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GOHEBIAETH YN DILYN CYFARFOD Y PWYLLGOR

Pwyllgor PWYLLGOR CRAFFU'R ECONOMI A DIWYLLIANT

**Dyddiad ac amser
y cyfarfod** DYDD IAU, 6 HYDREF 2016, 4.30 PM

Gweler isod gohebiaeth anfon gan Gadeirydd y Pwyllgor ar ôl y cyfarfod , ynghyd ag unrhyw ymatebion a gafwyd

Am unrhyw fanylion pellach, cysylltwch â scrutinyviewpoints@cardiff.gov.uk

9 **Gohebiaeth Yn dilyn Cyfarfod y Pwyllgor** (*Tudalennau 1 - 16*)

Mae'r dudalen hon yn wag yn fwriadol

Fy Nghyf / My Ref: NRS/CW/BD/06.10.16

Dyddiad / Date: 26 October 2016

Councillor Bob Derbyshire
Cabinet Member for the Environment
City of Cardiff Council
County Hall
Cardiff
CF10 4UW



Dear Councillor Derbyshire

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 6 OCTOBER 2016

Flat Holm Island Partnership

Thank you for attending the October meeting of the Economy and Culture Scrutiny Committee, where we considered an item on the Flat Holm Island Partnership. I will be grateful if you could also pass on the thanks of the Committee to Jon Maidment and Natalie Taylor for their presentation and for addressing the questions that arose during the meeting. We will write separately to thank the respective representatives of the RSPB and Flat Holm Society. The Committee had a small number of comments and observations following the meeting, which are set out below.

Members of the Committee were pleased to be informed that plans and proposals for Flat Holm Island are progressing. We are conscious that at one point the Council was considering disposal of its responsibility for the Island, and with this in mind we were glad to be in the position of considering partnership arrangements to ensure a sustainable future for Flat Holm. We wish you, and the partners involved, well with the future developments for Flat Holm.

During the meeting Members were informed that generating revenue from Flat Holm Island is not a viable option. It is clear to us that commercial opportunities for the island are limited by the state of current buildings, the lack of a fresh water supply and issues accessing the island, and as such we are glad that the Partnership will place its main focus on heritage and wildlife.

Members are conscious that at one time there were proposals to pursue opportunities for 'stag and hen' parties on Flat Holm, and it is pleasing that plans such as this have been abandoned in favour of this environmental focus.

We understand that the agreed aim of the Flat Holm Island Partnership is to deliver "A sustainable business model for management of built and natural heritage, providing an engaging public experience, delivered through a successful

partnership". It is important that this aim is backed up by solid proposals and an action plan, and we would encourage you to have these in place prior to the submission of a final bid to the Heritage Lottery Fund.

It was recognised at the meeting that work is required in terms of marketing Flat Holm Island, promoting it to residents and visitors to Cardiff alike. It was commented that many residents are not aware of Flat Holm and the opportunities that exist to visit it. While this is concerning it also provides room for a promotional push and an opportunity to generate new interest in the Island.

The Committee would be interested in receiving further details on the plans in place for marketing, who is going to be the target audience, and whether we are drawing on the expertise of organisations such as CADW to drive this forward. We note that the RSPB will have experience in this area of promotion, and trust that the partnership can collectively develop a robust strategy for marketing Flat Holm. Please could you ensure that a briefing note on marketing proposals is sent through to Nathan Swain, the Principal Scrutiny Officer supporting our Committee?

Members were concerned to hear there has been a decline in the number of school visits to Flat Holm in recent years, as we feel a trip to the Island at a young age would be enlightening and could create memories that will last a lifetime. We recommend that the marketing campaign aims to re-engage schools and pupils as a priority, seeking to create enthusiasm for the Island in young people. In terms of further education, we were pleased to be informed that the Council works closely with Cardiff University on research projects on Flat Holm, and we are supportive of building links with the Higher Education Institutions across Cardiff whenever possible.

Brief discussion took place at the meeting with regard to the vital work undertaken by volunteers, predominantly through the Flat Holm Society, preserving and maintaining much of the Island and its buildings. We feel that the current limited marketing of Flat Holm could mean it is missing out on potential volunteers simply because people aren't aware they can get involved and play a role on the Island. We recommend that the marketing campaign specifically promotes volunteer opportunities on individual projects and the potential for people to become Members of Flat Holm Society.

The Committee finally wish to note that we are pleased that improvements are planned for the mainland café located on the barrage. We consider it a good opportunity to promote Flat Holm Island within a café that attracts individuals passing by on the barrage, and a good way to inform people of the Island's history and importance without actually visiting it.

