

Apply to the levelling up fund round 2

Submission details

Submission reference	[REDACTED]
Created time	Wed, 10 Aug 2022 09:24
Signed-in user	[REDACTED]

What is the legal name of the lead applicant organisation?

Torfaen County Borough Council

Where is your bid being delivered?

Wales

Select your local authority

Torfaen

Enter the name of your bid

Pontypool Cultural Hub & Cafe Quarter

Does your bid contain any projects previously submitted in round 1?	No
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Position	Leader
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Enter the name of any consultancy companies involved in the preparation of the bid

Capita Ltd
Volterra Consulting Ltd
RLB Global Construction and Property Consultancy
Geldards LLP
Sutton Consulting Ltd
Cooke & Arkright Chartered Surveyors
Alder King Property Consultants

Enter the total grant requested from the Levelling Up Fund

£7607805

Investment themes

Regeneration and town centre	81.6%
Cultural	18.4%
Transport	0%

Which bid allowance are you using?

Full constituency allowance

How many component projects are there in your bid?

3

Are you submitting a joint bid?

No

Grant value declaration

I am submitting a bid as a single applicant and can confirm that the bid overall does not exceed £20 million grant value

Tick to confirm

Gateway criteria: costings, planning and defrayment

I confirm that some LUF grant funding will be defrayed in the 2022/23 financial year

Tick to confirm

Costings and Planning Workbook

PontypoolLUF_Package_Bid_Costings__Planning_Workbook_V2.0_Final.xlsx

Provide bid name

Pontypool Cultural Hub & Cafe Quarter

Provide a short description of your bid

This package of interventions is crucial to catalyse the regeneration of Pontypool Town Centre. Providing a cultural and evening economy, this project will drive significant growth in footfall and will make the town-centre offer attractive to visitors from the local area and beyond. The investment will transform a derelict Grade II listed building into a thriving cultural-hub, will convert public toilets into a landmark café/restaurant to encourage a night-time economy and will improve an existing car park to provide safe and secure parking for users of these facilities. The visuals for these are shown in Appendix 1

Provide a more detailed overview of your bid proposal

Built on 18th and 19th Century ironworking wealth, Pontypool developed as a

thriving market town, with landmark buildings, a strong sense of civic pride and a diverse offer for residents. But industrial restructuring has led to decades of decline, hollowing out the broad activity that it once offered. Today, the town centre caters for local shopping and support services. It offers very few restaurants; no cultural facilities; and no evening economy (with footfall declining significantly after 5pm). The town centre's struggles are further demonstrated by its high vacancy rate: 18% for retail in 2020 (c. 1/5 units) compared to a national average of 13%.

The LUF interventions combine to address this by:

- providing much needed new uses
- boosting local pride
- bringing a prominent derelict building back into use
- linking footfall from an Historic Park and Garden with the town centre, creating greater footfall
- satisfying unmet demand stimulating commercial demand and further investment.

LUF interventions are clustered around the Hanbury Road / Glantorvaen Road junction:

St. James' Church: located in the heart of town adjacent to the Civic Centre and Registry Office, this Grade II Listed building has been vacant for many years. LUF funding will create a high-quality mixed-use cultural hub filled with active multi-purpose spaces (based on the successful Cardiff Chapter Arts Centre). It will include a pop-up cinema, pop-up food and exhibition space, a bar-servery with indoor and outdoor seating, and a community events space to enhance social activity and community cohesion.

Park Entrance Café/Restaurant: currently a public toilet immediately opposite St. James' Church and at the entrance to Pontypool Park. The space will provide a high-quality lunchtime café/restaurant offer, and will transform into a "small plates"-style restaurant in the evening. Coupled with St. James' Church this building will form a cluster of food and cultural activity stimulating a much-needed evening offer. The café/restaurant will be an 'attractor' from the Park (a strong source of footfall) driving people towards the town centre. It will create opportunities for employment and entrepreneurship in catering for economically inactive Pontypool residents.

Glanctorvaen Road Car Park: To stimulate an evening economy, towns require safe, modern and secure parking. The current facility does not provide this and requires significant redevelopment, increased surveillance and lighting to instil confidence for modern users. The upgrades will reduce opportunities for antisocial behaviour. Upgrading will also include solar PV, resulting in carbon reductions and contributing to the green economy. Torfaen Strategic Economic Forum – a partnership with the Borough's businesses – see the evening economy as an important driver for the borough. Combined, these 3 interventions will jump-start the cultural and food offer in Pontypool, rejuvenating civic pride, and stretching the role of the town centre beyond 5pm to offer more to the community and make a bigger contribution to the Torfaen economy. Not only will these projects have a transformational impact themselves, collectively they will lead to wider land value uplift, kickstarting the towns' wider regeneration.

Locations of Interventions are attached in the following sections.

Provide a short description of the area where the investment will take place

Pontypool is strategically located in the centre of Torfaen County Borough and is part of the Cardiff Capital Region. The New Town of Cwmbran and the World Heritage Town of Blaenavon are located approximately 6 miles to the south and north respectively. Pontypool is well-connected by strategic highway network, including the A4042 which passes the town to the east and is a strategic connection between Newport and Abergavenny, the A472 which approaches from the west and A4043 which bisects Pontypool and provides access to the valley towns to the north. Pontypool and New Inn Railway Station provides access to rail services to Newport and Cardiff and

Abergavenny through to the wider Marches and Midlands regions. The railway station is located on the edge of the Pontypool settlement, to the southeast of the town. Several local bus providers offer a range of local and regional services. The town has good access to the Brecon Beacons National Park, with swift road access and the rail connection to Abergavenny.

The town centre's southern and western boundaries are defined by the A472 (south) and A4043 (west), while the eastern boundary is Pontypool Park. To the north, the town centre bleeds into residential development of the wider settlement. Further residential development is located to the west (beyond the A4043) the east and south (beyond the A472).

Pontypool's central location makes it a key town that supports communities in the upper and central County Borough, but also communities in neighbouring counties. Its future vitality is important to all these communities.

Pontypool Town Centre does provide support services and local retail for parts of Torfaen's population. But it lacks the full range of services needed to capitalise on the economic potential of the wider catchment. At present, it lacks an evening economy and cultural offer and has very little footfall beyond 5pm. In particular, opportunities exist to enhance the range and quality of retail and service provision, cafes, restaurants, offices and cultural & community facilities. The enhanced 'offer' envisaged in this bid will diversify the town, making it more resilient and accommodating both the needs of the current and future generations

The LUF investment is proposed for 3 locations, all of which are on the junction between Hanbury Road and Glantorvaen Road which forms the southern gateway into the town centre and within the Pontypool Town Centre Conservation Area. These developments will form a cluster of activity along this southern gateway, significantly enhancing the streetscape and perception of the town centre.

All developments fall within LSOA W01001524. Based on the Welsh Index of Multiple Deprivation (2019), this LSOA ranks within the top 2% most deprived in Wales for community safety, the top 20% most deprived in Wales for employment and top 26% most deprived on its overall deprivation score. Clearly, this is a location where investment is desperately needed.

Table: Interventions, grid reference and Postcode
Intervention Grid Reference Postcode
St. James' Church SO 282007 NP4 6JL
Park Entrance Café SO 282008 NP4 6JL
Glantravaen Road Car Park SO 281007 NP4 6YB

Optional Map Upload	Section 3 - Locations of Interventions.pdf
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Does your bid include any transport projects?

No

Provide location information

Location 1

Enter location postcode	NP4 6JL
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Enter location grid reference	SO 282007
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Percentage of bid invested at the location	23%
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Optional GIS file upload for	Section 3 - St James Location Map.pdf
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the location

Location 2

Enter location postcode NP4 6JL

Enter location grid reference SO 282008

Percentage of bid invested at the location 41%

Optional GIS file upload for the location Section 3 -Pontypool Park Entrance Café-Restaurant Location Map.pdf

Location 3

Enter location postcode NP4 6YB

Enter location grid reference SO 281007

Percentage of bid invested at the location 36%

Optional GIS file upload for the location Section 3 -Glantorfaen Road Car Park Location Map.pdf

Select the constituencies covered in the bid

Constituency 1

Constituency name Torfaen

Estimate the percentage of the bid invested in this constituency 100%

Select the local authorities covered in the bid

Local Authority 1

Local authority name Torfaen

Estimate the percentage of the bid invested in this local authority 100%

Sub-categories that are relevant to your investment

Select one or more regeneration sub-categories that are relevant to your investment Commercial
Civic

Select one or more cultural sub-categories that are relevant to your investment Arts and Culture
Visitor Economy
Heritage buildings and sites

Provide details of any applications made to other funding schemes for this same bid that are currently pending an outcome

Whilst all 3 projects are contained within Pontypool Placemaking Plan, as yet funding has not been sought for these projects from other funders / programmes and there are no funding applications pending an outcome.

Provide VAT number if applicable to your organisation

655 6466 05

Bidders are invited to outline how their bid will promote good community relations, help reduce disparities amongst different groups, or strengthen integration across the local community

We aspire for Torfaen to be a place where no one experiences discrimination or disadvantage because of their identity or background. Our Strategic Equality Plan documents how we will advance equality and celebrate diversity, making this an essential thread throughout all the Council's work. This bid is underpinned by the objectives set out in the strategic plan. The proposed interventions have been selected based on how their improvements are targeted to provide the greatest community and inclusive benefit.

Council staff working on the delivery of the projects receive training in Equality, Diversity and Inclusion, ensuring a foundational understanding on these issues when working with project beneficiaries. When procuring contractors, as part of the procurement process an additional line of consideration for tenders is being developed to highlight areas in which specific organisations can make improvements that can enhance their performance on issues of equality.

Pontypool Town Centre includes some of Torfaen's most vulnerable communities. The interventions will tackle the intergenerational patterns of poverty and develop economic resilience reducing economic disparities by creating quality employment opportunities in communities which have relatively low levels of economic activity. This includes economic development and regeneration interventions which have a focus on creating socio-economic opportunities for younger residents and for our most deprived communities. For example, during construction, opportunities will be made to engage with younger age groups to boost skills and development in this demographic. The interventions will attract new businesses to the town centre, offering quality employment opportunities.

Throughout the development of the Placemaking Plan which underpins this bid, we actively sought the opinions from local community residents ensuring they were able to influence decision making. These opportunities were available to people in a range of formats including Welsh, in person, online and with provision to assist with form filling. Further engagement activity has been undertaken with the Pontypool Community Council providing extended links to the local community via community Councillors. Specific engagement sessions also took place with key community stakeholders.

The physical outputs from the project will result in better accessibility reducing disparity between different groups, for example new DDA compliant toilet facilities in the café, and an elevator. The physical improvements made to the town through the interventions will strengthen integration across communities by giving people a common reason to feel proud of where they live. This forms part of the wider Placemaking Strategy for Pontypool which includes an aspiration for a coordinated Town Centre engagement and events programme attracting a wider and more diverse range of people to enjoy the revitalised Town Centre. The cultural economy driven by the interventions of the bid celebrates diversity, strengthening integration across the local community by actively bringing diverse cultures to the Town Centre through exhibitions and events.

Is the support provided by a 'public authority' and does the support constitute a financial (or in kind) contribution such as a grant, loan or guarantee?

Yes

Does the support measure confer an economic advantage on one or more economic actors?

Yes

Provide further information supporting your answer

This is a package bid consisting of three separate yet interlinked interventions.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Is the support measure specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services?

Yes

Provide further information supporting your answer

This is a package bid consisting of three separate yet interlinked interventions.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Does the support measure have the potential to cause a distortion in or harm to competition, trade or investment?

Yes

Provide further information supporting your answer

For the St. James' Church Cultural Hub, the answer to this question is 'yes' , however, this is a necessary subsidy required to achieve the intervention and is in compliance with the subsidy control regime.

[Redacted]

Public policy objective principle

Demonstrate below how your bid meets this principle

[Redacted]

[Redacted]

Proportionate and limited principle

Demonstrate below how your bid meets this principle

[Redacted]

Change of economic behaviour principle

Demonstrate below how your bid meets this principle

[Redacted]

Compensation of costs otherwise funded by beneficiary principle

Demonstrate below how your bid meets this principle

[Redacted]

Appropriate policy instrument principle

Demonstrate below how your bid meets this principle

[Redacted]

Competition and investment principle

Demonstrate below how your bid meets this principle

[Redacted]

Net positive effects principle

Demonstrate below how your bid meets this principle

LUF grant support will deliver a cultural hub for Pontypool that is aligned to the objectives in Pontypool Placemaking Plan and will deliver a cultural and night-time economy for the benefit of the local community. This will enhance the local communities' sense of local pride and belonging.

[Redacted]

Will you be disbursing the funds as a potential subsidy to third parties?

Yes

Upload a statement of compliance signed by your Chief Finance Officer

Statement of compliance document

LUF Round 2 Proforma 5 Pontypool Cultural Hub and Cafe Quarter.docx

Has an MP given formal priority support for this bid?

Yes

Full name of MP

Nick Thomas-Symonds MP

MP's constituency

Torfaen

Upload pro forma 6

LUF Round 2 Proforma 6 with MP support Pontypool Cultural Hub Cafe Quarter .docx

Describe what engagement you have undertaken with local relevant stakeholders. How has this informed your bid and what support do you have from them?

4.2.1 (The numbering in this section relates to the LUF application guidance).

Torfaen Council's Communities Directorate believes that inspiring community and regenerating place should be at the heart of everything that a Council does. A successful, resilient place relies heavily on us understanding what the community need from their town and what they aspire for it to be. Torfaen's emerging Economy & Skills Strategy places great value on rejuvenating civic pride in our towns and communities. This ambition is then detailed within our three "Placemaking Plans" (our integrated investment framework for place).

All 3 LUF interventions are contained in the draft Pontypool Placemaking Plan (Appendix 3). The draft Plan guides the rejuvenation of Pontypool by repurposing the town's unique heritage and sense of community to fuel a diverse, dynamic and green destination that people want to visit at all times of the day and where businesses want to work.

The draft Plan was developed in close partnership with residents, youth groups and other stakeholders, setting out our shared investment aspirations for the next 10 years. It identifies 5 intervention areas, with projects that can be progressed over the short-, medium- and long-term in partnership with the public, private and third sector. Town user groups set the initial priorities for the Plan, followed by several engagement sessions for residents to inform which interventions to take forward as a priority, which is presented in Appendix 4, Communications & Stakeholder Engagement.

Priority intervention themes include:

- Development of an evening economy
- Stimulating a cultural and commercial leisure offer
- Deterring anti-social behaviour caused by disengaged youths
- Reducing prominent vacant units in the town centre that have fallen into disrepair

The LUF interventions have been prioritised because they address many of these key issues. Both St. James' Church and the Park Entrance café/restaurant provide the evening economy that the town centre is lacking as well as a cultural and commercial offering - the hub will contain amongst other things a cinema and activities for the wider community (as identified by our young people's engagement). The cultural hub also involves the restoration of a building that has fallen into disrepair. Similarly, Glantorvaen Road Car Park addresses the threat that antisocial behaviour poses to a nascent evening economy. Stimulating footfall in this area whilst providing additional facilities is key. This is something highlighted through our engagement with Friends of Pontypool Town – a Queens' award-winning voluntary group who are committed to improving the town centre through events and activities. This is in part due to a lack of footfall and surveillance.

Following the initial engagement, the Council has undertaken extensive formal consultation on the draft Plan, to identify any missing amendments and to inform and improve a final version of the document. Consultation on the draft Placemaking plan has included engagement with diverse stakeholders including, Torfaen's MP and MS, Torfaen Cabinet/Leadership Team, local Councillors, residents, businesses, local community groups, young people via the youth forum, the local public service board, Torfaen Economic Forum, Torfaen Voluntary Alliance and Pontypool Community Council. There was overwhelming support for investment in Pontypool and for all interventions proposed for LUF (see Appendix 4).

Has your proposal faced any opposition?

4.2.2 (The numbering in this section relates to the LUF application guidance)

Public consultation on the draft Pontypool Placemaking Plan has shown that there is overwhelming support for investment in Pontypool, and for the specific LUF project proposals.

During the engagement process some initial negative feedback was received regarding the Park Entrance Café/Restaurant. This was due to a misconception that the public toilets were being removed in their entirety from this location. Once it was explained to stakeholders that public toilet provision would remain as part of the design and that Pontypool Town Centre would benefit from toilets that would improve inclusivity and accessibility with the provision of DDA compliant toilets (albeit fewer toilets) then stakeholders were supportive of the proposal. Pontypool currently does not have any DDA compliant toilets with the exception of a single WC within Pontypool Indoor Market, therefore increasing the provision of DDA compliant toilets was perceived to be a positive addition to the town centre.

The Glantorvaen Road Car Park proposals received several public comments querying the high design quality with concerns that the proposals focused too far on cosmetic improvements. The designs for the car park were revised to place further emphasis on the safety and protection (such as additional lighting, and rooftop solar PV decking to prevent residents dropping litter from the top of the car park).

Do you have statutory responsibility for the delivery of all aspects of the bid?

Yes

Provide evidence of the local challenges / barriers to growth and context that the bid is seeking to respond to

4.3.1 (The numbering in this section relates to the LUF application guidance)

The Thriving Places Index compares the socio-economic performance of Torfaen relative to other Welsh Authorities. Torfaen scores particularly poorly on residents' mental/physical health, participation, culture, and social isolation so it is crucial that LUF interventions re-build community pride and rejuvenate the town's offer to its residents.

During industrialisation, Pontypool developed swiftly, growing to 37,700 people (c.40% of the Torfaen population). Pontypool may grow by a further 1,964 people if the Torfaen-wide growth projections for the next 2 decades (5.5%) are realised locally.

