



HOUSING AND REGENERATION SCRUTINY COMMITTEE – 31ST JANUARY 2023

**SUBJECT: CAERPHILLY TOWN 2035 – PROJECT OVERVIEW AND
PROGRESS REPORT**

**REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND
ENVIRONMENT**

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1. PURPOSE OF REPORT

- 1.1 To provide the Scrutiny Committee with information in the form of a detailed update on the progress of the projects and initiatives contained in the Caerphilly Town 2035 placemaking plan.

2. SUMMARY

- 2.1 Caerphilly town centre is an established tourism destination, has excellent connectivity to Cardiff and the wider region and is a gateway to the County Borough from the south. Cadw and Transport for Wales (TfW) have plans to invest significantly in the town, specifically: Cadw are implementing plans to promote the castle into a tier One destination; whilst investment in the South Wales Metro by TfW will enhance the town's connectivity to Cardiff, the Valleys and the wider region. The town is designated by Welsh Government (WG) as a town of strategic importance and in 2019 in recognition of this CCBC identified a need for a placemaking plan to harness and focus this investment in a coherent manner.
- 2.2 This placemaking plan, branded "Caerphilly Town 2035", provides a bold vision for the town centre and identifies a series of projects/interventions that will help to achieve its goals over a 15-year period. The vision is ambitious and long term and includes a number of "corner stone" projects that have the potential to transform Caerphilly town centre and the role it performs in the Cardiff Capital Region. Caerphilly Town 2035 has identified up to 62 projects that will provide a comprehensive regeneration and development platform to encourage growth, improve the social, economic and environmental performance of the town centre and support the health and wellbeing of its residents and businesses.
- 2.3 The purpose of this report is to update Scrutiny Committee on the significant progress made in the delivery of Caerphilly Town 2035 to date.

3. RECOMMENDATIONS

- 3.1 It is recommended that the Scrutiny Committee notes the contents of this report and the work being undertaken in delivering key interventions to deliver on the ambitious vision for Caerphilly Town.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To acknowledge the positive impact that the work the Council and its Partners has had to date in delivering the Council's Strategic Regeneration Priorities.

5. THE REPORT

- 5.1 Caerphilly Town Centre has the potential to become a modern and culturally significant sub regional centre through the intensification of commercial, leisure and tourism uses. Its proximity to Cardiff and its location on an arterial railway/road route connecting Cardiff with the Valleys means that the town is ideally located to act as a focus for economic growth and regeneration.
- 5.2 In 2017 the Valleys Taskforce published *Our Valleys, Our Future*, the Taskforce's high-level plan which identified Caerphilly as one of 7 Strategic Hubs which would be prioritised for investment by Welsh Government, the Cardiff Capital Region and the Valleys Taskforce. In light of this recognition, the Council has concentrated much of its regeneration activity in the town of Caerphilly to exploit these funding opportunities.
- 5.3 The Council adopted the Caerphilly Basin Masterplan in 2018 as Supplementary Planning Guidance. A Placemaking Plan for Caerphilly Town Centre was then prepared in partnership with the Valleys Taskforce, Transport for Wales, Welsh Government and key stakeholders to target appropriate regional investment opportunities to achieve maximum impact and take forward the next phases of physical regeneration and placemaking activity in order to deliver on the objectives of the Caerphilly Basin Masterplan related to the town centre.
- 5.4 The town centre projects fit into a tight geographical area that could see growth of regional significance if all schemes are brought to fruition up to 2035. The objectives of Caerphilly Town 2035 are outlined below:
- To focus investment on a number of large regeneration projects in a coherent and co-ordinated manner.
 - To minimise impact on the town centre during development activity.
 - To bring key stakeholders on board as early as possible.
 - To create a dynamic environment that stimulates further economic prosperity.
 - To create a plan that would help towards unlocking external funding sources
 - To re-image the town so it becomes a more attractive and inviting destination
 - To reduce traffic flows through the town centre
 - To ensure that local deprived areas directly benefit
- 5.5 Caerphilly Town 2035 identifies 6 core ambitions for the town to focus these

objectives into. These are set out below:

- A RENOWNED TOURISM DESTINATION that fully exploits the presence of Caerphilly Castle to provide a unique visitor experience that people want to revisit.
- A CONNECTED TOWN with a modern transport interchange that provides a landmark entrance to the town, connects the town to the wider region and provides a base from which to actively explore the surrounding landscape
- A BUSINESS DESTINATION with a landmark hub at the transport interchange, a bespoke development corridor that connects the interchange with a consolidated Caerphilly Business Park, and a series of flexible workspaces in the town centre.
- A GREAT PLACE TO LIVE with an excellent environment for existing and new residents that is based on a choice of new homes, accessible workspaces, and diverse leisure choices.
- A LEISURE TOWN... that provides a varied retail and leisure offer that satisfies everyday requirements, but also includes bespoke products and great food and refreshments day and night.
- INCLUSIVE AND ENGAGING PUBLIC PLACES a town with a network of unique green streets and spaces that optimise views of the Castle, provide space for outdoor activity and are safe and accessible.