I would be grateful if you would consider the above comments, 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 Andrew Gregory, Director – City Operations
Jon Maidment, Operational Manager – Parks and Sport
Cabinet Support Office
Members of the Economy and Culture Scrutiny Committee.
Cellan Michael – RSPB
Peter Sampson – Flat Holm Society

Mae'r dudalen hon yn wag yn fwriadol

Fy Nghyf / My Ref: NRS/RM/PB/06.10.16

Dyddiad / Date: 26 October 2016



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

Dear Councillor Bale

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 6 OCTOBER 2016

Support for Start-ups and Entrepreneurial Businesses

Thank you for attending the October meeting of the Economy and Culture Scrutiny Committee, where we considered an item on support of start-ups and entrepreneurial businesses in Cardiff. I will be grateful if you could also pass on the thanks of the Committee to Jon Day for his presentation 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.

Although Members could recognise from Jon's presentation that the Council is actively involved in supporting businesses, providing advice and facilities for new companies, there were a few of our questions that he was not able to answer. So that we can gain a full appreciation of all that the Council is doing in this area, please could you provide a fuller briefing note for Committee, including the following information?

- The number and location of all the workshops and 'incubators' supported by the Council.
- The number and size (range of size) of individual units at these facilities.
- The fees charged and terms and conditions for use.
- Information on how long businesses remain operating out of these facilities.
- The size of the current waiting list and information on the length of time businesses have to typically wait until space becomes available.
- If waiting lists are long, and demand is high, are there plans in place to develop additional facilities?

Some Members of the Committee recalled when they were previously involved as Directors at Cardiff Business Technology Centre and Cardiff Medicentre, observing that some businesses took advantage of the favourable rent and contractual arrangements by staying in these facilities far longer than was desirable. We trust

that lessons were learnt from this time and that robust contractual arrangements are in place to ensure a reasonable turnover of businesses at the facilities we operate.

Members of the Committee also wish to request additional information with regard to Cardiff Capital Fund. We are aware that the Fund itself is currently fully exhausted, but our understanding is that money will be recycled and reinvested as loans are repaid and returns are generated through equity investments. Please could the following be provided for our consideration?

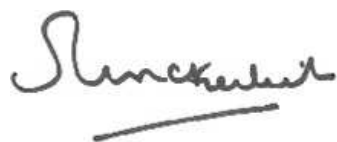
- A breakdown of the deployment of Capital Funds (highlighting whether the money was given as a grant, loan or equity investment).
- Expected returns from these investments including a 2 year projection of repayment.
- Plans for future reinvestment of the funds.

The Committee was pleased to receive additional input at the meeting from Warren Fauvel representing Cardiff Start. We consider this network to be a great example of what can be done with no money, creating a community of skilled individuals and fantastic network opportunities for small and innovative businesses in Cardiff. We are pleased that the Council is actively involved with this sector of the economy, supporting forums such as this and signposting new companies and individuals in their direction.

Members finally wish to note that when Cllr Dilwar Ali raised some concerns about the Tramshed's booking system, Jon Day kindly agreed to raise this with the owners, explaining that local Members had received complaints from constituents about it. We understand that this is not a Council-run facility, and that the issue was not directly related to the scrutiny item, but thank you for agreeing to pursue this matter.

I will 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 Economic Development Officers
Warren Fauvel – Cardiff Start
Members of the Economy and Culture Scrutiny Committee
Cabinet Support Office

APPENDIX 1: Summary of Cardiff Council Business Accommodation Support

The Economic Development service has nine sites comprising 139 workshops or 'affordable business units' within the city, aimed at encouraging new and expanding local businesses by offering business units with easy-in easy-out terms. The units are sited in disadvantaged wards primarily in the south of the city to encourage local employment opportunities.

Whilst the Council has no set definition of what constitutes an "Affordable Business Unit", the term is used to refer to lower specification units e.g. basic shells with no air conditioning, basic facilities at a competitive price. The Council is a major provider of units that fall into the category of affordable business space and more importantly seeks to let these properties at market value which, whilst being a commercial approach, also satisfies statutory obligations to achieve best value.

The units range in size from 120 to 2,000 sq ft. The majority of workshop units are designated with a B1 use class. This allows for any office/industrial process that can operate in a residential area without causing nuisance or loss of amenities to neighbouring properties by way of noise, vibration, smell, dust, soot, ash grit etc. Two sites – Lamby Workshops and Splott Industrial Estate – are designated B2 & B8 (general industrial and warehousing).