Pontypool should serve as the main town centre for this significant catchment. However, the current 'offer' does not provide the range of commercial, leisure, residential, cultural or hospitality services required by residents. There are limited "attractors" resulting in a lack of vitality, particularly in the evening when footfall reduces dramatically. Of the 15 food establishments within the town centre, most are take-aways (73.3%) with 4 cafes (26.6%) that operate during the daytime hours only. This results in leakage of disposable income to neighbouring Cwmbran, Newport, Abergavenny and elsewhere.

This is replicated when it comes to culture. Research undertaken in 2013 for the Arts Council for Wales showed that Torfaen had 5779 unique bookers for cultural activities (a population penetration of 6.3%). The "NP4 5" postcode area (south Pontypool) falls within the top 100 postcodes in Wales for use of cultural venues. Whilst Pontypool houses the county museum, the nearest cultural provision outside of this is in Cwmbran Town Centre (Llantarnam Grange Arts Centre and Congress Theatre). There is no bespoke cultural hub in the borough or within a 5-mile radius, with the nearest located in Newport. This indicates considerable unmet local demand which requires customers to leave the county borough. The conversion of St. James' Church into a cultural hub will embrace this latent local demand.

Despite its growing population, Pontypool's residential property values have remained stagnant, reflecting the lack of economic opportunity and poor town centre offering. Over the last decade residential values have grown by 2.9% in Pontypool, substantially below the England and Wales average (4.7%). Pontypool has faced a growing retail challenge, first from the 'new town' of Cwmbran, and recently from the growth of online shopping. Without intervention, Pontypool residents' risk being left behind.

The pandemic has also impacted on retail. Pre-Covid, vacancy rates in the Town Centre were at 17.5%, increasing to 20% in 2021. With the loss of retailers, there is a pressing need for the town centre to diversify to become more resilient. Conversely, annual footfall within Pontypool Park has increased, with some 289,065 visitors per annum. This supports the Park Entrance Café/Restaurant which seeks to attract footfall from Pontypool Park into the town centre through a high-quality food offer.

Visitors need to feel confident and assured that they are in a safe environment when travelling to restaurants and cultural attractions, particularly of an evening. With no-scope for on-street parking, Glantorvaen Road Car Park is the nearest parking to the other interventions (3-minute walk). Increased surveillance, improved lighting and external improvements will drive this confidence, whilst renewable energy generation will reduce the building's carbon footprint.

Explain why Government investment is needed (what is the market failure)

4.3.2 (The numbering in this section relates to the LUF application form)

Despite unmet public demand for cultural and food provision (see section 4.3.3), there are some significant barriers to market investment without public sector involvement. These include conservation deficits (particularly relative to the end value of food and cultural premises), and the need to catalyse a critical mass of "evening economy" facilities before the market has the confidence to invest. The LUF funding requests, a coherent package of interventions, therefore all three interventions must address these failures.

St. James' Church: Without LUF investment at the level requested, the restoration and conversion of the Grade II Listed church would simply not be financially viable for the private sector. The church is a large property and its long-standing dereliction presents a challenge which is compounded further (due to its listed status and significance within the Pontypool Town Conservation Area) by a large conservation deficit. Without support to address the viability gap, the private sector investment alone is insufficient to realise either the refurbishment of the church, or its conversion into a much-needed cultural facility. The building is at imminent risk of further deterioration without swift intervention. The current owner is positively engaged and is passionately committed to restoring the church, investing funds in the development of detailed proposals and plans and building condition surveys. It is not only the specific economic benefits that will be missed without public sector investment. There are numerous positive externalities associated with regenerating and bringing a heritage asset back into use. Built heritage is a public good and thus there is a clear market failure rationale for intervening.

The Park Entrance Café/Restaurant: In the absence of catalytic public funding, the private sector will not invest in the evening economy and Pontypool will continue to decline. The rationale for this project is to capture footfall from Pontypool Park and to translate it into footfall within the town centre. The costs of converting the public toilets and the extension to the existing footprint required for a viable business model would be economically unviable without public intervention. The building design is iconic, yet respectful. It can attract a high-quality food and beverage operator and stimulate wider customer interest. The proposal also maintains high quality public toilet provision for the town centre; this is something that private sector alone would be reluctant to provide.

Glanctorvaen Road Car Park: The car park provides essential town centre parking free of charge to users. Parking is funded by the Council to encourage the use of the town centre in the hope of building back better post pandemic. Upgrading the parking facilities in this location is critical to the success of the cultural hub and café quarter created through the Park Entrance Café/restaurant. In order to kick-start an evening economy, town centre users will need to feel confident and feel safe using the parking facilities available during hours of darkness. The costs associated with upgrading car parking could not be realised without public sector funding as they would not yield a return for the private sector. The private sector would clearly not invest in a proposal that does not generate revenue income. Whilst charging for car parking was considered in relation to this project, the overwhelming consensus was that this would be counterproductive at a point in time when footfall is relatively low and at a point in time where we are seeking to regenerate Pontypool Town Centre.

Together, the interventions will address the two key areas of market failure (conservation area and investor confidence) by dealing with the dereliction,

Explain what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers

4.3.3 (The numbering in this section relates to the LUF application guidance)

Town Centres need to continually adapt to meet the needs of their local population. The most vibrant town centres are those that have a resilient and diverse offer of services and so can withstand economic shocks. This proposal comprises investment in three interventions which in combination will serve to address the challenges and barriers identified in Table 1 of Appendix 5.

The three interventions were selected from a list of 6 potential project interventions. They were selected on the basis that they best addressed the 4 priority issues identified by stakeholders (in 4.2.1), were deliverable within the funding period and offered the greatest transformational change for Pontypool Town Centre and its communities.

The interventions will achieve the provision of new cultural and commercial facilities in key locations and by developing an evening economy within Pontypool Town Centre. Detailed work programmes are shown in the 'Package Bid Costings & Planning Workbook' but in summary the three projects are:

St. James' Church:

- Located at a prominent southern gateway to the town centre, directly opposite to the Pontypool Park Entrance Gates and adjacent to the landmark buildings of Pontypool Registry Office (thereby impacting initial perceptions of town)
- Restoration of a Grade II Listed building that is on the Council's Buildings at Risk Register and has been vacant for over 20 years. (The building has become an "icon of despair" weakening investment within the surrounding area)
- Owner is prepared to invest in a high-quality cultural hub (that contains a food and beverage offer in addition to two multipurpose function rooms that are capable of accommodating a cinema, events and exhibitions)
- Capable of being delivered within the LUF timescales
- Will act as a catalyst for increased activity and the start of an evening economy for Pontypool

The Park Entrance Café/Restaurant:

- Located opposite St. James' Church and immediately adjacent to Pontypool Park Gates, overlooking the Italian Gardens within a historic park and garden (thereby acting as a footfall attractor to draw people from the park into the town).
- Pontypool Park benefits from significant footfall with 289,065 visitors annually - capturing this footfall and attracting them into the town centre with a high-quality offer, will increase the amount of customers with disposable income within the town centre.
- The facility will provide 1800 sqft of floorspace for a food and beverage offer, in addition to outdoor seating that will benefit from the setting of the Italian Gardens within Pontypool Park.

The Glantorvaen Road Car Park

- Is the closest possible parking location to the proposed café/restaurant and cultural hub (3-minute walking distance)
- The facility will provide 239 car parking spaces to support the cultural and evening economy
- upgrading of this facility is required to instil confidence in its use with increased user safety and surveillance in order to reduce anti-social behaviour in this location
- will attract evening-time as well as daytime usage
- will result in crime and antisocial behaviour reduction
- makes the cultural and evening economy accessible to a greater number of users within the wider community of Pontypool
- the car park also 'builds back greener' and contributes towards the net zero and wider environmental ambitions as it includes an upper deck that will be

fitted with a solar PV roof that can generate the energy requirements for the car park with excess energy used to power public buildings within the town centre.

All 3 of the interventions closely align to deliver additional food and cultural activity whilst ensuring a safe and secure town where people want to live, work and visit. They will help Pontypool to level-up with other towns throughout the UK. The projects will combine to provide a substantial stimulus and will address key challenges and opportunities set out in Table 2 of Appendix 5.

Upload Option Assessment report (optional)

How will you deliver the outputs and confirm how results are likely to flow from the interventions?

4.3.4 (This numbering aligns with the LUF application guidance)

The proposed interventions are rooted in a clear Theory of Change Model and supported by a logic model summarised in Appendix 6. Whilst each of the three interventions have their own outputs, they will combine to deliver the overall outcomes and target benefit: a sea-change in Pontypool's food and cultural offer and the wider economic benefits that flow from that.

The three interventions form a coherent package designed to diversify the town centre and achieve higher footfall over a longer period (impact) by strategically delivering the following outcomes:

- Bringing new uses to the town centre and providing a more diverse base to the town centre economy
- Improving land values in the town centre reflecting the lack of economic opportunity and poor town centre offering
- Restoring a Grade II Listed prominent key building thereby securing key improvements to the centre's image and attractiveness
- Increasing the vitality of the area throughout the day and evening thereby increasing footfall and expenditure
- Improving linkages and integrating the town centre with Pontypool Park that experiences high footfall and patronage
- Developing a cultural and evening economy for the town centre and the wider catchment and community that it serves
- Reducing crime and antisocial behaviour by designing out crime in the car park and increasing footfall and natural surveillance
- Addressing lack of economic opportunity by creating cultural and evening economy job opportunities

The outcomes and impacts will be achieved by delivering several coordinated outputs which are based on the Delivery Plan (as shown in Appendix 7), and determined by the project delivery timescales. The Park Entrance Café and Glantorvaen Road Car Park are being brought forward by Torfaen County Borough Council and the Council has commissioned a multi-disciplinary design team within Capita Consulting to lead on the design, procurement and contractor management to ensure the successful delivery of projects

Private sector investment will be leveraged to restore the derelict St. James' Church, with Torfaen County Borough Council working in partnership with a third-party, Bolwell and Hayward Ltd. This company has invested in and undertaken significant preparatory work to date in order to bring forward this vacant Grade II Listed building and are committed to realising a Cultural Hub for Pontypool and restoring a building of local significance to the community.

The Theory of Change will be reviewed and developed over the lifetime of the project as part of the evaluation framework.

Theory of change upload (optional)

Appendix 6 Theory of Change Model and Logic Model for Pontypool Cultural Hub & Cafe Quarter..pdf

Explain how the component projects in your package bid are aligned with each other and represent a coherent set of interventions

4.3.5 (The numbering in this section relates to the LUF application guidance)

The LUF bid contains a coherent set of interventions that will combine to introduce a food and culture economy to Pontypool as a catalyst for further investment and regeneration and leading to continued growth in town centre footfall and spend (particularly beyond 5pm).

The suite of interventions have been selected (see section 4.2.2) as they work together to deliver this outcome: St James' Church provides the cultural hub component that at present does not exist within Pontypool which will draw in evening footfall. The Park Entrance Café/Restaurant (located directly opposite) provides the high-quality food and beverage offer to complement the cultural offer and draw customers up from Pontypool Park whilst bringing an iconic derelict building back into use. In order to support these two high quality interventions, safe and secure parking is required to support the patronage to these facilities and enable Pontypool Town Centre to achieve levelling-up. The upgrading of Glantorvaen Road Car Park addresses this as well as seeks to 'build back greener' in line with the government's agenda by incorporating green technology in it's refurbishment, capable of powering the car park and other public buildings within Pontypool

Set out how other public and private funding will be leveraged as part of the intervention

4.3.6 (The numbering in this section relates to the LUF application guidance)

Torfaen Council is committed to improving the vibrancy and vitality of Pontypool Town Centre and will invest as part of this project to secure the desired impact (i.e. the development of an evening and cultural economy with better links between Pontypool Park and Pontypool Town to attract footfall). To this extent, the council is prepared to provide significant match funding to realise the Park Entrance Café/restaurant and Glantorvaen Road Car Park redevelopment, through £960,000 of core Council Capital match funding. This is in addition to a commitment of £496,000 for pre-project development, see Appendix 8.

Alongside this, private sector investment of £750,000 from the owner of St. James' Church will match fund Levelling Up Fund investment to deliver the cultural hub. This is a significant investment for the owner – at a level greater than the end value of the property. Levelling up Fund investment will unlock the owner's commitment to creating a much-needed cultural attractor within Pontypool Town Centre. To date, the public sector has largely led investments that have supported the regeneration of Pontypool Town Centre and such investment has had a positive impact in removing vacant premises within the town centre and restoring them to beneficial re-use, this has supported new business development contributing to an enhanced sense of pride of place amongst the local community. Private investment on the scale proposed by the owner is a significant and a positive further step forward for Pontypool Town Centre and its local community.

In total the match funding for the Pontypool Cultural Hub and Café Quarter Bid is £1,710,000 which equates to match funding of almost 20% of total project costs. This is almost double the minimum recommended match fund set out in DLUHC Guidance (10%), representing a substantial match fund contribution overall.

Moreover, it is anticipated that this combined investment will catalyse further private sector property investment across the Glantorvaen/Hanbury Road area. It is expected that this investment will catalyse further property investment by the private sector

Explain how your bid aligns to and supports relevant local strategies and local objectives for investment, improving infrastructure and levelling up

4.4.1 (The numbering in this section relates to the LUF application guidance)

The intervention aligns closely with the objectives of all relevant local strategies and is specifically identified as a priority in a number of policy documents. Relevant strategies include:

- Wellbeing of Future Generations (Wales) Act 2015 – sets out a common aim for the public sector “to improve the economic, social, environmental and cultural well-being of Wales in accordance with the sustainable development principle.” The interventions will achieve this goal by restoring a derelict building into beneficial reuse, reconnecting the local community to a building of cultural significance and delivering economic benefits to the local community.
 - Welsh Governments Transforming Towns Strategy – In adopting a “town centres first principle” the Strategy seeks to support the transformation of towns into places of living, working, leisure and learning. Investment, it goes on to say, will support increased footfall and accessibility and make a vital contribution to the success and sustainability of town centres. The Strategy recognises that targeted regeneration is crucial for widening prosperity and building resilient communities in all parts of Wales, rather than simply in those areas that offer the best commercial returns. It identifies that there are challenges tackling inequality and in developing well-connected and sustainable communities in economically disadvantaged or former industrial areas. Pontypool was one of the first industrial towns within Wales but has since lost most of its heavy industry. These interventions enable the economy to diversify by providing a cultural and evening economy.
 - Torfaen Local Development Plan (2013) – Policy RLT1/1 of the adopted LDP identifies Pontypool as a town centre as it provides a wide range of functions and services for the surrounding settlements that are not available elsewhere in the mid and north area of the County Borough. It is a major District Centre in the retail hierarchy and as such it is designated by a town centre boundary. Pontypool is an important centre in terms of the settlement hierarchy within Torfaen and has a significant catchment. The interventions make the town centre more resilient by diversifying the economy and providing a wider ‘offer’ to the communities that it serves.
 - Draft Pontypool Placemaking Plan 2022-2032 (May 2022) – will be presented to Torfaen Cabinet for approval in September 2022. The Plan identifies the restoration and reuse of St. James’ Church, The Park Entrance Café and the Glantorvaen Road Car Park as ‘Key Projects’ and investment priorities within the town centre. Consultation on the draft Plan undertaken in May/June 2022 emphasises the passion which the local community have for Pontypool Town Centre and its proposed diversification, and appetite for a cultural and evening economy. The 3 interventions help to achieve this
 - Draft Torfaen Economy & Skills Strategy (2021–2030) - sets a clear and achievable vision for the Council to work with partners to deliver a successful, sustainable Torfaen economy for future generations. A key objective is to create a resilient everyday economy that creates and sustains employment for local residents. Two of the interventions help to develop the everyday economy (foundational economy) providing job opportunities in addition to supply chain opportunities for other local businesses/producers.
-

Explain how the bid aligns to and supports the UK Government policy objectives

4.4.2 (The numbering in this section relates to the LUF application guidance)

The bid aligns directly with multiple UK policy objectives as follows:

- Levelling Up: Torfaen is ranked as priority category 1 for investment with pockets of significant deprivation
- Levelling Up White Paper (February 2022): The package of interventions delivers on the policy objective to “Restore a sense of community, local pride

and belonging” and will help to deliver the government’s ambition that “by 2030, pride in place, such as people’s satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between top performing and other areas closing”

- Net zero carbon policy: the St. James’ Church intervention will restore and bring back into beneficial reuse a Grade II Listed Church, protecting and reusing the embodied carbon existing within it reducing the environmental impact of development. Sustainable traditional building materials will be used throughout alongside energy saving measures.

The Glantorvaen Road Car Park intervention will refurbish an existing building and will incorporate a renewable energy solar PV roof capable of renewable energy generation to satisfy the power requirements of the facility in addition to providing surplus energy to power public buildings within the town centre. The Council will make sure through its contractor procurement process that both Council-led interventions will deliver the highest possible standard for energy use and CO2 emissions that can be practically delivered and are viable. The town centre location is also sustainable as it connects the interventions and the wider catchment area and communities that it serves to existing public transport and active travel routes, supporting modal choice for town centre users. All of these measures contribute towards the target of net zero emissions by 2050.

- Build Back Better: Our Plan for Growth (HM Treasury, 2021): Pillar 1 (Infrastructure) – Connecting people to opportunities through all elements of the bid. Pillar 3 (Innovation) – The cultural hub will provide an asset that connects people to creative industries.

Alignment and support for existing investments

Where applicable explain how the bid complements or aligns to and supports existing and/or planned investments in the same locality

4.4.3 (The numbering in this section relates to the LUF application guidance)

Pontypool Placemaking Plan has a 10-year vision for investment within the town. The plan presents key projects and interventions that will lead to incremental and transformative change. Some interventions envisaged by the plan – e.g. green infrastructure – are already underway following investment of £300,000 from the Council’s Covid Recovery Fund.

