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CORRESPONDENCE FOLLOWING THE COMMITTEE MEETING

Committee ECONOMY & CULTURE SCRUTINY COMMITTEE

Date and Time of Meeting THURSDAY, 9 JUNE 2016, 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

10 **Correspondence Following the Committee Meeting** (Pages 1 - 6)

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Fy Nghyf / My Ref: NRS/RM/PB/09.06.16

Dyddiad / Date: 8 July 2016



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

Dear Councillor Bale

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 19 JUNE 2016

Coal Exchange

Thank you for attending the May meeting of the Economy and Culture Scrutiny Committee, where the meeting focussed on Cardiff Coal Exchange. I will be grateful if you could also pass on the thanks of the Committee to Paul Orders, Neil Hanratty and the officers supporting them for their presentations 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.

Members of this Committee would like to formally recognise our appreciation for what has been achieved by Save the Coal Exchange and Coal Exchange Ltd, and the service they have done for the city of Cardiff in the care and attention given to this historic building. Their passion for the building, in making repairs, addressing water ingress and making sections of the West Wing fit for use, has no doubt contributed to the preservation of the Coal Exchange. We sincerely hope that the proposals put forward by Signature Living to restore the building to its former glory, maintaining many of the historic features, are a satisfactory result for all the individuals involved in these organisations.

Members of the Committee recognise that relationships between the Council and organisations involved at the Coal Exchange have been tested at times over recent years, as can be expected when passions run high for an important building like the Coal Exchange. Members felt that positive working relationships between the Council and groups like Save the Coal Exchange and Coal Exchange Ltd are critical to the building's future success, and that any past tensions can be subsumed as all parties look to collectively support the developments being driven forward by Signature Living.

In considering the evidence presented by the various stakeholders at the meeting, it is clear to Members of the Committee that there are lessons to be learnt by the Council from its dealings with the Coal Exchange, particularly in relation to transparency and engagement with interested parties. We feel that some of the tensions that have existed over the past few years could have been eased if the Council had been more open about its plans and kept stakeholders more informed, rather than creating a perception of secrecy about the developments. We are encouraged to hear that dialogue has become more frequent and open since Signature Living has taken the lead on development plans for the Coal Exchange. This historic lack of communication was recognised at the meeting and Members were pleased that assurances were provided of close and positive engagement going forward – we are confident that you will act as champion that these assurances are delivered on.

The Committee recognises that we have no constitutional remit to test or challenge the merit of regulatory decisions made, such as the use of Section 78 at the Coal Exchange as was mentioned by several external stakeholders. We do, however, hope that lessons have been learnt by the organisation in this respect, and cannot escape the feeling that, as mentioned above, greater transparency and communication could have helped mitigate any discontent created.

Members of the Committee were disappointed to be informed that the Council challenged a decision made by the Information Commissioner with regard to the release of documentation through a Freedom of Information request. While we understand the reasons given by officers for the challenge of this decision, namely the risk of challenge from developers and owners of the Coal Exchange for prejudicing the ongoing discussions, we are concerned that the Council got to a position where it was willing to call into question the decisions made by the independent body set up to promote openness within public bodies and uphold information rights of the public.

During the meeting Members heard concerns from stakeholders that documents such as a Community Engagement Plan and Conservation Management Plan have not yet been made available. We recognise that these are important documents that need to be produced for projects such as the this one, and welcomed the assurances that a Memorandum of Understanding is in place, which is a legally binding document and sets out the Council's expectations, including the development of these documents as the project progresses through various Planning stages.

The Committee is mindful that the Coal Exchange currently has a number of tenants using the office space in the West Wing of the building. Clearly these organisations will need to relocate prior to building work commencing to transform the building into an operational hotel. Members were pleased to be informed that both the Council and Signature Living will be working with these organisations to minimise the impact they experience and relocate them to suitable alternative office facilities.

A number of participants at the meeting stated that the redevelopment of the Coal Exchange could unlock the wider regeneration of a number of historic buildings located within the Mount Stuart Square Conservation Area. Members of this Committee hope this is indeed the case, and will look to monitor the Council's proposed role in delivering this through plans for the Mount Stuart Square Heritage Quarter and the Cardiff Bay Master Plan. Please could you ensure officers make arrangements for these items to be considered at an appropriate future meeting of the Committee?

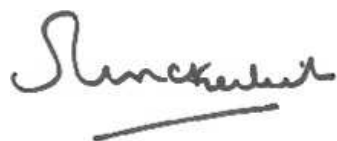
During the meeting it was suggested that in recent weeks the Council had provided a loan to Signature Living to support this development. We welcome and note the clarifications given at the meeting that this was not in fact the case, but was rather a deferment of payment to the Council in relation to sums due for the works carried out in making the building and public areas safe.

