

# Enterprise and Learning Committee

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## Purpose

1. The purpose of this paper is to provide a response to the National Assembly for Wales' Enterprise and Learning Committee who have been requested to review the petition submitted by Pride in Barry.

## Pride in Barry Petition

2. The petition presented to the National Assembly for Wales from Pride in Barry outlines a request for programme for the regeneration of Barry to the sum of £2m per annum over a 10 year period. This includes an option to bring forward funding at any time should projects require it. Pride in Barry is requesting that the programme is funded by the Assembly Government's share of the Barry Waterfront Phase II capital receipt.

3. Pride in Barry is a local non-political organisation of local residents, business leaders and community organisations promoting Barry Town. Pride in Barry is looking for a commitment to funding a continued programme of regeneration for the Greater Barry area; which includes the key urban areas of Barry Island, Barry Town Centre and the Waterfront Area.

## Background

4. In 1994 the Joint Initiative was established between Associated British Ports and the Welsh Development Agency to bring forward 190 acres of land known as Barry Waterfront. The waterfront required an extensive remediation programme to remove contamination resulting from the coal ports heritage of heavy industry. This was funded by the Land Reclamation Programme of the Welsh Development Agency. The Welsh Development Agency merged with the Welsh Assembly Government in April 2006 and therefore all receipts and future liabilities for the joint venture have been taken on by the Welsh Assembly Government. The joint initiative will remain in existence to deliver the masterplan in partnership with the consortium and to control design quality and land use through the retention of the freehold interest in the land. Until the freehold land is transferred, the liabilities and maintenance will remain with Associated British Ports and the Assembly Government.

5. The legal arrangements provide that the proceeds from the sale of the land in Barry Waterfront are shared between Associated British Ports and the Welsh Assembly Government, as joint venture partners, based upon the total investment made by each party into the project. Self-generated receipts from the sale of land and property will be re-invested into the Department for the Economy and Transport's wider economic development and regeneration priorities across Wales, according to project needs and timescales. This is the framework within which most Government Departments, local authorities and other public bodies operate.

6. Pride in Barry is requesting the Welsh Assembly Government to recycle its share of the capital receipt back into Barry to continue the regeneration work. Pride in Barry highlight that Newport Unlimited and the Swansea SA1 projects have recycled their receipts and Barry should also be able to do so. However, there are unique circumstances which apply in the case of Newport - where the establishment of the Urban Regeneration Company, Newport Unlimited, by the Welsh Assembly Government, necessitated a particular approach to ensure that the company has the ability to operate effectively when the initial funding contributions from the founding bodies (Newport Council, Welsh Assembly Government and the former Welsh Development Agency) have been exhausted. The Swansea example is different and does not provide for capital receipts to be recycled as such - rather, the arrangements established make it possible in some cases for essential expenditure (for example on servicing/infrastructure) to be offset against the disposal of a particular site for development, but only within the same financial year. This reflects the particular circumstances of the SA1 project, where expenditure on infrastructure has proven necessary to prepare plots of land for sale.

7. The 'Pride in Barry' proposal would require a ring fenced fund of £20m to be held in reserve for the benefit of Barry projects and therefore unavailable for other project expenditure. This would represent an inefficient use of Assembly Government resources and would result in poor value for money. If such a fund was to be established the proposal for an option to bring forward funding would disrupt budget planning and programme delivery on an annual basis, prioritising Barry projects at the expense of other priorities across Wales. The proposal to allow a plan to ring fence funding is against current Assembly Government financial guidance which provides for the identification of budget requirements over a 3 year rolling programme but the approval of departmental budget allocation on an annual basis.

8. As part of the Barry Joint Venture (under the title of Barry Action), the Vale of Glamorgan Council has invested in the wider regeneration of the town centre. However, the authority has not invested in the site assembly, remediation or infrastructure of the sites in Barry Waterfront recently disposed to the housing consortium. Therefore there is no mechanism for the authority to receive a share of the sale proceeds from the waterfront land for regeneration activities.