The Plan (including the 3 interventions in this bid) will collectively increase communities’ satisfaction with their town centre, and engagement with local culture whilst facilitating the national ambition to ‘level up’. Funding will be sought for all interventions contained within the placemaking plan (e.g. from Welsh Government’s Transforming Towns Fund).

The Shared Prosperity Fund will add complementarity through a series of town centre focussed interventions. These include but are not limited to digitising the town centre, food collaborations to increase food resilience and support local supply chains, strengthening of cultural & heritage activities through an events programme, a skills programme providing local opportunities, supporting decarbonisation and green technology, furtherance of foundational economy businesses and business mentoring to drive innovative practices and sustainable growth. These priority intervention areas build upon key components of the bid, training opportunities will be created as part of the construction and restoration phase, in addition to food and beverage employment & training opportunities thereafter. The Cultural Hub & Cafe Quarter will provide a cultural attractor and evening economy and there will be opportunities to connect these new businesses with local food producers to strengthen local supply chains. The car park integrates green technology and builds back better with the solar PV deck and all 3 interventions involve the re-use/repurposing of buildings thus reducing the carbon footprint of development.

Confirm which Levelling Up White Paper Missions your project contributes to

Write a short sentence to demonstrate how your bid contributes to the Mission(s)

Well-being: By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing. The bid will improve wellbeing as it will diversify the mix of uses within Pontypool Town Centre, cultural activity can have a positive impact on health and wellbeing and can improve the health of communities and society.

Pride in Place: By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between top performing and other areas closing. Providing a cultural hub and an evening economy will improve people's satisfaction with Pontypool Town Centre and contribute to the wider economy of the town centre.

Wellbeing: By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing. The interventions will positively impact on wellbeing as they will provide additional assets for the wider community and will restore a sense of pride in place with the restoration of a heritage asset of local importance

Health: By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by five years. The interventions will provide an opportunity for increased social interaction with the potential to improve health as a direct result.

Skills: By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high quality-skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas. The interventions will provide employment and training opportunities within the food and beverage sector.

Living Standards: By 2030, pay, employment and productivity will have risen in every area of the UK, with each area containing a globally competitive city, and the gap between the top performing and other areas closing. The interventions will provide employment opportunities for local people within the foundational economy sector and wider supply chain opportunities for local businesses.

Crime: By 2030, homicide, serious violence and neighbourhood crime will have fallen, focused on the worst affected areas. The Glantorvaen Road Car Park seeks to design out crime and antisocial behaviour whilst the overall package of interventions seeks to increase footfall and natural surveillance within the town centre.

Provide up to date evidence to demonstrate the scale and significance of local problems and issues

5.1.1 (The numbering in this section relates to the LUF application guidance).

Dereliction of town centre

Vacancy rates against geographical comparators demonstrate the scale of dereliction and underperformance of Pontypool Town Centre. Retail vacancy rates in Pontypool Town Centre have increased from 11.5% in 2016 to 20.0% in 2021 (refer to Figure 5.1.1.A in Economic Case Explanatory Note). This is twice as high as the vacancy rates in the neighbouring town of Cwmbran, which were 10%. For retail and service land in 2020, Pontypool's vacancy rate (18.1%) was above the UK average (13.1%).

Notable examples of buildings that accentuate the dereliction due to their prominent location on the high street, are:

- Pearl Assurance House – vacant for 4 years.
- 35 Commercial Street (refer to Figure 5.1.1B in Economic Case Explanatory Note)– deteriorating over the last 10 years with no investment forthcoming.
- Lloyds Bank – closed in November 2019; vacant since.

One cause of high vacancy rates is low land values, which deter potential

private investors from bringing forward developments given they cannot make schemes viable. This is demonstrated throughout the Value for Money Assessment (see negative land value uplift calculations) and represents a clear market failure in Pontypool, a town stuck in a cycle of deterioration caused by low land values.

Lack of cultural, leisure and night-time economy

There are 15 food establishments in Pontypool. Only 4 of these venues offer seated eating in the daytime; the rest are takeaways. The lack of adequate food and drink offerings was highlighted in engagement undertaken to inform Pontypool Placemaking Plan. Furthermore, there are currently no commercial leisure venues in Pontypool – a cinema (currently no provision) was the most desired proposal raised by the youth forum.

Crime and safety

Pontypool Town Centre ranks in the worst 2% of Welsh neighbourhoods for community safety deprivation (Figure 5.1.1.C in Economic Case Explanatory Note). The established lack of night-time economy, commercial leisure offering, and dereliction makes the town centre an unappealing place at night, encouraging crime.

The lack of evening activity in the town centre leads to instances of anti-social behaviour (ASB). Gwent Police view the Glantorvaen Road Car Park as a particular hotspot for ASB, which can range from people setting off fireworks, and trolleys and items being thrown off the car park. Such activities have caused significant damage to the existing building. The derelict St James' Church has also attracted people trespassing and lighting fireworks.

Depleted footfall

All of the above issues combine to deter residents and visitors from the town centre. The decreasing retail offering (established by increasing vacancy rates) is reflected in a decrease in average daily footfall of 15% from 2017 to 2019.

Lacking sense of place and pride

The lack of economic activity, community safety, and the poor visual amenity of derelict units (refer to Figure 5.1.1.D in Economic Case Explanatory Note) gives Pontypool a distinct lack of sense of place – this decreases community pride. On the Thriving Places Index, Torfaen is shown to score particularly poorly on residents mental and physical health, participation, culture and social isolation in particular. It is of paramount importance that the LUF projects seek to address these clear issues in the borough.

Demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues

5.1.2 (The numbering in this section relates to the LUF application guidance)

A summary of the quality assurance of data analysis and evidence for explaining the scale and significance of local issues is provided below.

Dereliction of town centre

Retail vacancy rates were gathered as part of Torfaen's Annual Monitoring Report (AMR) 2019-2021 and Torfaen's draft Retail and Town Centres Study 2020. The data references are clearly up to date (2020 and 2021) and capture the impacts that the COVID-19 pandemic has had on town centres. Data are unbiased, based purely on market information, and collected by council officers that are independent of this bid submission. Details of the three referenced vacant buildings were gathered using the local and up-to-date knowledge of council officers. Observations of low land values were gathered from a combination of Valuation Office Agency (VOA) data on commercial property listings (Business Floorspace tables), property listing sites data, and data from ONS on median house prices by administrative geographies. The low land value conclusions from publicly available data were then verified and confirmed through the use of local property market reports.

Lack of cultural, leisure and night-time economy offer

Data for the quantum of food establishments in the local area was gathered by

council officers in 2022, representing up-to-date and impartial data. The referenced Youth Forum engagement took place in 2019 and represents the recent views of a demographically diverse cross-section of Torfaen's young population.

Crime and safety

The referenced community safety deprivation of Torfaen's town centres is based off the Welsh Index of Multiple Deprivation 2019 (the most recent year available). It is a highly detailed publicly available data set prepared impartially by the Welsh Government, having undergone a rigorous quality assurance process. Reports of anti-social behaviour were gathered in May 2022, by the Council's Community Safety Team, through engagement with Gwent Police. For information on specific crimes that occurred locally, data was collected from Data.Police.UK (South Wales Police).

Depleted footfall

Footfall data was gathered by PFM Intelligence Group, a highly experienced pedestrian survey company with 30 years' experience, who are known for the accuracy of their surveys. This ensures the robustness and impartiality of the data set. Footfall data has been gathered demonstrating the number of people entering and exiting Pontypool Town Centre every day from 1st Jan 2017 to 31st Jan 2020. Data is being collected by cisco merakı units.

Lacking sense of place and pride

To confirm the Council's argument that Pontypool Town Centre was lacking a sense of place and pride, external consultants from Volterra visited the town centre on a site visit in April 2022 to confirm agreement with this argument (refer to Figures 5.1.1.B and 5.1.1.D in Economic Case Explanatory Note). The lack of the sense of place is further evidenced by the footfall and crime data, as well as use of the Thriving Places Index. The Thriving Places Index provides an indication of the socio-economic performance of Torfaen relative to other Welsh local authorities.

Demonstrate that the data and evidence supplied is appropriate to the area of influence of the interventions

5.1.3 (The numbering in this section relates to the LUF application guidance)

Dereliction of town centre

Vacancy rates specifically cover Pontypool Town Centre, excluding conurbations such as Penygarn, Tranch, Cwmfields, and Abersychan. This is appropriate as the interventions within this bid will likely have the highest impact on land values locally in and around Pontypool Town Centre. The catchment area for wider land value uplift (WLVU) is 300m. This area is broadly representative of the town centre boundary, as defined in the Council's policy documents. Presenting the vacancy rates issue for this town centre boundary therefore aligns with the WLVU benefit stream.

Lack of cultural, leisure and night-time economy

Data collected for existing food and beverage provision covers Pontypool Town Centre, the focus of the LUF bid. This catchment is relevant to understand the (lack of) provision in the town centre specifically. Youth forum engagement covers south Torfaen. This is an appropriate geography as young people in Pontypool and Cwmbran were asked to input on which town was the most appealing leisure destination.

Crime and safety

Pontypool Town Centre's community safety deprivation covers the LSOA 'Torfaen 004D / W01001524', which is representative of Pontypool Town Centre. The ASB reports cover the specific sites of the interventions. This is appropriate as the design of the interventions will resolve specific ASB issues on site, as well as addressing wider crime in the town centre through increased footfall and associated natural surveillance.

Depleted footfall

Covers the town centre, through strategically located cameras – this is appropriate as interventions will aim to increase town centre footfall.

Provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems

5.2.1 (The numbering in this section relates to the LUF application guidance)

The proposed LUF interventions will provide regenerative improvements to Pontypool, aiming to address the issues outlined in question 5.1.1. The interventions within the package bid are:

- St James' Church – full restoration and refurbishment of a vacant Grade II Listed church building to provide a commercial leisure / culture offer, including provision for pop up food providers, a cinema and space for other events;
- Pontypool Park Entrance Café/Restaurant – Redevelopment and change of use of the Hanbury Road toilets into a high-quality food and drink offer, acting as an attractor and link between the town centre and Pontypool Park; and
- Glantorvaen Road Car Park – Internal and external refurbishment/cladding of Glantorvaen Road Car Park to encourage day and night-time use. The proposal includes a new external access stairwell, carbon reduction measures, renewable energy generation and new public toilets.

These projects will address the issues identified in question 5.1.1. Further details on the methodology and results of the economic benefits modelling are included in the Economic Case Explanatory Note.

Revitalisation of town centre

The dereliction and unattractiveness of the town centre drives low land values (refer to Figure 5.1.1.D in the Economic Case Explanatory Note), which makes the area unappealing to private developers. This is evidenced in the Land Value Uplift (LVU) analysis presented in Economic Case Explanatory Note , which demonstrates that the cost of redeveloping the sites is not offset by the uplift in gross development value (GDV) – the package's LVU impact is a reduction of ██████████. This market failure demonstrates the importance of securing public sector investment to catalyse growth, that would not occur otherwise, in the town centre.

The funding sought from the LUF will not only bring value to the project sites, but also to help regenerate the wider town centre in Pontypool. In line with the Theory of Change (TOC) aims, the proposals will provide heritage and cultural investment, improve the visitor economy, enhance safety, reduce fear of crime, develop visual amenity, and have the potential to redevelop vacant units and increase economic activity, all of which will increase the footfall in the immediate vicinity. This benefit of improving land values and increasing footfall, due to the factors above, is captured by WLVU. The WLVU benefits associated with the package bid is ██████████.

Increased cultural, leisure and night-time economy

St James' Church will offer a unique leisure experience in the mixed-use space provided, and the bar seating area. Pontypool Park Entrance Café/Restaurant offers restaurant space linking to the Italian Gardens. Both of these establishments will be open in the day and evening, providing a significant improvement to Pontypool's struggling night-time economy. These two developments are estimated to support 36 jobs, which results in ██████████ of labour supply welfare benefits accrued to new entrants to the labour market.

Reduced crime and improved safety

Instances of ASB occur at St James' Church as a result of its derelict nature, as well as at the Glantorvaen Road Car Park due to its poor design. Bringing these sites back into use under modern designs will discourage ASB through improving perceived and actual safety, alleviating criminal activity and ASB in line with the objectives of the TOC. For example, the existing pedestrian stairwell will be replaced with a new fully glazed and fully lit stairwell – this will increase natural surveillance.

The proposals are forecast to reduce occurrences of crime by 5% in the local area annually, equivalent to five cases of crime not happening, which equates to a benefit of ██████████ over the appraisal period. An assumed reduction of 5%

is utilised in line with FHSF guidance on interventions that “remove a significant barrier to crime reduction, that is not currently addressed” - the car park site in particular achieves this.

Increased footfall

The TOC demonstrates how the projects will improve the leisure offering and attractiveness of Pontypool, resulting in increased footfall. The increased footfall will increase spending in the town centre, which will in turn increase land values and make Pontypool a more attractive prospect for private investors. The monetised benefits of this impact are captured in the WLVU analysis described above.

Distributional benefits

On average, Pontypool households earn 21% below the UK average. The positive impacts associated with the projects would be accrued in an area of low earnings and high deprivation. This would contribute to addressing the existing issues of deprivation and crime through enhancing economic opportunities, in line with the TOC, contributing to levelling up an area in need of regeneration. The distributional benefits of the package bid are [REDACTED].

Describe the robustness of the analysis and evidence supplied such as the forecasting assumptions, methodology and model outputs

5.2.2 (The numbering in this section relate

Methodology for the appraisal of economic costs and benefits is consistent with DLUHC and HMT Green Book guidance. The benefits estimated are an accurate reflection of Pontypool’s identified issues. A methodology note has been appended to this submission, which transparently provides detail on the forecasting assumptions and approach to economic modelling undertaken. Key assumptions for the modelling work are summarised below:

- Appraisal period – an appraisal period of 30 years has been modelled, incorporating a 3.5% discount rate for future costs and benefits in line with HM Treasury Green Book guidance. This is the recommended DLUHC appraisal period for ‘refurbishments of existing buildings’. For some specific benefits, such as WLVU, the benefits are appraised over a shorter period.
- Additionality – an overall additionality of 85% has been used for all proposals and benefit streams (other than crime and carbon reduction benefits, where 50% and 100% are assumed respectively). The strong evidence of market failure and the limited viability for private investment on the project sites suggests that the LUF investment will enable new activity that would otherwise not have occurred.
- Optimism bias – an optimism bias of 8.5% has been incorporated into costs within the economic modelling. This figure has been calculated through a risk appraisal, as detailed in the appended methodology note. While contingency has been included in the development appraisals within the Financial Case, and resulting funding ask, no additional contingency or risk has been adopted within the economic appraisal above the optimism bias.
- Distributional weighting – average household incomes of Pontypool residents (£25,000) are 21% below the England & Wales average (£31,600). A distributional weight has been estimated and applied to the economic benefits, following the DLUHC Appraisal Guide. Using the ONS equivalised net income estimates and the elasticity for marginal utility of income (1.3), a distributional weight of 1.36 has been applied to all other calculated benefits.
- Inflation - The deflator for future year prices has been taken from the most recent OBR forecasts, in line with LUF guidance. The exact figures used for the deflators are presented in the supporting Costings and Planning Workbook.

Data relied upon in modelling has been taken from nationally recognised statistical sources, such as ONS or DLUHC, where feasible. The DLVU assessment is informed by a market appraisal developed by a qualified chartered surveyor. The WLVU assessment relies on data detailing the value of local property estimated through a combination of VOA data for commercial valuations and data collected from property market data websites for residential values. This reflects the only data not produced by a UK ministerial department employed in the modelling.

An inevitable limitation of the model, is the sensitivity of Value for Money forecasts changing as a result of altering model assumptions. This is an unavoidable characteristic of Value for Money models. To account for this, sensitivity analysis has been undertaken on the key modelling assumptions, testing the robustness of modelling outputs to changes in parameters. The results of each of these sensitivity tests are presented in response to question 5.4.3.

Explain how the economic costs of the bid have been calculated, including the whole life costs

5.3.1 (The numbering in this section relates to the LUF application guidance)

Economic costs estimated for the LUF proposals are consistent with those presented in the financial case, which have been calculated by qualified costs consultants. Financial case costs are converted to economic case costs by accounting for the additional impact of inflation and discounting, alongside the inclusion of an optimism bias.

The economic cost of the LUF proposals are driven by the combined costs associated with the three projects for which funding is sought. Whole life costs are considered for each project, accounting for public sector revenue generation (at Pontypool Park Entrance Café / Restaurant) over the appraisal period.

In summary, the process for converting financial costs into economic costs is:

1. Removal of risk allowance and contingency from financial costs);
2. Conversion from nominal to real prices (inflation);
3. Conversion into present value terms (discounting); and
4. Application of optimism bias.

Inflation is incorporated in cost figures at a rate of 1.9%-3.1% per annum from 2022/23-2025/26, and 2.0% from 2026/27 onwards – consistent with DLUHC appraisal guidance and utilising the most recent OBR forecasts. Costs are discounted at a rate of 3.5% per annum, consistent with HM Treasury Green Book guidance. The full process which has been applied to convert the costings presented in the financial case to those used to inform the economic appraisal is presented in Section 5 of the Economic Case Explanatory Note.

The risk register contained within section 9 of the Economic Case Explanatory Note is used as the basis for calculating optimism bias. Key risks of the project are as follows:

- Economic risks of Brexit, cost inflationary pressures, and Covid creating a lack of demand for the new commercial and community assets at St James' Church and the Pontypool Park Entrance Café;
- Planning and legislation risk associated with the proposed redevelopment of St James' Church, a Grade II listed building; and
- Risk of disruption to existing community and associated pushback during the construction phase.

