

Cyngor Sir CEREDIGION County Council

REPORT TO: Corporate Resources Overview and Scrutiny Committee

DATE: 03.10.2022

LOCATION: Council Chamber, Ceredigion County Council, Penmorfa, Aberaeron.

TITLE: An update on Asset Development work / Empty Properties

PURPOSE OF REPORT: To update Scrutiny Committee on the programme to develop Ceredigion County Council's assets

REASON SCRUTINY

HAVE REQUESTED THE

INFORMATION: For update.

BACKGROUND:

Strategic Context

Ceredigion County Council (CCC)'s approach to develop its portfolio of assets is underpinned by the Corporate Strategy, and specifically the Economic Strategy approved and formally adopted by Cabinet in March 2021 as its framework for action to support economic growth in Ceredigion. The strategy also sets the context within which future decisions are made on activities to support economic growth in Ceredigion.

One of the four pillars of action within the Economic Strategy focuses on how CCC and other public / private assets across the County can be developed to play a more effective role in supporting economic growth. Actions include:

- Working towards the development of our strategic harbour sites.
- Working with partners in each of the towns to realise locally driven ambitions to support the development of the towns across the three regions of the County.
- Seek opportunities to develop Strategic employment sites in Ceredigion
- Explore opportunities for using Council and other assets to boost the supply of affordable housing in Ceredigion
- Provide opportunities to improve, and encourage access to, green assets in Ceredigion.

Across each of these actions, there have been and there will emerge opportunities to exploit CCC's own physical and green asset base so that the assets we own and manage:

- more effectively deliver against our corporate objectives
- are a net driver of income for CCC, for example through leases, rentals and fee for hire / licencing of assets for short term activity.

Approach and Resources.

The objectives set out above can be achieved, in the context of CCC's assets, in one of the following ways:

- i. Investment in existing assets to make them more marketable / responsive to current demand.

- ii. Investment in current assets to meet wider corporate objectives or in response to recognised local need (for example as expressed in a place plan)
- iii. Acquisition of new assets that enable CCC to meet its Corporate Objectives, including for example, investments to improve town centres (underpinned by place planning work) and to enhance employment opportunities.

To achieve this, CCC uses the following instruments:

- i. Its own Capital funding as part of the capital programme
- ii. Externally secured capital funding programmes (e.g., Welsh Government, UK Government)
- iii. Externally sourced revenue funding to cover professional development costs of projects.
- iv. Its own staff resources for project / programme management.

Prioritisation within the programme, and hence the application of human resources is determined by:

- i. A current list of assets that are surplus to requirements, currently empty or under-utilised. This list is subject to internal consultation to determine whether there are suitable alternative uses for these assets.
- ii. The Corporate objectives set out above, and the scale of impact achievable through the action.
- iii. The availability of, and associated timescales governing, external capital and revenue stream.

Work since March 2020

The following 10 projects represent a flavour of the work programme officers have been, and are currently engaged in, specifically involving CCC assets.

Project	Brief background and rationale	Current Status
Aberystwyth Levelling-Up fund project delivery	£10.8m programme of improvement to the Aberystwyth Harbour, South Prom and Old College area to further enhance Aberystwyth as an attractor destination. As part of the programme, the investment will see enhancements to CCC's assets through in-harbour investments in pontoons and bringing forward redevelopment plans for the garages on South Marine Terrace. The project will also include a new bridge to improve connectivity between key parts of the harbour infrastructure to improve connectivity with the town. The opportunity was generated by the availability of UK Government Levelling Up Funds, for which the CCC submitted a successful competitive application.	Funding agreements in place or being finalised with project partners. Survey work and early concept development work commenced for the garages site.

Aberaeron Harbour Strategic development	The development of a circa £11m investment programme to develop the Harbour infrastructure in Aberaeron harbour to create a Marina, and to create opportunity for further investment in the immediate surrounding area. This is a proposed Mid Wales Growth Deal investment. A key action set out in the Economic Strategy.	Early stage of development – a detailed Strategic Outline Case for investment has been submitted for consideration by the Programme Office and Growth Deal Board.
Manufacturing Innovation Centre development, Horeb	A £10m + investment in Food Centre Wales to develop a unique facility that will enable the development of at least 5 new mid-size, cutting-edge food businesses in Mid Wales. The development would be sited on the Horeb Business Park estate, home of Food Centre Wales, on land purchased by CCC in 2019	Early stage of development – a detailed Strategic Outline Case for investment has been submitted for consideration by the Programme Office and Growth Deal Board.
Redevelopment of Cardigan Market Hall, Cardigan	This is an iconic building in Cardigan, owned by CCC and leased out to the Cardigan Building Preservation Trust, which is project managing a major redevelopment of the building to improve its infrastructure and provide better accessibility. This is seen as key project in Cardigan. The market hall, as well as being an iconic building in a prominent town centre location, has been influential in providing new businesses with an opportunity to trade, and build a customer base before moving into town centre retail spaces. This is widely seen as a successful part of the town's development in recent years. The project is part funded by CCC, as well as a range of other sources, some facilitated by CCC officers.	There are two phases to the project – enhancement to the access block and the redevelopment of the main hall, and both phases are currently being delivered concurrently with the project largely aiming to be complete by the middle of next year.
Acquisition of 10 / 11 Harford Square, Lampeter	This is the site of the former Spar shop in Lampeter, which had remained empty since Spar closed its doors in 2017. This was identified locally, and by the County Council as a key site for the town that would have a detrimental impact on the town if it remained empty in the long term. An opportunity arose to secure funding to purchase the property in order to re-purpose it and bring it back to viable commercial / residential use.	Further survey work has been undertaken on the property since its purchase, and interest has been shown in the use of the ground floor space. Further plans will be developed to enable the use of the upper floors too. Some delay would be expected due to Phosphate mitigation requirements.

