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PRESENTATIONS

Committee	ECONOMY & CULTURE SCRUTINY COMMITTEE
Date and Time of Meeting	TUESDAY, 9 APRIL 2019, 4.30 PM

Please see attached the Presentation(s) provided at the Committee Meeting

This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg

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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

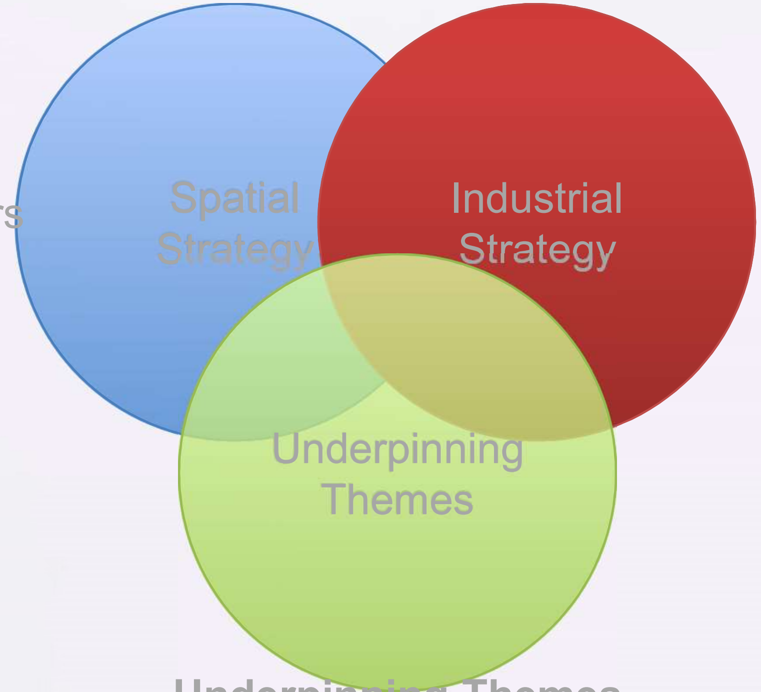
	Green Book Assessment (HM Treasury)	Growth Deals Assessment (DCLG)	ERDF (European Union)	Inclusive Growth Decision Making Framework
Logic Testing	**Strategic Case:** What is the case for change? What problem is being solved and why is the IoI best option?	**Strategic Case:** What is the case for intervention,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

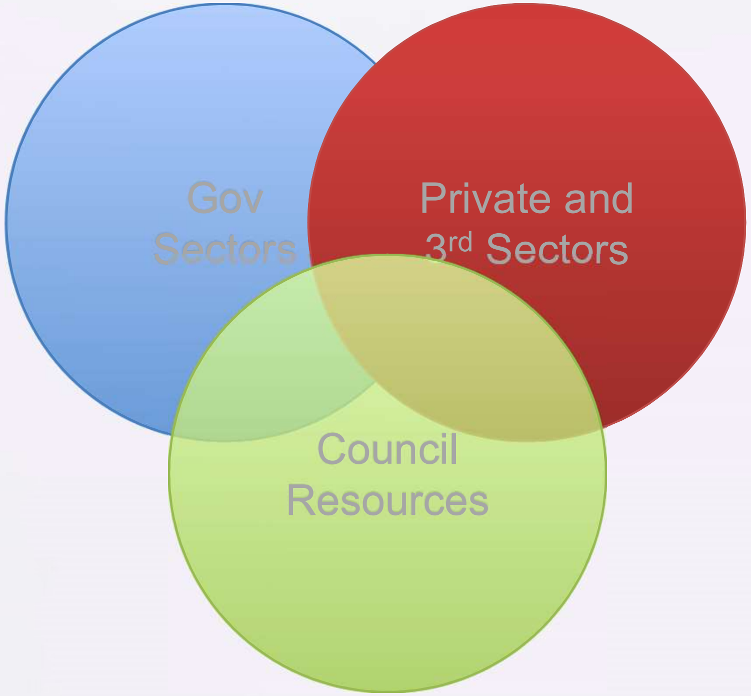


Spatial Strategy
Provides clarity for investors
Delivers agglomeration

Industrial Strategy
Looks towards UK Gov / SPF
Focus on increasing productivity

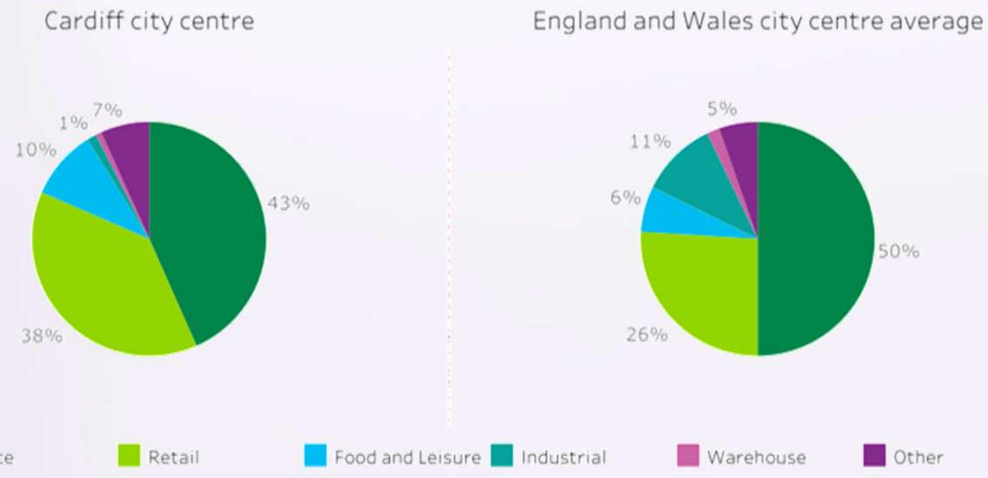
Underpinning Themes
Looks at impact on residents and business