The Council units are complimentary to the start up business space provided by the private sector which historically has not provide any industrial workshop accommodation below 1,500 sq ft. as they do not provide the required commercial returns. Commercial lettings traditionally commit the tenant to a longer lease with more restrictive get-out terms which are too risky for new start / small businesses. In addition these businesses can have difficulty in renting private sector premises as they are often required to provide up to two years business accounts. Not however that the private sector is increasingly moving into this space.

The Council workshops provide flexible, cost competitive, low risk business premises for a range of business sectors that are well located to provide jobs and premises for the local community. The units are located outside of the city centre in out of town locations that are not in competition with office based shared service providers / incubation hubs which traditionally operate within city centre locations. Traditionally the sectors supported by the workshops include creative industries, manufacturing, logistics, environment, life sciences and ICT. The workshops currently employ around 500 people with the majority of those employed living within the Cardiff region.

Occupation levels of the workshop estate has not dropped below 85% in the last 10 years and even through the UK economic downturn achieved annual figures of 86%. The current occupation percentage is 93% and has not dropped below 90% since April 2014.

The high occupation levels have been achieved with limited or no marketing, with most enquiries being received through the Council's website or through word of mouth. Currently there are waiting lists for almost all the sites ranging from one month to six month waiting times, further supporting demand for this type of business premises within the city.

Workshop Locations

Sites

Bessemer Workshops, Bessemer Close
Douglas Buildings, Royal Stuart Lane
Ely Brewery Workshops, Station Terrace
Fairwater Workshops, Norbury Road
Gabalfa Workshops, Clos Mentor
Lamby Workshops, Lamby Way
Royal Stuart Workshops, Adelaide Place
Splott Workshops, Portmanmoor Road
Willowbrook Technology Park, Llandogo Road

Wards

Grangetown
Butetown
Fairwater
Fairwater
Gabalfa
Rumney
Butetown
Splott
St Mellons

Summary

SITE	Number of units	Total Sq Ft
Bessemer	14	14,000
Douglas	18	4,893
Ely brewery	15	11,517
Fairwater	18	10,263
Gabalfa	10	18,595
Lamby	11	18,000
Royal Stuart	17	5,810
Splott	14	10,336
Willowbrook	22	25,078
Total	139	118,492

The legal fees charged for a lease at the workshops on entry or renewal is £230.

Cardiff Business Technology Centre (CBTC)

In addition to the workshops the Economic Development team has Cardiff Business Technology Centre which operates 2 sites in Cathays and Wentloog. The centres are aimed at technology and innovation businesses providing units from 140 sq ft to 1,000 sq ft.

The flexible office and laboratory space are serviced accommodation providing reception services and boardrooms and meeting spaces for tenants. CBTC in Cathays close to the city centre provides 16,600 sq ft of space over 35 units while CBTC 2 in Wentloog provides 23,672 sq ft of space over 23 units.

The Council has a stepped rental scheduling process, based on a 'new start' rate, a 3 year + rate, and an anchor tenant rate (applied to businesses whose presence supports the growth of other businesses in the same accommodation). This process is used to ensure that an incubation environment is maintained and that there is a constant flow of available space as companies grow throughout the centres and graduate out of CBTC to larger private sector premises.

Occupation at CBTC for most of 2016 has been above 95% however this has just dropped to 80% due to three companies graduating out of the centre, while CBTC 2 occupation remains steady at around 85% occupation. There is currently no waiting list for space at CBTC or CBTC 2 and a range and choice of units is available. All units within the CBTC innovation

centres are available on flexible easy in easy out terms of one month notice providing flexibility of terms to the tenant.

The legal fees for a lease at CBTC is £275 as well as an administration charge of £50.

Cardiff Council's interest in Cardiff Medicentre was sold to Cardiff University in March 2016 however this facility is still being operated as an business space for bioscience businesses.

Mae'r dudalen hon yn wag yn fwriadol



Fy Nghyf / My Ref: CM36107
Dyddiad / Date: 2nd November 2016

Councillor Rod Mckerlich
Cardiff Council
County Hall
Atlantic Wharf
Cardiff
CF10 4UW

Annwyl/Dear Rod

Economy And Culture Scrutiny Committee - 6 October 2016

Thank you for your comments and observations following the presentation made at the Economy and Culture Scrutiny Committee on 6 October.

