

**Report of the Cabinet Member for
Enterprise, Development and Regeneration**

Cabinet – 20 January 2015

SWANSEA CITY CENTRE STRATEGIC FRAMEWORK REVIEW

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| Purpose: | To seek Cabinet agreement to: <ul style="list-style-type: none">▪ undertake consultation on the draft Swansea City Centre Strategic Framework (SCCSF) Review;▪ market the St Davids and Civic Centre sites;▪ undertake a series of implementation actions to support delivery of the SCCSF Review |
| Policy Framework: | Swansea City Centre Strategic Framework. |
| Reason for Decision: | To allow City Centre regeneration to be progressed. |
| Consultation: | Legal, Finance, Access to Services, Corporate Property |
| Recommendations: | It is recommended that Cabinet: - <ol style="list-style-type: none">1) Authorises that the Draft SCCSF Review, is approved as a basis for public consultation prior to a report back for final approval by Cabinet.2) Authorises a) the marketing of the St Davids and Civic Centre sites and b) delegated authority be granted to the Director of Place to finalise the marketing briefs based on the principles and land take set out in this report.3) Authorises that the disposal of the Civic Centre site be agreed in principle subject to a detailed Business Case being prepared and a report back to Cabinet for approval.4) Authorises that the principle of constructing a replacement Civic building at The Kingsway be agreed and that officers prepare an implementation plan with a report back to Cabinet for approval.5) Authorises the principle of a programme of strategic property acquisitions at The Kingsway to support the delivery of a Central Business District.6) Authorises that the Welsh Government be requested to grant aid acquisitions as they arise.7) Notes that the Leader in conjunction with the Cabinet Member for Enterprise, Regeneration and Development will exercise powers to accept any grant offers and to approve property acquisitions to ensure transactions are able to be completed in 14/15.8) Authorises that the regeneration of The Kingsway forms the basis of the Council's priority submission for future European infrastructure funding and that the Director of Place be instructed to proceed with the application process. |

- 9) Authorises the Director of Place to engage with Welsh Government to discuss funding requirements to implement the SCCSF Review and that authority be given to submit formal funding applications as they arise with regular reports on progress to the External Funding Panel.
- 10) Authorises the submission of any planning or other applications required to deliver the SCCSF Review.
- 11) Notes that the budget implications for individual actions associated with delivery of the SCCSF Review will be submitted for Cabinet approval in compliance with Financial Procedure Rules.

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1.0 Introduction

- 1.1 Swansea City Centre (CC) is the economic driver of Swansea Bay City Region and should be the regional shopping, leisure, education and administrative centre. However, the CC does not currently fully fulfil this role, and is at a critical point in its evolution. The economic recession has severely affected the ability to deliver the development promoted within the SCCSF, and a radical review of this document has been undertaken that will influence the direction of future uses and fundamentally affect the way in which the CC will move forward.
- 1.2 The redeveloped CC that emerged after the War was planned on a grid-pattern of roads including the main thoroughfares of, The Kingsway, Princess Way, West Way and Oystermouth Road, creating an urban structure which is still a major influence on the functions, environment and perceptions of the CC. This redevelopment shifted the commercial focus from the pre-war axis around High Street and Wind Street towards Oxford Street and The Kingsway and new uses were based on retail, with the substantial residential community being relocated outside the CC.
- 1.3 Alongside the 'structural change' described above, subsequent out of centre developments, such as the Enterprise Zone, Morfa, SA1, and Fforestfach, have displaced significant numbers of retail and office occupiers from the CC and have substantially weakened the CC's offer and attraction.

- 1.4 The CC suffers from: a small resident population; a limited number of jobs; poor quality office accommodation which delivers low rents; low footfall; a limited retail offer with significant vacant floorspace; and the lack of major attractions to make it a destination.
- 1.5 The catchment perceive the CC as tired, dated and declining with an average offer, coupled with a complex traffic system, congestion and poor/expensive car parking. The ambition of the catchment remains strong for an, integrated and coherent CC capable of supporting city region status and delivering a 24 hour economy.
- 1.6 However the CC remains a place of opportunity for developers with a strong established, supportive planning policy framework, a number of development sites in Council ownership, a proactive and supportive public sector, established, effective partnership working and the availability of public funding as a pump primer.