How we will deliver



Spatial Strategy

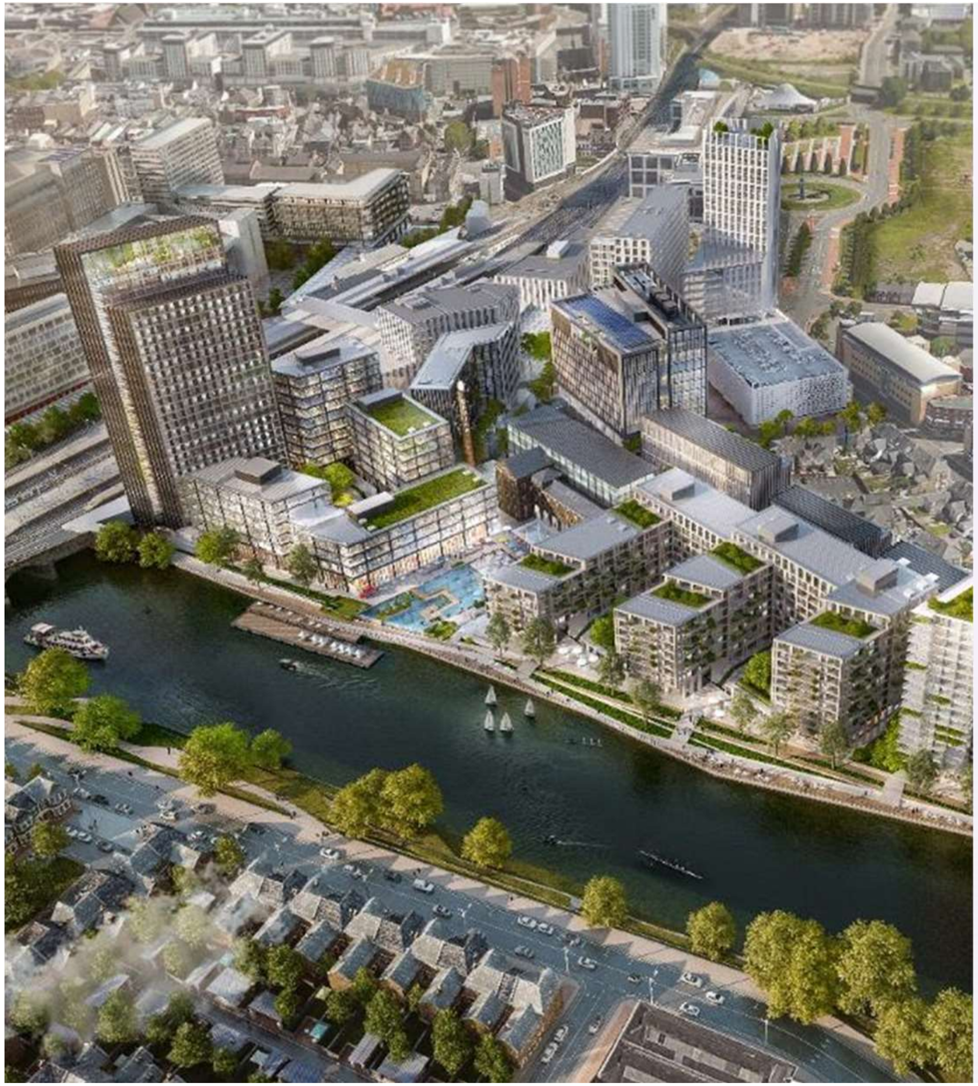
- ***Key Priority 1:** Metro Central and the City Centre*
- ***Key Priority 2:** Kick-starting the Bay*
- ***Key Priority 3:** A New Focus on Industry – Cardiff East*
- ***Key Priority 4:** The Knowledge Corridor*
- ***Key Priority 5:** Continuing Our Sporting and Cultural Renaissance*



- 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
Cardiff	**43%**	**38%**	**Medium**	**0.5**

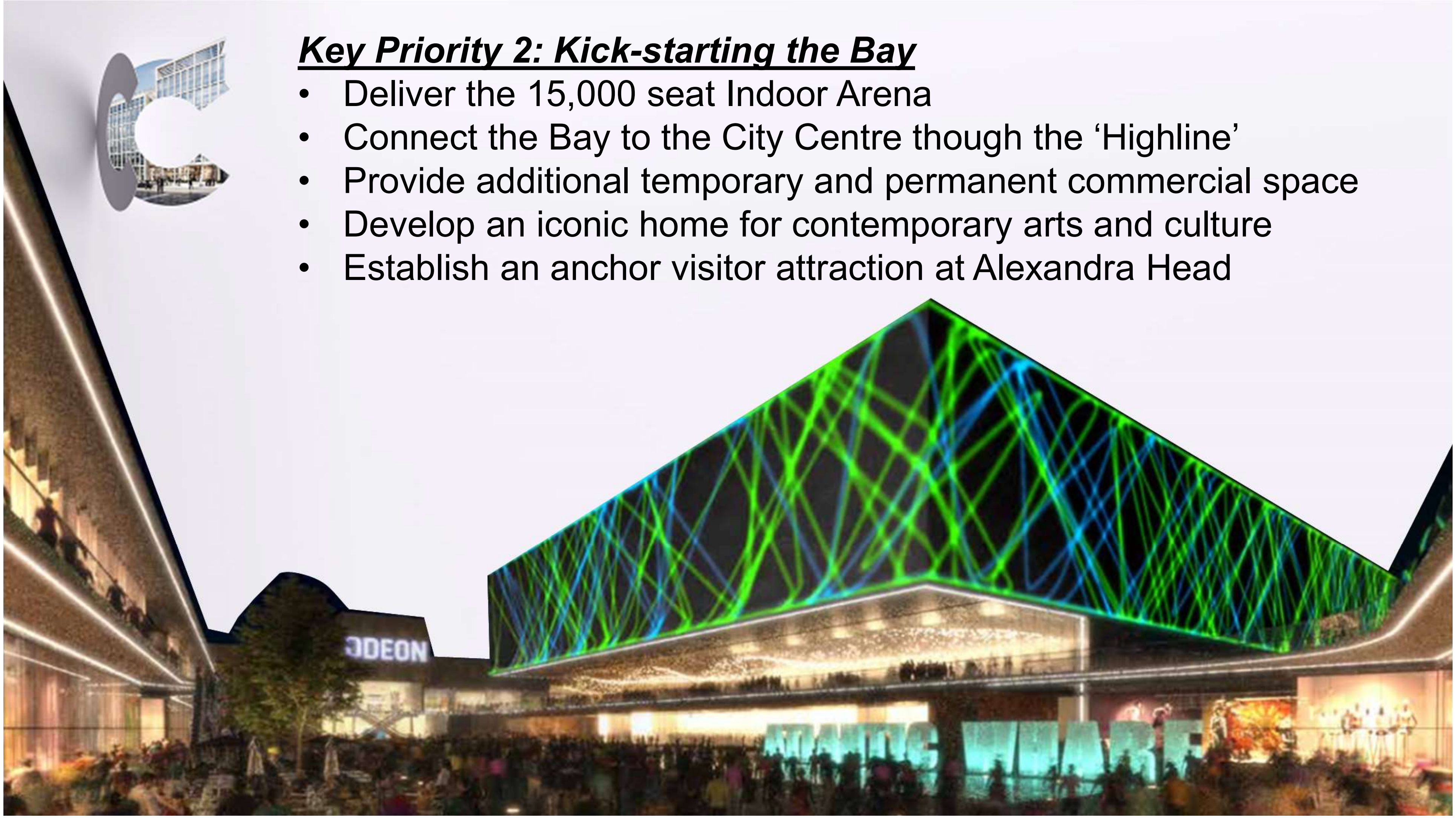


Key Priority 1: Metro Central and the City Centre

- 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 though 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 5: Continuing Our Sporting and Cultural Renaissance

