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## CYFLWYNIADA

**Pwyllgor** PWYLLGOR CRAFFU'R ECONOMI A DIWYLLIANT

**Dyddiad ac amser  
y cyfarfod** DYDD MAWRTH, 9 EBRILL 2019, 4.30 PM

Os gwelwch yn dda gweler ynghlwm y Cyflwyniad(au) a ddarperir yn y Cyfarfod Pwyllgor

10 **Cyflwyniadau** (*Tudalennau 3 - 56*)

Mae'r dudalen hon yn wag yn fwriadol



## Building More and Better Jobs Economic Strategy



# Consultation Summary

## Respondents:

- Local Councillors
- Large businesses
- SMEs
- Local residents
- Diverse Cymru
- Third sector organisations
- Business Improvement District
- Neighbouring local authorities
- City-region organisations
- Business representative organisations
- Universities
- FSB – 10,000 members in Wales
- FOR Cardiff – over 700 members in Cardiff
- Wales Co-operative Centre – over 75 social enterprises in Cardiff
- Diverse Cymru – equality organisation funded by 8 public sector bodies
- Creative Cardiff – 1780 individuals and 430 organisations
- Cardiff Capital Region Business Council – 9 board members representing business and business support organisations



# Consultation Summary

## Responses:

- Very positive responses (generally!)
- Transport and Connectivity
- Cluster Development
- Support Business Development
- Inclusive Growth
- Skills
- Wellbeing
- Industrial Strategy



# Consultation Summary

	Green Book Assessment (HM Treasury)	Growth Deals Assessment (DCLG)	ERDF (European Union)	Inclusive Growth Decision Making Framework
Logic Testing	<b>Strategic Case:</b> What is the case for change? What problem is being solved and why is the lol best option?	<b>Strategic Case:</b> What is the case for intervention, market failure, or opportunities to accelerate?	<b>Strategic Case:</b> How does the project fit with specific call for proposals?	<b>Strategic Case</b> Will the lol support Inclusive Growth and if so, how?
Commercial Viability	<b>Commercial Case:</b> Is the lol attractive to commercial providers and which procurement procedure is best?			
Inclusive Growth Impact				<b>Inclusive Growth Impact</b> What is the estimated impact per capita?
Value for Money	<b>Economic Case:</b> Is the lol good value for money? What is the CBA? Will ongoing costs be reduced?	<b>Value for money Case:</b> What is the return on GVA? (e.g. the total GVA produced per £1 spent)?	<b>Value for Money Case:</b> What is the unit cost of outputs against quality?	
Financial Probiity	<b>Financial Case:</b> Is it affordable to the funder. How is it funded and what is the cost?			
Operational Probiity	<b>Management Case:</b> Does the funder have the capacity to manage the lol and mitigate risk?	<b>Delivery and Risk Case:</b> Does the funder have the capacity to manage and mitigate risk?	<b>Deliverability Case:</b> Can the project be delivered in the time period?	<b>Operational Considerations:</b> Can the project be managed to maximise inclusive growth?

**Cyber  
Security**

**AdTech**

**FinTech**

**RegTech**

**Creative  
Digital**



DRAGONGATE





## White Paper - Objectives

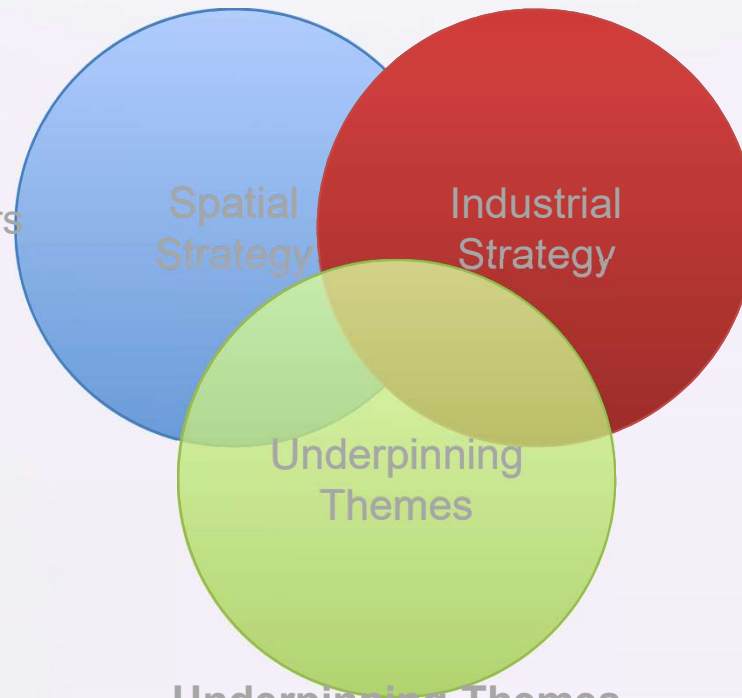
- Generate 20,000 additional jobs for the city-region
- Complete Wales' first significant commercial business cluster
- Establish Cardiff Bay as a leading UK urban visitor destination in its own right
- Put Cardiff at the heart of the UK's Creative and Digital sector
- Position Cardiff as a national centre for 'Reg-Tech' as part of a fin-tech and cyber security cluster
- Strengthen Cardiff's place as the focal point for the Wales' advanced manufacturing sector, focussing on compound semi-conductors and the life sciences sector
- Support our city's communities and districts to take advantage of the city's growth
- Establish stronger city-region governance that delivers for Wales

# 3 Elements



## **Spatial Strategy**

Provides clarity for investors  
Delivers agglomeration



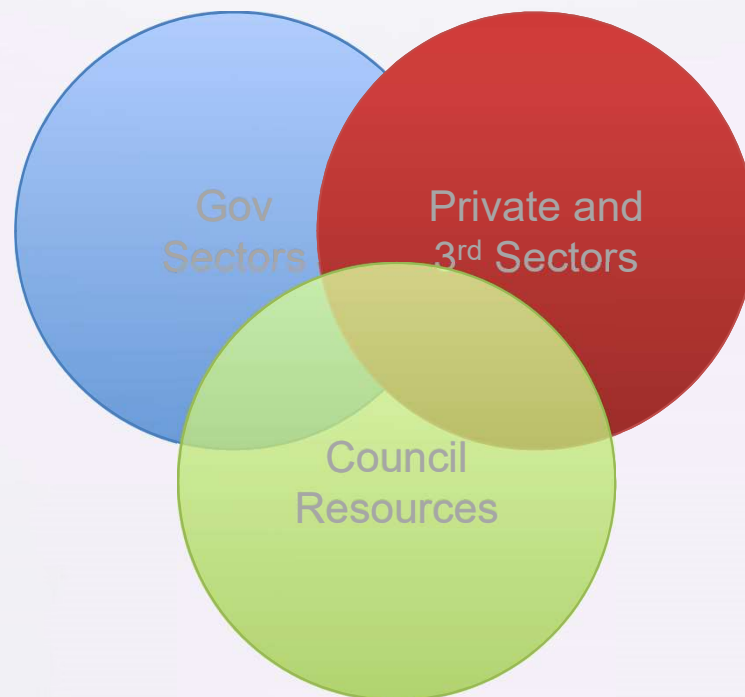
## **Industrial Strategy**

Looks towards UK Gov / SPF  
Focus on increasing productivity

## **Underpinning Themes**

Looks at impact on residents and business

# How we will deliver



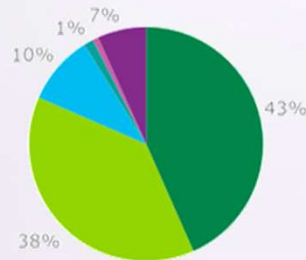


## Spatial Strategy

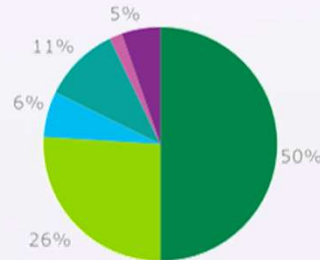
- **Key Priority 1: Metro Central and the City Centre**
- **Key Priority 2: Kick-starting the Bay**
- **Key Priority 3: A New Focus on Industry – Cardiff East**
- **Key Priority 4: The Knowledge Corridor**
- **Key Priority 5: Continuing Our Sporting and Cultural Renaissance**



