



Report of the Cabinet Member for Investment, Regeneration and Tourism

Cabinet - 18 February 2021

Castle Square Regeneration FPR7

Purpose:	To confirm approval of a first stage feasibility and concept study for the regeneration of Castle Square and to seek budget authorisation to progress to the next stages of detailed design, planning and consultation in accordance with Financial Procedure Rule No.7 (Capital Programming and Appraisals) - to commit and authorise the addition of new schemes to the Capital Programme.
Policy Framework:	Swansea Local Development Plan (2019), Swansea Central Area Regeneration Framework (2016), Regenerating our City for Well Being and Wildlife (2020) Corporate Priority Creating a Vibrant and Viable City and Economy Council constitution:- Financial Procedure Rules
Consultation:	Access to Services, Finance, Legal, Highways and Transportation, Culture and Tourism, City Centre Management, Planning.
Recommendation(s):	It is recommended that: 1) Fees of £782k for the Castle Square Regeneration scheme are added to the capital programme in line with Financial Procurement Rule 7 to progress to detailed design, planning and public consultation.
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Finance Officers:	Ben Smith/Jayne James
Legal Officer:	Debbie Smith
Access to Services Officer:	Catherine Window

1.0 Introduction

1.1 Development managers Spider management along with a multi-disciplinary team of consultants were appointed by the Council in 2019 to

deliver a regeneration programme for Castle Square from an assessment of feasibility, through to design and construction. Progress to each stage of the project is subject to Council Cabinet approval and subject to a review of available Council funding.

- 1.2 The regeneration project is based on an agreed brief which set out the objectives for an appropriate scale commercial opportunity in the Square, and for the delivery of a step change in the quality of its public realm. The overall aim for these interventions is to increase visitor dwell time in the City centre, create a destination suitable for a range of events, and to make it more active, distinctive and vibrant in line with other regeneration investment which is taking place in the City. The creation and repurposing of space at Castle Square will also make a significant contribution to how the City centre recovers from the economic and social effects of Covid 19, and meets other challenges which may be present post Brexit.
- 1.3 This report summarises the outcome of the first stage feasibility study and the development of the preferred scheme concept, following a series of member and officer workshops. It also sets out the initial estimated scheme cost, anticipated programme for delivery of the proposals, and seeks a budget and authorisation to take the scheme forward to detailed design and planning stage.

2.0 Design Concept

The concept scheme is based on the overall basic assumption of retaining the stepped amphitheatre form of the Square, removing the existing the fountain, and introducing a range of key interventions which are as summarised below and in Appendix A1, A2 and A3.

- 2.1 **Green Infrastructure-** A greener Castle Square will have multi-functional benefits for residents and contribute positively to creating an attractive destination space for visitors, connecting the City centre to the waterfront by reinforcing the City's green artery (as identified in the Swansea Central Area Regeneration Framework-SCARF, 2016).

The concept scheme shows the potential for increasing the percentage of greenspace in the Square from 25% to 41% and the enhancement of the area's green space factor score from 0.21 to 0.33 (Appendix A1). The aim is to retain existing trees, undertake additional tree planting which will add further shelter and shade, and any greenspace areas will be made more accessible for informal public use. Also appropriate additional landscaping will be used to add colour and character all year round, as well as providing air quality and micro-climate benefits, and facilitating the development of SuDS.

- 2.2 **Food and Beverage/ commercial opportunities-**The introduction of complementary food and beverage outlets with external seating will play a key role in activating the Square, increasing vitality and viability and increasing visitor dwell time in the City centre.

The concept scheme identifies two locations suitable for commercial food and beverage units in the Square (Appendix A2). One unit would be sited within part of the steps in the NE corner, and the other in the west corner of the site at the junction of Princess Way and Temple Street (near Zara). Both units would have south or west facing frontages, respect views to and from the Castle, minimise greenspace loss and maximise visitor footfall and visibility. Both units could be subdivided to provide scope for two sets of 2x100 sq.m. units (4 max) with external covered seating. Initial advice from Savills suggests that these commercial units would be likely to appeal to a local independent or regional operator. Such an operator is more likely to be able to create a destination offering which improves the customer experience and supports the local economy. The scheme should therefore target good quality local operators.