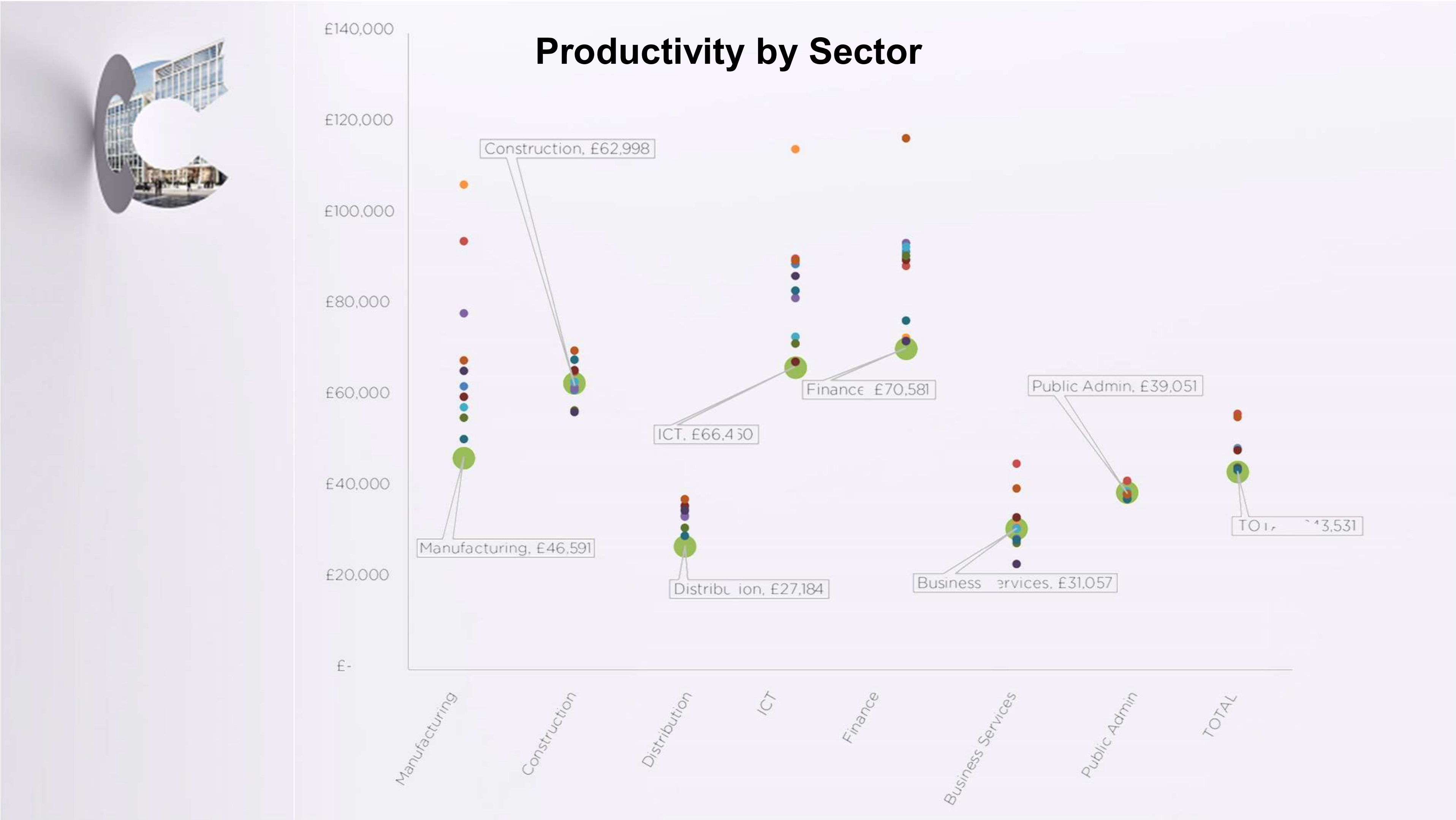
- Deliver a new masterplan for the International Sports Village
- Support the development of a new home for Sport Wales
- Invest and support investment in new sport facilities, from elite sport to community clubs and teams.

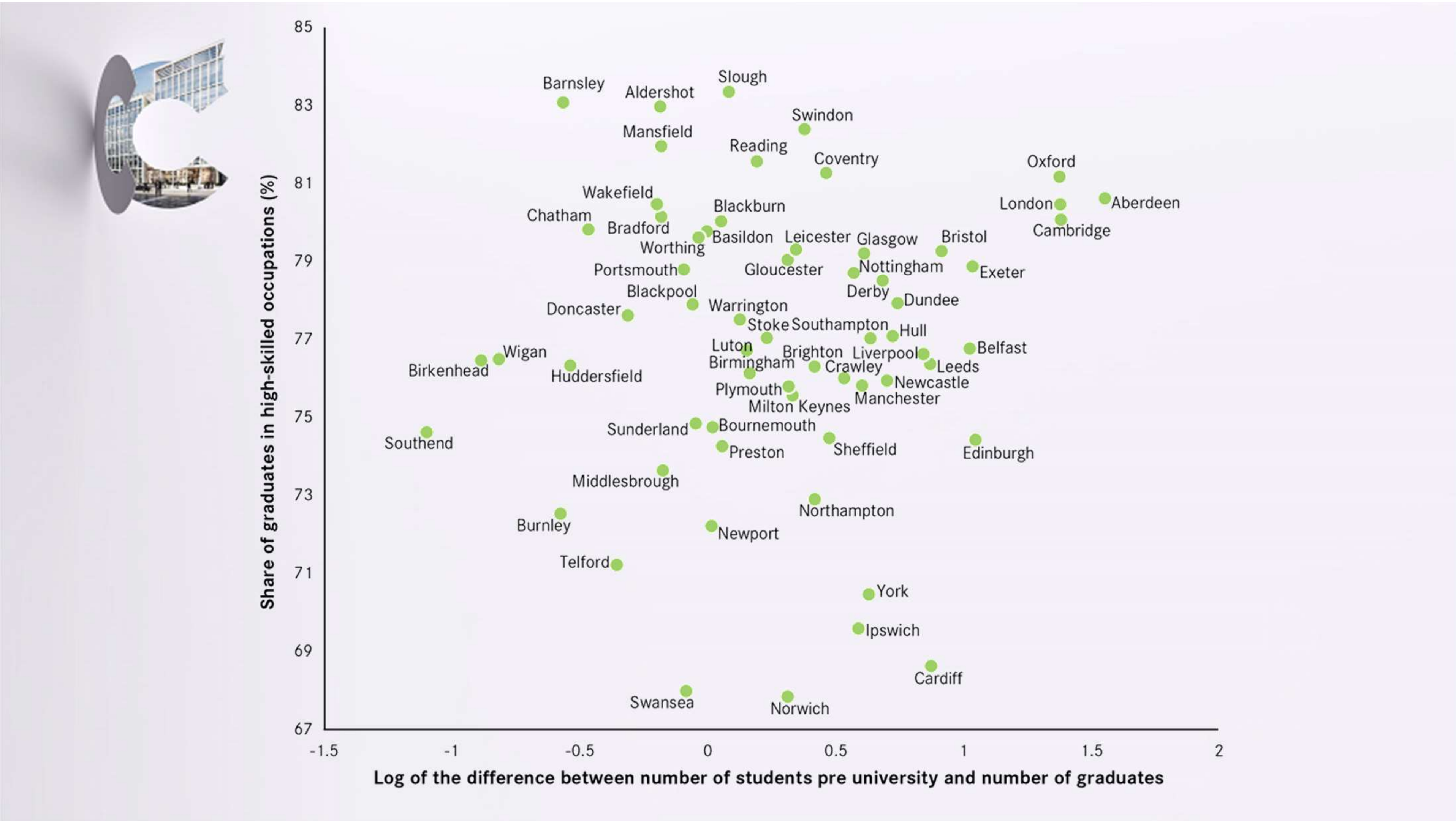
Key Priority 4: The Knowledge Corridor

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

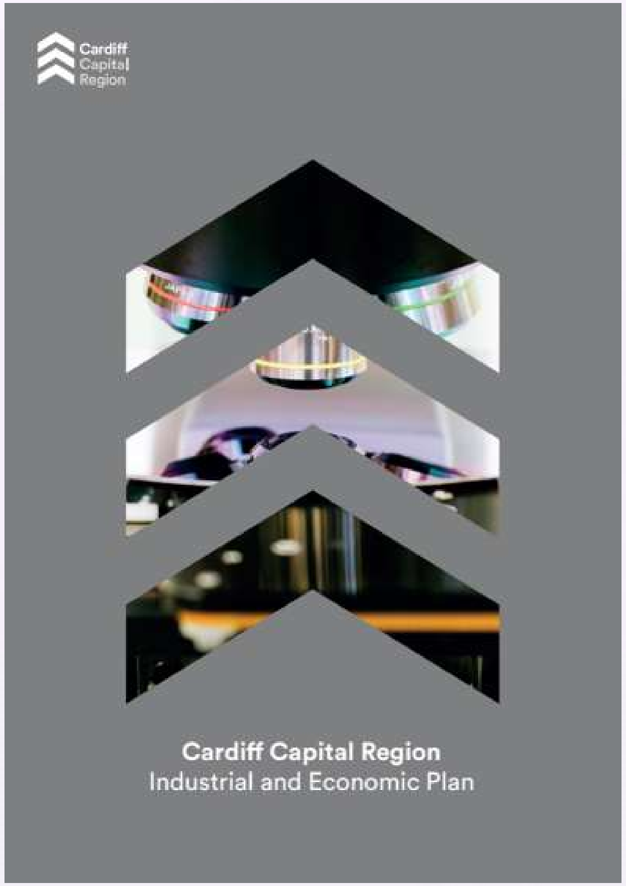
Industrial Strategy

- **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


Productivity by Sector
£140,000
£120,000
£100,000
£80,000
£60,000
£40,000
£20,000
£-
Construction, £62,998
Manufacturing, £46,591
Finance £70,581
Public Admin, £39,051
Business Services, £31,057
Manufacturing
Construction
Distribution
ICT
Finance
Business Services
Public Admin
TOTAL