I was pleased to hear that you are content that the Partnership focus will be on heritage, the natural environment and education. To this end, through monthly meetings Officers are working on developing business proposals backed up with a robust action plan for the Heritage Lottery Fund 'Heritage Grants' Submission in the Spring of 2017.

Notwithstanding the priorities as set out above, there will be opportunities for income generation, however as indicated commerciality is not the sole driver for the partnership.

To undertake a marketing campaign is a constant challenge within the limited budgetary resources however we have strived to maximize the use of social media, online marketing and contra deals such as radio and print competitions over the past few years. The Partnership will be able to build on this work using the reputation and visibility of the RSPB to expand the awareness of Flat Holm to the public, also we already have plans to work with other organisations such as CADW given their expertise in the Heritage sector. A customer insight study was commissioned earlier this year to investigate the target market and obtains views on visiting Flat Holm. The report will be ready for distribution later this month and we will ensure that a copy is forwarded to you.

ATEBWCH I / PLEASE REPLY TO :

Swyddfa Cymorth Y Cabinet / Cabinet Support Office, Ystafell / Room 518, Neuadd y Sir / County Hall
Glanfa'r Iwerydd / Atlantic Wharf , Caerdydd/Cardiff, CF10 4UW
Ffon / Tel: (029) 2087 2631

Mae'r Cyngor yn croesawu gohebiaeth yn Gymraeg a Saesneg a byddwn yn sicrhau ein bod yn cyfathrebu â chi yn eich dewis iaith boed yn Gymraeg, yn Saesneg neu'n ddwyieithog dim ond i chi roi gwybod i ni pa un sydd well gennych. Ni fydd gohebu yn Gymraeg yn creu unrhyw oedi.

The Council welcomes correspondence in English and Welsh and we will ensure that we communicate with you in the language of your choice, whether that's English, Welsh or bilingual as long as you let us know which you prefer. Corresponding in Welsh will not lead to any delay.



Schools inform us that the reason for the decline in educational visits is a direct result of losing the Lewis Alexander and the requirement to use commercial operators who are not able to offer the same timetable and subsidised pricing structure that the Council previously offered. We still have a wide interest from schools wishing to visit and the Partnership has plans to work with current and new commercial operators to improve the opportunities for educational trips.

We will continue to promote the volunteer opportunities on the Island through offering full time volunteer Warden training for up to 6 individuals every 6 months. This is an important part of our work for managing the Island and assisting young people to gain employment in the environmental field. We will also continue to support the Flat Holm Society through publicising their membership and opportunities for visiting and volunteering on the island.

Yn gywir
Yours sincerely



Y Cyngorydd / Councillor Bob Derbyshire
Aelod Cabinet Dros Yr Amgylchedd
Cabinet Member for Environment

By virtue of paragraph(s) 12, 14 of Part(s) 4 and 5 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

Mae'r dudalen hon yn wag yn fwriadol

**SWYDDFA'R ARWEINYDD
OFFICE OF THE LEADER**

Fy Nghyf / My Ref: CM36083
Eich Cyf / Your Ref: NRS/RM/PB/06.10.16
Dyddiad / Date: 6th Dec 2016

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

Annwyl / Dear Cllr McKerlich,

Thank you for inviting me to the Economy and Culture Scrutiny Committee of 6th October to look at support for Start-ups and Entrepreneurial Businesses.

With regard to the questions relating to the briefing on the Council's support for business I have attached a short note that outlines some of the key support we provide to accommodate business. This note should also be taken in the context of increasing private sector support, where we have seen a considerable increase in the provision of start-up accommodation provided across the city.

With regard to businesses remaining on favourable rent and arrangements for extended periods, the Council introduced a stepped rental scheduling process, based on a 'new start' Rate, a 3 year + rate, and an anchor tenant rate (applied to businesses whose presence supports the growth of other businesses in the same accommodation). This is intended on addressing the very issues raised, whilst also ensuring that we do not deter the development of new businesses in the city.

I have also attached as a confidential appendix an overview of the performance of the Cardiff Capital Fund. Please treat this as confidential information as it is potentially commercially sensitive.

Officers have also picked up the issue relating to the Tramshed directly.

Thank you again for inviting me and colleagues to the Economy and Culture Scrutiny Committee meeting, as ever the contributions of the Committee are much appreciated.

Yn gywir,
Yours sincerely,



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

Phil Bale
Arweinydd Cyngor Dinas Caerdydd
Leader of the City of Cardiff Council

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Mae'r dudalen hon yn wag yn fwriadol