Cardiff city centre



England and Wales city centre average



■ Office
 ■ Retail
 ■ Food and Leisure
 ■ Industrial
 ■ Warehouse
 ■ Other

- Successful city centres have 3x more office than retail space
- Quality is important – Cardiff does well
- Commercial space must be protected

### City Centre Spatial Analysis Source: Centre for Cities

	City Centre Office	City Centre Retail	City Centre Size	radius of city centre (miles)
London	76%	11%	London	2
Birmingham	40%	19%	Large	0.8
Bristol	51%	20%	Large	0.8
Leeds	52%	21%	Large	0.8
Liverpool	45%	29%	Large	0.8
Manchester	55%	21%	Large	0.8
Newcastle	43%	35%	Large	0.8
Nottingham	35%	32%	Large	0.8
Sheffield	38%	24%	Large	0.8
<b>Cardiff</b>	<b>43%</b>	<b>38%</b>	<b>Medium</b>	<b>0.5</b>



### **Key Priority 1: Metro Central and the City Centre**

- Deliver the £180m Metro Central project
- Complete the Central Quay and Capital Quarter Developments
- Connect the city centre with the Bay through the Dumballs Road redevelopment
- Link the Central Square development through the South Riverside Business Corridor



### **Key Priority 2: Kick-starting the Bay**

- Deliver the 15,000 seat Indoor Arena
- Connect the Bay to the City Centre through the 'Highline'
- Provide additional temporary and permanent commercial space
- Develop an iconic home for contemporary arts and culture
- Establish an anchor visitor attraction at Alexandra Head





**Key Priority 3: A New Focus on Industry**

- Build a new Cardiff Parkway Station at St. Mellons
- Publish an East Cardiff Development Strategy
- Complete the Eastern Bay Link Road
- Establish an Eastern Distribution Centre to exploit infrastructure improvements
- Link development in the centre and East through the Adamsdown and Roath Business Corridor



#### **Key Priority 4: The Knowledge Corridor**

- Complete the new Innovation Campus
- Establish a new life sciences park on Junction 32 of the M4

#### **Key Priority 5: Continuing Our Sporting and Cultural Renaissance**

- Deliver a new masterplan for the International Sports Village
- Support the development of a new home for Sport Wales
- Invest and support investment in new sport facilities, from elite sport to community clubs and teams.

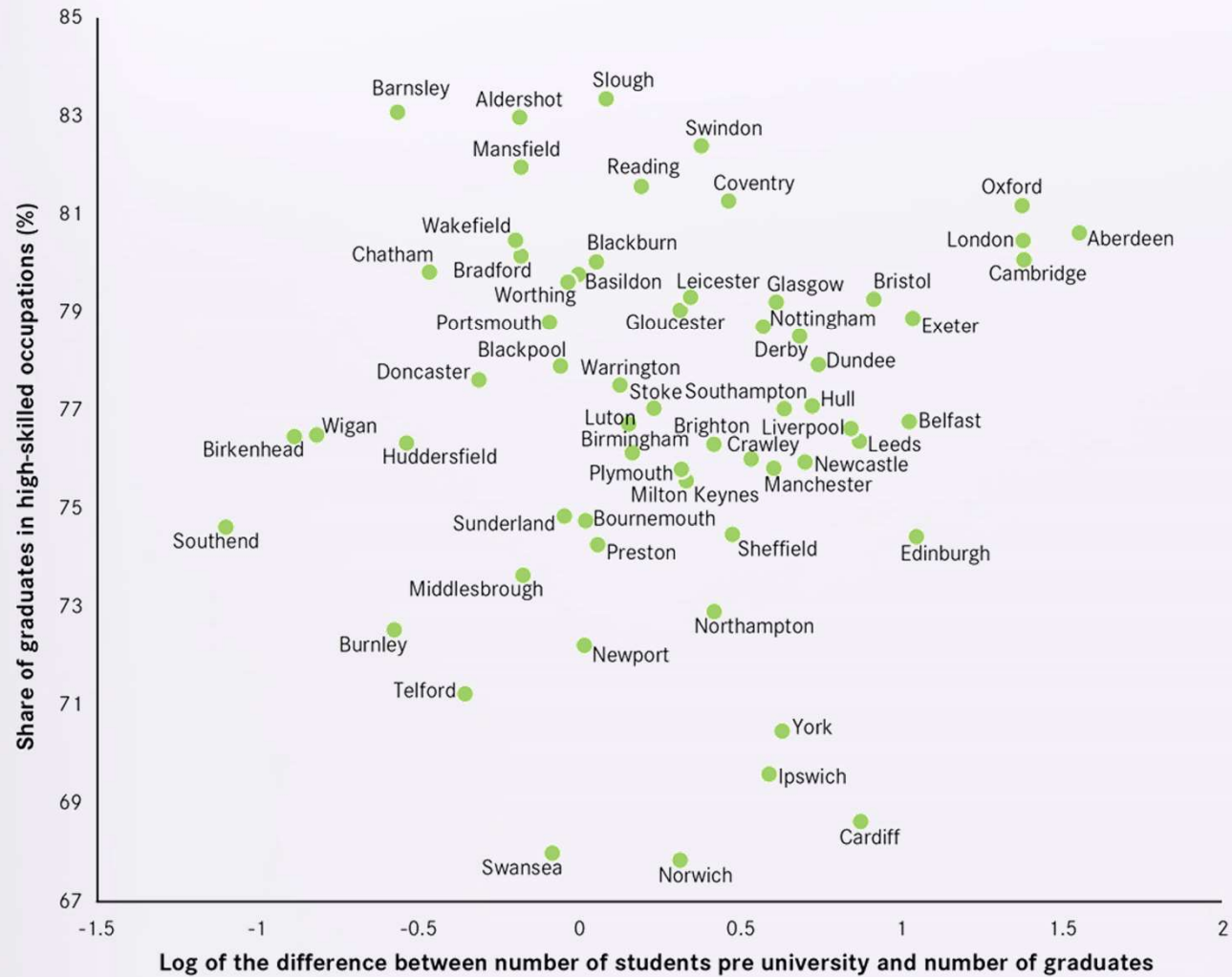




# Industrial Strategy

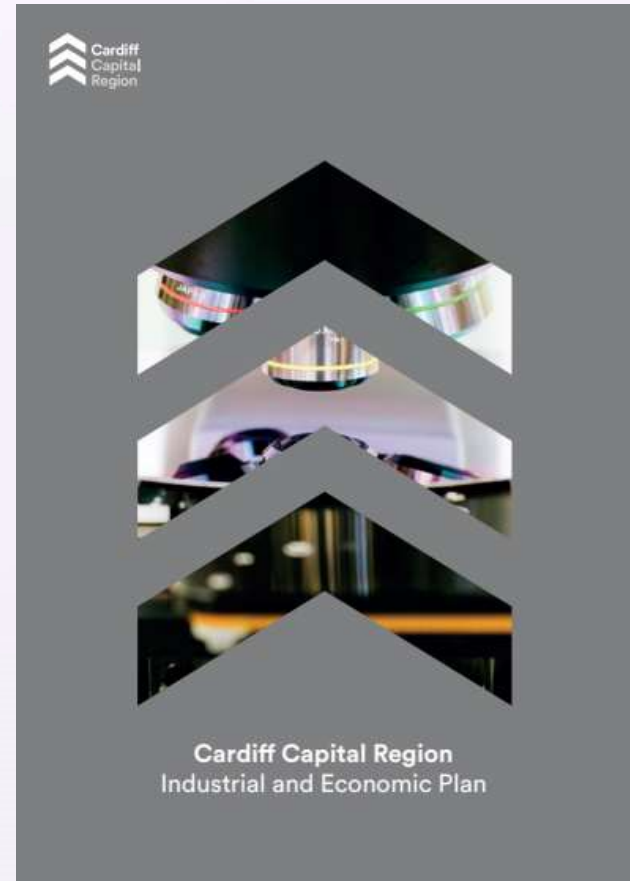
- **Key Priority 1:** The city as a Creative and Digital Accelerator
- **Key Priority 2:** The World's Leading Compound Semi-Conductor Cluster
- **Key Priority 3:** The UK's dedicated Reg-Tech and Fin-Tech Cluster
- **Key Priority 4:** A new approach to Life Sciences