A small note Members wish to make is with regard to Licensing. Historically a number of bars in this area of Cardiff, such as The Point, have had issues obtaining licenses to serve alcohol and operate late opening hours – we trust that the Council will work with Signature Living to ensure that such issues do not prevent or hinder the success of the Coal Exchange Hotel.

Like many of the stakeholders we heard from at this meeting, Members of the Committee are truly encouraged by the plans being proposed by Signature Living to transform the Coal Exchange into a hotel that captures and preserves the history of this building for future generations. We hope that Lawrence Kenwright and his team can deliver the vision that has been set out for this building, and look forward with optimism to the progression of this development.

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

Regards,

A handwritten signature in black ink, appearing to read 'Rod McKerlich', with a horizontal line underneath it.

Councillor Rod McKerlich
Chairperson, Economy and Culture Scrutiny Committee

cc Paul Orders – Chief Executive
Neil Hanratty – Director of Economic Development
Geoff Shimmel – Operational Manager, Legal Services
John Worrall – Operational Manager, Major Projects
Richard Cole – Senior Planning Officer
Lawrence Kenwright - Signature Living
Cabinet Support Office
Members of the Economy and Culture Scrutiny Committee.
Ian Hill – Save the Coal Exchange
Mike Johnson – Coal Exchange Ltd
Nerys Lloyd Pierce – Cardiff Civic Society
Jon Avent – Mann Williams
David Leathley
Hilary Roberts



SWYDDFA'R ARWEINYDD OFFICE OF THE LEADER

Fy Nghyf / My Ref: CM35136

Eich Cyf / Your Ref:

Dyddiad / Date: 4th August 2016

Rod Mckerlich
C/O Member Services
County Hall
Atlantic Wharf
Cardiff
CF10 4UW

Annwyl / Dear Councillor Mckerlich,

E&C Scrutiny 19 June 2016: The Coal Exchange

Thank you for your letter dated 8 July 2016 regarding the Economic and Culture Scrutiny Committee's consideration of the Coal Exchange proposals. I am glad that the Committee is encouraged by Signature Living's plans which provide a real opportunity to protect the integrity of one of Wales most important heritage buildings.

You raise the issue of transparency and I acknowledge this has proven to be very difficult for the City Council to manage given the unusual and complex circumstances of this issue. I also acknowledge that this has meant certain stakeholders have felt frustrated, which of course the Council wishes it could have avoided. The route taken was very much based on sound legal advice every step of the way. This included the decision by the City Council to appeal the Information Commissioner's decision. The right of appeal is a very legitimate course of action, and on this occasion the City Council had real concerns that the release of information could have proven detrimental to securing an outcome for the building.

Moving forward, and now that we have Signature Living in place, the City Council will take a step back and allow the developer to work directly with relevant stakeholders as would normally be the case for any significant development in the city. We will of course keep a watching brief and assist if the need arises.

You also mention the concern raised by stakeholders of the lack of availability of documents such as a Community Engagement Plan and a Conservation Management Plan. These are important issues which will now be addressed by Signature Living. Signature Living's latest proposal involves the preservation of the vast majority of the building, including the internal cellular structure. I understand the only significant change they intend to make to the building relates to the roof, and this is only because the deterioration has gone too far. Their scheme is therefore very much a refurbishment proposal rather than a redevelopment proposal. The specific information and documentation required will be dictated accordingly through the planning and listed building process. However, as you mention in your letter, the City Council does have a Memorandum of Understanding (MOU) with the developer which commits them to engaging with local stakeholders.

You also acknowledge in your letter the need for existing tenants to relocate to enable the refurbishment to take place. I understand the developer has now issued notices to tenants. As suggested at the meeting the Council's Economic Development Service will now assist tenants as required to identify alternative premises.

I realise that getting to this point has been challenging but I have no reason to believe that the steps taken by the Council have not been justified. The substantial investment in the Coal Exchange by Signature Living should provide a boost to the surrounding area and attract further investment, and the City Council will continue to focus on that end. There will however be no shortcuts for Signature Living. They will need to go through the normal processes that every other developer or business needs to go through in bring forward their plans, including the normal licensing process.

Finally, it is fair to say the City Council has received very little credit for putting its head above the parapet and attracting this major investment to Cardiff. Whilst there is still a long way to go, I look forward to the day the City Council receives proper acknowledgement for its role in saving this wonderful building.

Regards

A handwritten signature in black ink, appearing to read 'Phil Bale', with a stylized flourish at the end.

**CYNGHORYDD / COUNCILLOR PHIL BALE
ARWEINYDD, CYNGOR DINAS CAERDYDD
LEADER, THE CITY OF CARDIFF COUNCIL**