Through assessing the likelihood of such risks materialising, and following relevant appraisal guidance, an optimism bias of 8.5% is assumed. This is within the maximum and minimum bounds suggested by DLUHC of between 2% and 24%.

In total, the net economic public cost of the three projects (in present value terms and 2022 prices, excluding contingencies and including optimism bias) is [REDACTED]. Of this figure, [REDACTED] will be costs associated with LUF funding and [REDACTED] will be public sector co-funding. There will be public sector revenue generated by the proposals at the café, worth [REDACTED] and treated as a negative cost. Private sector co-funding costs for St James Church are captured in the DLVU calculations for St James Church.

Describe how the economic benefits have been estimated

5.3.2 (The numbering in this section relates to the LUF application guidance)

Direct land value uplift (DLVU)

DLVU is calculated as the difference between the future land price when the development is completed and the current value of the land. The future land price is estimated as the Gross Development Value (GDV), considering rental and sale values for the three proposals, minus development costs and profits. Calculations of GDV have been undertaken by landowners and appointed consultants, and have been reviewed by independent RICS registered valuers for quality assurance.

Wider land value uplift (WLVU)

The proposed interventions will help to regenerate the wider area of Pontypool through increasing land values. The wider placemaking and regeneration impacts on Pontypool are a key driver for these proposals and hence this benefit has been captured in the economic appraisal, in line with the DLUHC appraisal guidance.

To calculate WLVU, data has been collected relating to the total quantity of residential and commercial property within a 300m catchment area of the intervention sites. This is considered a reasonably proxy for the town centre area. Commercial property values have been derived from applying appropriate yields to Valuation Office Agency Rateable Value statistics. Residential property values have been acquired by utilising data from residential property valuation websites.

A 3.5% annual uplift has been applied to properties within a 300m radius to calculate WLVU. This is considered conservative given that we assume a reference case (2.4%) growth substantially below the recommended DLUHC guidance assumption – 5%. This lower reference case represents the fact that there are significant negative externalities in Pontypool currently. This annual uplift is therefore justified on account of:

- The high existing numbers of derelict and unsightly buildings causing a market failure in attracting private investors.
- There are a number of large vacant units in close proximity to the package bids. If one of these units was to come back into use, this would represent a large increase in local land values.
- Existing literature demonstrates the positive effect that regeneration proposals can have on local land values. Specifically, the Economic Case Explanatory Note shows uplifts can range from 15% to 20% for this type of intervention.

Carbon reduction

Based on energy figures provided by the existing Car Park, the current site uses 220,000 kWh of energy annually. Following redevelopment, it is estimated that this annual energy usage will drop to 142,000 kWh. These estimated electricity savings have been applied to BEIS GHG Conversion Factors for company Reporting emissions factors to generate an equivalent reduction in CO₂. This factor decreases over time, from 0.264 in 2022 to 0.007 in 2054. The reduction in tonnes of carbon was then applied to the non-traded value of carbon as per the values set out in TAG guidance.

Crime reduction

The impact of crime reduction has been estimated through applying a reduction of 5% (in line with FHSF guidance on recommended reductions) annually to the number of crimes occurring within Pontypool town centre from March 2021 to February 2022. Data was collected from data.police.uk. The average cost of crime as identified by the Greater Manchester Combined Authority unit cost database has then been applied to the reduction in crime, and a multiplier applied to reported crimes in line with Green Book guidance. A 50% displacement rate is applied to this benefit.

Labour supply impacts

Additional employment would be generated as a result of the food, drink and leisure offerings at St James' Church and Pontypool Park Entrance Café. To estimate the number of full-time equivalent (FTE) employment opportunities supported by these proposals, the HCA Employment Density Guide (2015) has

been applied to the commercial floorspace. It is estimated that both sites would support a total of 36 additional jobs.

Following, the pandemic, Torfaen faces high levels of unemployment (Torfaen's 16-64 unemployment rate was 6.7% in 2021, higher than the Wales rate of 4.3%). Given the types of employment that will be supported at St James' Church and the Pontypool Park Entrance Café, it is estimated that 10% of jobs will go to new labour market entrants or re-entrants (in line with DLUHC guidance on previous funding programmes for this benefit stream). The methodology then applies ONS regional GVA statistics to employment generation, a welfare impact of 40% to identify labour supply impacts resulting from employment generation, and a displacement factor of 15%. This benefit is considered only within the adjusted BCR.

Distributional benefits

As of 2018, resident's annual equivalised household incomes in Torfaen were 21% below the national average. To reflect this and the impact that the projects would have on different groups of society in Pontypool, a distributional analysis has been conducted. A distributional weight has been estimated and applied to the economic benefits unlocked by the interventions, following the DLUHC Appraisal Guide. Using the ONS equivalised net income estimates and the elasticity for marginal utility of income (1.3), a distributional weight of 1.36 has been applied to benefits calculated within this appraisal. This benefit is considered only within the adjusted BCR.

Provide a summary of the overall Value for Money of the proposal

5.4.1 (The numbering in this section relates to the LUF application guidance)

The Value for Money (VfM) assessment has been performed using a bespoke economic model, following HMT Green Book and DLUHC appraisal guidance. It includes a robust analysis of the predicted economic benefits and costs. The main benefit that has been assessed arises from the direct and wider land value uplift generation, which is DLUHC's preferred methodology for valuing the economic efficiency benefits derived from converting land into a more productive use. In addition, crime reduction, carbon reduction, labour supply impacts, and distributional benefits have been included in this economic appraisal. An Economic Case Explanatory Note has been appended to the submission providing detail on the VfM appraisal process.

A total of [REDACTED] of economic benefits (PV terms) are expected to be created through the delivery of this package. Of this, it is estimated that [REDACTED] will be due to WLVU, which is the largest economic benefit estimated in this economic appraisal. This WLVU is offset by a negative DLVU benefit of - [REDACTED], which demonstrates that despite these projects not being financially viable without LUF funding, they will act as a catalyst that helps to unlock and revive Pontypool Town Centre. Distributional economic benefits are also sizable within this bid [REDACTED] highlighting the fact that these interventions would occur in an area where residents' incomes have been historically left behind.

Table 1 in the Economic Case Explanatory Note provides a summary of the overall VfM of the individual projects that comprise the package bid, and the package bid itself. Overall, Table 1 shows that the projects have a positive VfM category, under both the initial and adjusted BCRs. In fact, the adjusted BCR represents medium value for money for the Pontypool Park Entrance Café and Glantorvaen Road Car Park projects, and high value for money for the St James' Church project. The adjusted BCR is the appropriate BCR to base decisions on according to DLUHC guidance.

The economic appraisal identifies that the overall package has an initial BCR of 1.40 and an adjusted BCR of 1.97. The adjusted BCR of the three projects range from 1.74 for Glantorvaen Road Car Park and 2.89 for St James Church'.

Given the economic benefits provided by this package bid and its individual elements, and the additional non-monetised benefits outlined in response to

question 5.4.2., there is clear evidence to show the proposals represent excellent VfM and are clearly an effective use of public funds, in an area that has been shown to have a demonstrable need for levelling up.

Upload explanatory note (optional)

Economic Case Explanatory Note - Pontypool Cultural Hub & Cafe Quarter.pdf

Have you estimated a Benefit Cost Ratio (BCR)?

Yes

Estimated Benefit Cost Ratios

Initial BCR	1.40
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Adjusted BCR	1.97
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Describe the non-monetised impacts the bid will have and provide a summary of how these have been assessed

5.4.2 (The numbering in this section relates to the LUF application guidance)

An impact assessment of non-monetary impacts associated with the projects is presented below:

- Perceived safety (moderate beneficial): Torfaen suffers from a lack of a night-time economy, which means the area is quiet and perceived to be unsafe at night. As part of the Pontypool Well-Being Assessment, when asked what could be improved about Torfaen, community safety was the most common answer. The leisure offerings at St James' Church and Pontypool Park Entrance proposals will begin the process of developing a night-time economy in Pontypool. The visitors to these schemes will increase the natural surveillance of the area, improving users perceived safety (as well as actual safety, which is monetised in this appraisal). Many elements of the Glantorvaen Road Car Park are designed to improve perceived safety for users. An internal and external lighting in the scheme will ensure an even and consistent spread of light that minimises the opportunity for anti-social behaviour.
- Image, perceptions of the high street and placemaking (slight beneficial): The leisure offerings of St James' Church and Pontypool Park Entrance Café proposals will encourage community cohesion, enabling different parts of the community to enjoy a shared space and experience. The rear of Pontypool Park Entrance Café will overlook the "Italian Gardens" – a key interface between Pontypool Park and the rest of the town centre. The integration of the café's leisure offering, in conjunction with its placement in the publicly open Italian Gardens will encourage happenstance and casual interactions between different members of the community. Overall, the package creates opportunities for social interaction in an area where residents have historically suffered with high levels of social isolation.
- Community services and community cohesion (large beneficial): High retail vacancy rates in Pontypool Town Centre give the high street a derelict feel. The increased footfall encouraged by the proposals will give the high street increased activity. This will encourage further private investment leading to a very real possibility that the proposed interventions will catalyse activity to bring back into use vacant units. This will further improve the perception of the high street and its sense of place.
- Heritage and environmental benefits (slight beneficial): The redevelopment of St James' Church is an effective use of a valuable heritage asset. Evidence consistently shows that residents value heritage assets which are in use and kept in good condition. Furthermore, there are environmental benefits in terms of embodied carbon associated with the regeneration of an existing unit, as opposed to the demolition and construction of a new unit.

- Accessibility and inclusivity benefits (slight beneficial): The public toilet provision will be improved with the provision of DDA compliant public toilets which will be provided for the first time. Pontypool doesn't currently have any DDA compliant toilets with the exception of a single WC within Pontypool Indoor Market. The provision of these toilets therefore represents a significant accessibility benefit for specific Pontypool residents.
-

Provide an assessment of the risks and uncertainties that could affect the overall Value for Money of the bid

5.4.3 (The numbering in this section relates to the LUF application)

Sensitivity analysis has been undertaken to assess the impact on the overall VfM of the package bid under key assumption adjustments. The sensitivity scenarios considered are as follows:

- WVLU in the core scenario is 3.5% annually over five years. Tests are therefore undertaken assuming uplifts of 3% and 4% to represent reasonable variation either side of the core value;
- Assuming proposals reduce crime by 1% or 10% annually, rather than 5% in the core BCR;
- Optimism bias as the lowest and highest amounts of 2% and 24% were tested, compared to 8.5% in the core BCR; and
- Reduced (75%) and increased additionality (100%) for LVU, from the base case assumption of 85%.

Under these tests, the initial BCRs range from 1.09 to 1.72 and the adjusted BCRs range from 1.54 to 2.40. Refer to Table 14 in the Economic Case Explanatory Note for more detail on these sensitivity test results.

Upload an Appraisal Summary Table to enable a full range of impacts to be considered

Appraisal Summary Table 1

Upload appraisal summary table	Appraisal Summary Table .pdf
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Additional evidence for economic case

None selected

Confirm the total value of your bid

Total value of bid	£9317805
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Confirm the value of the capital grant you are requesting from LUF

Value of capital grant	£7607805
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Confirm the value of match funding secured

Evidence of match funding (optional)	Section 8 - Evidence of Match Funding.pdf
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Where match funding is still to be secured please set out details below

6.1.3 (The numbering in this section relates to the LUF application guidance)

In total, £1,710,000 of match funding has been secured to support this package of interventions.

This comprises of a £750,000 third-party match provided by way of personal guarantee from [REDACTED], Director of Bolwell and Hayward Ltd towards the St. James' Church Cultural Hub, and a further £960,000 from Torfaen County Borough Council towards the Park Entrance Café/Restaurant and Glantorvaen Road Car Park.

Land contribution

If you are intending to make a land contribution (via the use of existing owned land), provide further details below

6.1.4 (The numbering in this section relates to the LUF application guidance)

Bolwell and Hayward Ltd own St. James' Church and whilst this does not form part of the match contribution, this has enabled the intervention to be developed.

Similarly, the Hanbury Road Public Toilets (to be converted into the Park Entrance Café) and the Glantorvaen Road Car Park are both in Torfaen County Borough Council's ownership. Again, whilst they do not form part of the match contribution, they are required for the two interventions to proceed.

Upload letter from an independent valuer

Section 8 - Independent Valuations.pdf

Confirm if your budget includes unrecoverable VAT costs and describe what these are, providing further details below

N/A

Describe what benchmarking or research activity you have undertaken to help you determine the costs you have proposed in your budget

6.1.6 (The numbering in this section relates to the LUF application guidance)

Current members of the Torfaen Council Regeneration team have been working on property redevelopment within Pontypool for over 15 years. During that time, the team have developed a rich knowledge of the condition of infrastructure and property (both public and private) within the town.

This includes St James's Church which has been the subject of several conditions surveys over that 15 year period (1998, 2012, 2014), allowing the team to track the deterioration in the condition of the building. The conditions surveys consistently identify the following key features within the building that require significant repair work:

- Removal of vegetation growth from roof and walls
- Stonework repairs to retaining wall
- External wall repairs
- Localised timber repairs for roofing structure
- New mechanical and electrical systems

- Replastering and internal wall repairs

Whilst the surveys give a useful perspective of the buildings condition over time, this proposal is based on a more detailed and current assessment of the costs of repair and fit out. The property owners started with prices from the 2022 Spons Architect and Builders price books for generic construction items, which were validated through discussions with individual trades. The Cost plan is included in Appendix 9 - Order of Cost Estimates, but significant items are:

- Removal of damaged external structures
- Replacement Welsh slate roof
- Glass and stained glass restoration
- Leadwork and external rainwater goods
- Mechanical and electrical systems
- Cinema fit-out
- Commercial kitchen
- Internal woodwork restoration

The owners have then sought individual quotations for each key feature including (a) scaffolding, (b) external works, (c) internal works, (d) glazing restoration for the purpose of informing the costs.

Regarding the Park Entrance Café and Glantorvaen Road Car Park interventions, the Council has commissioned Capita to undertake design work and the associated order of cost estimates. The concept designs are appended in Appendix 1.

In both cases, the costs have been prepared in accordance with the RICS new rules of measurement – order of cost estimating and elemental cost planning. The cost plan is benchmarked against similar recent projects undertaken by Capita (to mitigate against the risk of recent inflationary pressures in the construction market). Moreover, the cost plan has also been reviewed by Torfaen's in-house quantity surveyor who has extensive experience of building contracts in Torfaen in the current climate.

Assumptions at this stage of cost planning:

- Base date of costs 2Q 2022
- Anticipated start on site date 4Q 2022
- A design and build procurement route
- A fixed price contract
- Any surplus excavated material to be removed from the site
- No risk of contaminated material or ground to be removed
- Competitive tendering of the works
- External doors and roller shutter doors to be security rates
- Professional fees at 20% of construction works costs.

No allocation has been made within the Park Entrance Café of Glantorvaen Road Car Park cost plans for asbestos treatment / removal, statutory fees, out of hours working, ecological surveying, archaeological surveying, land remediation or VAT as we do not anticipate these being required in relation to these two interventions.

In addition to the design and construction works, project management costs will be provided alongside the capital budget proposal. This includes a Grade 8 project manager and Grade 8 financial management plus on costs (a total of £[redacted] in year 1 based on September 22 appointment, £[redacted] in year 2 and £[redacted] in year 3)

The Council's regeneration team have a strong understanding of the current local construction market, having supported 4 property improvements projects in Pontypool town centre in 2021/22 and several more elsewhere within the Borough. The owners of St James's Church also have a strong and current track record in property redevelopment in South Wales and are currently converting properties of a similar scale in Swansea. This gives them a clear and 'live' perspective on current construction prices in the region. As the scheme proceeds into the final design stages, the Council's in-house quantity surveyors will further validate costs at the technical design stage.

Provide information on margins and contingencies that have been allowed for and the rationale behind them

6.1.7 (The numbering in this section relates to the LUF application guidance)

The level of contingency reflects the specific risks facing these three interventions. This includes some general risks that would be associated with

cost escalation on any projects (such as adverse weather, supplier failure and planning conditions), some general risks that are particularly acute at present (such as inflationary pressures within the construction market) and some specific risks linked to these interventions in particular (listed building conditions).

St James' Church

The intervention includes a 7.5% risk allowance. Bolwell and Haywards would normally apply between a 5% and 7.5% allowance depending on the specific areas of risk on the project. There are some clear risks in the order of cost estimates (e.g. listed building consent requirements and the cost of some refurbishment materials, particularly timber and Welsh slate) that would warrant this level of risk allowance. The company and Council have considered whether additional contingency would be required to mitigate the impact of general price inflation in the construction sector, but given that this is a refurbishment project with limited reliance on steels and concrete, the partners are reassured that this level is appropriate. This has been benchmarked against other projects that Bolwell and Hayward Ltd are currently delivering.

Glantorvaen Road Car Park

Rather than a blanket rate, the contingency is apportioned against individual lines within the cost plan to reflect the level of risk with each item. Overall an average contingency of 20% has been allocated (c.5% for design stage, c.5% for construction stage risk, and c.10% for planning / change risks). Construction inflation remains the highest risk. Recent Council-led projects (schools construction) within Torfaen have seen costs increase by 15% over a 2-year period. This is reflected in the level of contingency allocated. To specifically mitigate this, an additional 8% risk allocation for inflation has been built into the project lines.