Share of graduates in high-skilled occupations (%)
Log of the difference between number of students pre university and number of graduates
85
83
81
79
77
75
73
71
69
67
-1.5
-1
-0.5
0
0.5
1
1.5
2
Barnsley
Aldershot
Slough
Swindon
Mansfield
Reading
Coventry
Oxford
Wakefield
Blackburn
London
Aberdeen
Chatham
Bradford
Cambridge
Basildon
Leicester
Glasgow
Bristol
Worthing
Portsmouth
Gloucester
Nottingham
Exeter
Blackpool
Derby
Dundee
Doncaster
Warrington
Stoke
Southampton
Hull
Luton
Belfast
Wigan
Brighton
Liverpool
Birmingham
Crawley
Leeds
Birkenhead
Huddersfield
Plymouth
Newcastle
Milton Keynes
Manchester
Sunderland
Bournemouth
Southend
Preston
Sheffield
Edinburgh
Middlesbrough
Northampton
Burnley
Newport
Telford
York
Ipswich
Cardiff
Swansea
Norwich

- 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

<u>Key Priority 3: The UK’s dedicated Reg-Tech and Fin-Tech Cluster</u>

- 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:

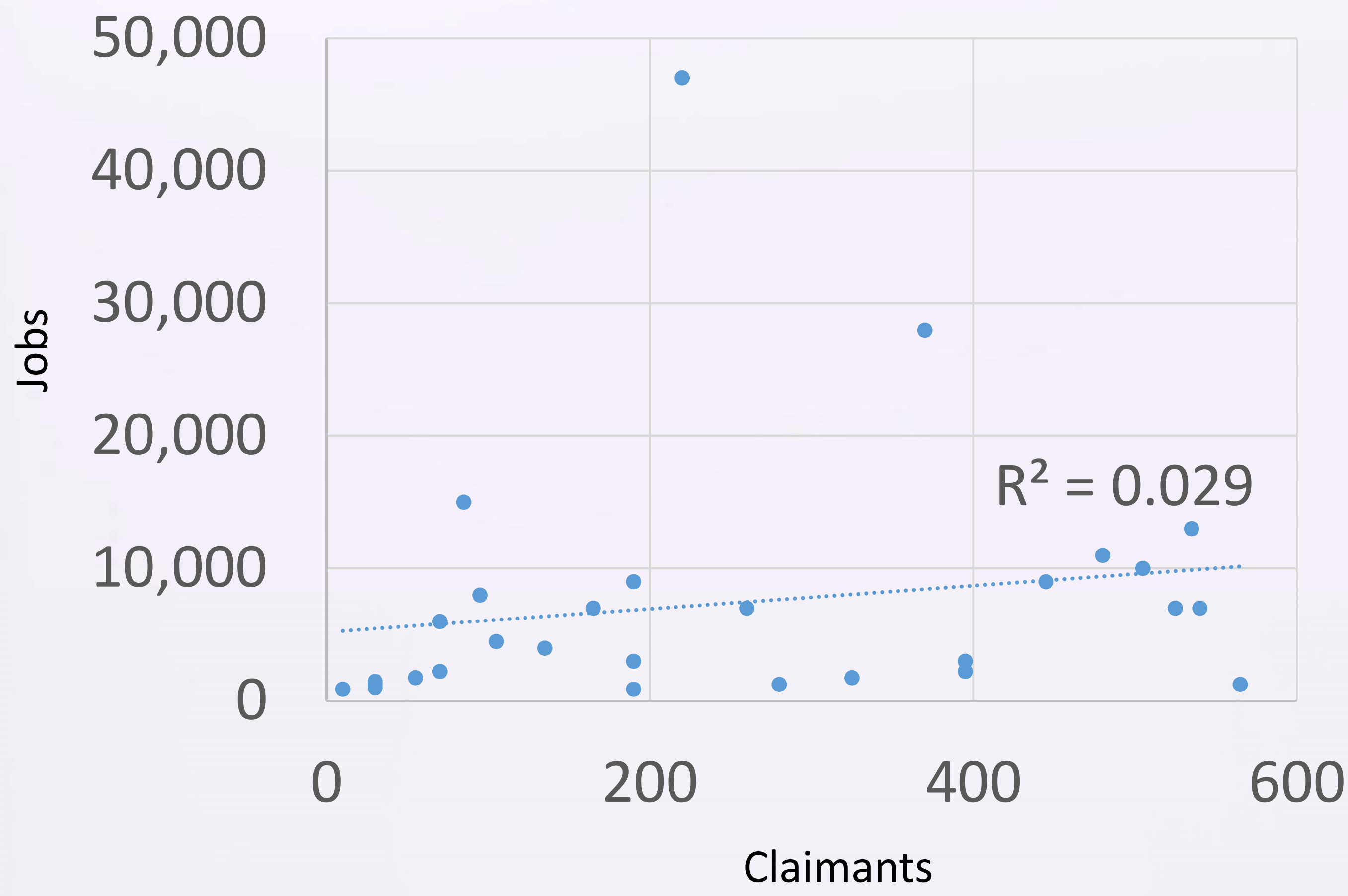
- Establish a new Life Sciences Park for Wales on the junction between the M4 and A470
- Establish a healthcare focussed Collaborative Centre for Learning, Technology and Innovation
- Provide space for the expansion of the sector through our Spatial Strategy

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


Jobs
50,000
40,000
30,000
20,000
10,000
0
$R^2 = 0.029$
0
200
400
600
Claimants

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

Cardiff Capital Region

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	5th
Jobs Growth (2017-2018)	6.0%	0.7%	1.2%	5th
Unemployment rate (Dec 2017)	6.1%	4.8%	4.4%	4th
Visitor Spend (2017)	£1,325m	n/a	n/a	n/a
Gross Disposable Household Income per head (2016)	£16,769	£15,835	£19,432	3rd
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%	5th
Percentage of population aged 16-64 qualified NVQ4+ (2017)	48.0%	35.1%	38.4%	2nd
Earnings (2017 Weekly Resident FT Gross)	£538.5	£505.9	£550.4	2nd
Employment Rate (Female as % of all)	67.4%	69.0%	70.3%	5th
Earnings – FT Weekly Pay – bottom decile as % of median	61%	62%	58%	5th
Employment Rate (BAME as % of all) Apr 2017-Mar 2018	59.0%	60.5%	64.8%	2nd
Employment Rate (EA core disabled as % of all) Apr 2017-Mar 2018	43.7%	45.2%	50.8%	6th
Percentage of households in poverty	16%	15%	n/a	n/a
Long-term JSA Claimants	56%	42%	42%	3rd
Claimant Count - % of ward with highest claimant count vs city average	210%			
CO2 Emissions per capita	5.1	8.7	5.9	3rd

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
SAVE WOMANBY STREET
THE GATEKEEPER

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!