2. Review of the Swansea City Centre Strategic Framework

- 2.1 The SCCSF, adopted in 2009, sets out a clear Vision for the CC - to create a mixed-use location with a strong retail, commercial and leisure heart supported by a vibrant resident population.
- 2.2 The economic recession has severely curtailed property development nationally, however physical regeneration works have continued in Swansea. Public sector investment in the fabric of the City's public realm has been widespread, and in addition the railway station has been refurbished and a new bus station constructed. The Council and Welsh Government have also acquired the outstanding leasehold interests in the St David's shopping centre and Oldway House, and subsequently demolished them ready for redevelopment.
- 2.3 A current and relevant Strategic Framework for the CC is essential to guide future new development and investment, and provide a robust evidence base on which to plan future regeneration. To this end a Review of the SCCSF has been commissioned which will help to inform emerging LDP policy and will provide the confidence and certainty in the Council's policies for key sites that developers and investors require. The Review will ensure that all resources, including Welsh Government and potential EU funding opportunities, are appropriately targeted and focused on a clear set of objectives for the CC which ensure that regeneration benefits are maximised.
- 2.4 The Design Commission for Wales in partnership with CCS held a conference in Swansea on 10th October 2014. The conference was entitled City Futures and leading speakers from around the world looked at addressing service and infrastructure needs, securing good living conditions and harnessing human capital. Keynote speaker Professor Ken Mayer of HASSELL explored ideas of planning and

decision making through the design process and ensuring that the process of engaging in the understanding of places incorporated the imperatives of sustainability, good governance, community engagement and support. He also highlighted a necessarily different approach to risk in order to liberate future opportunities in the making of our cities.

- 2.5 All contributors brought an international perspective and expertise. The details of all speakers' contributions are available at the link below.

https://www.dropbox.com/sh/mii6wpgbg9xugdx/AAAbwqdwTsx_P8sjcfRwPsYa?dl=0

- 2.6 The Conference has informed the preparation of the draft SCCSF Review

- 2.7 The purpose of the Review is to:

- Identify a role for the CC and express this through regeneration proposals
- Evaluate development economics as they affect the CC
- Prepare a CC accessibility strategy to support development
- Provide a design framework for the CC
- Produce a comprehensive, integrated, deliverable regeneration strategy and action plan for the CC

- 2.8 The aim of the Review is to make the CC a real destination where people want to live, work, visit and to act as an exemplar of the new approach to regeneration, post-recession. The CC must have a vibrant mix of leisure, cultural, retail, office and residential uses; all delivered in a legible way, with high quality buildings and public spaces, which explore culture, and differentiate Swansea from other cities.

- 2.9 The Review will promote and support deliverable schemes across the short, medium and longer term timeframes, and there needs to be a balance of quick wins and longer term strategic projects to stimulate regeneration, funded through a combination of both public and private sector investment.

- 2.10 The Draft SCCSF Review has 4 overall objectives:

- 1 **Sustainability** - strengthening the whole CC by developing it as a true mixed use environment, from which there will be economic longevity, social inclusivity and environmental equilibrium.
- 2 **Design** - Creating new urban environments where the spaces between the buildings contribute as much to the quality of the CC as the buildings themselves.
- 3 **Accessibility and Movement** - Re establishing connections to the waterfront and strengthening links to the river through intuitive routes which are designed to put pedestrians first.
- 4 **Distinctiveness** - Ensure that the qualities, history and associations whether cultural, social, industrial, community or

physical are considered in each and every development opportunity or intervention.

2.11 Strategic interventions are proposed for a number of Priority and Complementary areas in the CC. There are four main development proposals which will collectively transform the CC, as outlined below:

2.12 St David's mixed use scheme

- i. The Council and WG acquired the outstanding leasehold interests in the failing St David's shopping centre and now have the freehold interest. Buildings have been demolished including the adjacent Oldway House, and a temporary surface car park created. Land assembly is now almost complete which allows the site to be marketed.
- ii. The redevelopment of this area to create a retail and leisure destination is of strategic importance as it will seek to address the underperformance of the CC. In support of the primary retail/leisure (cinema and restaurants) uses, an appropriate element of other non-retail uses could be appropriate on upper floors, e.g. residential, offices, library or community uses.
- iii. Market testing has demonstrated significant developer and occupier interest from national and local retailers and cinema operators. An office development of 100,000 sq ft is a potential option for the St Davids MSCP site.
- iv. A new multi storey car park is required to serve the development and this can be accommodated on the LC Car Park site which provides opportunities to create strong linkage between the CC and the waterfront which could include a high quality at grade crossing, or a high level landmark pedestrian cycle way crossing which provides seafront views and views to the surrounding area, and a visual reference to the city's connection to the waterfront.
- v. The St Davids development is likely to require public sector funding to support demolition of the existing St Davids MSCP, the construction of a new MSCP on the LC car park site and associated highway infrastructure works and likely future property grant to support building development

2.13 Parc Tawe

- i. Parc Tawe is a poor quality 1980's retail park and investment in the fabric of the buildings and infrastructure is required if the location is to continue in its current form. The land currently has an open retail consent and a recent planning application has been approved but with conditions restricting the retail element to protect the viability of the CC

- ii. The draft SCCSF Review indicates that an alternative use for the site in the medium to long term could be considered to create a new residential quarter for the CC.