Park Entrance Café/Restaurant

The same approach has been applied as the Glantorvaen Road Car Park

Describe the main financial risks and how they will be mitigated

6.1.8 (The numbering in this section relates to the LUF application guidance)

The risk register (attached in this section) draws out several risks that may impact the cost profile for the project. These are summarised below. For St James's Church (where the design and build process will be managed by a private sector partner) the risks sit with the partner, and responsibility for mitigating the risk will be addressed within the legal agreement between the two parties. The partner will be solely responsible for meeting cost overruns (and the risk of their failure to do so is covered in risk 1.22 below).

Risk 1.2 highlights the risk to project outcomes if cost estimates increase during the detailed/technical design phase. To mitigate this, the cost plans for all 3 interventions include contingency at a level that is appropriate to the current stage of design (between 7.5% and 20% depending on the intervention and cost line). Moreover, the Council will ensure that the partner holds sufficient resources for the identified contingency by requiring a bond and / or personal guarantees prior to project commencement for their entire match funding amount. The level of contingency required will be reassessed at each design stage.

Risk 1.3 highlights the risk to project outcomes if the private sector partner walks away from the project prior to completion (or enters administration). This will result in a loss of match funding leading to a potential funding shortfall. To mitigate this, the legal agreement with the partner will include a payment schedule with payments being made at agreed stages in arrears, with an even split between LUF and match funding at each stage. Moreover, to assess the extent of the risk of failure, the Council has commenced due diligence assessments of the partner including a Companies House review, an assessment of the credit risk through Experian, and an in-house review of company accounts. The equity in the company is lower than the funding amount, and so the Council will mitigate this by requiring the partner to provide

a bond and / or personal guarantee for the full match funding amount prior to project commencement. The Council will also seek via the legal agreement the right to step in and complete the project using the bond. Should the bond be insufficient, the Council will implement the contingency measures set out below.

Risk 1.7 highlights the risk to project timeframes if the procurement process for design/build becomes protracted. Given construction inflation this has the potential to present a cost risk. To mitigate this, the Council has engaged its in-house procurement team early, and has already appointed a design team to see the project through to procurement stage. Moreover, the private sector partner has already received guidance on acceptable procurement approaches.

Risk 1.10 highlights the risk to project outcomes if the tendered rates are higher than the available budget. Given current construction inflation this has been marked as a high risk. To mitigate this, the Council and partner have both benchmarked the current cost estimates against recent regeneration projects in the area. If necessary, the Council will value engineer at the technical design phase to ensure that an appropriate level of contingency is carried forward into the construction phase.

Risk 1.11 highlights the risk to project budgets if the final outturn exceeds the available budget because of cost escalation during the construction contract. To mitigate this, the Council will establish robust contract management procedures with suppliers to manage contract variations and minimise compensation events.

Risk 1.12 highlights the risk to project timescales if the lead in time for construction materials increases beyond current expectations. Given inflationary pressures in the construction market this may also present a cost risk. To mitigate this, the Council has considered material availability during the concept design stage and has adjusted the designs accordingly.

Risk 1.15 highlights the risk to project budgets if unforeseen planning conditions require works that were not included in the order of cost estimate. To mitigate this, the regeneration team have commenced discussions with the Council's planning and conservation officers. The project proposals are not materially changing the external appearance of the listed building and a provisional sum has been included for unexpected planning requirements. Despite the mitigations, there is always the possibility of residual risk. If this materialises, and costs rise above the budget, the Council will value engineer the interventions down to within the cost envelope (whilst reviewing the impact of this on project outcomes). However, if costs are still higher than the budget the Council would seek to withdraw a project intervention.

Upload risk register

Risk Register for Pontypool Cultural Hub & Cafe Quarter.pdf

If you are intending to award a share of your LUF grant to a partner via a contract or sub-grant, please advise below

6.1.9 (The numbering in this section relates to the LUF application guidance)

To facilitate the regeneration of St James Church the Council will issue a sub-grant to the property's owner. The church is a landmark but now derelict building at the key gateway into Pontypool Town Centre (and at the main interface with the popular Pontypool Park).

St James's Church is owned by [REDACTED] Director of Bolwell and Hayward Ltd [REDACTED] based at 3 Beachcliff, The Esplanade, Penarth, Vale of Glamorgan, CF64 3AS. The company has a track record of delivering regeneration programmes in the region including the Esplanade (Penarth), The Old Baptists Chapel (Castleton) and Newport Passport Office.

The Council has been working with the owner to collate the information needed for this bid. Where required, the Council has scrutinised and

challenged the assumptions made by the owner to reassure itself of the soundness of the concept and costings prior to submission. The Council has reviewed previous examples that show where the owner has delivered similar schemes elsewhere across South Wales, all of which have been delivered successfully. This will continue throughout the process with the Council being an observer on the partner's design team; and the partner being a member of the project board.

The sub-grant will be issued to Bolwell and Hayward Ltd to deliver the following (for draft purposes):

This grant is being issued to renovate the St James's Church property in Pontypool Town Centre in line with the design and access statement and any listed building requirements, and to operate the church as a cultural hub. The grant will cover capital expenditure linked to the renovation of the church. Project management fees and operating costs are to be borne by the owner.

The sub-grant will require the recipient to procure works in accordance with public procurement rules, seeking a minimum of three quotes for works below the tender threshold and requiring a competitive tender for works above. The company has provided a copy of their procurement policy (Appendix 10). This is considered further in section 6.1

The Council will issue the sub-grant via a legal agreement which will set out clear terms and conditions for access to the grant, passporting to the owner the relevant requirements in the award letter issued to Torfaen by UK Government. The contract must be signed before LUF funds will be committed to the scheme. The agreement will cover responsibilities for risk, intellectual property rights, procurement requirements, third party warranties, continuing obligations upon completion of the construction work, dispute resolution, change control/contract variation, contractual performance requirements and remedies, and any other measures which are deemed necessary in order to comply with the Council's obligations in relation to the provision of funding.

As part of the mitigation for risk 1.3, the contract will also address payment schedules. Subject to confirmation at contract stage, payments are expected to be made monthly in arrears to the partner based on contract valuations (which will be reviewed by the Council's quantity surveyor prior to issue of payment). Each valuation will be split, pro-rata, between the Council/partners funding contribution and the Levelling Up fund contribution.

In addition, the legal agreement will also require the owner to provide a bond and / or personal guarantee of £750,000 (the shortfall between estimated total scheme cost and the LUF grant) to mitigate against the risk 1.2 (company failure or withdrawal from the project). The Council will reserve the right to step in to complete the project by accessing the bond / personal guarantee should the company enter administration, become insolvent or irreconcilably fail to comply with the terms and conditions of the grant.

The Council has sought advice in relation to public procurement rules and subsidy controls prior to the submission of this bid and is reassured that (a) the provision of grant funding is not in itself subject to the Public Contract Regulations; and (2) a grant to the owner is permissible under the subsidy control framework on the basis that:

- The grant addresses a particular market failure - namely the regeneration of Pontypool town centre to stimulate a new evening economy
- The project could not progress without the grant funding
- The project is part of a strategic approach to transform the use and vitality of the town centre. It applies match funding with grant funding to regenerate the town centre by encouraging footfall and developing an evening economy.
- There are no identifiable negative effects that would be caused by the project. It is a local project, designed to enable the local area to maximise its potential.

What legal / governance structure do you intend to put in place with any bid partners who have a financial interest in the project?

6.1.10 (The numbering in this section relates to the LUF application guidance)

The governance structure and procedures that we intend to put in place are set out in 6.3.5 and again further in the Delivery Plan (Appendix 7).

The third-party bid partner that has a financial interest in this project is Bolwell and Hayward Ltd. The risks of working with a third-party partner are clearly set out in the risk register but includes and is not limited to, the risk to project outcomes if the private sector partner walks away from the project prior to completion (or enters administration). This could result in a loss of match funding leading to a potential funding shortfall.

In order to mitigate against the risk of working with a third-party, there are 4 'security' elements that the Council will look for:

1. Bond and / or personal guarantees
2. Stage payments: a payment schedule with payments being made at agreed stages in arrears
3. Charge over the subject property / other property
4. Step-in rights if the third party fails to progress to agreed timescales or gets into financial difficulties

Moreover, to assess the extent of the risk of failure, the Council has commenced due diligence assessments of the partner including a Companies House review, an assessment of the credit risk through Experian, and an in-house review of company accounts. The equity in the company is lower than the match funding amount, and so the Council will mitigate this by requiring the partner to provide a bond and / or personal guarantee for the full match funding amount prior to project commencement. The Council will also seek via a legal agreement the right to step in and complete the project using the bond /personal guarantee.

The 'security' elements detailed above will need to be captured in a legal agreement between Torfaen County Borough Council and the third-party Bolwell and Hayward Ltd, the grant recipient company. The Council acknowledges that there may be other obligations placed upon it in terms of securing LUF Funding in the relevant terms and conditions, these will also be transferred by way of legal agreement to the third party including "any other measures deemed necessary in order to comply with the Council's obligations in relation to the provision of funding".

Summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted

6.2.1 (The numbering in this section relates to the LUF application guidance)

The project will need to source the following services / works:

1. Design team for civil engineering works on the car park (to include architectural, quantity surveying, engineering, M&E, energy consultancy and planning advisory services).
2. Design team for the conversion works on Park Entrance Café (to include architectural, quantity surveying, engineering, M&E, conservation and planning advisory services).
3. Design team for the restoration of St James's Church (to include architectural, quantity surveying, conservation, M&E and planning advisory services)
4. Construction works for the Park Entrance Café
5. Construction works for the Glantorvaen Road Car Park
6. Heritage construction works for St James's Church. This may include specialist items such as glazing and timber repairs that will require sub-contracting.
7. Operator for the Park Entrance Café

8. Operator for St James's Church

9. Monitoring and Evaluation commission

10. Client-side project management

Procurement Strategy:

In setting the procurement strategy for the project the Council has been mindful of:

- The project vision: the principal critical success factor for this project is that it delivers transformational change to a key gateway into Pontypool town centre by providing economically viable facilities that can offer a high-quality food, drink and cultural offer to attract a new demographic into Pontypool from the park and surrounding neighbourhoods.

- The nature of the project: the project includes two parties responsible for elements of procurement: the owner of St James's Church for items 3, 6 and 8 above; and the Council for the remaining interventions.

- The state of the supplier market: the project will be delivered at a time of constrained supply in the construction market with significant inflationary risks and a risk of supplier failure.

- The ability to transfer risk: the risk register highlights a range of financial and non-financial risks which would be best managed by the supplier and the Council is seeking a procurement approach transfers risk. However, given the constrained supply in the market the Council's ability to transfer risk without substantial cost or quality penalties may be more challenging.

- Maximising community and environmental benefits: the projects have the potential to create construction and operational employment and training for local people, and to impact positively on the drive for net zero carbon. These are important components of the economic case.

- Legislation and Best Practice Guidance: the public contract regulations (2015 and 2020) consultancy playbook, sourcing playbook, social value model, construction playbook

Options Appraisal:

The Council has assessed procurement options against these 4 aims.

Option 1: Single procurement across all 3 project interventions for detailed design, build and operation.

DISCOUNTED. All 3 project interventions are unique in their requirements from suppliers. One of the interventions is being led by the private partners. A single procurement across the entire project would therefore be impractical and so is not the preferred option.

Option 2: Single procurement for the detailed design, build and operation of each facility.

St James' Church: DISCOUNTED. The owners have an operator in place.

Glantorvaen Road Car Park: DISCOUNTED. The Council currently operates the facility in-house.

Park Entrance Café: LESS PREFERRED The market is unlikely to respond to a DBO procurement for a contract on this scale.

Option 3a: Design & build contract. Operation to be managed by client under a separate procurement arrangement.

St James's Church: DISCOUNTED. The owners have an operator in place.

Glantorvaen Road Car Park: DISCOUNTED: The Council currently operates the facility in-house

Park Entrance Café: LESS PREFERRED. The project vision requires a high-quality design and so the Council does not want to lose control over the design process. There is also a concern about securing a supplier to take on the design risk under the current climate.

Option 3b: Design & build contract. Operation to be managed by client under a separate in-house arrangement.

St James' Church PREFERRED Design & build meet the risk appetite of the owners without losing full control over the quality of the end operator.

Glantorvaen Road Car Park: LESS PREFERRED. The project vision require

high quality design and so the Council does not want to lose control over the design process. There is also concern about the prospect of securing a supplier to take on design risk in the current climate.

Park Entrance Café: DISCOUNTED. The Council does not have an in-house operator.

Option 4a: Separate procurement of detailed design, build and operation
St James's Church: DISCOUNTED. The owners have an operator in place
Glantorvaen Road Car Park: LESS PREFERRED. Separate procurements achieve the appropriate balance between risk, outcomes and benefits. However, procuring for each project separately will increase cost
Park Entrance Café: DISCOUNTED. Separate procurements achieve the appropriate balance between risk, outcomes and benefits. However, procuring for each project separately will increase cost.

Option 4b: Procurement of detailed design, build and operation individually but for both Council projects

St James's Church: DISCOUNTED as above.

Glantorvaen Road Car Park and Park Entrance Cafe: PREFERRED. 3 commissions – design, build and operation done jointly across the two projects manages the risk, controls the cost and maximises the outcomes and benefits.

Preferred Procurement Route: Glantorvaen Road Car Park & Park Entrance Café/Restaurant:

Design Team Selection: An external multi-disciplined professional design consultancy has been commissioned through a competitive tender process to manage the projects from inception to contract completion. The consultants will work closely with TCBC in-house design consultancy team and the Regeneration Team both of whom have over 20 years' experience in managing complex regeneration projects. This approach is consistent with the advice in the Consultancy Playbook.

The external consultancy was procured from the South East Wales Technical and Professional Services Framework (SEWTAPS). Their submission demonstrated that they possess the necessary experience, skills and qualifications to deliver the project.

Works Contractor Selection: The two projects will be let under one contract in order to maximise economies of scale. Contractors will be selected of The South East and Mid Wales Collaborative Construction Framework (SEWSCAP 3), Lot 8. The Framework is compliant with the Public Contract Regulations 2015 and 2020.

The contractors within Lot 8 of the Framework have evidenced as part of the framework tender that they possess the necessary experience and skills to undertake works of this nature.

Social Value: It will be a condition of contract that this project provides significant benefits to the local community during the construction process and the contractor shall fully embrace the aspirations for the creation of local employment, supplier opportunities, partnership working with local agencies including education providers, and work closely with the local community.

These requirements are in line with the Framework Agreement for Lot 8 of the SEWSCAP 3 Framework and will be developed with the successful contractor following appointment.

Net Zero Carbon: As the Authority has declared a Climate Emergency, the design team will be required to incorporate sustainability features which minimise or reduce net carbon emissions.

Contract: The contract will be let under the NEC4 Contract, Option A. Change control management will be carried out in accordance with the conditions of contract. Design risk will lie with the Council, and construction risk with the contractor. Risk workshops will be held regularly through both the design and construction phases.

Resolution Planning: Whilst this is a works contract and falls below the threshold for CRP information, the Council is mindful of mitigating against contractor failure. The Council will retain any IP on the Civic Car Park and Park Entrance Café. Should a supplier fail the Council will seek to issue the contract to a new tenderer as soon as practicable to maintain immediate and short-term continuity of the works contract and ensure project completion.

Operation: The Council will be seeking to procure an operator for the Park Entrance Café. A PIN notice will be issued once the funding award is confirmed, with procurement taking place immediately prior to entering the construction contract. The procurement will include clear quality criteria to ensure that the offer is of a high standard.

Preferred Procurement Route: St James's Church:

Design Team: Once the project commences, Bolwell and Haywards will seek three quotes to appoint a small project team to lead the procurement of the main design and build contract (see below). This will include architectural and quantity surveying expertise.

Works Contractor Selection & Form of contract: The technical design and works will be procured as a design and build contract via an open tender process.

Given the nature of this intervention (restoration of a listed building) a generic JCT or NEC document is not the preferred form of contract. The owners have a specific form of contract that they have successfully used for similar regeneration projects. This will include the standard provisions that we would expect to see to manage key risks, such as the remedying of defects, warranties, performance and dispute resolution.

Preferred Procurement Route: Monitoring & Evaluation

The monitoring and evaluation commission will be procured by the Council by inviting tender submissions through the Sell to Wales platform. The Council will manage the contract.

Preferred Procurement Route: Client Project Management

Client project management costs are set out in the financial case. To minimise management overheads the Council will seek to recruit these roles and incorporate them into the line management structures of the regeneration team. Project team structures are show in Appendix 7 - Delivery Plan.

Who will lead on the procurement and contractor management on this bid and explain what expertise and skills do they have in managing procurements and contracts of this nature?

6.2.2 (The numbering in this section relates to the LUF application guidance)

For those parts of the project being procured by the Council, the procurement and contractor management will be undertaken by Capita.

Capita are a large-scale multinational consulting, transformation and digital services business. They were procured by Torfaen from the South-East Wales Technical and Professional Services Framework (SEWTAPS). Their submission demonstrated extensive experience in the design and management of major construction, regeneration and civils projects across South Wales including Porth Transport Hub, Brewery Yard (Abergavenny) and Jackson's square (Carmarthen). Their submission also evidenced that they had allocated the necessary experience, skills and qualification to deliver the project.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

[REDACTED]

[REDACTED]

Are you intending to outsource or sub-contract any other work on this bid to third parties?

6.2.3 (The numbering in this section relates to the LUF application guidance)

For both Park Entrance Café/Restaurant and Glantorvaen Road Car Park, the lead consultants – Capita, have reviewed the project requirements and assembled a team to provide appropriate resource to ensure the successful delivery of the interventions.

Capita is one of the UK's largest multi-disciplinary practices and will be capable of providing all of the support services required for this project. Contractors will be selected off The South-East and Mid Wales Collaborative Construction Framework (SEWSCAP 3), Lot 8. The Framework is EU compliant, and also complies with the Public Contract Regulations 2015 and 2020. The contractors within Lot 8 of the Framework possess the necessary experience and skills to undertake works of this nature. KPI's are set out under the SESCAP3 Framework and will be monitored.