SOUND
DIPLOMACY

Appointed Sound Diplomacy to inform the development of a Music Strategy

WE WRITE STRATEGIES FOR MUSIC
CITIES ALL OVER THE WORLD

YOUR GUIDE TO BECOMING A MUSIC CITY START NOW.
SOUND DIPLOMACY
STEP #1
RECOGNISE YOUR ECONOMY
STEP #2
RECOGNISE YOUR ECOLOGY
RECOGNISE (AND MAP) YOUR ECOLOGY
MUSIC BECOMES PART OF YOUR CITY LIFE FROM...
TOWN HALL
START HERE
The same goes for a...
Reliable Deliveries
STEP #3
MEASURE, EVALUATE, ASSESS...
HOW IS THIS DONE?
THE ARCHES
FINISH
STEP #6
AND REPEAT...
MEASURE EVERY YEAR...
LEARN MORE...
TALK TO US!
STEP #5
AND REMEMBER...
STEP #4
CELEBRATE YOUR ECONOMY & ECOLOGY
A LOCAL PUB VENUE
HOTEL
SOUND DIPLOMACY

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

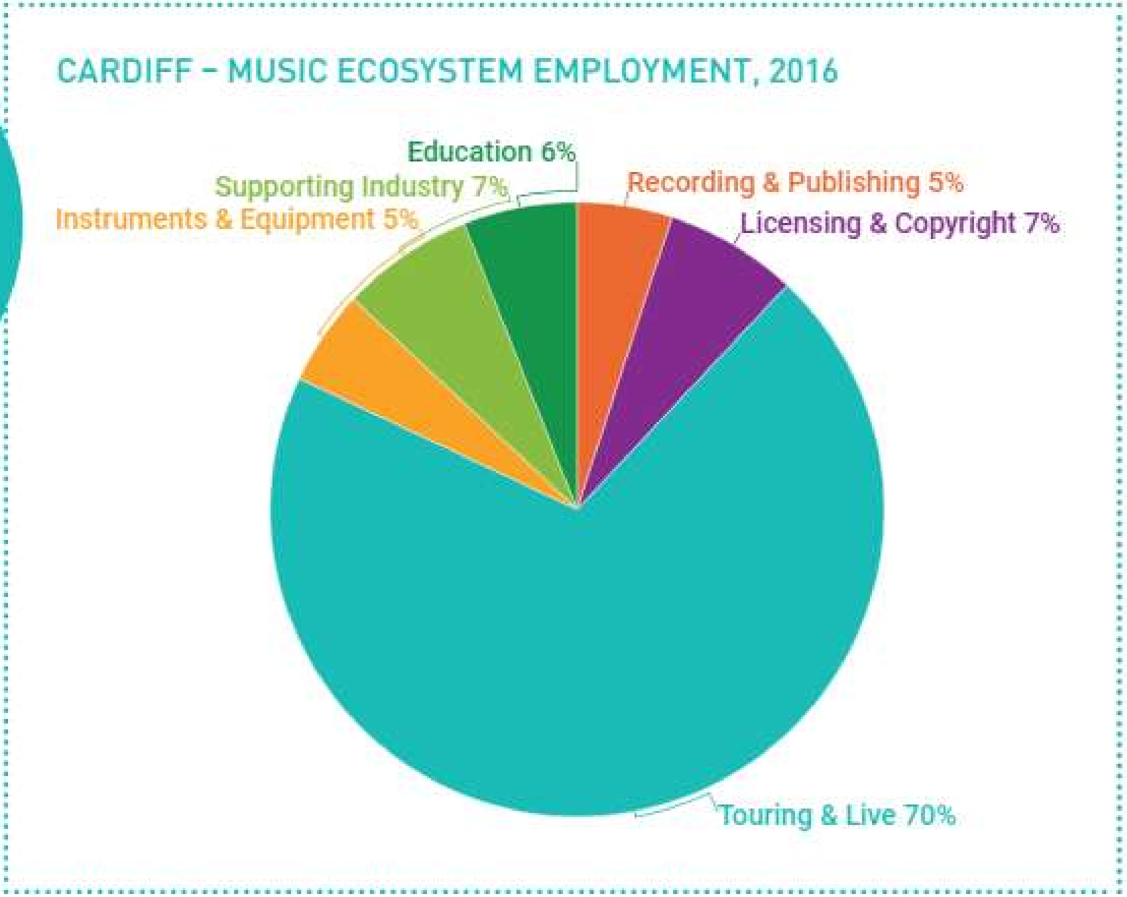
SOUND DIPLOMACY

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

EMPLOYMENT

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



Overview of the Sector

INCOME/ WAGES

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

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**.

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

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

3 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.**

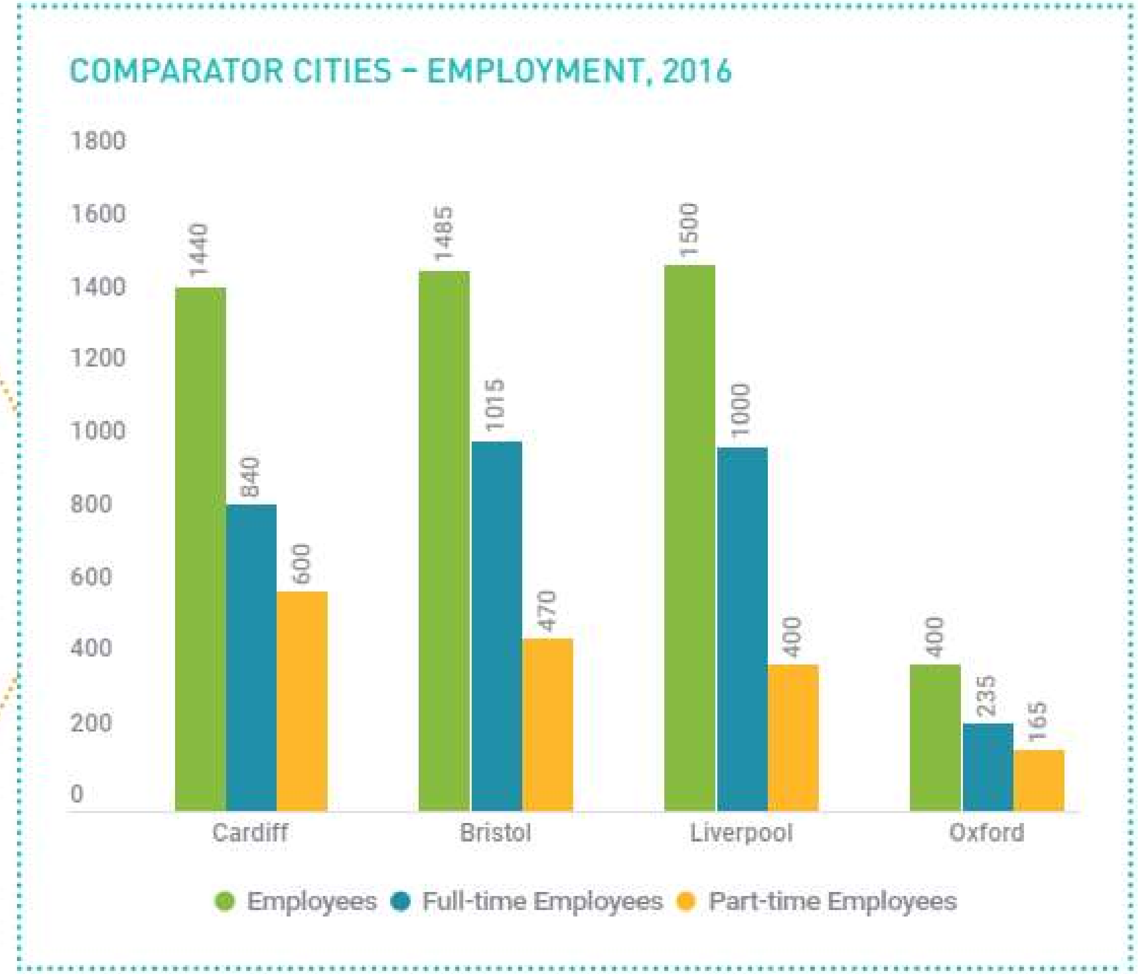
	OUTPUT MILLION £	GVA MILLION £	WAGES MILLION £	EMPLOYEES
Direct impact	70,2	36,9	24,5	1440
Indirect impact	33,0	24,3	17,0	326
Induced Impact	50,0	43,3	33,6	729
Total	153,2	104,5	75	2494