- 5.6 In 2021 it was agreed with Welsh Government that a renewed focus was required to deliver the aspirations of the Plan and a new Placemaking Programme Manager (PPM) post was created in July 2021 by the Council to prioritise the delivery of the aspirations of the Plan.
- 5.7 Since the appointment of the PPM, a multi-disciplinary consultant team has been appointed by the Council (with funding support from WG) to provide the resources and specialist advice to facilitate further engagement, explore options and provide detailed design to deliver the key projects identified within the Plan.
- 5.8 This has given Caerphilly Town 2035 real traction and many of the projects are developing at pace. This report is being presented to the Scrutiny Committee to outline the progress being made with these major key projects.
- 5.9 It is important to note that a sufficiently robust Governance structure has been prepared to support the delivery of the Plan. The current version can be seen in Appendix 1. This governance structure has been introduced to ensure effective management of the plan with its massively complex component parts. The Governance structure includes key stakeholders from a range of internal departments and external agencies who are able to positively impact on delivery. It is recognised that this Governance structure will evolve over time as projects, initiatives and organisations involved with the delivery of the Plan will change.
- 5.10 As outlined, Caerphilly Town 2035 proposes an extensive range of projects and initiatives. The principal interventions being progressed at present are identified in the

next section.

PROJECTS

Pentrebane Street Redevelopment

- 5.11 The scheme proposes the construction by Linc Cymru Housing Association of up to 74 new apartments and new ground floor commercial and retail space. The new accommodation will be Net Zero Carbon, EPCA and will comply to current high level space requirements (DQR).
- 5.12 CCBC have received significant funding from WG to acquire Numbers 1-15 Pentrebane Street (Including the Market Hall) with advanced negotiations in place with the current owners. Once the site assembly is concluded, the Council will transfer the site to Linc to enable demolition and construction works to start. The Council will also have a requirement to process payments from WG to cover the commercial ground floor construction element of the development. A legal charge over the development will be taken in favour of the Council to protect the investments made in the scheme.
- 5.13 Linc are considering a Development Options Appraisal to clarify the most efficient use of the site, with three development options currently being considered. Progress on additional required acquisitions and a Compulsory Purchase Order process will continue following conclusion of the Options appraisal work and confirmation from Linc of the final boundary for the proposed development. Further approvals from CCBC and WG will be required following this process.
- 5.14 Linc have prepared a draft programme that identifies Quarter 1 2024 as a potential start of demolition and construction work with a construction period of 18-24 months. The proposed closure of the Market and the impact on existing Traders has created some negative press coverage but CCBC has been proactive in providing the Traders with a package of support and funding to facilitate the traders relocating in the town centre, where possible and where desired by the individual traders.

Transport Interchange

- 5.15 A fundamental component of Caerphilly Town 2035 and a key Council Place shaping priority is the development of a new public transport interchange at the site of the co-existing train and bus stations in Caerphilly Town Centre.
- 5.16 Caerphilly Interchange is one of the Cardiff Capital Region's Metro Plus Phase 1 projects. Caerphilly is served by an existing rail and bus station which is the only current example of an integrated multi-modal station in South-East Wales. Both the stations appearance and public realm are however poor, which creates an uninviting impression when arriving at the town.
- 5.17 The Caerphilly Interchange project will redevelop the existing joint stations into an exemplar mixed-use transport hub. The council's ambition is for the new interchange to become a best practice 'demonstrator' for future transport interchanges in Wales/UK. The project is an integral part of the wider regeneration programme of Caerphilly Town 2035, that will create an environment that can meet the aspirations of the people of Caerphilly. The new Transport Interchange will replace the current bus and train facilities to provide a new net zero carbon facility that will complement the improvements from the South Wales Metro and encourage greater use of public

transport, cycling and walking both to, from and within the town.

