following subsequent Cabinet Approvals, since February 2019 numerous projects have been endorsed with financial assistance provided (where necessary) from the Regeneration Project Board Development Funds.
- 2.3 During January 2019 Cabinet resolved to release £1.2m of reserves for the Regeneration Board prioritised projects. This was supplemented in April 2021 when the Cabinet resolved to allocate an additional £1.0m to the Development Fund budget and again on the 7 July 2021 when Cabinet resolved that a further £1.0m should be allocated to the Board for prioritised capital regeneration projects. This decision was approved by Full Council on 13 July 2021. This brings the total allocated Development Fund budget to £3.5M.
- 2.4 In December 2020 Cabinet resolved to allocate £50,000 seed money to the Regeneration Board for 2020/21 to progress concepts and ideas under the 'Licence to

Innovate' Scheme. Due to the success of the initiative, Cabinet on 7 July approved a proposal for a further £200k to be set aside for the scheme. The total funding allocated to the Regeneration Project Board, including 'Licence to Innovate', is therefore £3.75M.

- 2.5 In October 2021 the Council gave delegated powers to the Regeneration Project Board to determine the priorities for the Charging Authority's Community Infrastructure Levy spend in line with the Council's Strategic Priorities and the CIL Regulation 123 List. Priorities for spend will be considered and determined by Cabinet.
- 2.6 This report specifically outlines a request to the Regeneration Board for £561K of Regeneration Board development funding towards the delivery of three key regeneration projects in Caerphilly county borough council. It further request that £150K be identified from the Council's Place shaping reserve to fund the projects. The latter is required as the total request for funding outstrips the monies available in the Regeneration Board development fund.
- 2.7 The report goes onto request £46,985 of CIL Infrastructure funding be identified towards the re-introduction of a council owned car park at Pontymister to help improve the economic vitality of the town.

3. RECOMMENDATIONS

3.1 That Cabinet:

- i) Approve the allocation of £300K from the Regeneration Project Board Development Fund for the delivery of the Park Lane Market.
- ii) Approve a further £150K from the Council's place-shaping budget towards the Park Lane Market project.
- iii) Approve an allocation of £111K from the Regeneration Project Board Development Fund to act as match towards Transforming Towns funded placemaking projects.
- iv) Approve an allocation of £150K from the Regeneration Project Board Development Fund towards the cost of funding the Caerphilly Multi-disciplinary Team.
- v) Approve an allocation of £46,985 from the CiL Infrastructure fund towards the cost of the Pontymister car park project, design option 2B.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To allow a number of key regeneration schemes to progress that will strengthen the local economy in several town centres and help improve the lives of its residents. The funding being sought will help secure external match funding at a favourable intervention rate and will allow projects to progress that would otherwise stall.

5. THE REPORT

- 5.1 On the 30th May 2018, Cabinet agreed that Council Officers convene a Regeneration Project Board. The Terms of Reference of the Board were approved by Cabinet at the same meeting.
- 5.2 In January 2019 Cabinet resolved to release £1.2M of reserves for the Regeneration Board to bolster the Regeneration Development fund This has been further

supplemented with two further awards to bring the total allocated Development Fund budget to £3.5M.

- 5.3 In December 2020 Cabinet resolved to allocate £50K seed money to the Board to progress concepts and ideas under the 'Licence to Innovate' Scheme. Due to the success of the initiative, on 7 July Cabinet approved a proposal for a further £200k to be set aside for the scheme. The total funding allocated to the Board, including 'Licence to Innovate', is therefore £3.75M
- 5.4 Since 2019, 11 Waves of funding have been approved, with a total spend to date of £2.924M from the Regeneration Development Fund and £81,639 from the Licence to Innovate Budget.
- 5.5 In summary, the Regeneration Project Board allocation of £3.5 million has permitted the approval of 22 projects. This leaves a residual fund of **£576K**. The Licence to Innovate allocation of £250,000 has funded 5 projects, leaving a residual fund of **£168,361**.
- 5.6 In October 2021 the Council gave delegated powers to the Regeneration Project Board to determine the priorities for the Charging Authority's Community Infrastructure Levy (CIL) spend in line with the Council's Strategic Priorities and the Council Approved CIL Regulation 123 List. £3.26m has been spent/allocated to infrastructure projects by the Project Board, leaving a residual budget of **£527K**
- 5.7 It has been calculated that the Regeneration Project Board, through its activity, has given the Council the potential to potentially leverage in up to £187.9M of investment to the county borough. It is expected that the Board will continue to stimulate investment through the projects that it recommends to Cabinet.