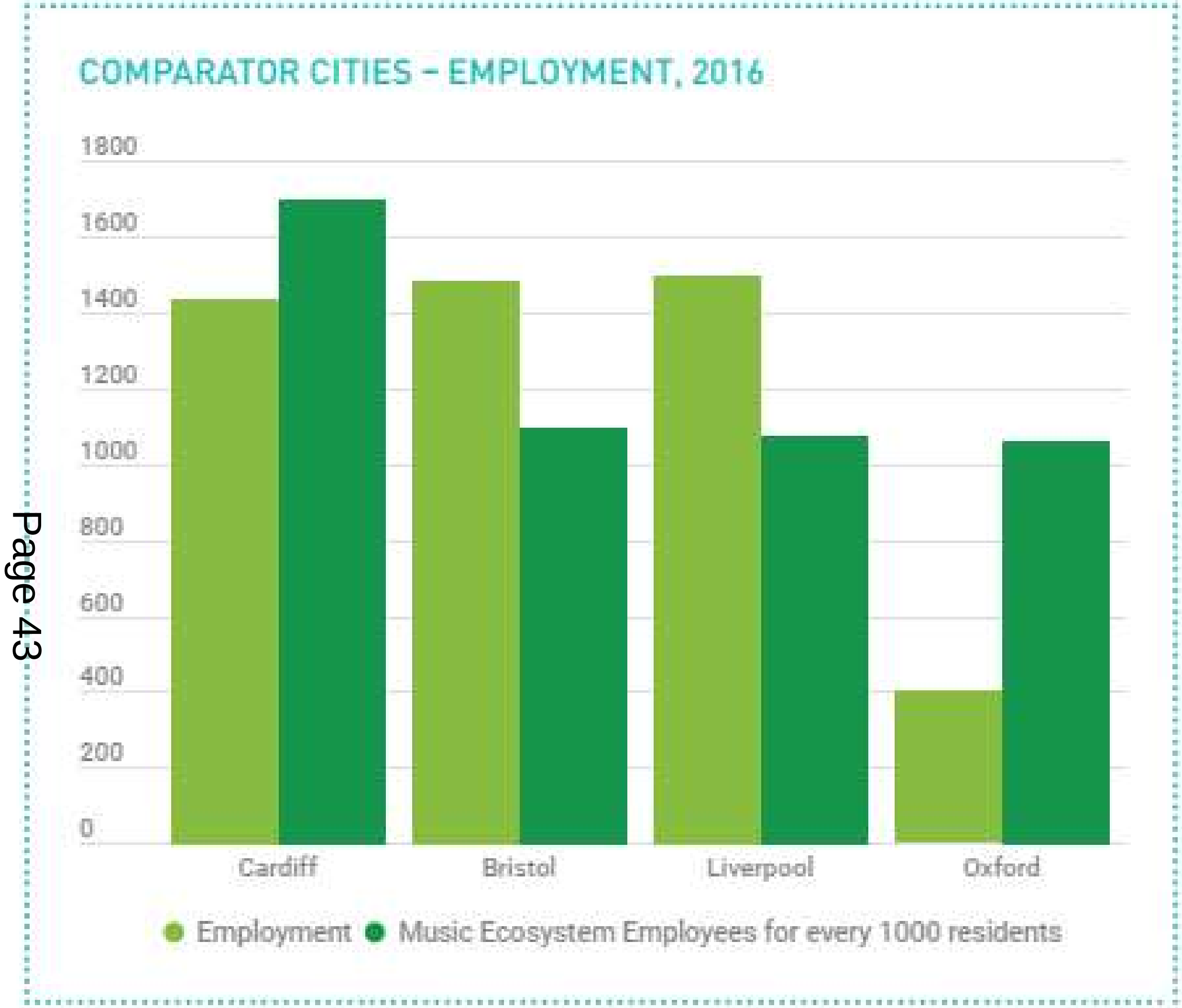
Total output
153,2 MIO GBP

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.

COMPARISON WITH OTHER CITIES

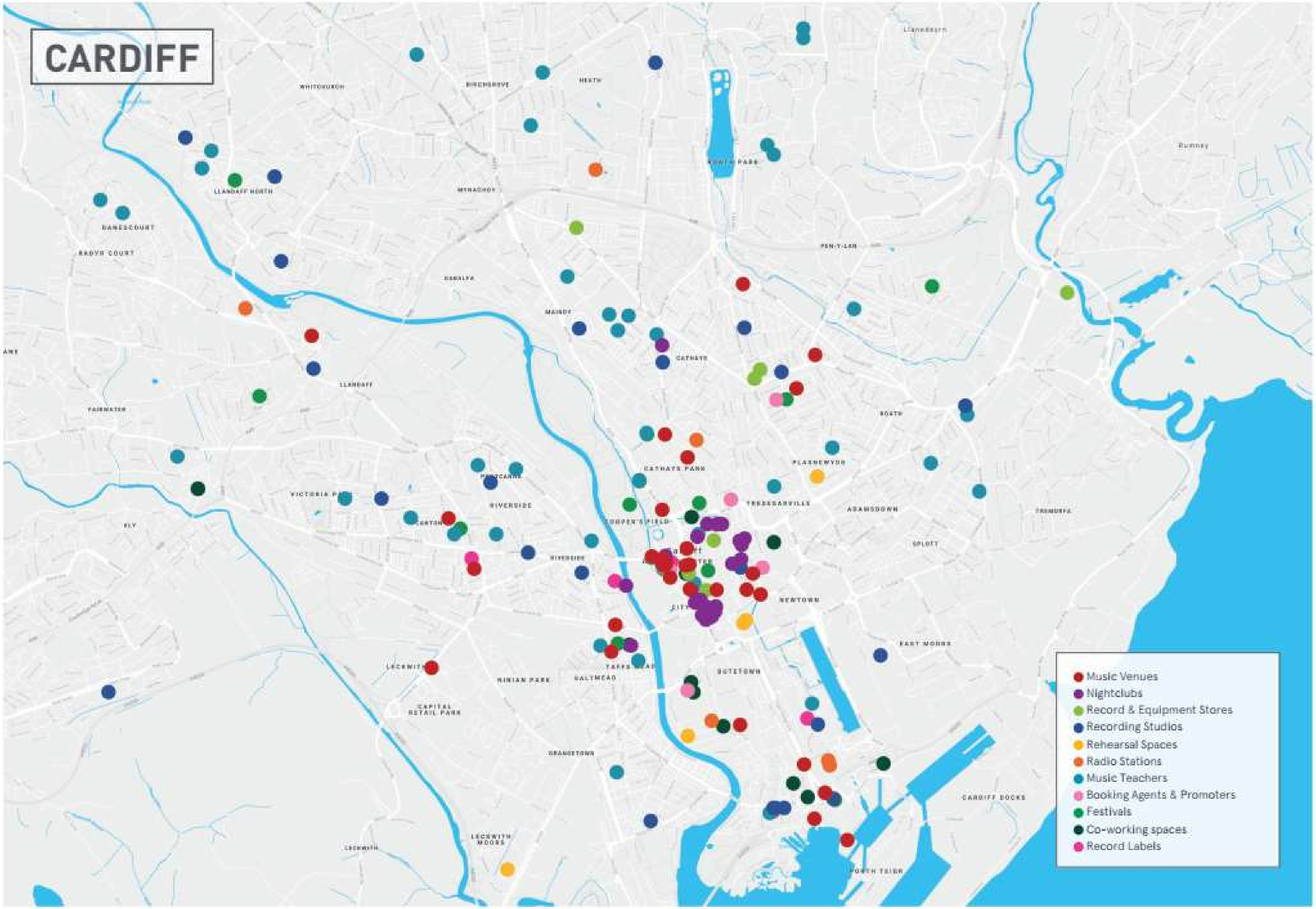
The number of employees working in the music sector in Cardiff is similar to those of **Bristol** (1,485) and **Liverpool** (1,500), and much greater than **Oxford** (400). However, we found that Cardiff generates **4.3 jobs in the music sector for every 1,000 residents,** while Bristol, Liverpool, and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