For St. James' Church, Bolwell & Hayward Ltd has conducted a gap analysis on the work packages to identify the overall requirements of the project in respect to internal and external skills and capabilities to determine where work will be outsourced (see Appendix 12 - Capacity Gap Analysis St James' Church). From the gap analysis a procurement plan will be developed following the project initiation to aligning expectations and organising processes.

The project procurement manager will effectively coordinate the efforts of multiple contractors. During this process, the project manager will create vendor schedules of collective meetings or demonstrations and facilitate communication between contractors when necessary. As a project evolves and progresses, a project procurement manager communicates these changes and advancements to all stakeholders involved. To ensure that all teams and individuals working on the project remain informed on deadlines and schedule changes. The Project procurement manager is responsible for ensuring that any risks to the supply chain are identified, a risk register created and acted upon to reduce that risk to achieving the project objectives and timescales. Maintain visibility of the supply chain, to ensure ease of choosing suppliers, manage relationships, and have a consistent overview of where the biggest risks are at any one time. As part of the procurement strategy, the project procurement manager must form a contingency plan, in the event of a supplier suddenly goes out of business or otherwise cannot fulfil an order or project. However sometimes mitigating risk is accepting that some things may be out of the managers hands. The project procurement manager Deal directly with the risks that they can control but have a plan to minimise any disruption resulting from unplanned events.

How will you engage with key suppliers to effectively manage their contracts so that they deliver your desired outcomes

6.2.4 (The numbering in this section relates to the LUF application guidance)

The Risk Register identifies the construction-stage risks of supplier failure or poor supplier performance. It is important that this risk is managed through prior due diligence, effective contract management and clear remedy arrangements.

Due diligence: All potential works contractors will be listed on the SEWSCAP3 Framework and so will have undertaken extensive due diligence and credit worthiness checks as part of the framework tender process. However, prior to the award of contract on this project the Council will undertake a further credit check using Experian Business Credit Check reports.

In relation to St James's Church, as the responsibility for procurement risks sits with the property owner, the due diligence arrangements on suppliers also sit with the owner. However, the owners have confirmed in advance of this submission that they have suitable procedures in place for engaging and managing key suppliers. Their procedures include a requirement to:

- Coordinate the lead and any subcontractors to ensure that the project goals and objectives are maintained throughout
- Ensure that all lead and subcontractors remain informed on deadlines and schedule changes
- Maintain visibility of the supply chain and potential supply chain to have a consistent overview of where supply chain risks might emerge.
- Provide a clear set of standards that vendors need to meet including setting metrics for key supplier performance
- Balance commercial metrics with those looking at supply chain sustainability so that action can be taken to work with any supplier whose standards slip.

Effective Contract Management: supplier performance on the Glantorvaen Road Car Park and Park Entrance Café/Restaurant interventions will be managed under the contractual conditions set out in the NEC4 contract (option A). This contract will ensure that the performance KPIs agreed as part of the SEWSCAP3 framework are contractually enforceable for this project. The contract will be with the preferred contractor only and not with their sub-contractors or supply chain.

Capita will be responsible for ensuring that the conditions of the NEC4 contract are met. Workmanship and quality will be monitored throughout the construction phase by Capita with a requirement for any defective / poor quality work to be made good.

Capita will also be responsible for ensuring that risks are monitored during the construction phase and that any risks or issues requiring mitigation are raised swiftly for consideration by the project management team (or board depending on the severity of the risk).

Payment Structures: Payments will be made to the suppliers and to the third party in arrears based on contract valuations undertaken by the Council's Quantity Surveyor. It is expected that payments will be made monthly, with each valuation being split pro-rata between the partners/Council's match funding and the Levelling Up funds.

Remedy Arrangements for Defective Work: The NEC4 contract includes suitable provisions for remedying defective works under Sections 44, 45 and 46.

Contingency in the case of contractor failure: The NEC4 contract sets a requirement for the tenderer to act swiftly in the case of sub-contractor failure. Should the lead contractor fail, the Council will need to re-procure. The Council will retain the intellectual property from designs / works to date.

This is the same for the St James's Church intervention – i.e. the property owner's contract would protect against sub-contractor failure, but in the event of a lead supplier failure the owners would need to retender the contract.

Set out how you plan to deliver the bid

6.3.1 (This section relates to the LUF application guidance)

Delivery Plan attached – Appendix 7

Torfaen CBC is the primary delivery body of the “Pontypool Cultural Hub & Café Quarter” project, which is made up of three key components:

1. St. James' Church
2. The Park Entrance Café/Restaurant
3. Glantorvaen Road Car Park

The project is dependent on the award of LUF (circa £7.6M), which will unlock the committed match funding.

St. James' Church, will require both Planning and Listed Building Consent. Both the Park Entrance Café and Glantorvaen Road car park are in Council ownership and will require Planning consent, with positive dialogue, pre-application discussions and in-principle support for the interventions subject to material considerations.

The projects Delivery model will align with established project management processes and methodologies and broadly follow the PRINCE2 structure of a 'Project Team' reporting by exception to a Senior Responsible Owner & higher Management Board (leadership, direction and oversight).

For the structure of the project team, please refer to Appendix 7 or figure 1 of Appendix 8

Torfaen CBC has a proven track record in securing and delivering multi-million external funding packages. It also has an exemplary record of working on bold and complex programmes / projects that regenerate urban centres and communities across the Authorities administrative boundary.

Officers employed by the Council will form the 'Project Team' that will oversee the day-to-day development and delivery of the project, report to the SRO / Project Board and will be supported and informed by an Officer 'Sub-Group'. Further resource will be provided through the proposed creation of two new dedicated Council posts;

- 1) LUF Programme Project Manager
- 2) LUF Programme Finance Manager.

The 'Project Team' will oversee and progress the schemes through RIBA Stages 1-7 and will be supplemented by expertise from multi-disciplined and multinational consultants, Capita (Real Estate & Infrastructure) Ltd.

Bolwell and Hayward properties Ltd (private sector partner and owner) will oversee the St James proposal and have a portfolio of delivering real estate building projects along with letting and operating proficiencies. As the scheme proceeds, the Council's in-house quantity surveyors will further validate works / costs.

The role of Client PM / PM Support will be undertaken by officers within the Councils Regeneration Team, until appropriate recruitment has been undertaken for the proposed new posts. Capita have been commissioned through a competitive tender process to manage the two Council projects from inception to contract completion, supported by TCBC Property Construction Team.

Bolwell and Hayward will bring their vast property development expertise in taking forward this element of the LUF regeneration package. The Council will issue a sub-grant to the property owners, with an appropriate Service Level Agreement (SLA) covering associated responsibilities for risk, intellectual property rights, procurement requirements, third party warranties, continuing obligations upon completion of the construction work, dispute resolution, change control/contract variation, and contractual performance requirements and remedies. Third party staged payments will be provided at agreed points, in arrears, based on works completed and checked by the Council's Property Construction Team.

Project support will be provided by a Design Team-Sub Group, which consists of officers from various relevant teams within the Authority along with the local Community Council for Pontypool Town Centre.

The Regeneration Team will be responsible for coordinating project activities and engagement with Project Team members, private partners and sup group

representatives when required. Appropriate PM methodologies and processes will be utilised to deliver the project and tried and tested reporting tools will be used to monitor and manage progress.

The Works contracts will be tendered via the appropriate Procurement route and compliant with the Council's Contract Standing Orders (CSO) and Procurement Regulations. As per the proposed legal agreement, Bolwell and Hayward will be required to procure works in accordance with these rules.

Consultation on the project has been undertaken with a wide range of stakeholders including, Torfaen's MP, Senedd Member, Cabinet and Leadership Team, local Councillors, residents, businesses, local community groups, youth forum, local public service board, Torfaen Economic Forum, Torfaen Voluntary Alliance and Pontypool Community Council.

Direct involvement will continue to be actively scoped out and encouraged at every opportunity through the further RIBA stages of the project.

It is the policy of TCBC to pro-actively identify, understand and manage the risks associated with project development and delivery in order to make informed and pro-active decisions. Risk management will be the responsibility of the Client / LUF PM, working with the Project Team.

A detailed assessment has initially been undertaken with a LUF project 'Risk Register' prepared to identify and manage risk through development, delivery and operation. Risks are being actively monitored as project activities and knowledge progress. Assessment of the mitigating activities to reduce risks, along with the appropriate responsible owner for each, will continue through the project life cycle (see Figure 2 of Appendix 5)

The project will deliver measurable and achievable outputs, outcomes and impacts in line with the LUF Programme.

Outputs

- A new cultural hub
- 1800 sq ft café / restaurant linking Pontypool TC with Pontypool Park
- A car park with renewable energy generation providing 239 spaces
- Re-purposing of a derelict Grade II Listed Building

Outcomes

- Increased footfall in Pontypool TC
- A cultural and evening economy
- A high-quality food and beverage café / restaurant of 1800sq ft
- Renewable energy provision for car park facility and other public buildings within Pontypool TC
- Additional visitors to Pontypool TC
- Job creation as a result of investment

Impact

- Increased range and quality of town centre uses
- A cultural and evening economy
- Improved environment for town centre users and businesses
- A broadened catchment
- Improved image and perception of Pontypool TC
- Improved parking facility and confidence in its use
- Attraction of further future investment and a basis for sustainable growth

The above project outturns are built into the overall Project delivery programme and LUF Theory of Change Model. These key outputs, outcomes and impacts being achieved at the latter part of project delivery, following construction and operations stages.

The Client PM / LUF PM (once appointed) will have overall responsibility for oversight and reporting on intended project outturns. Day-to-day monitoring and performance management will also be shared and allocated (where appropriate) amongst the Project Team and delivery partner, with group members having collective responsibility for the outcomes planned / achieved.

Demonstrate that some bid activity can be delivered in 2022-23

6.3.2 (This section relates to the LUF application guidance)

LUF project activity during 22-23 will consist of the following activities, subject to a formal funding agreement:

1 – St James' Church:

Commencement of WP 1:

- Planning Approval – submission & outcome
- Prelims and Project Management
- Internal & External scaffolding
- Removal & disposal of damaged structures & foliage

Commencement of WP 2:

- Remediation of internal damp penetration
- Treatment of mould
- Glass & Stain Glass restoration

2 – Park Entrance Café/Restaurant

Commencement of WP 1:

- Planning Approval – submission & outcome
- RIBA Stage 3 – Design

Commencement of WP 2:

- RIBA Stage 4 – Design
- Main contract procurement

3- Glantorvaen Road Car Park:

Commencement of WP 1:

- Planning Approval – submission & outcome
- RIBA Stage 3 – Design

Commencement of WP 2:

- RIBA Stage 4 – Design
- Main contract procurement

Information derived from Delivery Plan and Cost & Planning Workbook.

Risk Management: Set out your detailed risk assessment

6.3.3 (This section relates to the LUF application guidance)

Torfaen County Borough Council (TCBC) recognises the importance of risk assessment, management and mitigation for effective corporate and project level governance. It is acknowledged that Risk management is a process that is continuous and a process that is about understanding and managing risks more effectively.

It is the policy of TCBC to pro-actively identify, understand and manage the risks associated with project development and delivery in order to make informed and pro-active decisions.

Risks management will be the responsibility of the Client Project Manager / LUF Project Manager, working with the Project Design/Delivery Team.

The approach is to

1. Draw up a Schedule of Risks in advance.
2. Identify management steps for minimising risks.
3. Monitor each closely through monthly reports to the Client Project Manager / LUF Project Manager, SRO and Board.
4. Address any issues arising promptly, with clear documentation of who is to undertake what action.

A detailed risk assessment has initially been undertaken with a LUF project 'Risk Register', (please see uploaded Risk Register) prepared to identify and manage risk through development, delivery and operation and accompanies the LUF application. Risks are being actively monitored as project activities

progress and further information becomes available. There will continue to be an assessment of the mitigating activities that can be implemented to reduce the risk along with the appropriate responsible owner for each risk.

The main financial risks associated with this project are set out in 6.1.8, including the proposed mitigation for these risks. The package bid includes a third-party sub-grant to Bolwell and Hayward Ltd to deliver the Cultural Hub at St. James' Church. The Council has been working with this company and has scrutinised and challenged the assumptions made by the company to reassure itself of the soundness of the concept and costings prior to submission, the Council also commissioned RICs accredited RLB to provide verification that third-party costs are both credible, robust and most importantly deliverable.

The governance procedures to manage the grant and project are set out in further detail in section 6.3.5

Provide details of your core project team and provide evidence of their track record and experience of delivering schemes of this nature

6.3.4 (This section relates to the LUF application guidance)

The Torfaen project team have experience delivering programmes in excess of £20M using effective board structures to provide assurance on delivery. The Project Management and Governance structure for this project is provided in Appendix 7. This structure ensures the efficient delivery of the project whilst maintaining effective oversight and management of risk.

The project board includes the following key roles:

Senior Responsible Officer: The SRO will chair the Project Board and will take key decisions within their delegation (the scheme of delegation is included in the Council's constitution). The Chief Officer for Communities, Customer and Digital is SRO for this project: a regeneration practitioner with over 10 years' experience delivering a range of redevelopment, remediation and regeneration programmes. The SRO will be ultimately responsible for ensuring that the project operates effectively to achieve its outcomes, working closely with the wider Leadership Team and elected Members.

Project Manager: The Strategic Regeneration Programme Manager will be the designated project manager. A regeneration practitioner and practicing planner, the PM has delivered a programme of multiple complex projects in Pontypool town centre over the past 3 years as part of the wider regeneration of the town. The PM will be responsible for overseeing the day-to-day operation of the project, reporting into Board on risks, issues, governance and progress.

Activity Manager: The bid requests funding for an activity manager to manage the contractual arrangements with all commissioned third parties and partner organisations to ensure that outputs are delivered on time and within budget. The Activity Manager will be the Council's representative on the Design Teams for all 3 interventions.

Finance Officer: The bid includes provision for a project-wide finance officer who will be responsible for ensuring that financial claims from the Council and from third parties are eligible under the conditions of the grant, and are compliant with relevant legislation on money laundering, fraud, bribery and corruption.

Legal Officer: The Board will include a representative from the Council's in-house legal team. This role will allow the swift consideration and escalation / referral of any legal issues that might emerge during project delivery including procurement queries, third party contractual queries, security of the investment and conflicts of interest.

Partner Representative: The Board will extend an invite to a senior representative from Bolwell and Hayward Ltd – the owners of St James's Church. This will ensure swift decision making and effective change control between the different interventions within the project.

Set out what governance procedures will be put in place to manage the grant and project

6.3.5 (This section relates to the LUF application guidance)

The core project team will both feed into and adhere to the project governance arrangements set out by the newly created Council-wide Programme Management Office (PMO), which has been established to provide additional assurance on corporate priority programmes. The PMO reports directly into the Council's Leadership Team (chaired by the Chief Executive) on a quarterly basis. It will assure the Leadership Team that the suite of corporate priority programmes are on track, on budget and remain aligned to the Council's priorities. It will also allow for the swift escalation of critical issues as they emerge.

In consultation with the Council's Leadership Team, the SRO has delegated authority to take key decisions on any changes to the project's timescales, outcomes or the allocation of funds to project interventions. Should the project require additional resources from reserve (as set out in section 6.1.8) the SRO will seek consent to access reserves from the appropriate Cabinet Member. The SRO will also be responsible for presenting updates on the programme to Cabinet and Council.

The project will be subject to the Council's internal audit and Overview and Scrutiny processes ensuring scrutiny external to the project team at both an officer and political level. Any internal audit would consider the effectiveness of governance arrangements, financial controls, data management, third party spend, and the robustness of project management systems.

This project will be subject to the Council's robust processes to manage cyber and data security, including the requirement to produce Data Protection Impact Assessments for any interventions that might result in a change in how data is processed or handled by the Council.

As set out in section 6.1.9 the Council has undertaken robust due diligence and risk mitigation to ensure that any sub-grant to the third-party owner of St James's Church is subject to the same rigorous assurance process as direct expenditure by the Council. The Council will ensure (through its contractual relationship with the sub-grant recipient) that the owners of St James's Church comply with the Standard of Behaviour, Business Practices and Service User Expectations set out in the Code of Conduct for Recipients of Government General Grants (2018).

If applicable, explain how you will cover the operational costs for the day-to-day management of the new asset / facility once it is complete to ensure project benefits are realised

6.3.6 (This section relates to the LUF application guidance)

The project will result in 3 operational assets post-construction: A cultural hub in St James's Church; a car park targeted at the daytime and evening restaurant/café customers; and a café/restaurant.

St James's Church: The owners have successfully operated restaurant venues across South Wales and have a good track record in developing business models to meet operating costs. This includes restaurant facilities in the Esplanade, Penarth.

The hub will include a cinema, function room, bar-servery and eating space. These facilities are not available within Pontypool Town Centre currently.

Market research (conducted in 2015 by the Council) has showed that there are just 7 cultural centres within a 20-mile radius, all with a very local offer. Despite the lack of provision, there is clearly a demand from Torfaen residents with the borough featuring 11th out of the 22 Welsh authorities in terms of the appetite of residents to attend cultural performances (unique number of bookings as a percentage of the total population). In 2013/14 (the latest Arts Council of Wales figures available at the time of the research) Torfaen had 5779 unique bookers – a population penetration of 6.3%. The "NP4 5" postcode area (south Pontypool) falls within the top 100 postcodes in Wales for use of cultural venues. This indicates considerable demand that is not being met locally requiring long-distance travel.

As part of the project development, the owners will continue to develop the operational business plan for the facility.