- Compound Semiconductors, its supply chain and applications
- FinTech
- Cyber Security Analytics
- Artificial Intelligence and Data Science
- Creative Economy
- Life sciences and more specifically the medical devices and diagnostics sub-sectors
- Transport Engineering – automotive, trains and aircraft





### **Key Priority 1: The city as a Creative and Digital Accelerator**

- Put in place a 'Creative and Digital Accelerator' programme to establish Cardiff as a UK centre for innovation in the creative industries, including both incubation, enterprise and skills programmes
- Establish an internationally significant creative and digital showcase programme
- Deliver a Music Strategy for Cardiff



### **Key Priority 3: The UK's dedicated Reg-Tech and Fin-Tech Cluster**

- Establish a Fin-Tech and Reg-Tech Accelerator and Academy programme
- Promote the sector to new and expanding businesses, as well as the public sector, as a competitive business location
- Provide space for the expansion of the sector through our Spatial Strategy



# Industrial Strategy



## **Key Priority 2: The World's Leading Compound Semi-Conductor Cluster**

To deliver this key priority we will:

- Support the development of CS Connected – the world's first semiconductor cluster
- Provide space for the expansion of the sector through our Spatial Strategy

## **Key Priority 4: A new approach to Life Sciences**

To deliver this key priority we will:

- Establish a new Life Sciences Park for Wales on the junction between the M4 and A470
- Establish a healthcare focussed Collaborative Centre for Learning, Technology and Innovation
- Provide space for the expansion of the sector through our Spatial Strategy



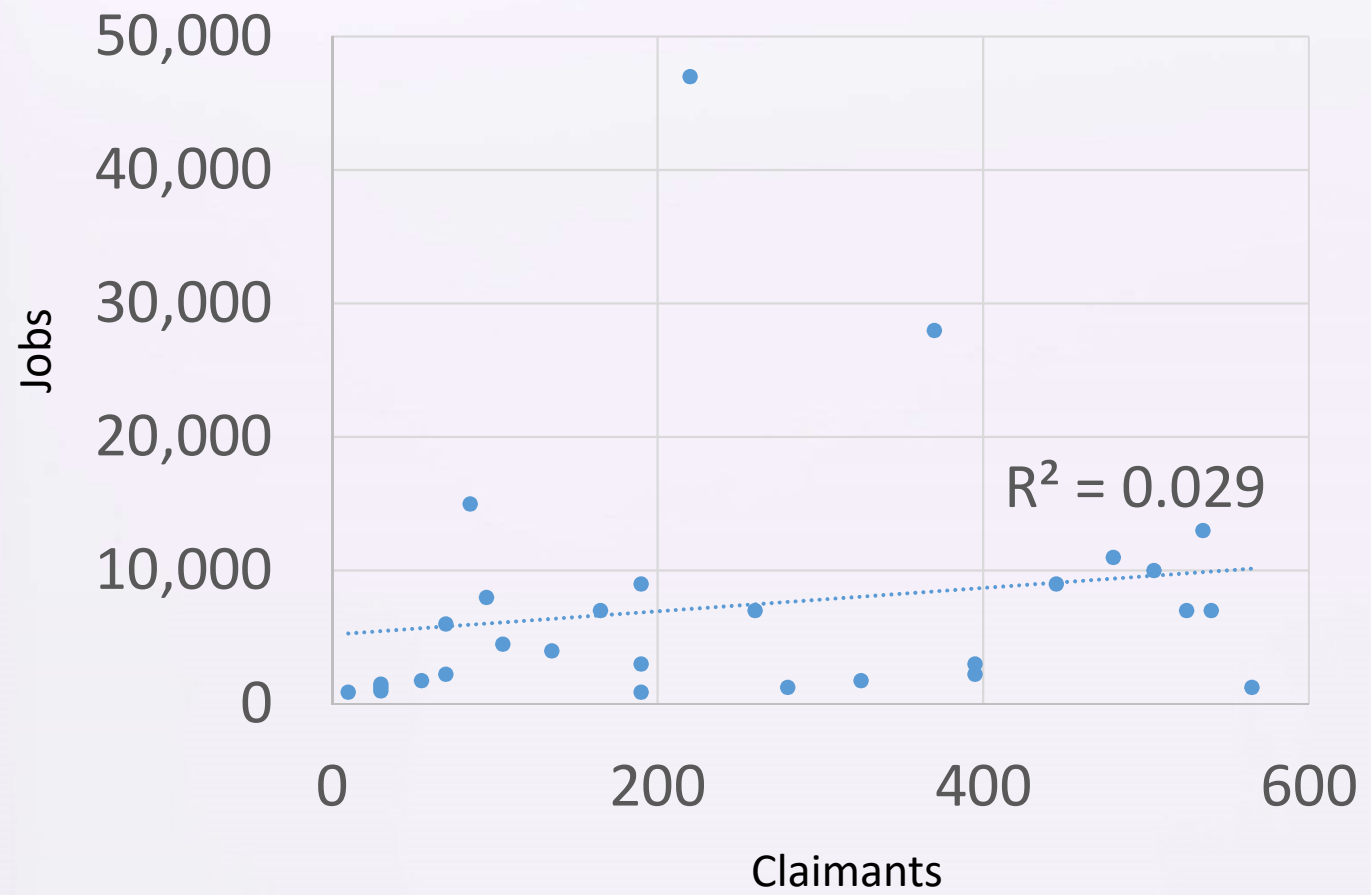
# Grand Challenges

Project	Challenge
SMART Cities Strategy	Artificial Intelligence and data
Metro Central	Future of mobility
Central Quay	Artificial Intelligence and data Future of mobility
Cardiff Parkway	Clean growth Artificial Intelligence and data Future of mobility
Cardiff Innovation System	Ageing society
Coryton Life Science Park	Ageing society
Cardiff Circle Line	Ageing society
Creative and Digital Showcase	Artificial Intelligence and data
Creative and Digital Accelerator	Artificial Intelligence and data
Creative and Financial Services Network	Artificial Intelligence and data
Fin-Tech and Reg-Tech Accelerator	Artificial Intelligence and data
CS Connected - Compound Semi-Conductor Cluster	Artificial Intelligence and data



## Underpinning Themes

- **Key Priority 1:** Inclusive Growth and Skills
- **Key Priority 2:** Developing Business throughout the City
- **Key Priority 3:** Enabling Infrastructure
- **Key Priority 4:** A Working City-Region





### **Key Priority 1: Inclusive Growth and Skills**

- Expand our city's Into Work advice services
- Become recognised as a Living Wage City
- Provide targeted skills and enterprise support for young people across all our priority sectors
- Sign up over 500 businesses to the Cardiff Commitment
- Ensure economic development priorities are aligned with schools, training and skills provider priorities