- 5.18 A design team has been appointed in partnership with WG and Transport for Wales (TFW) and a funding application was submitted to UK Government for Levelling Up Funding (LUF). On the 19th January, 2023 the Council were informed that the Levelling Up submission was unsuccessful. Officers will now pursue a number of other external funding opportunities including the next round of Levelling Up. It is important to note that other external funding has been secured to take the transport interchange through RIBA Stage 3 and that officers are pursuing the same funding source to complete RIBA Stage 4 (detailed design). This effectively means that design work will continue on the project.
- 5.19 In anticipation of securing future external funding support, design work is continuing with an expectation of submitting a future planning application. Key stakeholder and wider community engagement has been undertaken as the design process continues through RIBA Stage 3.

Wellbeing Centre

- 5.20 The need for a new contemporary Wellbeing Centre that encompasses some of the traditional facilities offered by a leisure centre along with added value facilities for the community are well documented and remain a priority for the Council under its Place shaping agenda and are acknowledged and recognised within the Sports and Active Recreation Strategy 2019-2029 (SARS) adopted by Cabinet in November 2018. The existing Caerphilly Leisure Centre opened in the early 70's and is no longer fit for purpose. It is now in need of major investment and is difficult to access by much of the community. A new contemporary facility at a location at the heart of the town centre in line with Welsh Government's Town Centre First Principle will drive footfall in Caerphilly Town. Located within easy walking and cycling distance of both rail and train services the siting of the Centre will improve the accessibility of such a facility and also extend its reach to a much wider catchment. The site is also ideally located to benefit from excellent road access arrangements that will keep user traffic away from the town centre itself.
- 5.21 The development will also add value to the visitor economy following principles set out in the Welsh Government's "Facilities for Future Generations" framework. It will have facilities that will be attractive to visitors to the area (innovative splash swimming and activity pool) supported by a high-end state of the art Fitness Suite provision and will be designed in a manner that allows it to accommodate alternative and broader uses in collaboration with a range of partners.
- 5.22 A design team (Alliance Leisure) has been appointed by the Sports and Leisure Service and following Cabinet approval, a funding application has been submitted to UK Government for Levelling Up Funding (LUF). On the 19th January 2023, the Council were informed that their £20m submission under this programme had been successful. This decision that was no doubt influenced by the fact that the Council will be investing £13m of its own monies into the scheme. Work will now continue at a pace to implement this project.

Park & Ride Development

- 5.23 The Council secured funding from WG to consider the viability of creating new business space on the site of the current Park & Ride site adjoining the proposed new

Transport Interchange. The site is in joint ownership with the Council and TFW and the viability study demonstrated that development would be possible, although very limited parking would be available for any scheme.

- 5.24 The site is being considered by WG in the context of their 'Town Centres First' initiative which encourages public sector accommodation requirements to consider town and city centre options for regeneration and public transport benefits rather than remote locations that require access via use of a car.
- 5.25 Further work on this site has been put on hold as officers conduct further research on the overall car parking requirements of the town and the impact that the transport hub would have on it.

Market, Park Lane

- 5.26 Following a site options appraisal, the Council-owned Park Lane site has been identified as the most appropriate location for the new Market, which will replace the current Market Hall in Pentrebanne Street. The new market will provide modified shipping containers in a high-quality environment for up to 28 new traders, including food and beverage, and additional space for some managed workspace. PV panels will be provided along with grass rooves and two electric vehicle charging points in the traders' car park.
- 5.27 A planning application has been submitted, with construction of the project due to start in March 2023 and a planned opening of the market in September 2023. Match-funding for the Council's contribution has been secured from WG Transforming Towns Initiative.
- 5.28 The new Market was originally intended to be a 'meanwhile-use' for Park Lane, as the site had previously been identified as a location for the construction of a new hotel. However, following the appointment of specialist Hotel agents, the council have been advised that the site is not the most suitable location for a hotel and that it wouldn't be big enough to accommodate the size of hotel envisaged, i.e. a quality life-style hotel of 60-80 Bedrooms. Hence it has been agreed that a new modern containerised market should make best use of the Park Lane site.

Hotel Quarter, Cardiff Road

- 5.29 The preferred Hotel location identified by the specialist hotel agents is now on Cardiff Road, opposite the Castle. The views of the Castle from this location are considered by the agent to be a considerable advantage for any potential developer/operator and they have identified this site as being the most suitable to attract investment and accommodate a 60-80 bed life-style hotel.
- 5.30 Loan funding to facilitate site assembly ('The Acquisition Fund') has been secured from WG, along with Council funding, and a site options appraisal is being undertaken to better understand how the site could be redeveloped and the extent of any future mixed-use development requirements including the provision of additional retail, leisure, office space and residential uses.