9. The partnership has invested circa £50m of public funding into the Greater Barry Area securing over £100m of private sector investment. The investment in Barry since April 1994 to date through the partnership can be summarised as follows:-

Welsh Development Agency £27,321,000

Department for Economy & Transport £1,487,000

Vale of Glamorgan Council £13,531,000

Wider Assembly Government & Other Funding Streams £6,241,000

Lottery £1,394,000

Total Investment **£49,974,000**

## **Regeneration Approach**

10. The main focus of effort over the past 10 years has been to improve the public realm of the town centre in order to promote consumer and business confidence and to reduce retail leakage. The focus has also been to improve the pedestrian links between the town centre and the waterfront which is separated by the Vale of Glamorgan Railway Line. In addition, investment has been made into site assembly and infrastructure for the Steam Railway project in order to promote the heritage of Barry and increase visitor numbers.

11. The work undertaken in the Greater Barry Area has been targeted to improve the quality of the built and physical environment, access to services and job creation opportunities for urban wards with the most need. The housing and commercial renewal areas being progressed by the Vale of Glamorgan Council and the Welsh Assembly Government will further build on the work completed to date in the areas of most need. The Community Partnerships will ensure the communities take ownership and bring about change from the bottom up in these key wards.

12. Future delivery of regeneration activities within the Vale of Glamorgan will be directed through the Local Service Board. The Regeneration Partnership has recently been established and will work with the Local Service Board implementation group to tackle the wider Vale issues. The purpose of the Local Service Board is to have a joined up public sector approach to tackle local and regional issues.

## **Regeneration Strategy**

13. A programme has been agreed by the Regeneration Partnership Board to deliver the vision outlined in the URBED Strategy "Building A Brighter Barry" (March 2006), which sets out a 15 year vision for the programme area. A rolling 3-5 year action plan has been drawn up between the authority and the Assembly Government to tackle the key issues and to prioritise resources.

14. The action plan continues to be developed between partners and these efforts have been renewed with the recent changes in Local Government and the move to a more strategic use of regeneration resources within the Welsh Assembly Government.

15. The sale of the Barry Waterfront Phase 2 land will deliver over 2,000 residential units and will deliver a true mixed use scheme creating employment, leisure, retail and educational facilities. The scheme will also provide a gateway to Barry Island and will become the main strategic link for visitors and residents. The site has excellent transport facilities and can easily be accessed by car, bus, rail, on foot and bicycle and the masterplan will aim to support and improve these links wherever possible. The project will be delivered by the housing consortium and will secure over £250m of private sector investment over a circa 15-20 year period. The waterfront proposals will be delivered to Welsh Assembly Government's sustainability and design quality guidelines and aims to transform the image of the Greater Barry Area. The Welsh Assembly Government and Associated British Ports have included mechanisms within the sales contract to maintain control on the quality of design. All parties will work closely to ensure that Section 106 contributions and Percentage for Art are used to the fullest in delivering this programme.

16. Associated British Ports have an aspiration to create and operate a marina at Barry Waterfront, and a feasibility study has been supported by the Welsh Assembly Government and the Vale of Glamorgan Council to review the viability and initial capital construction costs. The conclusion of the study highlights that a financially viable marina could operate from Barry which could accommodate up to 650 boats. Further work is required to gauge the impacts the marina would have on the area in terms of economic benefits, beneficiary groups and the negative impacts of such a development. Further discussions are required with the Housing Consortium, Vale of Glamorgan Council, Associated British Ports and Assembly Government to review the delivery of the marina which is anticipated to cost in the region of £15-£20m.

17. The Innovation Quarter (circa 10 acres) is in the ownership of the Vale Council and was acquired with support from former Welsh Development Agency. The site includes the Grade II Listed Pump House; however the building is in a poor state of repair and the Vale Council and the Welsh Assembly Government are promoting the venue for arts and culture for Vale residents and to attract visitors to the area.

18. There is currently a proposal for a new Primary Care Centre within the Innovation Quarter which is currently being progressed by the Private Sector, the Vale of Glamorgan Council and the Assembly Government. In order to deliver the project, highway improvements are required to secure the £5m private sector investment project and programme for these improvements is currently being developed. These highway improvements will future proof the access to the Innovation Quarter and enable development plots to be marketed or developed by the public sector.

19. The Welsh Assembly Government is supporting the Vale of Glamorgan Council with a grant of £5.7m for the construction of a 14-19 Learning Centre in the Innovation Quarter. The centre will provide vocational training opportunities in support of the learning and skills agenda outlined in the Strategic Vision document.

