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CORRESPONDENCE FOLLOWING THE COMMITTEE MEETING

Committee ECONOMY & CULTURE SCRUTINY COMMITTEE

Date and Time of Meeting THURSDAY, 10 SEPTEMBER 2015, 4.30 PM

Please find below correspondence send by the Committee Chair following the meeting, together with any responses received.

For any further details, please contact scrutinyviewpoints@cardiff.gov.uk

9 **Correspondence** (*Pages 1 - 8*)

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Fy Nghyf / My Ref: NRS/RM/PBr/10.09.15

Dyddiad / Date: 24 September 2015



Councillor Peter Bradbury
Cabinet Member: Community Development, Co-operatives & Social Enterprise
City of Cardiff Council
County Hall
Cardiff
CF10 4UW

Dear Councillor Bradbury

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 10 SEPTEMBER 2015

Thank you for attending the September meeting of the Economy and Culture Scrutiny Committee, where we considered Quarter 1 Performance of the City Operations Directorate, the Cardiff Business Improvement District and an update on the Strategic Framework for Sport and Leisure Facilities. I will be grateful if you could also pass on the thanks of the Committee to Andrew Gregory, Neil Hanratty and their officers for the presentations delivered and for addressing the questions that arose during the meeting. The Committee had a few comments and observations following the meeting, which are set out below.

City Operations Quarter 1 Performance

Members of the Committee were pleased to receive an update on the Alternative Delivery Models for Leisure Facilities procurement exercise as part of our scrutiny of Quarter 1 Performance. We recognise that the procurement is progressing well and the Council will soon be at the point where final tenders are evaluated and a decision is made on where to award the contract. During the presentation given to Members, it was commented that the competitiveness of the process could be jeopardised if another bidder withdraws, given that only two bidding organisations remain.

Members of the Committee are concerned with the fact that only two interested parties have made it to the invitation to submit final tender (ISFT) stage of the exercise, and we question whether the Council has asked too much of the market, setting its targets too high and being overly ambitious. It remains to be seen whether this will jeopardise the achievement of the required savings, but we hope that the need to allow for flexibility and innovation from the market has become clear and will be built into future procurement exercises of a similar scale and nature.

Members of the Committee are also particularly conscious that the process followed to develop an enhanced in-house model, to be compared against final submissions from the market, will be of great interest to bidders involved throughout the procurement process and is likely to be subject to considerable external scrutiny. We are confident you are already well aware of this, and hope that the in-house offer will have been subjected to appropriate levels of rigour. If following almost two years of work on the procurement process the Council decides to choose an enhanced in-house solution, the processes followed will need to be beyond reproach, particularly given the significant resources that will have been invested in the process by external companies.

That said, the Committee is well aware that the clear driver behind this project is the need to deliver substantial savings, and to arrive at a position of nil cost to the Council from the provision of leisure services - savings which will need to be found whether an internal or external solution is agreed. If indeed the best way to achieve this is through an enhanced in-house offer, we would support this course of action, but we are minded to stress that the Council cannot afford to stick with an in-house provision and not deliver the required levels of savings. We hope that rigorous improvement plans are being drawn up should the procurement exercise find no suitable external provider for these services, recognising the need for a modified in-house provision to deliver significant service improvements.

The Committee is pleased to see that the future timeline for this project includes a commitment to bring the decision back for our consideration in November. However we wish to raise the fact that our scheduled Committee meeting takes place a week before Cabinet on Thursday 5 November, rather than 11 November as stated on the timeline. Please could you liaise with the Principal Scrutiny Officer for this committee to ensure that arrangements are made for this us to consider this issue again at the appropriate time

Cardiff Business Improvement District

I am conscious that, on the previous occasions the Committee has considered the Business Improvement District proposals, usually as part of quarterly performance, the Chair's letter and the observations of the Committee have been addressed to the Leader. We hope that these observations have been passed onto you as the responsible Cabinet Member for this project and hope that this oversight has not caused any problems.

The Committee welcomes that fact that the work has progressed to a stage where the tangible benefits of a Cardiff Business Improvement District (BID) can clearly be demonstrated. The examples given during the presentation, based on case studies across the UK, include reductions in crime, positive press coverage and media campaigns, savings secured through joint procurement and increases in footfall. We

can clearly see how all these would be a benefit to Cardiff City Centre and hope the promotion campaign to secure a positive vote from businesses will clearly outline these potential benefits. As a Committee we are supportive of this work and hope a vote in favour of the introduction of a BID in Cardiff is achieved.