Llys Ifor Site, Crescent Road

- 5.31 The Acquisition Fund also makes provision for the proposed purchase of Llys Ifor, a prominent building located at the entrance to the Council-owned Crescent Road Car Park. The owners have obtained planning consent for the construction of 29 new apartments with a ground floor café, although the owners have struggled for some time to agree terms with various developers to construct the scheme. A small area of the council owned Crescent Road car park would be required to deliver the approved scheme.
- 5.32 Heads of Terms have been agreed with the site owners for the Council to acquire the site following demolition of the buildings and site clearance.
- 5.33 Once in Council ownership, it is proposed to market the site with a development brief seeking an improved design linked to public realm improvements to the park and town centre.

Castle Quarter

- 5.34 The space between the Castle and town centre is generally under-utilised and provides a fantastic opportunity to create a unique space to encourage both residents and visitors to the town to dwell longer and enjoy the experience this location offers.
- 5.35 The land is in the ownership of both the Council and Cadw and discussions have started to assess how best the space can be managed jointly with greater opportunities to generate revenue streams between the two organisations to support the ongoing management costs of the area.

Ness Tar & Pesci Scrapyard Site

- 5.36 The Council, in partnership with WG, has undertaken a due diligence process to assess how these two contaminated sites could be brought forward for a new high quality residential development of up to 225 new homes.
- 5.37 The due diligence process has potentially identified solutions to bringing forward the site for redevelopment and discussions are in progress with the site owners to assess how best the delivery of the site can be progressed.

Engagement Strategy

- 5.38 Caerphilly Town 2035 was produced just prior to the Pandemic in March 2020 and therefore whilst a series of stakeholder sessions were held on the proposals in 2019 the further planned engagement which was due to be undertaken on the emerging proposals in 2020 was impacted by the pandemic.
- 5.39 It is recognised that there is a need to further test the proposals contained within the plan and therefore expert consultants Cowshed, have been appointed to support the engagement, marketing, branding and communications activities to ensure that local residents, businesses and key stakeholders have an opportunity to comment and help formulate any future projects, initiatives and priorities associated with the Plan going

forward.

Socio-Economic Benchmarking

- 5.40 The recent challenges in global economics and societal changes following the Pandemic have required the need for a new socio-economic review of the town to be prepared to fully understand the current performance of the town and clearly identify the strengths and weaknesses.
- 5.41 This 'Baseline' will provide the basis for future evaluation and monitoring of the Plan to ensure that appropriate targets and core ambitions are set for the town and that progress is made in the delivery of these targets and aspirations.
- 5.42 Consultants have been appointed to progress this baseline review with initial findings to be reported in February 2023.

Town Centre Housing Opportunities

- 5.43 A number of the projects identified above will deliver new housing in the town centre and its peripheral area. The Council acknowledge that the diversification of the town centre is key to its long-term prosperity and the delivery of housing to strengthen the mix and act as a catalyst to deliver economic activity is seen as a core element. In order to maximise the opportunities for residential development, Caerphilly Homes have commissioned consultants to identify further opportunities to bring additional homes into the heart of the town.

Conclusion

- 5.44 The excellent progress being made on Caerphilly Town 2035 Plan and its constituent projects is very encouraging, however there are a number of complex projects that are interwoven which will require the same level of energy and resources expended to date to continue throughout the life of the plan.

6. ASSUMPTIONS

- 6.1 This report assumes that the projects outlined above have been/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 This report is an update on Caerphilly Town 2035 and outlines which projects have been identified to progress. Each scheme supported through the Plan will have varying impacts, mostly positive, and will be the subject of individual full IIA's as they progress.

8. FINANCIAL IMPLICATIONS

- 8.1 The plan has over 60 projects identified for implementation. The Council in conjunction with Welsh Government has prioritised key projects that have been outlined and

summarised within the body of this report. If these projects come to fruition, then the town will benefit from multi-million pounds worth of investment. This figure is hard to quantify at present but will ensure the economic prosperity of the town and will cement its role as a key sub regional centre.