**Key Priority 2: Developing Business throughout the City**

- Support the development of Business Improvement Districts across the city
- Support the development of workshops across the city's district centres, supported through planning gain contributions
- Establish a Trade and Investment programme for the city.
- Promote the Socially Responsible Procurement Policy

**Key Priority 3: Enabling Infrastructure**

- Develop Metro Central and Parkway
- Support the development of the city's Transport White Paper
- Establish a new digital infrastructure plan for the creative and fin-tech / reg-tech sectors
- Explore the use of Tax Increment Finance to enable us to deliver world class infrastructure



**Key Priority 4: A Working City-Region**

- Align our Economic White Paper with the city-region Industrial Strategy
- Establish robust, democratic accountable governance for the city-region that has power and resource to make change
- Collectively promote the city-region



# Indicators

	Cardiff	Wales	UK	Core City Rank
GVA per head (2016)	£27,480	£19,140	£26,621	5 <sup>th</sup>
Jobs Growth (2017-2018)	6.0%	0.7%	1.2%	5 <sup>th</sup>
Unemployment rate (Dec 2017)	6.1%	4.8%	4.4%	4 <sup>th</sup>
Visitor Spend (2017)	£1,325m	n/a	n/a	n/a
Gross Disposable Household Income per head (2016)	£16,769	£15,835	£19,432	3 <sup>rd</sup>
The amount of 'Grade A' office space committed to in Cardiff (sq. ft.)	366,000	n/a	n/a	n/a
Employee jobs with hourly pay below the living wage (2017)	20.7%	24.7%	22.0%	5 <sup>th</sup>
Percentage of population aged 16-64 qualified NVQ4+ (2017)	48.0%	35.1%	38.4%	2 <sup>nd</sup>
Earnings (2017 Weekly Resident FT Gross)	£538.5	£505.9	£550.4	2 <sup>nd</sup>
Employment Rate (Female as % of all)	67.4%	69.0%	70.3%	5 <sup>th</sup>
Earnings – FT Weekly Pay – bottom decile as % of median	61%	62%	58%	5 <sup>th</sup>
Employment Rate (BAME as % of all) Apr 2017-Mar 2018	59.0%	60.5%	64.8%	2 <sup>nd</sup>
Employment Rate (EA core disabled as % of all) Apr 2017-Mar 2018	43.7%	45.2%	50.8%	6 <sup>th</sup>
Percentage of households in poverty	16%	15%	n/a	n/a
Long-term JSA Claimants	56%	42%	42%	3 <sup>rd</sup>
Claimant Count - % of ward with highest claimant count vs city average	210%			
CO2 Emissions per capita	5.1	8.7	5.9	3 <sup>rd</sup>

# Cardiff Music City

## Dinas Gerdd Caerdydd

SOUND  
DIPLOMACY



Trigger...Womanby Street Campaign

Music is more than just one street...



...commitment to develop a city strategy for music

# Context

Direct Impact – jobs and business in the sector

Indirect impact – wider supply chain

Events impact – impact on visitor economy

Brand impact – attractiveness and competitiveness

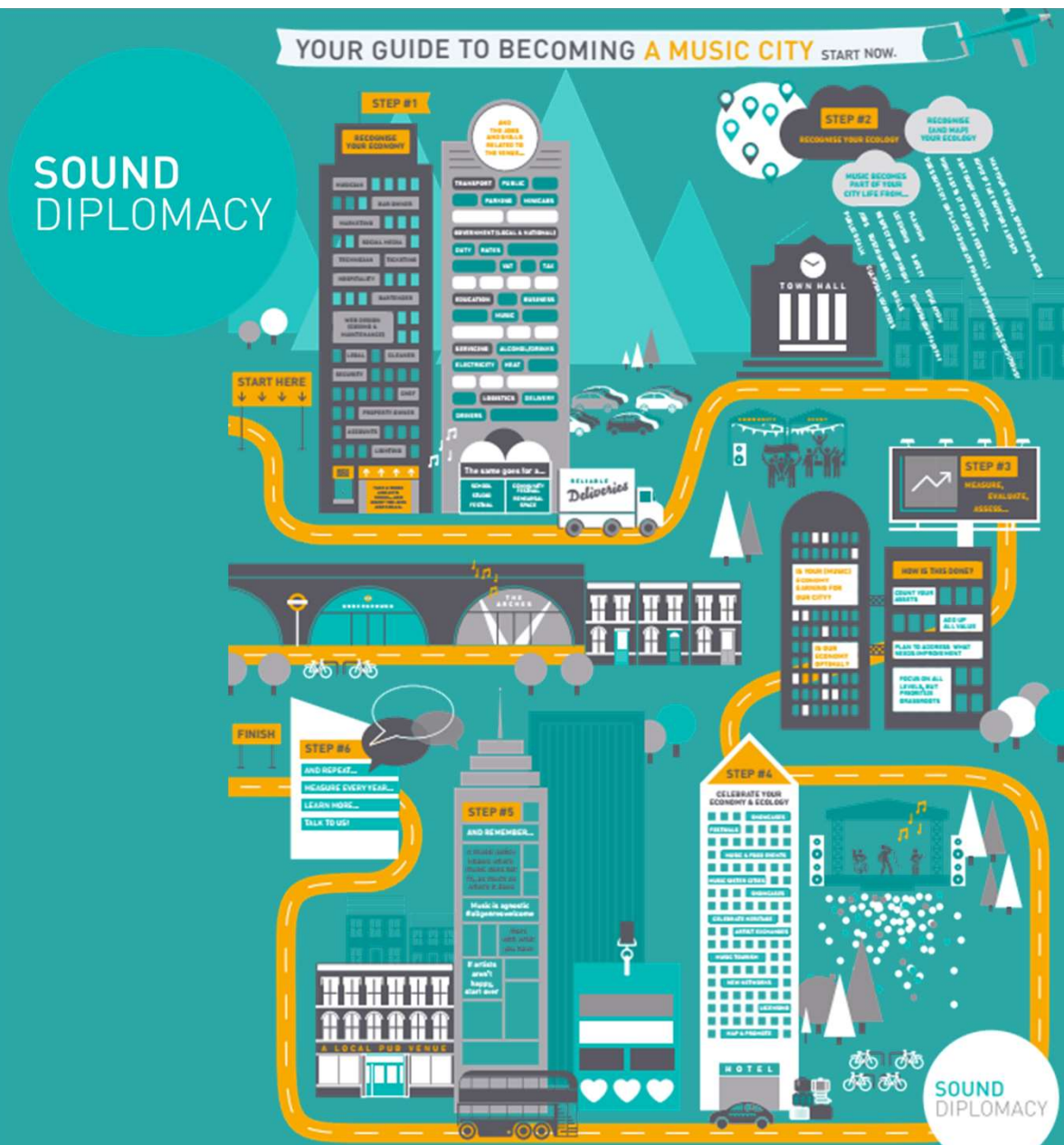
Cultural impact – people like music!