2.14 Paxton Street - Civic Centre

- i. Paxton Street/Civic Centre is the only remaining development site of scale that can link the CC to the sea. The SCCSF Review envisages uses that are complementary, not competing, with those in the core CC and the vision for the area is to redevelop the existing site, car parks and buildings for a comprehensive iconic mixed use waterfront destination that generates high levels of activity and makes a positive use of Swansea's seafront.
- ii. The site is predominantly freehold owned by the Council, which will assist with the deliverability of any development.
- iii. The redevelopment will require the disposal of the Councils' Civic Centre offices and library. A replacement civic building will need to be provided at a location within the core CC, where it will actively support footfall and economic activity and act as a pump primer for a new business district, potentially centred on The Kingsway.
- iv. As part of the Council's adopted accommodation strategy, to improve efficiencies and generate significant revenue and capital benefit, a programme has been developed to relocate the Council's back office staff to the Guildhall and Civic Centre. The aim has been to release the maximum number of satellite offices, including Penllergaer Civic Centre, Social Services satellite buildings and leased space in the CC.
- v. Once this exercise is completed and due to the likely future significant maintenance works which will be required for the Civic Centre within the next 10-15 years, if an alternative location could be found for back office staff and other functions which are currently accommodated within the existing Civic Centre - Library, Archives, Registrars and Contact Centre, then this should be considered.
- vi. Furthermore, due to the changing face of Local Government it could be that the future space requirement for back office functions could be adequately provided for in the recently refurbished Guildhall along with an additional facility within the CC within an agreed specification.
- vii. A decision is required as to whether disposing of the Civic Centre site and the construction of a replacement civic building in the CC is acceptable in principle to allow a detailed business case and specification to be prepared

2.15 The Kingsway/ Orchard Street

- i. One of the key strategic objectives for the CC is to increase office provision and employment opportunities, inject a wider mix of uses and add to the vibrancy which will increase footfall and worker expenditure and will improve retail and leisure performance.
- ii. The SCCSF Review identifies The Kingsway as underperforming and its role within the CC needs redefining. The opportunity exists to create a Central Business District at The Kingsway. This could have 3 key elements and would be delivered in phases:
 - The Council could act as a catalyst for creating a new employment district within the CC through the relocation of its civic offices.
 - A 'tech hub' could be created, using links with the universities in particular. The existing business incubator spaces (e.g. Technium in SA1) are already fully let and there is a need for similar space.
 - Relocation of professional services from areas such as Mansel Street to modern facilities which would allow businesses to 'right size' in accordance with their business requirements
- iii. Redevelopment of The Kingsway would be multi-phased and delivered over time primarily in order to allow site assembly and servicing. It is likely that the use of compulsory purchase powers would also be required for later phases.
- iv. The creation of a Central Business District at The Kingsway will require property acquisition, site infrastructure works, highway infrastructure works and property grant (and loan) to support building construction.
- v. Whilst, the transformation of The Kingsway has the potential to be delivered with or without a new civic building, the likelihood of a satisfactory private led scheme progressing in the short term at The Kingsway, would be extremely low should another site be chosen to accommodate functions currently undertaken at the Civic Centre. It is unlikely that the private sector would be able to deliver the first phase of this transformation within the next 5-7 years at the earliest.
- vi. Cabinet agreement is requested towards a programme of strategic property acquisitions at The Kingsway to support the delivery of a Central Business District subject to funding for this being identified. Specific authority to accept any grant offer and acquire properties will need to be agreed using delegated powers because of the extremely tight deadlines likely to achieve this.
- vii. The construction of a new civic building at The Kingsway would materially improve the prospects of the early regeneration of the area into a vibrant mixed-use business quarter.

- viii. To facilitate the redevelopment of The Kingsway, infrastructure and highway/public realm improvements would need to be delivered in advance of building construction not only to change the character of the street but also to service and access sites
- 2.16 Other significant proposals include contained within the SCCSF Review include:
- High Street - Promote as a mixed use area for city living working and learning, promote new development and refurbishment of buildings and improved accessibility.
 - Wind Street - Protect and enhance built environment, improve the quality of the public realm and potentially including a new shared surface arrangement.
 - Mansel Street and Alexandra Road - Conserve protect and enhance Alexandra Road, and promote as an area for City living working and learning. Also a range of highway infrastructure improvements will be considered.
 - Lower Oxford Street - To contribute to the CC's mixed use retail heart, and retain the individuality creativity and independence while improving the physical environment and upgrading the public realm.
 - Maritime Quarter/Sailbridge - To encourage and retain a mix of uses, and new high quality development on vacant sites such as the Sailbridge site.
- 2.17 Cabinet are recommended to agree the enclosed Draft SCCSF Review (Appendix A – via web link) as the basis for public consultation. The Review will present a robust, evidence based and delivery focused plan. It seeks to promote a projects based on a sound economic rationale, rather than being reliant on a particular use or project, and whilst being visionary also needs to be capable of being flexible and phased.