The Committee does however wish to note our reservations with regard to the potential impact on businesses that fall outside the Business Improvement District area, the impact on advertising citywide events and on residents who live in the city centre – all of which were raised during the meeting. We feel it is very important for the Council to retain enough influence within the city centre to be in a position for feed in the priorities of the city as a whole. For example, we feel it is important that events taking place in Cardiff Bay continue to be suitably promoted within the city centre, and fear that this kind of advertising would not be supported by businesses within the BID area, for understandable reasons. The Committee is conscious that there could be conflict of interests in this area, and hope that the Council will be in a strong enough position to promote the interests of Cardiff as a whole.

Strategic Framework for Sport and Leisure Facilities – Strand 1

It is clear to the Committee that there is the need to develop a framework covering sports facilities and provisions across the city, and while we would expect such a piece of work to have been undertaken prior to the commencement of the ADM procurement process, we are supportive of the direction being taken with this piece of work. Through the information provided during the meeting it is evident that strategic approach is particularly needed to influence and inform the levels of access provided to sports facilities within schools, and that the opportunities presented by the Schools Organisation Plan and 21st Century Schools project will be integral to meeting the citywide demand for sports facilities.

We would expect to see that in the future officers responsible for sports provision in Cardiff are involved in any decisions on school developments that include sports facilities, allowing consideration to be given to structuring the facilities to enable access out of school hours or to local community teams, or to help meet the wider needs and demand of the city. We recommend that you reach a formal agreement with the Cabinet Member – Education in this respect, ensuring the involvement of the Parks and Sport Development Manager on such projects.

The Committee is also mindful of the importance of understanding why schools, or local residents object to sports facilities being used outside of school hours. This will help ensure that the same issues can be overcome when planning new developments of local arrangements. A good illustrative example of this was discussed during the meeting, where dampeners can be installed on hockey and football pitches to reduce to noise of balls hitting the surrounding fences, and can lead to residents accepting out of hours use at these type of pitches. This type of

consideration can be implemented quite easily during the design of a facility, and can avoid many of the objections raised to their use. Across Cardiff, schools and elected Members will be well aware of objections raised against community access to sports facilities, and we would urge officers to catalogue them in order to ensure they are mitigated in any future school sport facility developments.

The Committee is glad that consideration has been given to mapping sporting needs and demands on a regional basis, and hopes to see that Sport Wales will repeat the work that is being undertaken in Cardiff. As we discussed during the meeting, many clubs within Cardiff access facilities in the Vale of Glamorgan, and a collaborative approach to sports provision could help drive further improvements in the supply of appropriate facilities.

To re-cap for ease, the Committee asks that the following points are addressed:

- Arrangements are made with the Principal Scrutiny Officer of this Committee to ensure appropriate timing for the pre-decision scrutiny of the Alternative Delivery Models for Leisure Facilities procurement exercise.
- The Committee recommends that discussion take place with the Cabinet Member – Education to agree to the involvement of Sports Development officers in any decisions on developments within schools that include sports facilities.
- The Committee recommends that work is undertaken to formally capture the objections and complaints that have previously prevented out-of-hours and community use of schools sports facilities.

I would be grateful if you would consider the above comments, observations and recommendations, and look forward to receiving your feedback.

Regards,



Councillor Rod McKerlich
Chairperson, Economy and Culture Scrutiny Committee

cc Andrew Gregory – Director, City Operations
Neil Hanratty – Director, Economic Development
Cabinet Support Office
Members of the Economy and Culture Scrutiny Committee

Fy Nghyf / My Ref: NRS/RM/PB/10.09.15

Dyddiad / Date: 24 September 2015



Councillor Phil Bale
Leader, City of Cardiff Council
County Hall
Atlantic Wharf
Cardiff
CF10 4UW

Dear Councillor Bale

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 10 SEPTEMBER 2015

Thank you for attending the September meeting of the Economy and Culture Scrutiny Committee, where we considered Quarter 1 Performance of the Economic Development Directorate. I will be grateful if you could also pass on the thanks of the Committee to Neil Hanratty and Ken Poole for their presentations and for addressing the questions arising during the meeting. The Committee had a few comments and observations following the meeting, which are set out below.

Economic Development Quarter 1 Performance

Members of the Committee explored whether the plans for the Multipurpose Arena were progressing to schedule. We were encouraged to hear that everything is on track, with a report anticipated to be taken to Cabinet in December, and are pleased with the aspiration being shown in seeking to develop a facility comparable or larger than those found in other leading UK cities. It was explained that projects such as this are typically funded by a combination of commercial and public sector contributions, and currently work is being put into securing the public sector element. We look forward to testing this project again once a robust business case has been developed.