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Appointed Sound  
Diplomacy to inform  
the development of a  
Music Strategy



WE WRITE STRATEGIES FOR MUSIC  
CITIES ALL OVER THE WORLD



Sound Diplomacy developed a unique 4-pronged methodological approach to deliver a comprehensive assessment of Cardiff's music ecosystem:



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- STEP 1: ECOLOGICAL IMPACT ASSESSMENT (DESK RESEARCH)
- STEP 2: STAKEHOLDER ENGAGEMENT
- STEP 3: QUANTITATIVE RESEARCH
- STEP 4: ANALYSIS OF FINDINGS AND RECOMMENDATIONS

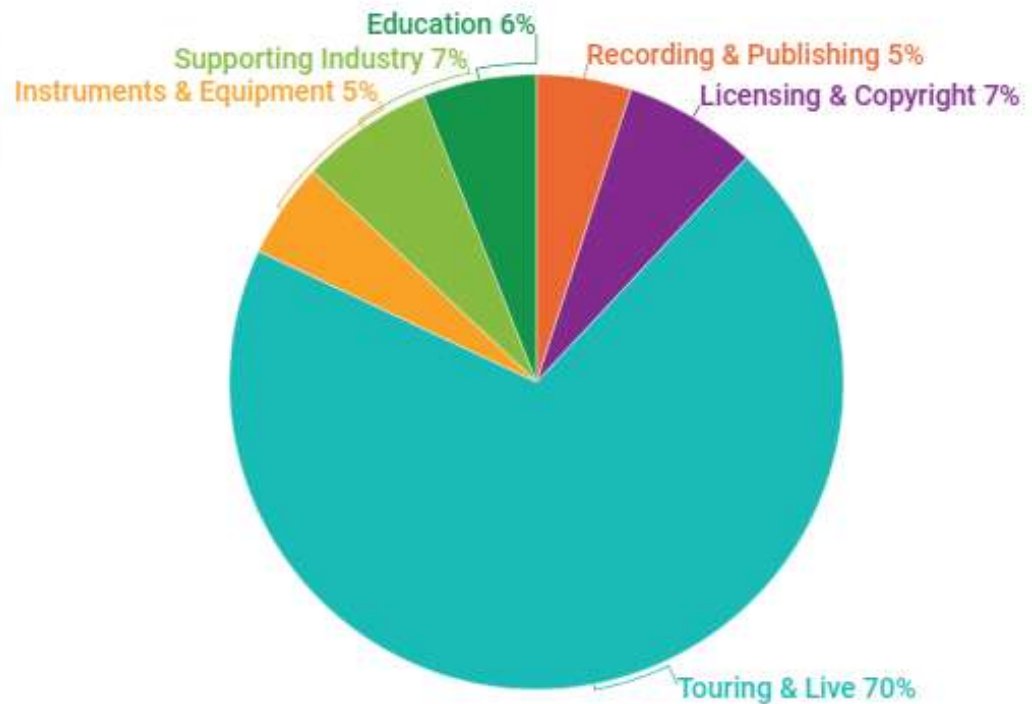
# Overview of the Sector

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## EMPLOYMENT

We found that **58%** of the jobs generated directly by the music sector are **full-time** (840) and **42% part-time** (600).

CARDIFF – MUSIC ECOSYSTEM EMPLOYMENT, 2016



# Overview of the Sector

## INCOME/ WAGES

Average annual income of artists and creative agents in the music sector is **£18,000<sup>1</sup>**, with a varied source of income and not necessarily all from music, while **technical and management** music sector workers<sup>2</sup> earn on average **£27,500**, an average difference of **44%<sup>3</sup>**.

The total number of jobs generated and supported by the music sector in the city was **2,495**, for a total income of **£75 million**.

<sup>1</sup> Slightly below the national salary average for music creators of £20,504 (UK Music's Measuring Music 2018 report, p12)

<sup>2</sup> Technical and management music sector workers: teaching and music education professionals, audiovisual broadcasting operators, audio engineers, event promoters.

<sup>3</sup> These estimates are based on the Annual Survey of Hours and Earnings (ASHE) and the survey carried out by Sound Diplomacy

Photo © Hugh Russell (top)  
Photo © BBC Horizons (bottom)

## TURNOVER

The results show that Cardiff's music ecosystem is responsible for approximately 30% of the production and 41% of the jobs generated by the core of the Welsh music sector.



	OUTPUT MILLION £	GVA MILLION £	WAGES MILLION £	EMPLOYEES
Direct impact	70,2	36,9	24,5	1440
Indirect impact	33,0	24,3	17,0	326
Induced impact	50,0	43,3	33,6	729
Total	153,2	104,5	75	2494



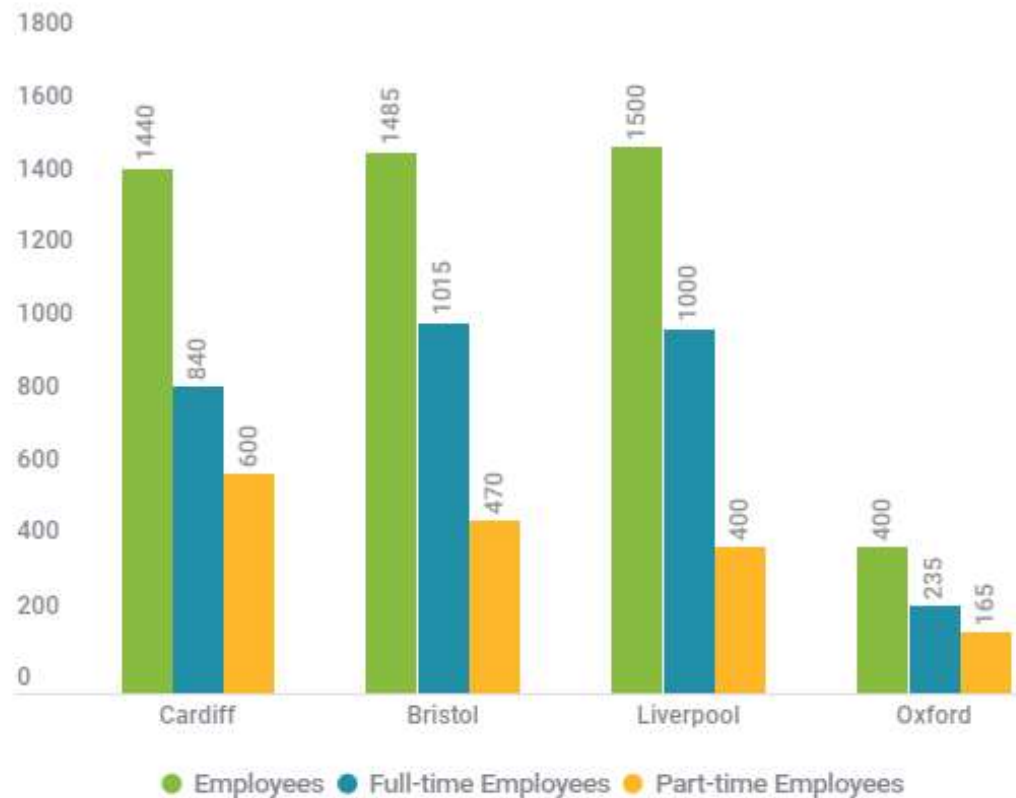
Using Standard Industrial Classification (SIC) codes, we found that live music and touring generated the highest output of the city's music ecosystem, producing 65% of the total income (£45.6 million), and creating 70% of the total number jobs.

