

## ECONOMY & CULTURE SCRUTINY COMMITTEE

10 SEPTEMBER 2015

Present: County Councillor McKerlich(Chairperson)  
County Councillors Dilwar Ali, Govier, Howells, Hyde, Javed and Weaver

### 20 : APOLOGIES FOR ABSENCE

No apologies were received.

### 21 : DECLARATIONS OF INTEREST

No Declarations of Interest were received.

### 22 : MINUTES

The minutes of the meeting held on 14 May 2015 were agreed as a correct record and signed by the Chairperson subject to the inclusion of Apologies from Councillor Howells due to conflicting Council meetings.

The minutes of the meeting held on 9 July 2015 were agreed as a correct record and signed by the Chairperson.

### 23 : QUARTER ONE 2015/2016: MONITORING PERFORMANCE

The Chairperson welcomed The Leader Councillor Phil Bale, Neil Hanratty Director Economic Development and Ken Poole Head of Economic Development to the meeting.

The Chairperson invited the Cabinet Member to make a statement in which he emphasised the approach regarding working towards a service that is self funding via income and partnership working, which was a key corporate priority and good progress was being made.

Members were provided with a presentation on the Economic Development Directorate Quarter 1 Performance Report, which outlined the summary of Main Services; Budget Position; Challenges Identified in Quarter 1 and Risk Position in Quarter 1.

The Chairperson invited questions and comments from Members:

- Members asked if the Multi Purpose Arena was still on schedule. Officers stated that they were still working on it, there would be a report to Cabinet in December; there was still a small funding gap at present so there was further work to do. The project would be mostly commercially funded but some public sector funding was also needed. Officers have spoken to the Welsh Government and Council finances were also being looked at.
- Members enquired how much it would cost. Officers explained they were looking at a large arena of around 13500 to 15000 seats and the cost would

be around £90-100 million depending on the specification. Officers were still testing this but they anticipated that it would be Commercial funding of £65 million which leaves the gap of £30 million, options were being explored.

The Cabinet Member added that the Welsh Government had supported the Convention Centre in Newport, Cardiff were now looking to adapt the use of the Multi Purpose Arena to be more flexible and have the opportunity of different income sources.

- With reference to the costing of the Bus Station Redevelopment, Members asked if officers felt confident they could keep to the timeline. The Director explained that there would be a detailed costing to Council before Christmas; with delivery over 2016/17; intended opening at the end of 2017, so an 18 month build programme.
- Members asked if Officers considered that the Welsh Government would support a Cardiff Arena as well as the Newport Convention Centre. Officers stated that the proposition is very different with Newport's Convention Centre providing an Auditorium and Exhibition Space; Cardiff Multi Purpose Arena would provide facilities for Sport, Entertainment and be flexible for a range of events such as meetings conferences and exhibitions.
- Members asked if the costs of the build included the land costs and were told that it didn't, that would be additional at around £100 million.
- Members asked about the Directorate's additional rental income. Officers advised that they had done better than expected in rental incomes and there was an ongoing rental review; in year performance was better than expected.
- With reference to the City Deal, Members enquired what the next stages were. The Leader advised that all 10 Councils are now signed up to take the deal forward; the City Deal Project Board had been established which The Leader chairs; the position statement had been submitted to the UK Government last week and we are now in Competitive Framework; KPMG are the consultant partners to meet help meet deadlines. With regards to projects, there are no specific projects identified as yet, projects would be sought across the region; the Independent Commission will evaluate the GDA uplift of each project, to get more economic benefit to the region as a whole, there needs to be a balance so that everyone benefits and its fair.
- Members sought clarification on whether projects would be identified by the end of the year. The Leader explained that detailed business cases would need to be ready, KPMG have worked on all big City Deals to date; there have been a handful of very significant proposals; all very different in nature. There was a need to step up the engagement and get key messages out.
- Members asked for further information about the Heritage Trust. Officers advised that the intention was to review or establish a Heritage Trust; maybe in an umbrella format; individual assets would be looked at initially and work on incorporating others not owned by the Council would happen in due course.