Glantorvaen Road Car Park: The Car Park is maintained by the Council. Maintenance costs are included as part of the Council's core budget and currently total ██████ per annum.

Park Entrance Cafe/Restaurant: Torfaen Council currently owns and maintains the toilet facility, with a financial contribution towards the opening and operation of the toilets from the local Community Council.

The park entrance café will continue to be owned by the Council and leased to a tenant who can deliver the quality of provision required by the project. The concept designs accommodate 55 covers. At this level, the Council is confident that it can attract a rental value of ██████ per annum. To validate these assumptions the Council undertook soft-market testing via Sutton Consulting Ltd in April 2022 (see Appendix 13). This indicated a strong appetite from prospective café / restaurant operators with 3 providers remaining in dialogue with the Council.

Upload further information
(optional)

Set out proportionate plans for monitoring and evaluation

6.4.1 (This section relates to the LUF application guidance)

Bid level monitoring and evaluation will be carried out to understand the success of LUF projects, whether they are achieving desired outcomes, and how and why this is the case. These will be aligned to the National LUF M&E Programme.

The key evaluation and learning questions for the local projects are:

- Did assumptions underpinning Theory of Change hold up in practice?
- To what extent can any measured change be attributed to LUF interventions?
- What is the impact of the LUF package and does it provide value for money?

Key components, deliverables and approach

Key deliverables for part of an ongoing M&E cycle and will include:

- Monthly project team progress review meetings
- Quarterly outcome monitoring reports
- Interim Process Evaluations
- Impact Evaluation
- Value for Money Evaluation
- Final report

A Communications Plan will ensure a clear understanding within the Project Team of the benefits to be achieved through project interventions and how these will be monitored and evaluated. This includes dissemination of learnings gained from ongoing M&E cycles throughout project delivery.

An Implementation and Delivery plan sets out the expected timeline over which benefits will arise, providing a framework for monitoring. Monthly project monitoring will allow proactive planning by the project team to address any slippage.

Key stages in the approach to bid level M&E include:

- Profiling and monitoring benefits
- Specific benefits will be outlined for each project, including baseline position, financial spend targets, target delivery schedule, key milestones and target output forecasts. Specific KPIs will be identified to ensure targets are achieved within set delivery schedules and parameters.

- Realising benefits

Identified project staff will track the progress of benefit realisation, ensuring benefits remain relevant, deliverable and valid. Benefits are measurable against agreed targets and acceptance criteria detailed in the KPIs. It will be the responsibility of the Project Manager to ensure that KPIs are met through proactive project management.

- Monitoring and review

The approach will be proportionate to the resource invested in each intervention, making efficient use of existing capacity, data and expertise. This will inform decisions about the shape of the project and highlight areas where additional resource / capacity is required, enabling remedial action to be taken if interventions are not delivering the desired outputs. Data collected will feed into the evaluation.

- Evaluation

Evaluation will consider how the programme has worked from a delivery perspective (process evaluation) and through the experience of beneficiaries (impact evaluation).

Overview of key metrics

Table 3 of Appendix 5 sets out the key performance indicators that have been identified to track progress of the package. It includes sources for monitoring each objective, the frequency of collection and responsibility for this. Regular monitoring updates, in terms of milestones and achievement of outputs, will be provided on a monthly basis to the Programme SRO and Project Boards to inform an ongoing review of the project's delivery.

Governance and resource

Funding will be allocated for the following M&E activities:

- Council officer time to gather, verify and report required monitoring information;
- Independent set-piece evaluation studies, ensuring objective and robust assessment of progress and enabling all stakeholders to provide their views.

The Project Manager within the Council will have overall responsibility for oversight and reporting on performance.

Day-to-day responsibility for monitoring and performance management will be allocated amongst the Project Team, with the team also having responsibility for reporting on finance and spend and wider outcomes achieved.

Appropriate CRM systems will be established prior to project implementation where necessary.

Regular feedback will be given to partners and stakeholders on the progress and performance of the project. This may include focus groups or meetings to discuss any issues identified during the monitoring of the projects and arising from the interim and impact evaluations.

Summary of key outputs, outcomes and impacts

Outputs

- A new cultural hub
- 1800 sq ft café / restaurant linking Pontypool Town Centre with Pontypool Park
- A car park with renewable energy generation providing 239 spaces
- Re-purposing of a derelict Grade II Listed Building
- Employment in food and beverage occupations

Outcomes

- Increased footfall in Pontypool Town Centre
- More diverse base to town centre economy with a cultural and evening economy
- A high-quality food and beverage café / restaurant of 1800 sq ft
- Renewable energy provision for car park facility and other public buildings within Pontypool Town Centre
- Additional visitors to Pontypool Town Centre
- Job creation in the food and beverage sector

Impact

- Increased range and quality of town centre uses
Improved environment for town centre user and business
- A broadened catchment
- Improved image and perception of Pontypool Town Centre

- Improved parking facility and confidence in its use reducing crime and antisocial behaviour
 - Attraction of further future investment and a basis for sustainable growth
-

Senior Responsible Owner Declaration

Upload pro forma 7 - Senior Responsible Owner Declaration LUF Round 2 Pro formas V6.1 Proforma 7.docx

Chief Finance Officer Declaration

Upload pro forma 8 - Chief Finance Officer Declaration LUF Round 2 Proforma 8 Pontypool Cultural Hub and Cafe Quarter.docx

Publishing

URL of website where this bid will be published <https://www.torfaen.gov.uk/en/Home.aspx>

Additional attachments

Additional file attachment 1

Upload attachment Appendix 1 - Pontypool Cultural Hub and Cafe Quarter Visuals.pdf

Additional file attachment 2

Upload attachment Appendix 2 - Subsidy Control - Geldards LLC Legal Advice.pdf

Additional file attachment 3

Upload attachment Appendix 3 Pontypool Placemaking Plan.pdf

Additional file attachment 4

Upload attachment Appendix 4 Communications and Stakeholder Engagement.pdf

Additional file attachment 5

Upload attachment Appendix 5 Tables and Figures .docx.pdf

Additional file attachment 6

Upload attachment Appendix 6 Theory of Change Model and Logic Model for Pontypool Cultural Hub & Cafe Quarter..pdf

Additional file attachment 7

Upload attachment Appendix 7 -Delivery Plan - Pontypool Cultural Hub and Cafe Quarter.pdf

Additional file attachment 8

Upload attachment	Appendix 8 - TCBC Council Minutes and Decisions.pdf
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Additional file attachment 9

Upload attachment	Appendix 9 - Order of Cost Estimates for Pontypool Cultural Hub and Cafe Quarter.pdf
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Additional file attachment 10

Upload attachment	Appendix 10 Bolwell and Hayward Ltd Procurement Policy.pdf
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Additional file attachment 11

Upload attachment	Appendix 11 - Full CV's Design and Professional Team.pdf
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Additional file attachment 12

Upload attachment	Appendix 12 Capacity Gap Analysis - St James Church.pdf
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Additional file attachment 13

Upload attachment	Appendix 13 Market Appraisal by Sutton Consulting Ltd.pdf
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Additional file attachment 14

Upload attachment	Appendix 14 - Letters of Support for Pontypool Cultural Hub and Cafe Quarter.pdf
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Additional file attachment 15

Upload attachment	Appendix 15 - Letter from TCBC Chief Finance Officer.pdf
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Project 1 Name

St James' Church

Provide a short description of this project

The project will see full restoration and refurbishment of a vacant and derelict Grade II Listed church building to provide a commercial leisure / culture offer, including provision for pop up food providers, a cinema and space for other events. St James' Church will offer a unique leisure experience in the mixed-use space provided, and the bar seating area. The establishment will be open in the day and evening, providing a significant improvement to Pontypool's struggling night-time economy.

Provide a more detailed overview of the project

The suite of interventions have been selected (see section 4.2.2) as they work together to deliver this outcome: St James' Church provides the cultural hub component that at present does not exist within Pontypool which will draw in evening footfall. The Park Entrance Café/Restaurant (located directly opposite) provides the high-quality food and beverage offer to complement the cultural

offer and draw customers up from Pontypool Park whilst bringing an iconic derelict building back into use. In order to support these two high quality interventions, safe and secure parking is required to support the patronage to these facilities and enable Pontypool Town Centre to achieve levelling-up. The upgrading of Glantorvaen Road car park addresses this as well as seeks to 'build back greener' in line with the government's agenda by incorporating green technology in it's refurbishment, capable of powering the car park and other public buildings within Pontypool

LUF interventions are clustered around the Hanbury Road / Glantorvaen Road junction:

St. James' Church: located in the heart of town adjacent to the Civic Centre and Register Office, this Grade II Listed building has been vacant for many years. LUF funding will create a high-quality mixed-use cultural hub filled with active multi-purpose spaces (based on the successful Cardiff Chapter Arts centre). It will include a pop-up cinema, pop-up food and exhibition space, a bar-serverly with indoor and outdoor seating, and a community events space to enhance social activity and community cohesion.

Provide a short description of the area where the investment will take place for this project

Pontypool is strategically located in the centre of Torfaen County Borough and is part of the Cardiff Capital Region. The New Town of Cwmbran and the World Heritage Town of Blaenavon are located approximately 6 miles to the south and north respectively. Pontypool is well-connected by strategic highway network, including the A4042 which passes to the town to the east and is a strategic connection between Newport and Abergavenny, the A472 which approaches from the west and A4043 which bisects Pontypool and provides access to the valley towns to the north. Pontypool and New Inn Railway Station provides access to rail services to Newport and Cardiff and Abergavenny through to the wider Marches and Midlands regions. The railway station is located on the edge of the Pontypool settlement, to the southeast of the town. several local bus providers offer a range of local and regional services. The town has good access to the Brecon Beacons National Park, with swift road access and the rail connection to Abergavenny.

The town centre's southern and western boundaries are defined by the A472 (south) and A4043 (west), while the eastern boundary is Pontypool Park. To the north, the town centre bleeds into residential development of the wider settlement. Further residential development is located to the west (beyond the A4043) the east and south (beyond the A472).

Pontypool's central location makes it a key town that supports communities in the upper and central County Borough, but also communities in neighbouring counties. Its future vitality is important to all these communities.

Further location details for this project

Project location 1

Postcode	NP4 6JL
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Grid reference	SO 282007
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Upload GIS/map file (optional)

% of project investment in this location	100%
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Select the constituencies covered by this project

Project constituency 1

Select constituency	Torfaen
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Estimate the percentage of this package project invested in this constituency	100%
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Select the local authorities / NI councils covered by this project

Project local authority 1

Select local authority	Torfaen
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Estimate the percentage of this package project invested in this Local Authority	100%
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What is the total grant requested from LUF for this project?

£1398545

What is the proportion of funding requested for each of the Fund's three investment themes?

Regeneration and Town Centre	0%
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Cultural	100%
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Transport	0%
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Confirm the value of match funding secured for the component project

£750000

Provide details of all the sources of match funding within your bid for this component project

This section should provide details of all the sources of match funding within your bid. Where funding is still to be secured please set out details. If there are any funding gaps please set out your plans for addressing these.

Private sector investment of £750,000 from the owner of St. James' Church will match fund Levelling Up Fund investment to deliver the cultural hub. This is a significant investment for the owner – at a level greater than the end value of the property. Levelling up Fund investment will unlock the owner's commitment to creating a much-needed cultural attractor within Pontypool Town Centre. To date, the public sector has largely led investments that have supported the regeneration of Pontypool Town Centre and such investment

has had a positive impact in removing vacant premises within the town centre and restoring them to beneficial re-use, this has supported new business development contributing to an enhanced sense of pride of place amongst the local community. Private investment on the scale proposed by the owner is a significant and a positive further step forward for Pontypool Town Centre and its local community.

Value for money

St James Church will address the issues outlined in the Theory of Change. It will deliver full restoration and refurbishment of a vacant church building to provide a commercial leisure / cultural offer, including provision for pop up food providers, a cinema and space for other community events.

A range of impacts delivered by the project are monetised in the economic appraisal. These are:

- Direct Land Value Uplift (DLVU) – The TOC demonstrates that low land values in the town centre reflect the lack of economic opportunity in the town centre. DLVU is calculated as the difference between the future land value when the development is completed and the current value of the land. The future land value is defined as the Gross Development Value (GDV), considering potential sale values for the developments, minus the costs incurred by the developer and reasonable profits. Due to the relatively modest improvements to land values in comparison to the construction costs, the DLVU associated with St James Church is negative and valued at [REDACTED]
 - Wider Land Value Uplift (WLVU) – The TOC highlights that the church redevelopment would contribute additional economic activity, footfall and vibrancy in Pontypool town centre. WLVU is included in the appraisal to identify the positive impact of the redevelopment on surrounding commercial and residential property. A variety of case studies have shown that additional leisure facilities and community services has positive impacts on surrounding residential and commercial floorspace. To reflect this uplift, a package-wide uplift of 3.5% annually is applied to residential and commercial land values within a 300m catchment of the intervention sites, with 24% of this benefit assigned to the St James Church project (apportioned by capital cost). The scale of this benefit is [REDACTED] in present value terms.
 - Crime reduction – St James Church would reduce crime directly on site through bringing a derelict site back into use. It would also attract higher footfall and increase natural surveillance. The overall effect of the package on crime reduction is estimated through a 5% annual reduction in crime in Pontypool town centre. This benefit is then monetised through the use of the economic, social and fiscal cost of crime provided in the Greater Manchester Unit Cost Database. The benefit is assigned to individual projects evenly.
 - Labour supply impact – St James Church would provide new employment opportunities associated with the commercial leisure floorspace. The site is estimated to be able to support 17 jobs, according to HCA's Employment Density Guide. The impact of the new employment on welfare is incorporated through the application of the GVA generated by new jobs that would accrue to NEET individuals. The benefit is quantified to have a total value of [REDACTED] in present value terms.
 - Distributional impacts – This represents the use of a 36% distributional weighting applied to other benefit streams under the project to reflect the lower equivalised household income in Pontypool compared to the England and Wales average. This benefit totals [REDACTED] in present value terms.
-

BCR and value assessment

If it is not possible to provide an overall BCR for your package bid, explain why below

It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be reported in applications. If this is not possible, then the application should include a clear explanation of why not.

A BCR for the project is presented. The project is estimated to have an initial BCR of 2.01 and an adjusted BCR of 2.90.

The total initial benefits in Present Value terms total [REDACTED]. This includes wider land value uplift [REDACTED] and crime reduction [REDACTED] although offset by DLVU's negative benefit [REDACTED]. Total adjusted benefits total £1.18m. This includes labour supply impacts [REDACTED] and distributional impacts [REDACTED].

Total economic costs are valued in present value terms at [REDACTED]. Dividing total economic benefits by these costs provides an estimate of the initial and adjusted BCR. For more detail on this calculation, refer to the appended Economic Case Explanatory Note.

Benefit Cost Ratios

Initial BCR	2.01
Adjusted BCR	2.90

Non-monetised benefits for this project

An assessment of the likely non-monetised benefits of the project is presented in question 5.4.2. of the application form. The package would result in the following non-monetised benefits:

- Perceived safety - deemed of moderate beneficial scale;
 - Image, perceptions of the high street and placemaking - deemed of slight beneficial scale;
 - Community services and community cohesion - deemed of large beneficial scale; and
 - Heritage and environmental benefits - deemed of slight beneficial scale;
 - Accessibility and inclusivity benefits - deemed of slight beneficial scale; and
- A description of the non-monetised benefits of the projects is presented in the application form (question 5.4.2).

The St James Church project would contribute to the perceived safety, image, perceptions of the high street and placemaking, community services and community cohesion, and heritage and environmental benefits. In particular, repurposing this heritage asset will drive this non-monetised benefit stream in particular.

Does this project include plans for some LUF grant expenditure in 2022-23?

Yes

Could this project be delivered as a standalone project?

No - the project needs to be part of the overall bid

Demonstrate that activity for this project can be delivered in 2022-23

LUF project activity during 22-23 will consist of the following activities, subject to a formal funding agreement:

- 1 – St James' Church:
Commencement of WP 1:
- Planning Approval – submission & outcome

- Prelims and Project Management
- Internal & External scaffolding
- Removal & disposal of damaged structures & foliage

Commencement of WP 2:

- Remediation of internal damp penetration
 - Treatment of mould
 - Glass & Stain Glass restoration
-

Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

Torfaen County Borough Council has statutory responsibility for Planning and the determination of planning consents. Pre-application discussion with Planning has taken place to inform the submission of full planning applications for both Council-led projects. A draft design and access statement for St. James' Church has been produced and formed the basis of discussion with planning and the Council's Conservation Officer (Uploaded in this section) Cadw has statutory responsibility for the determination of Listed Building Consent – the work package proposed for St. James' Church seeks to reinstate and restore like-for-like and does not propose to extend the building in any way

Upload content documents (optional)

Conservation Officer Response in respect of St. James' Church.pdf

Outstanding statutory powers/consents

Planning Approval – June 2022 – November 2022
Listed Building Consent – June 2022 – November 2022

Project 2 Name

Pontypool Park Entrance Cafe/Restaurant

Provide a short description of this project

The Park Entrance Café/Restaurant proposal; currently a public toilet immediately opposite St. James' Church and at the entrance to Pontypool Park. The space will provide a high-quality lunchtime café / restaurant offer, and will transform into a "small plates"-style restaurant in the evening. Coupled with St. James' Church this building will form a cluster of food and cultural activity stimulating a much-needed evening offer. The café/restaurant will be an 'attractor' from the Park (a strong source of footfall) driving people towards the town centre. It will create opportunities for employment and entrepreneurship in catering for economically inactive Pontypool residents.