- 2.3 Activating the Square-** The same amount of useable public space will be available within the Square for events, and areas of greenspace will also be made more publicly accessible. The introduction of a water jet feature at ground level will also introduce a new visual focal point and play/activity feature in the centre of the Square. This will have the flexibility of being able to be switched off to free up space for celebration or gathering. Further activation of the space can also be achieved by providing suitable locations for complementary pop up uses, and a range of other events could still be accommodated. The TV screen can also continue to play a role, but will need to be replaced in the years to come, as it is near the end of its current lifespan.
- 2.4 Placemaking and Identity-** A new high quality floor-scape upgrade is proposed which will help to create a distinctive sense of place and identity, and could include themes to reflect the coastal or heritage context. Detailed proposals in due course will need to balance the need for repaving with sustainable re use of existing materials, and should align with the Council's existing material palette with a realistic maintenance regime. Other interventions included in the concept scheme include contemporary lighting and digital art features to further animate the space. The introduction of permanent canopy structures over external seating space will also extend visitor dwell times in a range of seasonal weather conditions, and facilitate adaptations to support social distancing needs for businesses during Covid recovery.
- 2.5 Integration and connecting public space-** Castle Square is a significant nodal space within the Central Area that performs an important function for pedestrians and cyclists, linking the City centre and commercial core to the Copr Bay /arena and waterfront. By removing some of the Square's perimeter walls to improve pedestrian permeability, there will be better integration between the Square and adjacent areas (Appendix A3). The concept scheme shows how more positive use can be made of the space available, including the scope for external seating and dining in purpose-built pocket park areas on Temple Street and Princess Way. There is also an opportunity to enhance the carriageway surface at Caer Street and Castle Bailey Street, to improve integration with the Castle/Wind Street.

Subject to consultation, other physical barriers to pedestrian movement could be re-evaluated.

3.0 Equality and Engagement Implications

3.1 A public open space disposal notice issued in 2017 attracted a significant number of comments on the future of the Square, as did the public consultation on the draft green infrastructure strategy for the City centre (Regenerating our City for Wildlife and Wellbeing, 2019). Comments from these previous consultations have been used to guide the scheme concept options. However, a further more structured public engagement process will be used to gather support and public views, which can be considered further whilst the consultants progress the detailed design of the scheme. Direct email consultations with an informative web link, press releases and other digital media formats will be the primary mechanisms of consultation during the constraints of the current pandemic.

3.2 The Council is subject to the Public Sector Equality Duty (Wales) and should have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

An approved Equalities Impact Assessment (EIA) Screening Form accompanies this report (Appendix B) and a full EIA report will be finalised following the planned public engagement, and included with any subsequent report back to Cabinet prior to contract and at the end of Stages 2/3.

4.0 Financial Implications

4.1 **Scheme Cost** -Subject to agreeing the final scope, a preliminary indication of cost for the scheme has been estimated at between 6-9 million. This would cover the costs of demolition of the existing fountain and some perimeter walls, new paving, tree planting, landscaping, lighting, canopies, street furniture, a new TV screen, a new water jet feature and SuDS. It will also provide for the construction of two/four commercial units, along with consultancy fees, cost contingency and the optional additional integration works on Caer Street and Castle Bailey Street.

4.2 **Current funding needs** - This report is seeking approval of initial detailed work up costs of **£782,000**. This will enable the scheme to be taken through to RIBA stages 2 and 3 including detailed design, surveys, consultation, tenant discussions and planning permission. The consultants would anticipate the completion of these stages 2 and 3 by September 2021, so will be funded across financial years 2020-21 and 2021-22 as set

out in Appendix C. A further report will be brought to Cabinet once the capital budget has been set seeking the funding necessary to deliver the scheme. Subject to that approval, the consultants would anticipate scheme completion by the end of 2022.

- 4.3 **Revenue** -Due to the size and location of the commercial units, and the fact that they are most likely to attract local/regional operators, unit rent was expected to be in the region of £25,000 - £30,000 pax. However, this is assuming that the market returns to a level of normality over the next 12 months as the current environment could have an unprecedented effect on rates. Further revenue contributions could come from staged events, markets and revenues from the TV screen.
- 4.4 **Funding support**-Whilst there are potential income streams from aspects of the site development, there are also clear capital costs relating to the public and amenity space which will have to be fully met by the Council. There may be other public sector funding sources that can assist with the delivery of the wider public realm element of the development, and these need to be explored further.
- 4.5 **Management and Maintenance needs**- To retain the quality and character of this significant investment in the City's urban fabric, the scheme should have realistic and affordable requirements in terms of future maintenance and management resource implications. This consideration will inform the detailed design work which will be undertaken in stages 2 and 3, and the next stages of detailed work will enable the confirmation of future maintenance budget needs. The Council will need to consider these budget requirements and look at funding mechanisms for future maintenance, including the possibility of ring fencing rental income from the commercial uses in the Square to support its maintenance needs.