COMPARATOR CITIES – EMPLOYMENT, 2016
1800
1600
1400
1200
1000
800
600
400
200
0
Cardiff
Bristol
Liverpool
Oxford
Employment
Music Ecosystem Employees for every 1000 residents


MUSIC VENUES
PER 1,000 RESIDENTS
0.143
0.147
0.107
0.206
Cardiff
Bristol
Liverpool
Oxford


CARDIFF'S MUSIC INFRASTRUCTURE
36 MUSIC VENUES
28 NIGHTCLUBS
11 RECORD & EQUIPMENT STORES
27 RECORDING STUDIOS
6 REHEARSAL SPACES
7 RADIO STATIONS
REGISTERED MUSIC TEACHERS 45
15 BOOKING AGENTS/PROMOTERS
26 PAYING FESTIVALS
13 CO-WORKING SPACES
7 RECORD LABELS


CARDIFF
WHITCHURCH
BIRCHGROVE
HEATH
ROATH PARK
Rumney
LLANDAFF NORTH
DANESCOURT
RADYR COURT
GABALFA
PEN-Y-LAN
MAINDY
CATHAYS
LLANDAFF
FAIRWATER
ROATH
CATHAYS PARK
PLASNEWYDD
PONTCANNA
RIVERSIDE
ADAMSDOWN
TREMORFA
ELY
SPLOTT
NEWTOWN
EAST MOORS
NINIAN PARK
BUTETOWN
CAPITAL RETAIL PARK
GRANGETOWN
CARDIFF DOCKS
LECKWITH MOORS
LECKWITH
PORTH TEIGR
Music Venues
Nightclubs
Record & Equipment Stores
Recording Studios
Rehearsal Spaces
Radio Stations
Music Teachers
Booking Agents & Promoters
Festivals
Co-working spaces
Record Labels