Provide a more detailed overview of the project

The suite of interventions have been selected (see section 4.2.2) as they work together to deliver this outcome: St James' Church provides the cultural hub component that at present does not exist within Pontypool which will draw in evening footfall. The Park Entrance Café/Restaurant (located directly opposite) provides the high-quality food and beverage offer to complement the cultural offer and draw customers up from Pontypool Park whilst bringing an iconic derelict building back into use. In order to support these two high quality

interventions, safe and secure parking is required to support the patronage to these facilities and enable Pontypool Town Centre to achieve levelling-up. The upgrading of Glantorvaen Road car park addresses this as well as seeks to 'build back greener' in line with the government's agenda by incorporating green technology in its refurbishment, capable of powering the car park and other public buildings within Pontypool.

Provide a short description of the area where the investment will take place for this project

Pontypool is strategically located in the centre of Torfaen County Borough and is part of the Cardiff Capital Region. The New Town of Cwmbran and the World Heritage Town of Blaenavon are located approximately 6 miles to the south and north respectively. Pontypool is well-connected by strategic highway network, including the A4042 which passes to the town to the east and is a strategic connection between Newport and Abergavenny, the A472 which approaches from the west and A4043 which bisects Pontypool and provides access to the valley towns to the north. Pontypool and New Inn Railway Station provides access to rail services to Newport and Cardiff and Abergavenny through to the wider Marches and Midlands regions. The railway station is located on the edge of the Pontypool settlement, to the southeast of the town. Several local bus providers offer a range of local and regional services. The town has good access to the Brecon Beacons National Park, with swift road access and the rail connection to Abergavenny.

The town centre's southern and western boundaries are defined by the A472 (south) and A4043 (west), while the eastern boundary is Pontypool Park. To the north, the town centre bleeds into residential development of the wider settlement.

Pontypool's central location makes it a key town that supports communities in the upper and central County Borough, but also communities in neighbouring counties. Its future vitality is important to all these communities.

Further location details for this project

Project location 1

Postcode	NP4 6JL
Grid reference	SO 282008
Upload GIS/map file (optional)	Pontypool Park Entrance Café.pdf
% of project investment in this location	100%

Select the constituencies covered by this project

Project constituency 1

Select constituency	Torfaen
Estimate the percentage of this package project invested in this constituency	100%

Select the local authorities / NI councils covered by this project

Project local authority 1

Select local authority	Torfaen
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Estimate the percentage of this package project invested in this Local Authority	100%
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What is the total grant requested from LUF for this project?

£3318309

What is the proportion of funding requested for each of the Fund's three investment themes?

Regeneration and Town Centre	100%
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Cultural	0%
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Transport	0%
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Confirm the value of match funding secured for the component project

£480000

Provide details of all the sources of match funding within your bid for this component project

Torfaen Council is committed to improving the vibrancy and vitality of Pontypool Town Centre and will invest as part of this project to secure the desired impact (i.e. the development of an evening and cultural economy with better links between Pontypool Park and town to attract footfall). To this extent, the council is prepared to provide significant match funding to realise the Park Entrance Café/restaurant redevelopment, through £480,000 of core Council Capital match funding. This is in addition to a commitment of £496,000 for pre-project development.

Value for money

Pontypool Park Entrance Café will address the issues outlined in the Theory of Change. It will deliver the redevelopment and change of use of the Hanbury Road toilets into a high-quality food and drink offer, acting as an attractor and link between the town centre and Pontypool Park.

A range of impacts delivered by the project are monetised in the economic appraisal. These are:

- Direct Land Value Uplift (DLVU) – The TOC demonstrates that low land values in the town centre reflect the lack of economic opportunity in the town centre. DLVU is calculated as the difference between the future land value when the development is completed and the current value of the land. The

future land value is defined as the Gross Development Value (GDV), considering potential sale values for the developments, minus the costs incurred by the developer and reasonable profits. Due to the relatively modest improvements to land values in comparison to the construction costs, the DLVU associated with Pontypool Park Entrance Cafe is negative and valued at [REDACTED]

- Wider Land Value Uplift (WLVU) – The TOC highlights that the Park Entrance Café redevelopment would contribute additional economic activity, footfall and vibrancy in Pontypool town centre. WLVU is included in the appraisal to identify the positive impact of the redevelopment on surrounding commercial and residential property. A variety of case studies have shown that additional food and beverage facilities have positive impacts on surrounding residential and commercial floorspace. To reflect this uplift, a package-wide uplift of 3.5% annually is applied to residential and commercial land values within a 300m catchment of the intervention sites, with 40% of this benefit assigned to the Park Entrance Café project (apportioned by capital cost). The scale of this benefit [REDACTED] in present value terms.
- Crime reduction – The Park Entrance Café would attract higher footfall and increase natural surveillance. The overall effect of the package on crime reduction is estimated through a 5% annual reduction in crime in Pontypool town centre. This benefit is then monetised through the use of the economic, social and fiscal cost of crime provided in the Greater Manchester Unit Cost Database. The benefit is assigned to individual projects evenly. The crime reduction benefits totals [REDACTED] in present value terms.
- Labour supply impact – The Park Entrance Café would provide new employment opportunities associated with the commercial leisure floorspace. The site is estimated to be able to support 19 jobs, according to HCA's Employment Density Guide. The impact of the new employment on welfare is incorporated through the application of the GVA generated by new jobs that would accrue to NEET individuals. The benefit is quantified to have a total value of [REDACTED] in present value terms.
- Distributional impacts – This represents the use of a 36% distributional weighting applied to other benefit streams under the project to reflect the lower equivalised household income in Pontypool compared to the England and Wales average. This benefit totals [REDACTED] in present value terms.

BCR and value assessment

If it is not possible to provide an overall BCR for your package bid, explain why below

A BCR for the project is presented. The project is estimated to have an initial BCR of 1.26 and an adjusted BCR of 1.78.

The total initial benefits in Present Value terms total [REDACTED]. This includes wider land value uplift [REDACTED] and crime reduction [REDACTED] although offset by DLVU's negative benefit ([REDACTED]). Total adjusted benefits total £1.64m. This includes labour supply impacts [REDACTED] and distributional impacts [REDACTED].

Total economic costs are valued in present value terms at [REDACTED]. Dividing total economic benefits by these costs provides an estimate of the initial and adjusted BCR. For more detail on this calculation, refer to the appended Economic Case Explanatory Note.

Benefit Cost Ratios

Initial BCR	1.26
Adjusted BCR	1.78

Non-monetised benefits for this project

An assessment of the likely non-monetised benefits of the project is presented

in question 5.4.2. of the application form. The package would result in the following non-monetised benefits:

- Perceived safety - deemed of moderate beneficial scale;
 - Image, perceptions of the high street and placemaking - deemed of slight beneficial scale;
 - Community services and community cohesion - deemed of large beneficial scale; and
 - Heritage and environmental benefits - deemed of slight beneficial scale;
 - Accessibility and inclusivity benefits - deemed of slight beneficial scale; and
- A description of the non-monetised benefits of the projects is presented in the application form (question 5.4.2).

The Park Entrance Café project would contribute to the perceived safety, image, perceptions of the high street and placemaking, and community services and community cohesion benefits. In particular, repurposing this asset will drive the perceptions non-monetised benefit stream in particular, given it will act as an attractor from the park to the town centre.

Does this project include plans for some LUF grant expenditure in 2022-23?

Yes

Could this project be delivered as a standalone project?

No - the project needs to be part of the overall bid

Demonstrate that activity for this project can be delivered in 2022-23

2. Pontypool Park Entrance Café

Commencement of WP 1:

- Planning Approval – submission & outcome
- RIBA Stage 3 – Design

Commencement of WP 2:

- RIBA Stage 4 – Design
 - Main contract procurement
-

Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

Torfaen County Borough Council has statutory responsibility for Planning and the determination of planning consents. Pre-application discussion with Planning has taken place to inform the submission of full planning applications for both Council-led projects.

The responsible authority for the determination of sustainable drainage approval (SAB applications) is Caerphilly County Borough Council.

Upload content documents (optional)

Outstanding statutory powers/consents

Planning Approval – June 2022 – November 2022

Sustainable Drainage Approval (SAB) – June 2022 – November 2022

Project 3 Name

Glantorvaen Road Car Park

Provide a short description of this project

The Glantorvaen Car Park intervention will refurbish an existing building and will incorporate a renewable energy solar PV roof capable of renewable energy generation to satisfy the power requirements of the facility in addition to providing surplus energy to power public buildings within the town centre. The Council will make sure through its contractor procurement process that both Council-led interventions will deliver the highest possible standard for energy use and CO2 emissions that can be practically delivered and are viable. The town centre location is also sustainable as it connects the interventions and the wider catchment area and communities that it serves to existing public transport and active travel routes, supporting modal choice for town centre users. All of these measures contribute towards the target of net zero emissions by 2050.

Provide a more detailed overview of the project

The suite of interventions are clustered around the Hanbury Road / Glantorvaen Junction of Pontypool Town Centre and work together by:

- providing much needed new uses
- boosting local pride
- bringing a prominent derelict building back into use
- linking footfall from an Historic Park and Garden with the town centre, creating greater footfall
- satisfying unmet demand stimulating commercial demand and further investment.
- Providing safe, modern and secure parking that instils confidence in its use and provides a facility to support increased patronage to the town centre

Whilst St. James' Church will provide a cultural hub offer that presently does not exist within Pontypool and the Park Entrance Café/Restaurant (located directly opposite) will provide a high-quality food and beverage offer to complement this cultural offer, safe and secure parking is required to support the patronage to these facilities and enable Pontypool Town Centre to achieve levelling-up. The upgrading of Glantorvaen Road car park addresses this as well as seeks to 'build back greener' in line with the government's agenda by incorporating green technology in it's refurbishment, capable of powering the car park and other public buildings within Pontypool

Upgrading the parking facilities in this location is critical to the success of the cultural hub at St. James' Church and the Park Entrance Café/restaurant. In order to kick-start an evening economy, town centre users will need to feel confident and feel safe using the parking facilities available during hours of darkness. The costs associated with upgrading car parking could not be realised without public sector funding as they would not yield a return for the private sector. The private sector would clearly not invest in a proposal that does not generate revenue income. Whilst charging for car parking was considered in relation to this project, the overwhelming consensus was that this would be counterproductive at a point in time when footfall is relatively low and at a point in time where we are seeking to regenerate Pontypool Town Centre.

Provide a short description of the area where the investment will take place for this project

Pontypool is strategically located in the centre of Torfaen County Borough and is part of the Cardiff Capital Region. The New Town of Cwmbran and the World Heritage Town of Blaenavon are located approximately 6 miles to the south and north respectively. Pontypool is well-connected by strategic highway network, including the A4042 which passes to the town to the east and is a strategic connection between Newport and Abergavenny, the A472 which approaches from the west and A4043 which bisects Pontypool and provides access to the valley towns to the north. Pontypool and New Inn Railway Station provides access to rail services to Newport and Cardiff and Abergavenny through to the wider Marches and Midlands regions. The railway station is located on the edge of the Pontypool settlement, to the southeast of the town. Several local bus providers offer a range of local and regional services. The town has good access to the Brecon Beacons National Park, with swift road access and the rail connection to Abergavenny.

The town centre's southern and western boundaries are defined by the A472 (south) and A4043 (west), while the eastern boundary is Pontypool Park. To the north, the town centre bleeds into residential development of the wider settlement. Further residential development is located to the west (beyond the A4043) the east and south (beyond the A472).

Pontypool's central location makes it a key town that supports communities in the upper and central County Borough, but also communities in neighbouring counties. Its future vitality is important to all these communities.

Further location details for this project

Project location 1

Postcode	NP4 6YB
Grid reference	SO 281007
Upload GIS/map file (optional)	Glantorvaen Road Car Park.pdf
% of project investment in this location	100%

Select the constituencies covered by this project

Project constituency 1

Select constituency	Torfaen
Estimate the percentage of this package project invested in this constituency	100%

Select the local authorities / NI councils covered by this project

Project local authority 1

Select local authority	Torfaen
Estimate the percentage of this package project invested in this Local Authority	100%

What is the total grant requested from LUF for this project?

£2890951

What is the proportion of funding requested for each of the Fund's three investment themes?

Regeneration and Town Centre	100%
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Cultural	0%
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Transport	0%
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Confirm the value of match funding secured for the component project

£480000

Provide details of all the sources of match funding within your bid for this component project

Torfaen Council is committed to improving the vibrancy and vitality of Pontypool Town Centre and will invest as part of this project to secure the desired impact (i.e. the development of an evening and economy with better links between cultural Pontypool Park and town to attract footfall). To this extent, the council is prepared to provide significant match funding to realise the Glantorvaen Road Car Park redevelopment, through £480,000 of core Council Capital match funding. This is in addition to a commitment of £496,000 for pre-project development.

Value for money

The Glantorvaen Road Car Park will address the issues outlined in the Theory of Change. It will deliver an internal and external refurb/cladding of the existing Glantorvaen Road Car Park increasing lighting, natural surveillance and antisocial behaviour to encourage both day and night-time use. The proposal includes a new external and fully glazed access stairwell, carbon reduction design measures, and a solar PV electricity generating roof to improve its green credentials.

A range of impacts delivered by the project are monetised in the economic appraisal. These are:

- Direct Land Value Uplift (DLVU) – The TOC demonstrates that low land values in the town centre reflect the lack of economic opportunity in the town centre. DLVU is calculated as the difference between the future land value when the development is completed and the current value of the land. The future land value is defined as the Gross Development Value (GDV), considering potential sale values for the developments, minus the costs incurred by the developer and reasonable profits. Due to the relatively modest improvements to land values in comparison to the construction costs, the DLVU associated with the Glantorvaen Road Car Park is negative and valued at -£1.90m.
- Wider Land Value Uplift (WLVU) – The TOC highlights that the Glantorvaen Road Car Park redevelopment would contribute additional economic activity, footfall and vibrancy in Pontypool town centre. WLVU is included in the

appraisal to identify the positive impact of the redevelopment on surrounding commercial and residential property. A variety of case studies have shown that additional food and beverage facilities have positive impacts on surrounding residential and commercial floorspace. Further information on these case studies is presented in the appended Economic Case Explanatory Note. To reflect this uplift, a package-wide uplift of 3.5% annually is applied to residential and commercial land values within a 300m catchment of the intervention sites, with 36% of this benefit assigned to the Park Entrance Café project (apportioned by capital cost). The scale of this benefit is [REDACTED] in present value terms.

- Crime reduction – The Park Entrance Café would attract higher footfall and increase natural surveillance. The overall effect of the package on crime reduction is estimated through a 5% annual reduction in crime in Pontypool Town Centre. This benefit is then monetised through the use of the economic, social and fiscal cost of crime provided in the Greater Manchester Unit Cost Database. The benefit is assigned to individual projects evenly. The crime reduction benefits totals [REDACTED] in present value terms.

- Carbon reduction – Based on energy figures provided by the existing Car Park, the current site uses 220,000 kWh of energy annually. Following redevelopment, it is estimated that this annual energy usage will drop to 142,000 kWh. This benefit totals [REDACTED]

- Distributional impacts – Distributional weighting captured through the inclusion of this standalone distributional benefit. This represents the use of a 36% weighting applied to other benefit streams under the project to reflect the lower equivalised household income in Pontypool compared to the England and Wales average. This benefit totals [REDACTED] in present value terms.

BCR and value assessment

If it is not possible to provide an overall BCR for your package bid, explain why below

A BCR for the project is presented. The project is estimated to have an initial BCR of 1.28 and an adjusted BCR of 1.74.

The total initial benefits in Present Value terms total [REDACTED]. This includes wider land value uplift [REDACTED], carbon reduction [REDACTED] and crime reduction [REDACTED], although offset by DLVU's negative benefit [REDACTED]. Total adjusted benefits total [REDACTED] and come solely from distributional impacts.

Total economic costs are valued in present value terms at [REDACTED]. Dividing total economic benefits by these costs provides an estimate of the initial and adjusted BCR. For more detail on this calculation, refer to the appended Economic Case Explanatory Note.

Benefit Cost Ratios

Initial BCR	1.28
Adjusted BCR	1.74

Non-monetised benefits for this project

An assessment of the likely non-monetised benefits of the project is presented in question 5.4.2. of the application form. The package would result in the following non-monetised benefits:

- Perceived safety - deemed of moderate beneficial scale;
- Image, perceptions of the high street and placemaking - deemed of slight beneficial scale;
- Community services and community cohesion - deemed of large beneficial scale; and
- Heritage and environmental benefits - deemed of slight beneficial scale;
- Accessibility and inclusivity benefits - deemed of slight beneficial scale; and

A description of the non-monetised benefits of the projects is presented in the application form (question 5.4.2).

The Glantorvaen Road Car Park project would contribute to the perceived safety, image, perceptions of the high street and placemaking, community services and community cohesion, and accessibility and inclusivity benefits. In particular, reproviding DDA-compliant toilets will drive accessibility and inclusivity benefit stream in particular.

Does this project include plans for some LUF grant expenditure in 2022-23?

Yes

Could this project be delivered as a standalone project?

No - the project needs to be part of the overall bid

Demonstrate that activity for this project can be delivered in 2022-23

3. Glantorvaen Road Car Park
Commencement of WP 1:
• Planning Approval – submission & outcome
• RIBA Stage 3 – Design

Commencement of WP 2:
• RIBA Stage 4 – Design
• Main contract procurement

Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

Torfaen County Borough Council has statutory responsibility for Planning and the determination of planning consents. Pre-application discussion with Planning has taken place to inform the submission of full planning applications for both Council-led projects.

The Sustainable Drainage Approval Body (SAB) is Caerphilly County Borough Council.

Upload content documents (optional)

Outstanding statutory powers/consents

Planning Approval – June 2022 – November 2022
Sustainable Drainage Approval – June 2022 – November 2022