5.0 **Benefits and Risks of the scheme**

5.1 **Benefits summary:** The scheme has the following key benefits for the City Centre:

- The scheme complements and builds on the momentum established by other recent new investments in the City centre- Swansea Central/Copr Bay, Wind St. enhancement and Kingsway, collectively improving visitor and developer perception.
- Introduces new life and vitality, uplifts environmental quality and creates flexible space for events and new commercial food and beverage outlets in an established focal area in the City centre.
- Supporting Covid recovery by providing enhanced flexible external space facilitating increased visitor dwell time and diversifying the City centre offer.
- The Council is the scheme developer, so control can be retained over the appropriate use of the public space and the letting strategy for the commercial units.

- The enhanced public space will complement and be a catalyst for the regeneration of adjacent buildings (including BHS, other adjacent vacant units).
- The scheme contributes to enhanced City centre green infrastructure by forming part of the City's green artery linking greenspace across the City centre. Also additional green infrastructure (GI) contributes to improved resident and visitor well-being, mitigates climate change impacts and facilitates scope for sustainable urban drainage solutions.
- Enhances the setting of Swansea's Castle – the City's landmark heritage asset.

5.2 Risks and mitigation summary

- Preliminary costs have been prepared based on a concept scheme and on current levels of available information, with a number of assumptions, exclusions, and an appropriate contingency sum. Detailed survey, design and consultations in the next stages 2 and 3 will enable scheme cost allowances to be further validated.
- Covid 19 is having an unprecedented impact on the food and beverage market, nationally and locally. The target market for the commercial units will be the local operators, who will be able to create a more distinctive offering, and who may be able to demonstrate a greater resilience and adaptive operating capacity in the recovery from Covid. The consultants will undertake a re-assessment of prevailing market conditions to ensure the offer will still attract a suitable range of tenants, but it is anticipated that this distinctive destination opportunity will generate significant market interest in due course.
- Future management and maintenance will be fundamental to retaining the quality and character of the space. This should be supported by adequate budget and suitable materials supply contingency in due course.

6.0 Legal Implications

6.1 **Procedure-** As public open space, procedures for partial disposal have been followed under the provisions of Section 123(2A) of the Local Government Act 1972. Separate legal advice will be required regarding the future disposal of any land or property at Castle Square in line with any proposals to develop commercial activity at the site through for example the granting of leases to occupiers to operate restaurants on the site.

6.2 The Council has a legal obligation under Section 123 of the Local Government Act 1972 and under its own constitution that it shall not dispose of land for a consideration less than the best that can be reasonably obtained. Also before the land is considered for disposal that consideration be given as to any contractual obligations the Council may have in respect of the space and its facilities.

6.3 **Registration of Title-** The deeds for Castle Square are still with Land Registry, and awaiting registration of the title, which has been delayed by the pandemic.

6.4 **Contractual arrangements-** Following a procurement process undertaken in accordance with the Public Contracts Regulations 2015 a Development Manager was appointed, and a Development Management Agreement was signed and executed in November 2019. This Agreement covers all the conditions of contract for the Development Manager from feasibility through to design and build. Progression through each stage of the Commission is dependent upon Council approval and available budget.