3. Launch of SCCSF Review

- 3.1 The formal launch will not occur until September 2015, after the consultation exercise has been completed, and the final SCCSF Review reported to Cabinet for adoption. However, work is already underway on how best to launch the ultimate Framework in the most effective way.
- 3.2 As part of this workshops are being organised to discuss how best to 'brand', and 'define', the CC. In addition, the Council is supporting a Project called 'You are Here', using existing vacant Council CC retail units, which aims to capture people's views on how best to celebrate Swansea's distinctiveness and culture. The results of these exercises will be incorporated into the finalised SCCSF Review Report.

4. Marketing of St Davids and Civic Centre sites

- 4.1 A Marketing and Procurement Strategy has been prepared for the following sites based upon proposals contained in the SCCSF Review.
- Former St David's shopping centre
 - St David's Multi storey car park
 - LC Car Park
 - Civic Centre, and adjoining car parks
- 4.2 The Strategy outlines the various options open to the Council related to this Marketing exercise, and recommends that the Council markets the above sites using the 'Competitive Dialogue' procurement route, which is considered the most appropriate process due to the complex nature of the Sites and desired Council objectives, and associated required contracts.
- 4.3 The Strategy advises that the sites are marketed under two 'lots', as follows:
- Former St David's Centre/St David's MSCP/LC Car Park
 - Civic Centre and adjoining car parks
- 4.4 The two 'lots' would be marketed at the same time, under one process (contract notice), but allowing developers to bid for one or both areas. This will maximise developer interest, and flexibility, whilst also maximising the marketing campaigns positive impact and profile.
- 4.5 Cabinet is recommended to agree the marketing of the sites as described and delegates agreement of the final marketing Briefs to the Director of Place in consultation with the Cabinet Member for Enterprise, Regeneration and Development

5.0 External Funding Bids

- 5.1 Infrastructure funding from the next round of European Structural funds will be limited with only 3 bids likely from the Swansea Bay City Region Area with the maximum grant available being no more than £10m per scheme. The CC has been identified as a priority but to move this forward to application stage specific proposals are required to allow a business case to be prepared. It is recommended that The Kingsway infrastructure be confirmed as Swansea's priority European bid and that the Director of Place be authorised to engage with WEFO and submit grant applications in support of this
- 5.2 Discussions are ongoing with Welsh Government in terms of funding opportunities. There is the potential that funding applications will be invited, possibly at short notice to take advantage of end of year underspends to support property acquisitions. Cabinet are recommended to authorise the Director of Place to submit applications as they arise.

- 5.3 For future years WG support is required to specifically fund:
- Further acquisition of properties at The Kingsway
 - Additional infrastructure works at The Kingsway, to supplement European funds
 - Grant and loan to support the construction of a new Civic building at The Kingsway
 - Demolition of St Davids MSCP
 - Construction of LC MSCP and highway facilitation works
- 5.5 Cabinet are recommended to authorise the Director of Place to engage with Welsh Government and submit funding bids as they arise in support of the implementation of the SCCSF Review.
- 5.6 Regular updates on progress with funding applications will be made to the External Funding Panel.

6.0 Equality and Engagement Implications

- 6.1 A full Equality Impact Assessment will be undertaken alongside the SCCSF Review consultation

7.0 Financial Implications

- 7.1 The report seeks approval for the principles informing the SCCSF. It is envisaged that the majority of the funding for the proposals contained within the SCCSF will be met by WG or European grant funding with the preliminary marketing/feasibility contained within existing Regeneration budgets.
- 7.2 The full budget implications of each of the proposals identified in paragraphs 2.12 – 4. above will be compiled, considered and approved in accordance with Financial Procurement Rules in due course.

8.0 Legal Implications

- 8.1 It is recommended that prior to any marketing initiative of the properties and sites referred to in this Report that the Head of Legal and Democratic Services be instructed to prepare full Reports on Title. Such reports should also be prepared in respect of any properties or sites which the Council may wish to acquire
- 8.2 Paragraph 4.2 above is noted. Advice as to the proposed process should be sought from the Head of Legal and Democratic Services and Procurement at an appropriate stage

Background Papers: Swansea City Centre Strategic Framework

Appendix A: Draft SCCSF Review - accessed via <http://www.swanseacitycentre.com/invest-business/city-centre-strategic-framework/>