Regeneration Project Board 27th September 2022

- 5.8 The Regeneration Board meeting held on 27th September 2022 considered the following project proposal. A summary of the projects and the Regeneration Project Board's recommendations are set out below.

Caerphilly Placemaking Plan 2035 – New Market Park Lane

- 5.9 £810K is required to provide match-funding of £1,89M from Welsh Government's Transforming Towns Fund for a new Market for Caerphilly town centre at a cost of up to £2.7M.
- 5.10 As part of Caerphilly Town 2035, funding has been secured from WG to acquire properties along Pentrebane Street, including the current Indoor Market, to facilitate development of up to 64 new Net Zero Carbon apartments by Linc Cymru, 50% of which will be affordable. To mitigate the loss of the current Indoor Market, plans have been prepared for the creation of a new Market on land owned by the Council on Park Lane. The final part of the site has recently been cleared following acquisition and demolition of the former Specsavers Unit, with support from WG Transforming Towns funding. In summary it will provide:
- Accommodation for up to 25 new Traders. (This is double the amount of units that currently trade in current indoor market)
 - 4 No new office pods for flexible working (including a new Marketing Suite to support the delivery of the Caerphilly Placemaking Plan)

- Communal seating areas for users of the new bars, restaurants and cafés
- High quality lighting and soft landscaping
- Green roofs and on-site energy generation provided through PV Panels

5.11 The Park Lane site has been previously identified as a possible location for a new Hotel development and the Market was initially considered as a 'meanwhile use' for the site until the Hotel scheme could be delivered. However, recent reports from market specialists, CBRE have advised that Caerphilly should seek to provide a larger Hotel operation (60-80 Rooms) which would be too large for the Park Lane site. CBRE also advise the proposed Leisure Quarter development would be distinctly more favourable to Hotel operators, rather than the Park Lane site.

5.12 Given the above it is now proposed to use the Park Lane for the permanent site of the new Market. A funding application for the Match-funding has been invited by Welsh Government with an expectation of consideration in October 2022. The funding profile due to be submitted is as follows:

WG Transforming Grant request £1.89M
 CCBC Place shaping reserve - £150K
 UK Gov Shared Prosperity Fund - £360K
 CCBC Regeneration Board Development Fund - £300K

RPB Decision: Project Approved

The RPB unanimously supported this project, recognising the exciting opportunities it will bring to the town centre. It was recommended that £300K be awarded for this project from the residual development fund and that a further £150k be identified from the Council's Placemaking reserve. The latter is required as the total sum requested for progressing the projects identified in the wider report exceed the amount left in the development fund.

Transforming Towns Placemaking Projects – Match Funding

5.13 Funding from the Regeneration Board is requested to match fund projects identified as part of the Welsh Government's Transforming Towns Placemaking programme. Specifically, the match funding is required for:

- i) Public Realm/Green Infrastructure improvements in Bargoed and Blackwood Town Centres, and improvements to Dafydd Williams Park, Caerphilly.
- ii) The strategic acquisition of the former public toilet block, High Street, Blackwood.

5.14 In more detail the component parts of this project are as follows:

- **Bargoed Town Centre.** Royal Square is a principal location in the Town Centre which has become somewhat unappealing. The trees, tree pit and some of the surfaces have failed and need replacing. Granite channels and some areas of sett/flag paving have been removed and replaced with macadam infill, and resin bound surfaces are in poor condition. This detracts markedly from the overall appearance and finish of the site. Landscape architects proposals have been drawn up to radically improve the look and functionality of this area.

- **Caerphilly's Dafydd Williams Park** benefited from the previous round of Transforming Towns funding and will be enhanced further. This will improve the connections between the Town Centre and the castle.
- **A vehicle mitigation scheme** for Caerphilly will see the installation of removable bollards which will facilitate event activity in the Town Centre, such as the Christmas Market and protect pedestrians congregating at these events.
- **Blackwood High Street** is prime for a continued programme of pavement widening which will allow the provision of outdoor seating. This in turn will boost the nighttime economy, especially in the warmer months.
- **Gravel Lane Scheme**, primary pedestrian corridor linking the High Street with the bus station, market square and The Market Place retail centre will be improved with the introduction of a coordinated palette of furniture, lighting and paving. Consideration will be given to wayfinding/signage to ensure clarity of movement and a 'Green Wall' to form an attractive edge and improved outlook along the northern edge of the lane.
- **The former public toilet block in High Street, Blackwood** is a long-term vacant building in a prominent site, in the centre of Blackwood. The current owners of the building have shown no interest in developing it, or the site, and it is in danger of becoming an obvious 'eyesore' given its location. The Council proposes to purchase the property and offer it up for Meanwhile Uses in the short term. Long term use opportunities for the site will be explored through the *Blackwood Placemaking Plan when it is commissioned*.