Background Papers: None

Appendices:

Extracts from presentation (Appendix A1, A2 and A3)

Equalities Impact Assessment Screening Report (Appendix B)

Financial implications (Appendix C)

APPENDIX A1: GREEN INFRASTRUCTURE



9.12.2020

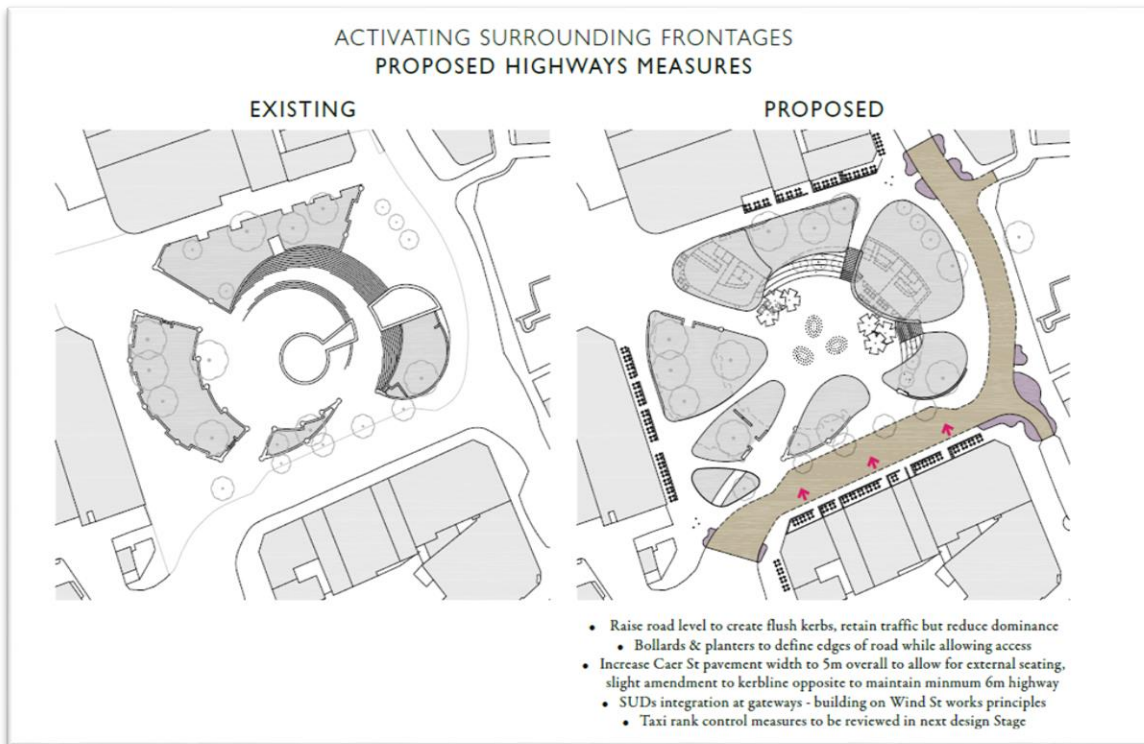
ILLUSTRATIVE VIEWS FROM CORNER OF PRINCESS WAY & CAER ST



APPENDIX A2 : FOOD AND BEVERAGE UNITS



APPENDIX A3: ADDITIONAL INTEGRATION OF CAER ST AND CASTLE BAILEY ST



APPENDIX B- Equalities Impact Assessment Screening Form

Please ensure that you refer to the Screening Form Guidance while completing this form. If you would like further guidance please contact your directorate support officer or the Access to Services team (see guidance for details).

Section 1

Which service area and directorate are you from?

Service Area: [Regeneration](#)

Directorate: [Place](#)

Q1(a) WHAT ARE YOU SCREENING FOR RELEVANCE?

Service/ Function Proposal	Policy/ Procedure	Project	Strategy	Plan	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(b) Please name and describe below

Castle Square

Castle Square lies at the heart of Swansea's Central Area, and is an important stepping stone between Kingsway, High Street, the proposed Swansea Central development, and waterfront. It is also an important 'place' in the City overlooked by the landmark Castle. There is considered to be an important opportunity to enhance the Square, to give it new vibrancy and life, to raise its quality and to make it a contemporary new public space complementing other significant regeneration investments taking place in the City.

The key aims of this regeneration project are therefore:

- The development of a café bar restaurant facility within the Castle Square area;
- The comprehensive enhancement of the public realm of Castle Square; and
- To consider options for the physical and functional integration of the Square with adjacent areas of St Mary's Church, Oxford Street, Temple Street, Caer Street, Princess Way, the Castle and Wind Street.

Q2(a) WHAT DOES Q1a RELATE TO?

Direct front line service delivery	Indirect front line service delivery	Indirect back room service delivery
<input type="checkbox"/> (H)	<input checked="" type="checkbox"/> (M)	<input type="checkbox"/> (L)

(b) DO YOUR CUSTOMERS/CLIENTS ACCESS THIS...?