At the meeting, Members explored your progress with regards to a Heritage Trust and whether the intention is for this to be wider in scope than buildings currently owned and operated by the Council. We were informed that at present only Council buildings are in the scope of the project, and work is being undertaken to establish the extent of the benefits of a trust approach for each building, exploring whether an 'umbrella' trust or individual trust approach is most appropriate to deliver any anticipated benefits. We are pleased with the approach being taken and are encouraged that the directorate is taking a cautious approach, establishing achievable benefits rather than rushing to establish a Trust which would assume responsibility for these important assets.

As you will be well aware, the Committee has a keen interest in Cardiff Business Council and recognise importance of an organisation that represents the interests of the business community in the city. We wish to note our concern that the target of 1,000 members for Cardiff Business Council is nowhere near being achieved, although we recognise that the current review of the organisation may have restricted any drive to grow membership. It is important that the right organisational structure is in place to support businesses in playing a leading role in the City Deal proposals, and as such we look forward to scrutinising the results of the review at an upcoming Committee meeting.

With regard to the Bus Station, Members were reassured that the project still on course for completion by the end of 2017. We hope the commitment remains to involve this Committee going forward, either through our joint task and finish inquiry with the Environmental Scrutiny Committee or through a future scheduled Committee meeting.

Members asked for an update on the City Deal, and we are pleased that all ten local authorities making up the Cardiff Capital Region have made the commitment to participate in negotiations with the UK Government. Members recognise that at present we are not able to discuss specific projects within the City Deal, but that projects are currently being submitted from across the region, all of which will be independently evaluated, ensuring that the projects taken forward will deliver the maximum economic benefit for the region as a whole. We are assured that the governance arrangements in place are suitable, with Cardiff taking a leading role in some areas, and drawing on resources and expertise from all the authorities involved. We are confident that this approach can deliver a City Deal proposal that will cover, and benefit the whole Cardiff Capital Region. Again, we look forward to testing the proposals coming forward as the City Deal negotiations progress.

Following the meeting, I have since met with a member of the Cardiff Business Community and discussed the City Deal in more detail. As a result I have a number of questions that I am hoping you will be able to clarify. I appreciate that this meeting would have been better scheduled in advance of the Committee date, allowing me to raise these questions as part of the public Committee meeting, however I am mindful that it will be a number of months until we have the opportunity to scrutinise this topic again and I trust these are questions you will be able to address in your response to this letter. The questions I seek answers for are:

- Across the 10 local authorities, how many individual projects will be competing for inclusion within the Cardiff Capital Region City Deal, and has a set number been agreed upon for inclusion within the final submission?
- What are the judging criteria that will be used to assess these applications for inclusion within the City Deal submission?
- What is the favoured offer for a City Deal from a Cardiff Council perspective, and how does this align with the current framework on City Deals?

- Is the selected bid to the UK Government a matter solely for the ten participating authorities in the Cardiff Capital Region to decide, or does the Welsh Government have an influence and potential veto?
- What is the final deadline for submitting a bid and is there a critical path in place to ensure that this deadline is met by the Cardiff Capital Region bid with all the supporting data and information in place?
- How will the local authorities involved deal with providing the necessary match funding – has a decision been discussed and reached across the ten authorities? If so, what is the estimated Cardiff Council share of match funding?
- What governance and operational structures are envisaged to deliver the plan if the bid is successful, and is it intended that this structure will be headed up by a senior business figure in the Cardiff Capital Region?

To re-cap for ease, the Committee asks that the following points are addressed:

- Future Committee items be arranged with the Principal Scrutiny Officer to consider developments in the following projects:
 - a) Cardiff Multipurpose Arena
 - b) Cardiff Capital Region City Deal
 - c) Cardiff Business Council – review
- Further scrutiny of the Central Transport Interchange project is arranged as a continuation of the joint task and finish inquiry with the Environmental Scrutiny Committee, or through an item at a scheduled Committee meeting, or through both.
- The additional questions above are answered

I would be grateful if you would consider the above comments, observations and recommendations, and look forward to receiving your feedback.

Regards,



Councillor Rod McKerlich
Chairperson, Economy and Culture Scrutiny Committee

cc Neil Hanratty – Director of Economic Development
 Cabinet Support Office
 Members of the Economy and Culture Scrutiny Committee.

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