20. Tenders have recently been returned for the Thompson Street Footbridge which will create a strategic pedestrian link between the town centre and the waterfront. Agreements are now in place with neighbouring land owners to enable this £2m project to proceed.

The project is expected to start shortly with completion in spring 2010. The Thompson Street Footbridge links in with Communities First and Housing Renewal Area programmes and aims to strengthen links between the town and waterfront.

21. A phased programme of public realm improvements along Holton Road is continuing which aims to improve the retail environment, attract visitors, shoppers and improve business confidence in the area. Improvements to the lower end of Holton Road are nearing completion and the improvements will also encourage footfall to the Gladstone Bridge and the Waterfront. Phase 2 of these works will be concluded during 2008/09.

22. The Defence Technical Academy and Welsh Assembly Government's proposed Aerospace Park will create a number of opportunities and challenges through the construction and post construction phases. The Defence Technical Academy will be operational around 2012 and the circa £12bn investment will secure quality construction jobs, training/lecturing posts, support staff, supply chain/service sector jobs and aerospace sector jobs benefiting the Vale of Glamorgan and the Region as a whole. The Welsh Assembly Government is working closely with the neighbouring local authorities and business forums to raise awareness of the potential project impacts and benefits the project will bring. The aerospace park will be phased over a 15-20 year programme and will ultimately create circa 2,000 high quality jobs. The investment aims to support the strong aerospace sector in Wales and is seen as a strategic sector for growth as demand for air travel increases. The Assembly Government will work with the Ministry of Defence to ensure that both projects on the site are integrated and there is a joined up public approach to delivery. Consultants have been appointed to investigate transport options for improving access to Cardiff International Airport and the METRIX development at St Athan. This will consider public transport improvements and/or links from the M4 and officials have met all the Local Authorities concerned to discuss the planning issues surrounding these transport options.

23. The Assembly Government approach ensures a holistic approach to regeneration targeting the social, physical and economic needs of the whole area with delivery through partnerships. Summary / Recommendations

24. The Enterprise and Learning Committee is requested not to support the request by Pride in Barry to recycle the Welsh Assembly Government's share of the capital receipt from the sale of the Waterfront land. A partnership approach to the delivery of regeneration should be continued with the aim of contributing to the 'One Wales' objectives and the fit with the Wales Spatial Plan priorities.

25. In considering the request from Pride in Barry, the Enterprise and Learning Committee could set a precedent for the wider Welsh Assembly Government to reinvest all capital receipts back into the locality where the receipt originated. This would have a major impact on the running of future programmes which deliver projects across Wales which are dependent on capital receipts and investment in less prosperous areas of Wales where private sector investment opportunities are limited.

26. The recent disposal of the Waterfront Phase II land, which the 'Pride in Barry' petition relates, will ultimately realise a further £250m of Private Sector Investment and will deliver a true mixed use site, delivering leisure and commercial employment opportunities, education facilities, retail, public open space and a mix of residential units. The Joint Initiative between Associated British Ports and the Welsh Assembly Government will still operate to manage the site until the leasehold interest passes to the consortium and the design quality and sustainability targets are reached.

27. The Welsh Assembly Government will continue to work with the Vale of Glamorgan Council to explore future opportunities for Barry of Waterfront Phase II, Barry Island, the Town Centre and the St Athan proposals. The delivery of these opportunities will change the image and role of Barry within a South East Wales context and improvements to the transport infrastructure will ensure the prosperity is realised across the region.

28. Currently, projects are delivered through the normal business planning rounds which has not prevented any project from proceeding. An integrated regeneration plan needs to be developed which will allow projects to be considered over more than one financial year and provide flexibility for budgeting purposes. The impacts and priorities for the area need to be established by the Local Service Board together with an exit strategy.

29. The circa £50m public investment to date in to the Greater Barry area has already levered over £100m of private sector investment and has brought about a huge amount of change to the area. The redevelopment of the Town Hall, Library, Central Park and Town Square is a flagship development to be proud of. These, together with the improvement to the streetscape and linkages with the waterfront have made the town centre a more attractive place for visitors, shoppers and local retailers.