Because they internal need to	Because they want to	Because it is automatically provided to everyone in Swansea	On an basis i.e. Staff
<input type="checkbox"/> (H)	<input checked="" type="checkbox"/> (M)	<input checked="" type="checkbox"/> (M)	<input type="checkbox"/> (L)

Q3 WHAT IS THE POTENTIAL IMPACT ON THE FOLLOWING...

	High Impact (H)	Medium Impact (M)	Low Impact (L)	Don't know (H)
Children/young people (0-18)	<input checked="" type="checkbox"/>			
Any other age group (18+)	<input checked="" type="checkbox"/>			
Disability	<input checked="" type="checkbox"/>			
Gender reassignment		<input checked="" type="checkbox"/>		
Marriage & civil partnership		<input checked="" type="checkbox"/>		
Pregnancy and maternity		<input checked="" type="checkbox"/>		
Race		<input checked="" type="checkbox"/>		
Religion or (non-)belief		<input checked="" type="checkbox"/>		
Sex	<input checked="" type="checkbox"/>			
Sexual Orientation		<input checked="" type="checkbox"/>		
Welsh Language		<input checked="" type="checkbox"/>		
Poverty/social exclusion	<input checked="" type="checkbox"/>			
Carers (inc. young carers)	<input checked="" type="checkbox"/>			
Community cohesion	<input checked="" type="checkbox"/>			

Q4 HAVE YOU / WILL YOU UNDERTAKE ANY PUBLIC CONSULTATION AND ENGAGEMENT RELATING TO THE INITIATIVE?

YES NO (If NO, you need to consider whether you should be undertaking consultation and engagement – please see the guidance)

If yes, please provide details below

Following Cabinet approval full virtual consultation will be undertaken with the following target groups:

- Internal Swansea Council – Operational - waste/highways/maintenance/C&T/Legal/Procurement /CLLRs WARD MEMBERS
- WECTU/Resilience
- Green Infrastructure
- Access Interests
- Local Residents
- Surrounding Businesses
- Tree Forums

- Wider Public Consultation via the castle Square website

After these have taken place there will be:-

- Regular project communications at key milestones including via press, web, social media, e-mail distribution list to local community, business (via BID).
- Site notice boards.

Q5(a) HOW VISIBLE IS THIS INITIATIVE TO THE GENERAL PUBLIC?

High visibility (H) <input checked="" type="checkbox"/>	Medium visibility <input type="checkbox"/> (M)	Low visibility <input type="checkbox"/> (L)
(b) WHAT IS THE POTENTIAL RISK TO THE COUNCIL'S REPUTATION? <i>(Consider the following impacts – legal, financial, political, media, public perception etc...)</i>		
High risk <input checked="" type="checkbox"/> (H)	Medium risk (M)	Low risk <input type="checkbox"/> (L)

Q6 Will this initiative have an impact (however minor) on any other Council service

Yes No If yes, please provide details below
 Maintenance
 obligations/Events/C&T/Legal/Procurement/Finance

Q7 HOW DID YOU SCORE?

Please tick the relevant box

**MOSTLY H and/or M → HIGH PRIORITY → EIA to be completed
 Please go to Section 2**

**MOSTLY L → LOW PRIORITY / NOT RELEVANT → Do not complete EIA
 Please go to Q8 followed by Section 2**

Q8 If you determine that this initiative is not relevant for a full EIA report, you must provide adequate explanation below. In relation to the Council's commitment to the UNCRC, your explanation must demonstrate that the initiative is designed / planned in the best interests of children (0-18 years). For Welsh language, we must maximise positive and minimise adverse effects on the language and its use. Your explanation must also show this where appropriate.

Section 2

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email – no electronic signatures or paper copies are needed.

Screening completed by:
Name: Chantel Ellis
Job title: Project Support Officer
Date: 18 11 20
Approval by Head of Service:
Name: Phil Holmes
Position: Head of Service
Date: 05/01/21

APPENDIX C - FINANCIAL IMPLICATIONS SUMMARY

Expenditure for RIBA Stages 2 and 3	2020/21	2021/22	TOTAL
Core consultancy team: design and planning			
Support consultancy :technical			
Surveys			
Contingency			
TOTAL	£67,000	£715,000	£782,000