Total output  
153,2 MIO GBP

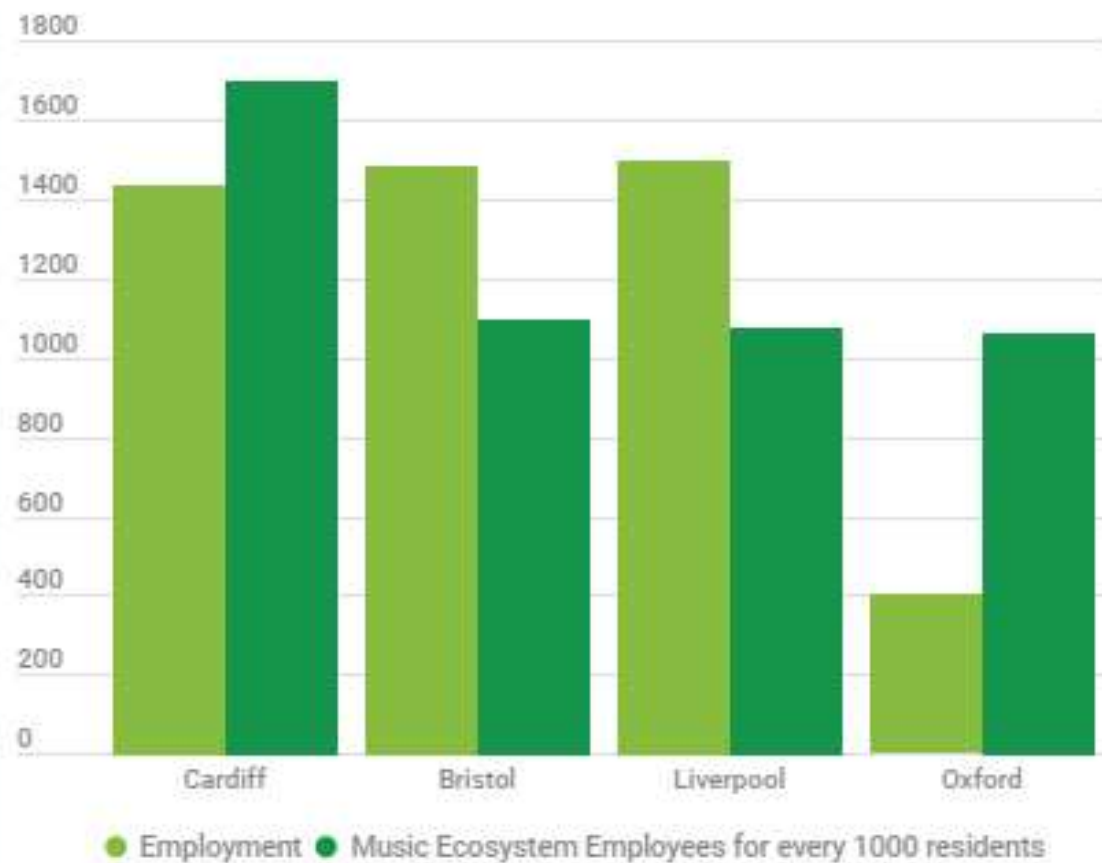
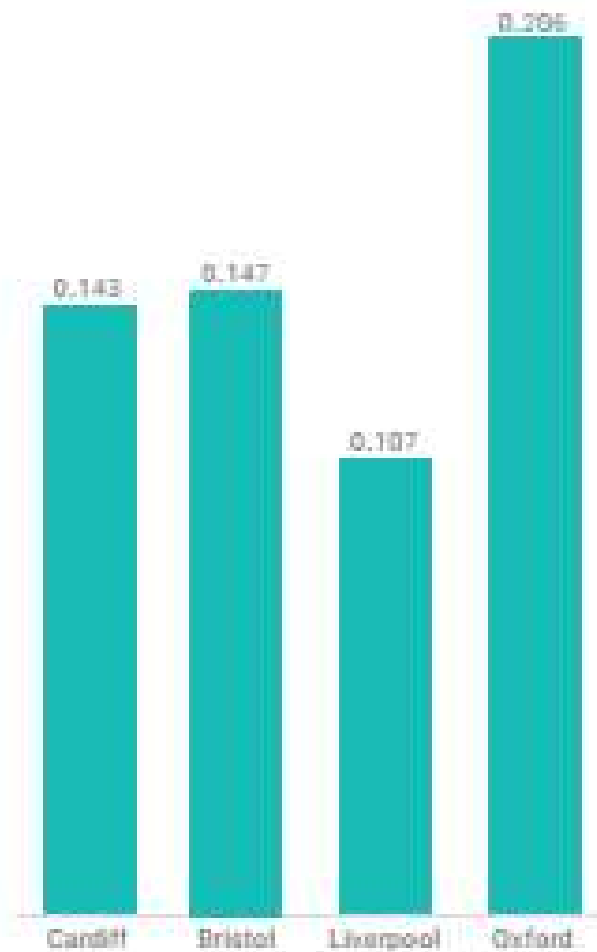
## COMPARISON WITH OTHER CITIES

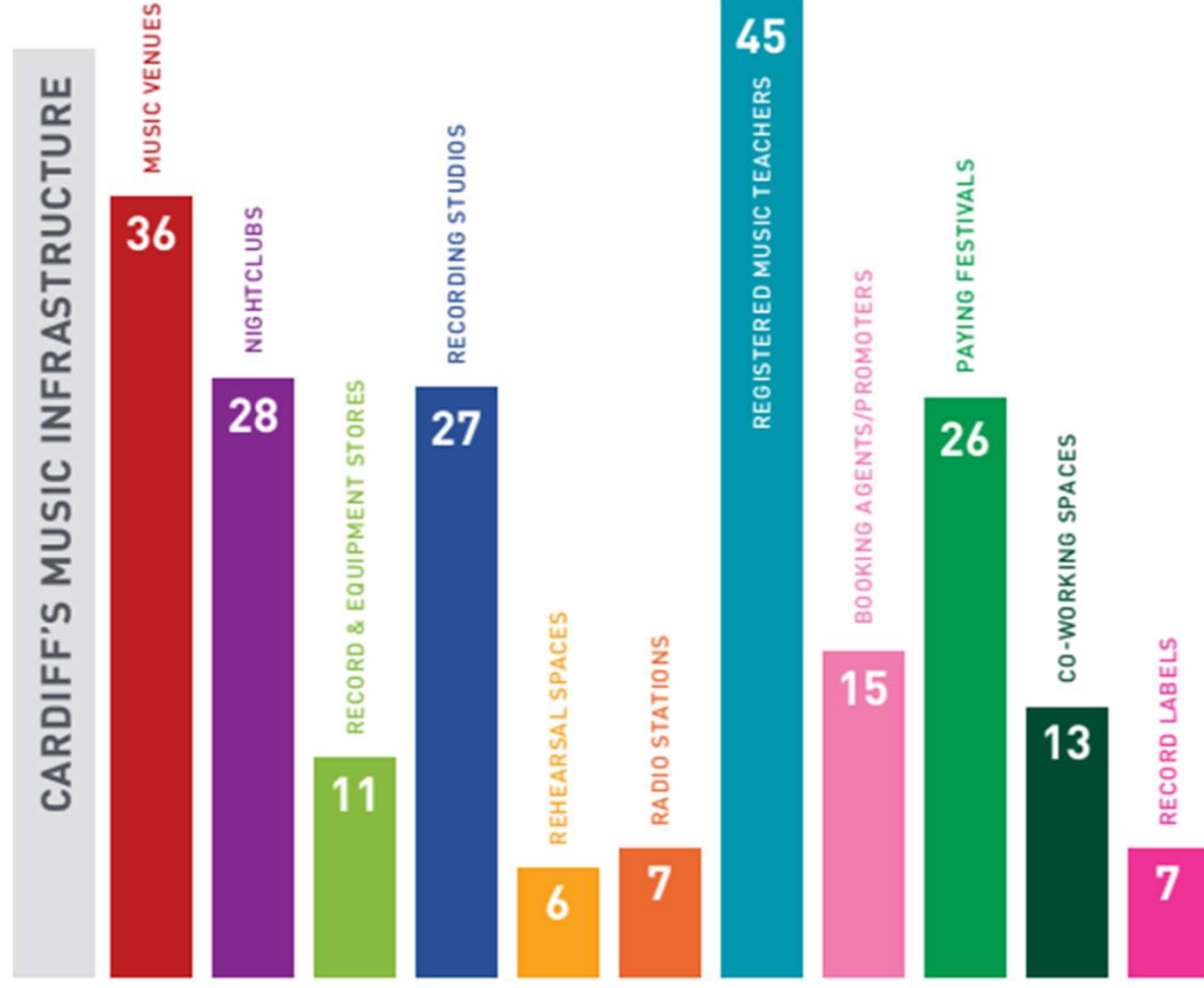
The number of employees working in the music sector in Cardiff is similar to those of **Bristol** (1,485) and **Liverpool** (1,500), and much greater than **Oxford** (400). However, we found that Cardiff generates **4.3 jobs in the music sector for every 1,000 residents**, while Bristol, Liverpool, and Oxford only generate **2.7<sup>4</sup>**.