Context

SOUND DIPLOMACY

GOVERNANCE AND LEADERSHIP

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

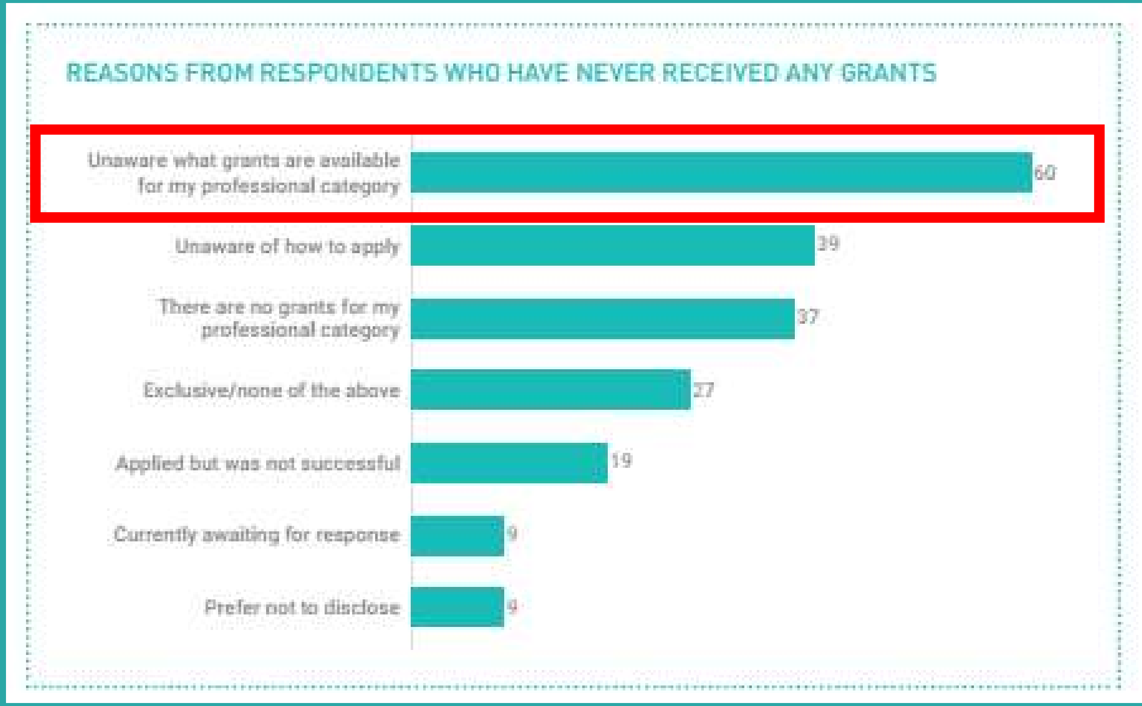
LICENSING & POLICE

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

Context

FUNDING

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



SOUND DIPLOMACY

Context

SOUND DIPLOMACY

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

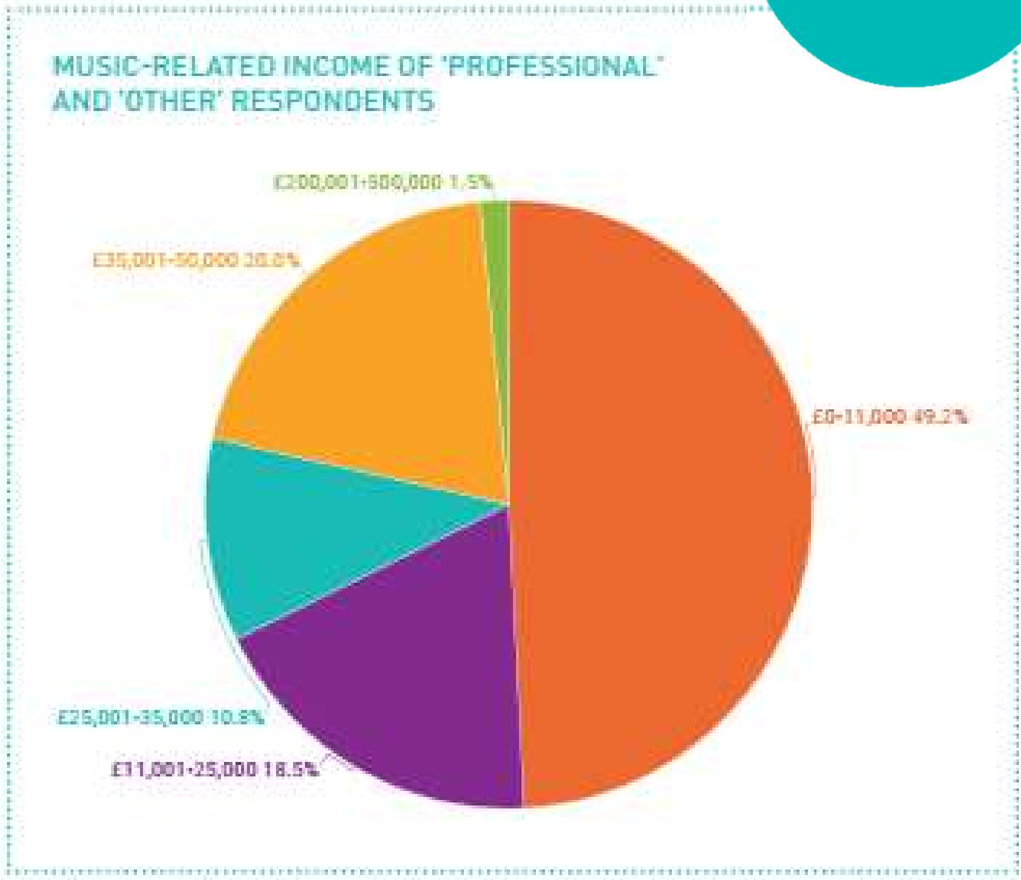
EDUCATION

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

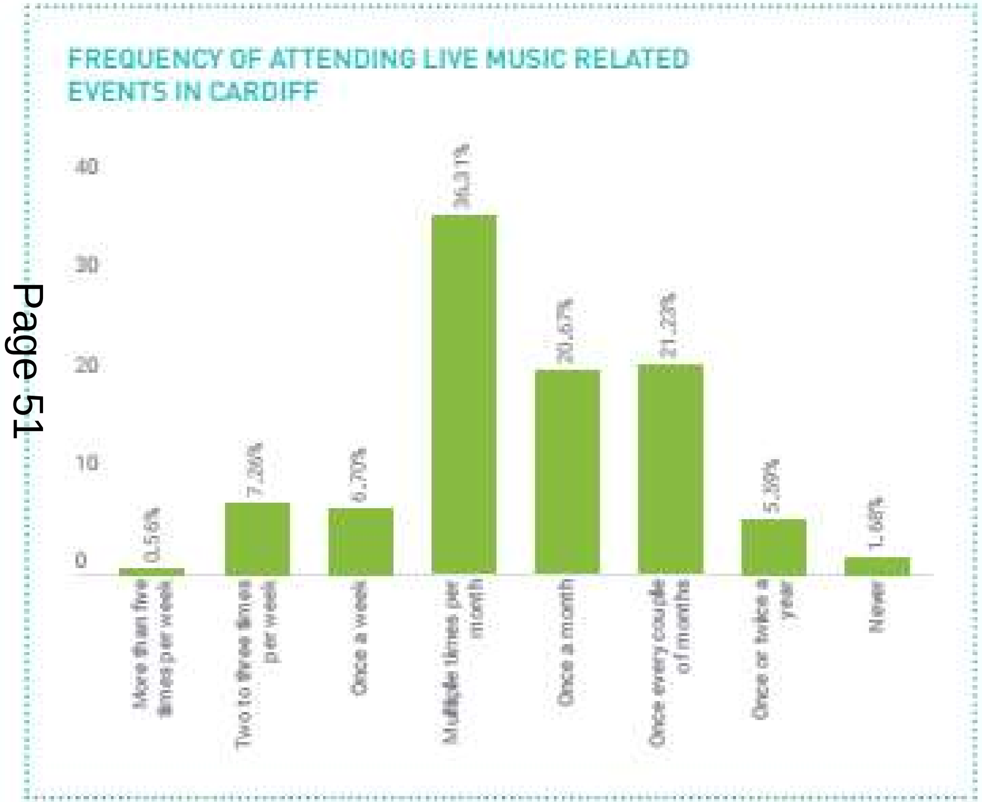
Context

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.



Context



SOUND DIPLOMACY

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

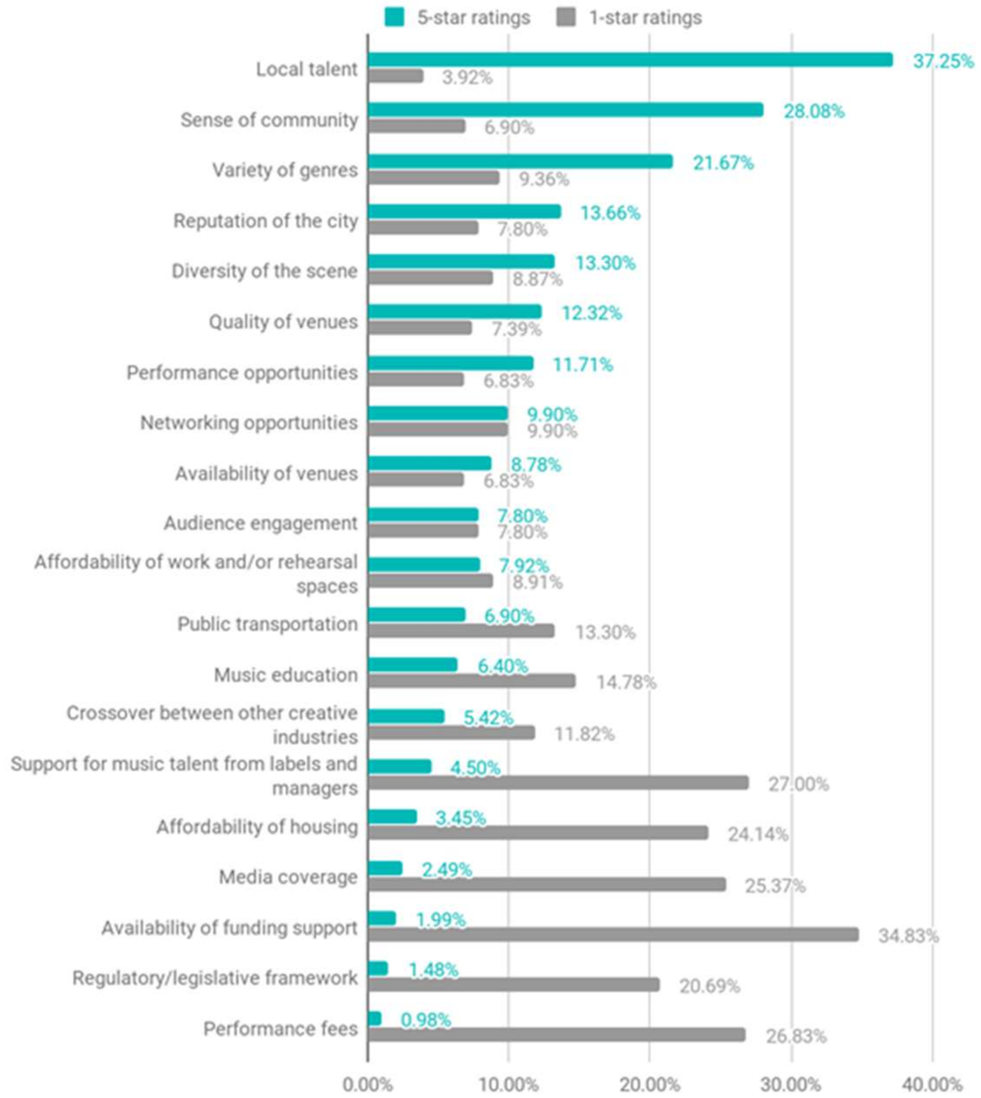
Context

Overall, the results show a thriving music scene

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.

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