Acquisition of former Printworks building, Llandysul	<p>This was identified locally, through place planning work as an ideal location for regeneration to provide a future town centre community / events space as well as a location for new businesses to be able to establish in the town centre.</p> <p>An opportunity was identified to purchase the building and the adjacent car park with the view to further developing the concept.</p>	<p>Detailed planning / development work is yet to commence.</p> <p>Consultants have been appointed, who will work with the local community to build on the place planning work to further refine the ideas for the space.</p>
Renovation of 11 and 52 Terrace Road, Aberystwyth	<p>These are two properties in Aberystwyth that are in the ownership of CCC, and have recently been repurposed, renovated and decorated, and are now currently back on the market. Early interest would suggest that demand for this type of property remains strong, and we would expect to secure the market rate for properties that are now of a higher standard.</p>	<p>Further properties also being worked on. One, the former Gas Works building on Park Avenue has attracted interest from a proposed tenant, who has in turn secured Transforming towns programme funding to invest in the property.</p>
Improvements to land assets to protect values and enable future development	<p>This is relatively low-level activity that aims at protecting land areas that are owned by CCC, and to carry out regular maintenance work to improve their marketability or suitability for wider corporate priority uses.</p>	
Pwll Cam reconfiguration and planting, new path planting at Wellington Gardens, Aberaeron. Green Infrastructure project – Market Street, Lampeter	<p>External funding was secured to fulfil one of the ambitions identified locally to improve the environment within Abersaeron and Lampeter town centres through enhanced green infrastructure. These were relatively small projects that are welcomed locally as part of improving in-town green spaces.</p>	
Targeting of properties on the Empty Properties action plan (see below) to support housing opportunities.	<p>CCC, with the support of Welsh Government regeneration team, has developed an Empty Property action plan, that sets out the priority properties across the County, on the basis that they have stood empty / have been underutilised for some time and thus have a detrimental impact on the townscape. Various funding opportunities have been secured, which can be put to use in acquiring properties where an alternative viable use can be identified. One example, the Land and Buildings Development fund from Welsh Government can be used to bring such assets into use as residential properties.</p>	<p>Work is on-going with the Housing service to identify potential properties on the Empty Properties action plan register that could be brought back to use as residential properties.</p>

The team is also involved in other projects, involving assets outside of CCC's control, but that deliver on the corporate objective of supporting the development of town centre, specifically through direct support for private or public partners in accessing grant funding, such as Transforming Towns funds, Levelling Up funding and Community Renewal funds (and subsequently Shared Prosperity fund)

Demand

The service is well placed to understand where the demand for commercial assets currently lies, and this information is used to inform discussion as to further development of CCC's asset portfolio (as described in brief below).

Current demand patterns would suggest that:

- There is a lower demand for large, town centre retail space
- Demand currently remains healthy for smaller, (outside Zone A) town centre properties.
- Demand for industrial / commercial employment sites / assets is relatively high and is largely unmet, as there is very little availability of industrial property or land that is easily and flexibly available to enable businesses to grow.

Empty Properties Action plan

As briefly described in the table above, CCC, with the support of a specialist consultant funded by Welsh Government, has recently developed an Empty Property action plan.

Welsh Government has developed an Empty Property Enforcement Programme and is working with Local Authorities to develop a national action plan for tackling empty properties that sets priorities and targets to be taken forward. The Welsh Government's Transforming Towns agenda enables a focus on town centres through an Empty Property Management Fund. The financial support package is available to Local Authorities who wish to undertake enforcement action on prominent town centre empty properties.

The fund is a 15-year loan programme (rolling fund) from Welsh Government, which is repayable in full at the end of the term. The funding is only available for town centre empty properties. Access to this fund is available to all Local Authorities that attended an Empty Property Enforcement course and produced their own for dealing with long-term empty properties.