5.15 The projects listed above have been costed at £370k. WG funding is being sought to fund 70% of the costs with the Council required to identify £111k of match. The breakdown is as follows:

WG Transforming Towns - upto £259K
CCBC Match - £111K

RPB Decision: Project Approved

The RPB supported this project, recognising the impact the improvement would have on the economy of the towns that would benefit from improvements. It was recommended that £111k be awarded for this project from the residual development fund.

Since Regeneration Board met, there has been a verbal indication from WG that the CCBC allocation is likely to be only half of that requested. Cabinet are, however, requested to still approve match funding of up to £111K as there may be opportunities in year two and three to draw down additional WG monies should projects in other local authorities not progress.

Caerphilly Town – Delivery (Continued Funding for Multi-disciplinary Team)

5.16 Funding from the Regen Board is requested to continue the progress in project design and enable the start of new studies that are required to support the delivery of Caerphilly Town 2035.

- 5.17 Previous funding of £150K was approved at the Regeneration Board in September 2021 to match £150K that was sourced from Welsh Government's Transforming Towns Fund. This funding was used to support the appointment of a multi-disciplinary team.
- 5.18 The consultant team, led by Stride Treglown Architects, were appointed in January 2022 and included the specialisms of Architects, Urban Designers, Development & Valuation Specialists, Engineers, Quantity Surveyors, Ecologists, Energy (Carbon Reduction) specialists, Economic and Financial Management consultants, Public Art and Legal Advisors. The team have supported Council staff and departments to secure essential early momentum in the delivery of the Plan. Progress to-date includes:
- Initial design and viability assessment of development options including the proposed Hotel at the 'Leisure Quarter' redevelopment at Cardiff Road;
 - An Options Appraisal and detailed design to create a new Market on Park Lane which is required to mitigate the effects of the closure of the of the Market Hall on Pentrebane Street (subject of a separate funding request from Regen Board);
 - Consideration of an Active Travel Plan across and through the town;
 - General support to facilitate the progression of other projects identified within the Plan that have appointed an independent design team (Ness Tar & the Transport Interchange) along with other projects that will contribute to the delivery of the Plan by third parties (private sector, Cadw etc);
 - Creation of a Culture Strategy across the town centre.
 - Progression of the design of public realm interventions identified within the Plan.
 - Incorporation of the feasibility study for the site adjacent to the Transport Interchange
 - Design support for the proposed Wellbeing Centre adjacent to Caerphilly Business Park.
- 5.19 To build on the progress already made further design work will be required to enable project delivery. Officers are in discussion with WG to continue funding the team on a 50/50 basis using Transforming Towns Funding. The financial breakdown is as follows:

WG Transforming Towns - £150K

CCBC Match - £150K

RPB Decision: Project Approved

The RPB supported this project, recognising the volume of work the multi-disciplinary team have undertaken to date and the future demands that will be placed on them due to the complexity associated with delivering the key elements of Caerphilly Town 2035. It was recommended that £150k be awarded for this project from the residual development fund.

Proposed Development of Car Park – Pontymister

- 5.20 During the pandemic a site meeting was held with local Cllrs and senior officers to review how footfall could be increased in Pontymister. A former car park area was central to discussions and Cllrs were of the view that reopening this car park would

help encourage people to visit Pontymister. The re-opening of the car park would also assist in resolving on street parking issues in the vicinity which in turn would help revitalise the local economy.