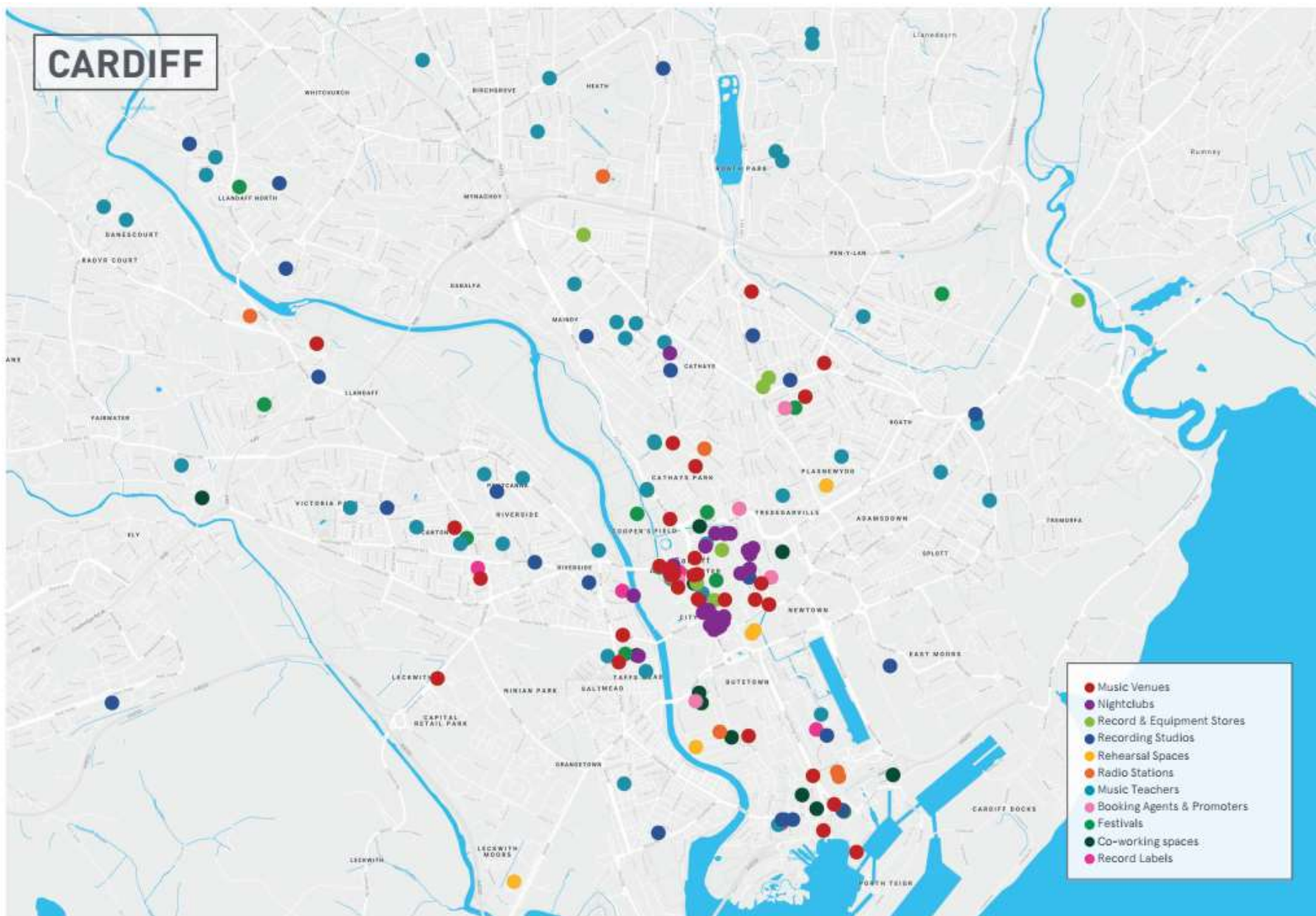
COMPARATOR CITIES - EMPLOYMENT, 2016



## COMPARATOR CITIES - EMPLOYMENT, 2016

MUSIC VENUES  
PER 1,000 RESIDENTS





# Context



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## GOVERNANCE AND LEADERSHIP

- There is no government affiliated music office
- Music industry has no representation on strategic issues
  - despite support and goodwill

## LICENSING & POLICE

- Industry suggests lack of clarity and information
- Need to improve communications

# Context

## FUNDING

- Core funding focussed on classical music
- Confusion on process and availability

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# Context

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## SPACES AND PLACES

- Some gaps in venue space
- Lack of diversity of events
- No specific planning policies relating to music

## TRANSPORT

- Poor late night regional services

# Context

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## EDUCATION

- Lack of high level / industry related skills
- Mostly self-trained
- Need for business linked skills development