This funding is in addition to other existing funding sources already available to progress actions on empty properties, which include:

- H2H: Houses into Homes - Empty Property Loans
- HIL: Home Improvement Loans
- PRS: Private Rented Sector Leasing Scheme
- LBDF: Land and Building Development Fund – 2M (to spend in 22-23 to purchase empty properties and assist in their refurbishment.).
- Transforming Towns Place Making Grant Mid Wales (TTPMG) Thematic: Maximum £250k available (with a 70% intervention).

Future workstreams

Strategic projects

The projects and programme already described will take a substantial amount of the staff resource available to deliver them effectively. The service will shortly be recruiting more staff to ensure that we are able to effectively deliver the ambitious programme set out, that will deliver significant economic gains for CCC.

Our strategic programme will further be enhanced by the existing revenue-funded projects to support the further development of town centre visioning and action planning – new opportunities will be identified, and action will be required to secure funding streams to realise them.

Re-balancing of assets

Based on what we are seeing in terms of demand patterns (and notwithstanding that this can, and is likely to change, in view of current and emerging economic pressures), we can see that our asset base is not entirely aligned with supporting our key economic priorities. This is something we wish to address through partnership working with Welsh Government, other funders and strategic partners across the public and private partnership.

We know there to be a particular shortage of industrial / commercial space across a range of sectors, and this is seen by many employers as a limiting factor for growth.

Disposal / Development of assets.

CCC also has a relatively long list of over 40 assets that are either currently empty, unused, surplus to requirements or potential sites for development (Appendix 1).

Some preparatory work has already been undertaken on how some of these assets could be utilised to deliver wider Council ambitions, e.g.:

- facilitating access to affordable housing for local people (e.g., Ciliau Aeron plots)
- exploring the options for the development of live / work units (specifically linked to former schools, where a local community use is not identified)

Assessment of priorities.

In light of the prioritisation given to the larger, strategic projects, the work in these sites has been moving at a slower pace than initially envisaged. Our approach would be to continue to focus on the more strategic assets that will deliver larger economic benefits, whilst prioritising other assets on the basis of those that can deliver against the wider corporate objectives as outlined. For other assets, where no suitable other viable use can be identified or where there is a clear benefit to keeping the asset in the long term, we may look at seeking authority to dispose of them, with the appropriate democratic approval.

**WELLBEING OF
FUTURE
GENERATIONS:**

Has an Integrated Impact Assessment been completed?

Yes, dated 04.02.20.

Summary:

Long term: Developing sites will help facilitate investment opportunities within the County, which will in turn provide job opportunities, strengthen a sense of place and contribute to the local economy.

Integration: Developing sites/buildings/land will help benefit our local economy and create a sense of place in our Towns, thus having a positive impact on where we live.

Collaboration: The Asset Development Policy 2020 seeks to work holistically with all service areas of the Council; externally, where appropriate, with Housing Associations, Local Community and Private sector developers to redevelop sites.

Involvement: There has been extensive involvement of local communities across the County (in the six towns) in preparing place plans, and there is on-going dialogue to further develop the thinking and to input into the development of the towns,

Prevention: Timely intervention and investment in property avoids further costs down the line and helps to create more positive environments in towns.

RECOMMENDATION (S): For info.

REASON FOR RECOMMENDATION (S): For info.

Contact Name:	Russell Hughes-Pickering
Designation:	Corporate Lead Officer
Date of Report:	20.09.2022