- Members asked if members from other local authorities involved in the City Deal were happy with Cardiff taking the lead on the project. The Leader stated that the lead needed to have the resource and the ability to draw on the expertise and resources of other Councils. An Officer group has been established which the Chief Executive of Newport Council chairs and also a Chief Executive group has been established that the Chief Executive of Cardiff chairs with members from all Councils.
- Members asked when they could expect the Property Strategy, Officers advised that the Property Strategy commits the Council to a number of meetings, one is a property plan as part of the annual plan, which is produced in May each year and is currently being worked on. It was noted that this area of work falls under the remit of the Policy Review and Performance Scrutiny Committee.
- Members enquired what could be done to increase membership on the Cardiff Business Council. Officers explained that this was under review and brought to the next Committee meeting.

Members were provided with an update on the Alternative Delivery Model Procurement. The Chairperson welcomed Councillor Peter Bradbury Cabinet Member Community Development, Co-operatives & Social Enterprise, Andrew Gregory Director City Operations and Sarah Stork Active Communities Manager to the meeting.

The Director stated that it was essential to drive commercialisation; this was the first of the ADM's to move forward and sets a model for a more commercial approach that could be replicated on other areas of the Council.

Members were provided with an outline of key dates and an update on the process so far. Members were advised that two companies had withdrawn so only two companies were now going to the evaluation phase. Members were also advised the Lots had changed and Lot 4 was no longer included. There would be a report to Cabinet in September for decision.

Officers advised that they were considering whether the combined Lots of 1, 2 & 3 would remain or the next phase; there would be an invitation to tender by the end of next week, with final submissions by the end of October. It was added that the timescales were tight with no flexibility, any slippage could mean savings not being met.

Members were advised that the enhanced in house model was being prepared and would be used as the default.

The Director stated that he had met with Leisure Centre Managers, it was an opportunity for them to realise the budget in their centres and look at investment from outside if in house doesn't stack up.

The Chairperson invited questions and comments from Members:

- Members asked how the proposals for the in house model were being developed, as there are lots of centres Members wondered how it would be co-ordinated and what support and advice was being offered to them. Officers explained that they had received commercial advice recently, had critically evaluated how the centres are now and opportunities that could be explored. They would look at the private sector and look at how the in house model could be remodelled. The Director added that there had been a series of meetings and they had looked outside of the scope of the individual centres, looking at common elements such as branding. He added that there is a commonality of issues and specific issues in each centre and also different demographics. This work would be brought forward by Malcolm Stammers, Dawn Pinder and Sarah Stork.
- Members asked if consideration had been given to grouping centres together. The Cabinet Member stated that he had asked this from the very start and information had been sought from the WLGA; Mutual' s and Trusts can take three to four years to realise savings. Currently work was being done on final due diligence; improvements were already seen in Channel View.
- With reference to the companies that have withdrawn, Members were concerned that if any more withdrew then there would be issues. Officers advised that they have been open about the Comparator and the in house model and the companies have decided to withdraw for a number of reasons. The Cabinet Member added that the specification that was put out was tight, the in house was the default position, those that withdrew had not been financially viable.
- Members asked how confident Officers were that the options would achieve savings, and how were they working with Corporate Finance to ensure it is robust. Officers stated that they want a position of zero financial impact for the Council; the system worked for other authorities so could work well for Cardiff. The Cabinet Member added that contractors are aware of the public budget document on making early savings.

The Chairperson thanked the Cabinet Member, Officers and witnesses for attending the meeting, giving their presentations/views and for answering Members questions.

AGREED – That the Chairperson writes on the Committee's behalf to the Cabinet Member to convey their comments and observations. [View Letter](#)

## 24 : CARDIFF BUSINESS IMPROVEMENT DISTRICT

The Chairperson welcomed Councillor Peter Bradbury Cabinet Member Community Development, Co-operatives & Social Enterprise, Neil Hanratty Director Economic Development, Ken Poole Head of Economic Development, Jon Day Economic Policy Manager and Mo Aswat Director The Mosaic Partnership to the meeting.

The Chairperson invited the Cabinet Member to make a statement in which he thanked Mo Aswat and Officers who have been doing a lot of good work on this; there were now tangible dates to work towards. The Cabinet Member also extended his thanks to Councillor Russell Goodway for his previous work on this.

Members were provided with a presentation on the Cardiff Bid which provided information on the Mosaic Partnership; What is a BID; Current UK position; The Mosaic BID development programme; Project Timetable; BID study area; what are BID's delivering; Locations; Case Studies; Emerging Key Themes; BID Benefits and Campaign Planning.