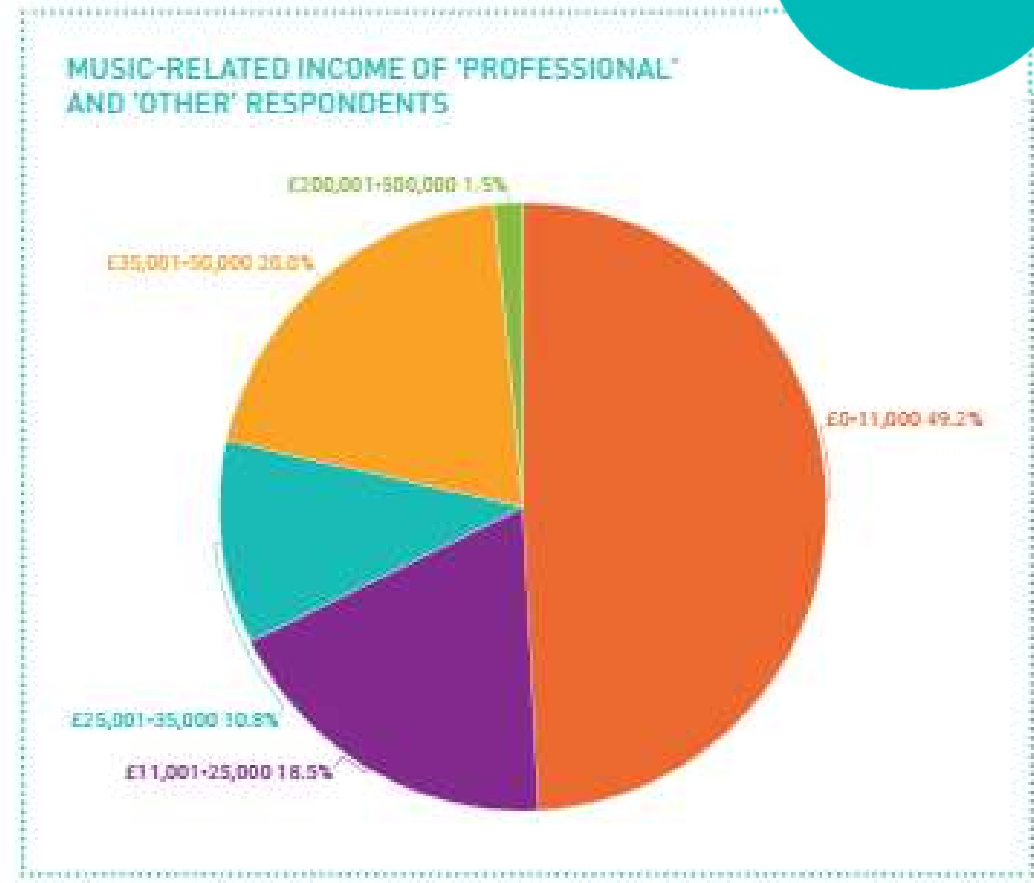
# Context

## EMPLOYMENT AND SKILLS

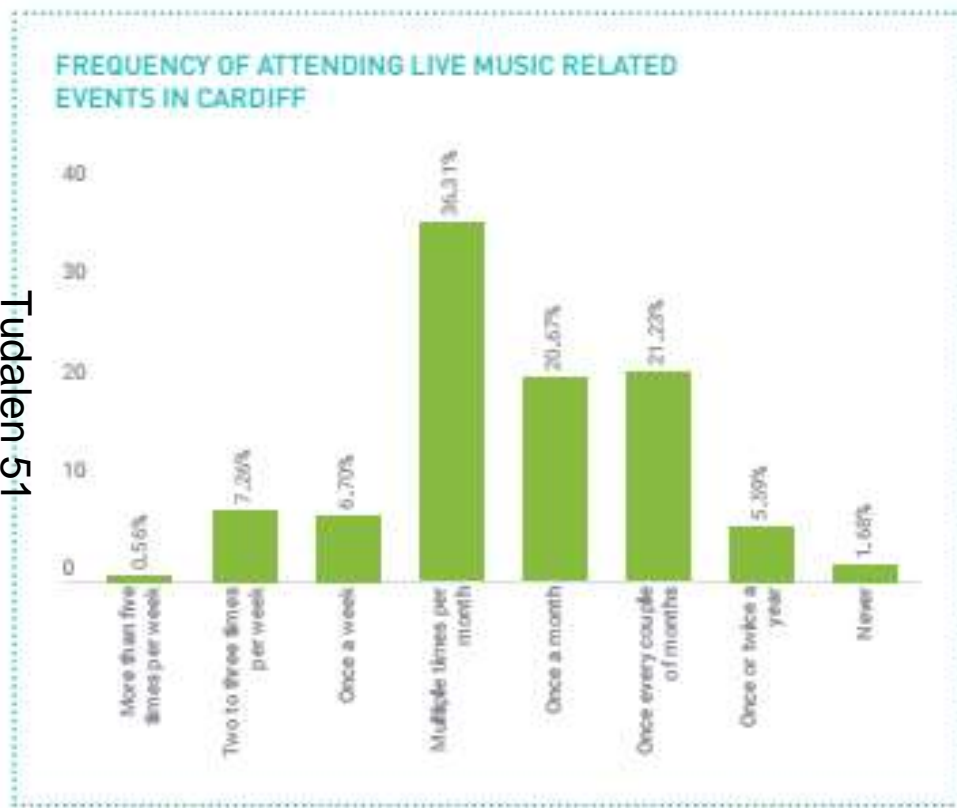
- Many will supplement income with day jobs in other industries, hindering the progress of their careers.
- There is no singular directory aggregating Cardiff's music business, professionals and resources.

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# Context



## TOURISM AND BRANDING

- In 2017, the country generated £115 million through music
- £55 million of which was made through live concerts and £61 million made through music festivals

# Context

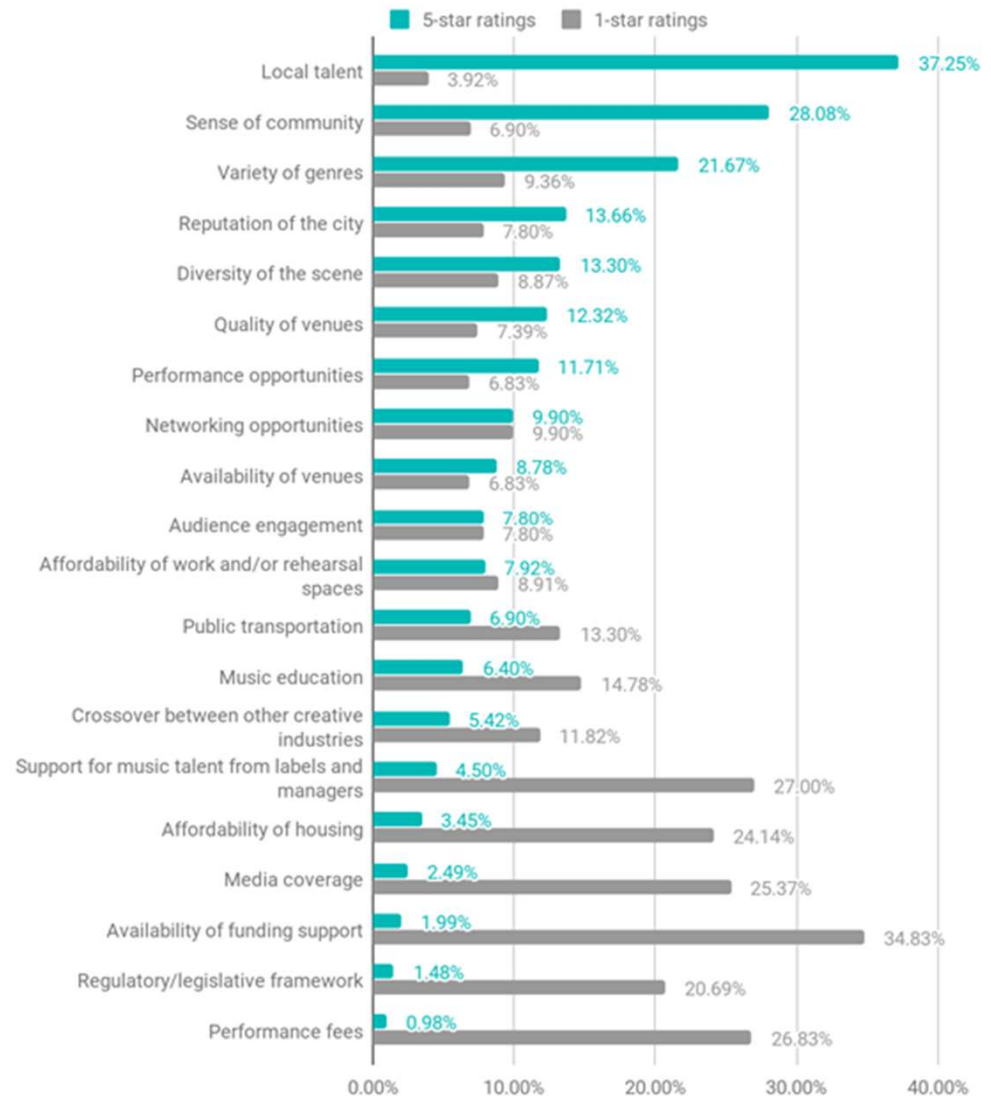
Overall, the results show a thriving music scene

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However, there is room for improvement.

- Lack of co-ordination of activity
- Poor communication
- Need to streamline process
- Need to improve 'business' skills

Overview of highest and lowest rated assets in Cardiff's music ecosystem



## Recommendations

- GOVERNANCE AND LEADERSHIP
- SPACES AND PLACES
- EDUCATION
- ARTIST DEVELOPMENT
- PROFESSIONAL DEVELOPMENT
- AUDIENCE ENGAGEMENT
- MUSIC MARKETING

# Vision

For Cardiff to be a global leader in the Music Cities Movement

&

To be the first UK city to embrace Music Urbanism as a tool for  
regeneration, investment and development

## Next Steps – Cabinet Report

1. Note the contents of the Sound Diplomacy Music Strategy Report: Music Ecosystem Study and Strategic Recommendations
2. Agree that a future report be brought to Cabinet to
  - i. Provide a detailed response to the Music Ecosystem Study and Strategic Recommendations
  - ii. Establish a Music Board, taking into consideration the recommendations of the Sound Diplomacy Music Strategy Report and including detail of the governance arrangements and the Board's Terms of Reference.

Mae'r dudalen hon yn wag yn fwiadol