Appendices: Appendix 1 Asset Development Working list

Asset Development - Working List							<u>22.09.2022</u>
Strategic Site		Urban / Rural Service Centre / Linked Settlements	Geographic area	UPRN	Site Location	LDP Candidate site ref:	Site in Teifi Phosphate Catchment area (SAC)
	1	USC: 03 Aberystwyth	North	B00025000	12 Cambrian Place, Aberystwyth	-----	
	2	USC: 03 Aberystwyth / Llanbadarn Fawr	North	E02304000	Cwmpadarn School, Llanbadarn Fawr	Submitted by JS Sep 2019 Ref: CS00255	
	3	USC: 03 Aberystwyth / Waunfawr	North	C00910000	Hafan Y Waun, Waunfawr	Submitted by AH Sep 2019 Ref: CS00214	
	4	USC: 03 Aberystwyth	North	B00211000	Riverside Terrace, Aberystwyth	-----	
	5	USC: 03 Aberystwyth	North	D06294000	Arriva Site	JS Submitted Sep 2019 Ref: CS00TBC	
	6	USC: 03 Aberystwyth	North	B00164000	11 Terrace Road, Aberystwyth	-----	
	7	USC: 03 Aberystwyth	North	-----	Aberystwyth Prom Development Land, Victoria Terrace	-----	
	8	USC: 03 Aberystwyth / Penparcau	North	H12653000	Land adj. to Ysgol Llwyn Yr Eos, Penparcau	-----	
	9	USC: 03 Aberystwyth	North	J01391000	Aberystwyth Harbour & Surrounds, Aberystwyth.	Submitted by AH Sep 2019 Ref: CS00217	
	10	RSC: 09 Bow Street	North	B09050000	Tregerddan, Bow Street site	-----	
	11	RSC: 14 Llanilar	North	HGLND08709	Gwarfelin Llanilar, Aberystwyth	JS Submitted Sep 2019 Ref: CS00254	
	12	RSC: 14 Llanilar	North	B24082000	Llanilar Station Yard	-----	
	13	RSC: 18 Penrhyncoch	North	HLND13553	Maes Seilo, Penrhyn-coch	-----	
	14	RSC: 21 Talybont	North	H10817000	Maes y Deri, Talybont	JS Submitted Sep 2018 Ref: CS00122	
	15	USC: 01 Aberaeron	Mid	tbc	Pengarreg Farm, Aberaeron	Submitted by JS Sep 2019 Ref: CS00246	
	16	USC: 01 Aberaeron	Mid	D06401000	North Beach Kiosk + Land, Aberaeron.	Submitted by JS Sep 2019 Ref: CS00249	
	17	USC: 01 Aberaeron	Mid	No UPRN Retained land from St	Oxford Street, Aberaeron.	-----	
	18	USC: 01 Aberaeron	Mid	J01392000	Aberaeron Harbour, Yacht Club + Car Park, Aberaeron.	Submitted by JS Sep 2019 Ref: CS00248	
	19	USC: 05 Lampeter	Mid	B09127000	Maes y Deri, Lampeter	JS Submitted Sep 2018 Ref: CS00123	
	20	USC: 05 Lampeter	Mid	tbc	10/11 Harford Square, Lampeter	-----	
	21	USC: 07 Tregaron	Mid	-----	Land at Min y Gors, Tregaron.	-----	
	22	USC: 07 Tregaron	Mid	-----	Land to the south of Bryntirion, Tregaron,	-----	
	23	USC: 07 Tregaron	Mid	E02356000	Former Tregaron Primary School, Tregaron.	Submitted by AnH Sep 2019 Ref: CS00222	
	24	RSC: 15 Llanon	Mid	HGLND08701	Hafan yr Efail, Llanon	JS Submitted Sep 2018 Ref: CS00124	
	25	RSC: 15 Llanon	Mid	B09041000	Old Cow Shed, Llanon	-----	
	26	USC: 02 Cardigan	South	C00622000	Former Meugan Centre, Cardigan	-----	
	27	USC: 02 Cardigan	South	B09528000	Old builders store, Morgan Street Car Park, Cardigan	-----	
	28	USC: 02 Cardigan	South	-----	Feidrhennffordd Land, Cardigan.	-----	
	29	USC: 04 Newcastle Emlyn	South	B09527000	Brynderwen Offices Adpar	-----	
	30	USC: 04 Newcastle Emlyn	South	"	Former Depo + land to rear of Derwen Gardens, Adpar.	Submitted by JS Sep 2018 Ref: CS00125	
	31	USC: 06 Llandysul	South	E04059000	County Playing field, Llandysul.	JS Submitted Sep 2018 Ref: CS00115	
	32	USC: 06 Llandysul	South	tcb	Former Teifi Units, Llandysul.	-----	
	33	RSC: 08 Aberporth	South	J01377000	Brynglas, Aberporth	JS Submitted Sep 2018 Ref: CS00120	
	34	RSC: 10 New Quay	South	HGLND08715	Land next to Afon Evan, New Quay	Submitted by JS Sep 2019 Ref: CS00253	
	35	RSC: 10 New Quay	South	No UPRN	New Quay Shelter, New Quay	-----	
Linked Settlements Sites							
	36	Linked Settlement to USC: 01 Aberaeron	Mid	No UPRN Retained land from St	Parc yr Hydd, Ciliau Aeron	-----	
	37	Linked Settlement to USC: 03 Aberystwyth	North	HGLND08706	Brongwynnau, Comins Coch	JS Submitted Sep 2018 Ref: CS00117	
	38	Linked Settlement to RSC: 12 Felin Fach	Mid	E02284000	Former Cilcennin Primary School.	-----	
	39	Linked Settlement to USC: 04 Newcastle Emlyn	South	E02320000	Former Beulah Primary School.	-----	
	40	Linked Settlement to USC: 04 Newcastle Emlyn	South	E02345000	Former Trewen Primary School.	-----	
	41	Linked Settlement to USC: 06 Llandysul	South	H14151000	Llys Cerdin, Ffostrasol	-----	
	42	Linked Settlement to RSC: 08 Aberporth	South	B09213000	Llangrannog Car Park	-----	