- 8.2 In order to deliver the projects identified in the report along with a number of others within the Plan, there will not only be a requirement to establish project specific budgets but there will be a need to continue to resource the multi-disciplinary team to aid delivery.
- 8.3 Welsh Government have shown their commitment to the Plan by allocating Transforming Towns funding to the development of a number of projects and towards match funding the work of the multi-disciplinary team. Officers will continue to look to Welsh Government for support as the projects progress and will also investigate other funding options as appropriate. UK Government funding has already been targeted for key projects as outlined above with £20m being secured from the Levelling Up Programme to date.

9. PERSONNEL IMPLICATIONS

- 9.1 There has been and will continue to be a requirement for officers from a variety of internal departments within the Authority to dedicate time and energy to the projects identified in Caerphilly Town 2035 plan in order to progress them, the level of which depends on the status of each project. In addition, the plan's progress to date is also assisted by the fact that the PPM can call upon the resources from an external multi-disciplinary team.
- 9.2 The PPM is crucial to delivering the various component parts of the Caerphilly 2035 plan. The post is currently a fixed term appointment and work is being undertaken to identify funding for making the post permanent given the long- term nature of the delivery of projects set out within the plan.

10. CONSULTATIONS

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

11.0 STATUTORY POWER

- 11.1 The Local Government Acts 1998 and 2003.
- 11.2 Town and Country Planning Act 1990

Author: Hamish Munro, Placemaking Programme Manager

Consultees:

Cllr Jamie Pritchard, Cabinet Member for Prosperity, Regeneration and Climate Change
Christina Harray, Chief Executive
Mark S. Williams, Corporate Director for Economy and Environment
Stephen Harris, Head of Financial Services and Section 151 Officer
Robert Tranter, Head of Legal Services/Monitoring Officer

Robert Hartshorn, Head of Public Protection, Community and Leisure Services
Marcus Lloyd, Head of Infrastructure
Ben Winstanley, Head of Land and Property Services
Nick Taylor Williams, Head of Housing
Rhian Kyte, Head of Regeneration and Planning
Lynne Donovan, Head of People Services
Clive Campbell, Transportation Engineering Manager
Jeff Reynolds, Sports and Leisure Facilities Manager
Anwen Cullinane, Senior Policy Officer
Allan Dallimore, Regeneration Services Manager
Paul Hudson, Business, Enterprise and Renewal Team Manager
Councillor Andrew Whitcombe Chair of Housing and Regeneration Scrutiny
Committee
Councillor Patricia Cook Vice Chair of Housing and Regeneration Scrutiny
Committee

Appendices: Appendix 1 – Governance Structure

Caerphilly Placemaking Plan 2035: Governance Structure

Group	Meeting Frequency	Caerphilly CBC															WG																				
		Mark S Williams	Rhian Kyte	Allan Dallimore	Hamish Munro	Paul Hudson	Ryan Thomas	Marcus Lloyd	Clive Campbell	Stephen Harris	Nick Taylor-Williams	Jane Roberts-Waite	Maria Godfrey	Stephen Pugh	Ben Winstanley	Vickie Julian	Robert Hartshorn	Paul Cooke	Hayley Lancaster	Jeff Reynolds	Stuart Fitzgerald	Clair Stonelake	Kath Nicholls	Alice Woolley	Richard Baker	Richard Wilson	Campbell Lammie	Robert Kent-Smith	Deb Harding	Gareth Potter (TfW)	Gwilym Hughes	Kate Roberts	Gwydion Griffiths	Stride Treglown Multi-Disc Team	Linc Cymru	Grimshaws	Alliance Leisure
Programme Board	Quarterly	x	x	x	x																x	x															
Programme Executive Group	Six Weeks		x	x	x					x			x		x							x	x			x											
Ness Tar Project Group	As Required		x	x	x					x		x		x								x	x			x											
Transport Group	Monthly			x	x					x				x									x	x			x										
Pentrebane Street Project Group	As Required			x	x									x									x	x													
Caerphilly Market, Park Lane	As Required			x	x									x									x	x													
Hotel Quarter	Monthly			x	x									x									x	x													
Castle Quarter	Monthly			x	x																		x	x													
Park & Ride Site Project Group	As Required			x	x									x									x	x													
Llys Ifor Project Group	As Required			x	x									x									x	x													
Wellbeing Hub Project Group	As Required			x	x									x									x	x													
Sustainability and Decarbonisation Project Group	Quarterly			x	x							x											x	x													
Engagement, Comms, Marketing & Branding Project Group	Monthly			x	x							x											x	x													

Appendix 1 – Governance Structure