- 5.21 The parking area is overgrown and unkept and improving it and bringing it back into beneficial use is seen as a way to encourage more people to visit the area as an existing lack of parking in the area is perceived to be one of the main reasons for people not visiting. At the time of the meeting, it was agreed that the residual Section 106 monies from the Risca Tesco development be utilised for this project. However other projects funded through the S106 monies have seen project costs increase as a result of Covid resulting in a smaller residual S106 pot being available.
- 5.22 The site is in CCBC ownership and will wholly be delivered by CCBC Engineering Projects Team and their Term Service Contractors (TSC's).
- 5.23 Optioneering and Designs have been progressed for 4 different schemes. The Full schemes (options 1) would have a tarmac spine road and bodpave parking areas, whereas the reduced schemes (options 2) has a tarmac spine road and granular sub base material. Parking spaces/areas would have permeable unbound surfaces. In addition to the construction costs above, management fees would be in the order of £22,500. The full costings are as follows:

Scheme	Construction cost	Available funding	Design and survey fees	Regen Board CIL Budget requirement
Option 1a	£165,471.61	£82,967	£22,500.00	£105,004.61
Option 1b	£156,007.00	£82,967	£22,500.00	£95,540.00
Option 2a	£113,891.61	£82,967	£22,500.00	£53,424.61
Option 2b	£107,452.01	£82,967	£22,500.00	£46,985.01

- 5.24 Option 2b is recommended by the Regeneration Board for implementation. The total anticipated cost for bringing this project to fruition is £129,952.
- 5.25 As the table above shows, residual S106 monies (from the Tesco development) stand at £82,967 which is available towards the cost of the project. A request for CIL Infrastructure funding is therefore being made to fund the difference, which stands at £46,985.

RPB Decision: Project Approved

The RPB supported this project, recognising the benefit that a car park would have for Pontymister and its local businesses and wider community. Regeneration Board Members considered merit in both Option 2A and 2B with there being a split over which should be progressed. The group finally decided to recommend Option 2B because of financial constraints. It was recommended that £46,985 be awarded for this project from the residual development fund.

Conclusion

- 5.26 If Cabinet are minded to approve the recommendations contained in the Report, the residual funding available to the Regeneration Project Board is:
- Licence to Innovate Fund - £168,361
 - Regeneration Development Fund - £15,000

- CIL - £480,015

5.27 It is worth noting that the first three projects outlined above will be dependent on Welsh Government funding being secured to take them forward

6. ASSUMPTIONS

6.1 This report assumes that the identified projects, will be developed further and where applicable implemented, with assistance from appropriate sourced and secured external funding.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 The recommendations contained in the report are likely to have a positive overall impact, however schemes supported through the board will all be subject to their own project based full IIA's and will each have varying degrees of impact.

8. FINANCIAL IMPLICATIONS

8.1 An overall project Development Fund of £3.5m has been previously approved and as outlined above a residual budget of £576k remains available. If all projects are approved by Cabinet, there are insufficient resources available. It is therefore recommended that £150k from the place shaping reserve be allocated towards the Caerphilly Park Lane market project as it aligns with the place shaping agenda. If all the projects are approved at Cabinet, the financial request against the Regeneration Board Development Fund is £561K, leaving a residual fund of £15K.

8.2 Likewise there is currently a CiL Infrastructure budget of £527k. If the Pontymister project is approved a residual budget of £480,015 will remain

8.3 No bids have been made against the License to Innovate Fund which stands at £168,361

9. PERSONNEL IMPLICATIONS

9.1 There will be a requirement for Officers from different departments within the Authority to dedicate human resources to the project activities outlined in order to progress them, the level of which depends on the status of each project.

10. CONSULTATIONS

10.1 All comments received from consultees have been incorporated into the report.

11. STATUTORY POWER

11.1 The Planning and Compulsory Purchase Act 2004.

11.2 The Local Government Acts 1998 and 2003.

11.3 Town and Country Planning Act 1990

Author: Allan Dallimore, Regeneration Services Manager

Consultees:

Cllr James Pritchard, Cabinet Member for Prosperity, Regeneration and Climate Change (and Chair of the Regeneration Project Board)

Christina Harrhy, Chief Executive

Mark S. Williams, Corporate Director for Economy and Environment

Dave Street, Corporate Director for Social Services and Housing

Richard Edmunds, Corporate Director for Education and Corporate Services

Stephen Harris, Head of Financial Services and Section 151 Officer

Marcus Lloyd, Head of Infrastructure

Robert Tranter, Head of Legal Services/Monitoring Officer

Sue Richards, Head of Education Planning and Strategy

Lynne Donovan, Head of People Services

Anwen Cullinane, Senior Policy Officer

Rhian Kyte, Head of Regeneration and Planning

Hamish Munro, Caerphilly Place Making Programme Manager

Paul Hudson, Business, Enterprise and Renewal Team Manager

Chris Adams, Highways Engineering Group Manager

Local Ward Members for Blackwood, Bargoed, Caerphilly and Risca