The Chairperson invited questions and comments from Members:

- Members asked what would happen if businesses didn't sign up for the BID. Members were advised that it was based on a majority vote and would become mandatory if the majority voted in favour. A majority vote needs to be achieved both in terms of number of businesses and in rateable value of businesses.
- Members enquired how the Levy would be spent. Members were advised that it was important to show businesses that they would see a benefit from the levy; explaining statutory services etc. information would be provided on the website and leaflets would be produced.
- With reference to shopping centres like St David's, Members asked if individual tenants would be included. Members were advised that they would; there would be approximately 20% Nationals and 80% small businesses, some of which were on the task group and have been generally positive about the scheme. The Director added that discussions had been going on since 2009, the appetite for BID was improving now as there was more encouragement from business experiencing BID's elsewhere in the Country.
- Members noted that the Business Plan was in the development phase and enquired how rigid and fixed it was if it's a five year plan. Members were advised that it becomes an essential legal mandate, it has to give members a level of confidence, however five years is a long time so there needs to be built into it that if changes are made there are processes to follow. Levy amount and Geographical area are two changes that would require a full ballot however.
- Members made reference to City Centre residents who would not be consulted at all and that potentially infrastructure and events etc. would impact, and asked how they would be able to engage. Members were advised that residents have been talked to as part of the development process and there were resident representatives on the BID's Board. It was added that the Council would also play its part in BID too.
- Members enquired where BID's had been unsuccessful, what was the reason for this. Members were advised that BID was a two faceted approach; Business Planning and Campaign Planning; those that had failed had developed a good business plans but had forgotten about sending the message out in simple terms to everyone; it was crucial to show people return on their investment and there needed to be transparency and control for members.
- Members noted that the look and feel of the City Centre was currently under the Council's control and presumed that this would not be diminished in any

way by BID. The Cabinet Member stated that he didn't envisage massive change, but there would be conversations with the BID group, such as discussions with businesses about improving the bottom end of St Mary Street and having a strong say in what Events would continue.

- Members emphasised that they would want the City Centre to continue to promote events throughout the City.

The Chairperson thanked the Cabinet Member, Officers and witnesses for attending the meeting, giving their presentations/views and for answering Members questions.

AGREED – That the Chairperson writes on the Committee's behalf to the Cabinet Member to convey their comments and observations. [View Letter](#)

## 25 : STRATEGIC FRAMEWORK FOR SPORT AND LEISURE FACILITIES - STRAND 1

The Chairperson welcomed Councillor Peter Bradbury Cabinet Member Community Development, Co-operatives & Social Enterprise, Andrew Gregory Director City Operations and Steve Morris Parks and Sport Development Manager to the Committee.

The Chairperson invited the Cabinet Member to make a statement in which he emphasised the importance of maximising the impact of the projects that are going on within the Directorate. The Director added that this issue does not fit directly into the Alternative Delivery model process, it is crucial to separate buildings from activities being delivered in them, there is a need to merge to reduce costs and improve facilities for residents. Members were advised that the report would be presented informally to Cabinet initially and then the formal Cabinet report produced.

Members were advised that work had started in Cardiff's year as European Capital of Sport. The Parks and Sport Development Manager explained that he had been frustrated by recent investment in schools with regards to sports facilities being built where demand is not there, and this had prompted them to look into how they advise on what is needed in schools, looking at the 21<sup>st</sup> Century Schools Agenda.

Members were advised that the Phase 1 would be looking at Sports Halls, Swimming Pools and Artificial Grass Pitches; Phase 2 would be concerned with Parks Provision and looking at demand from the General Public, Rugby and Football Leagues and Sunday Leagues. Phase 3 would be concerned with Cardiff's Elite Sport Offer; looking at demand from the rest of Wales, this conversation had been stimulated by the potential to bid for the Commonwealth Games in Wales. It was noted that Phase 1 was complete, Phase 2 had been started and Phase 3 would be started around Christmas time with a draft report produced in February March 2016; so this was a good opportunity for scrutiny's first impressions.

The Chairperson invited questions and comments from Members:

- Members asked whether Officers had mapped provision to identify deficiency and over supply. Members noted that the Star leisure centre had operated at 100% and if it closed then there would be a deficiency in the area unless

residents were able to use Willows School. The Cabinet Member stated that there were still considerations going on with regard to the Star centre, Schools have been told that if there was going to be Community Schools Investment then the SOP has to be planned accordingly. Members were advised by Officers that there was a facility planning model, using postcode analysis and that defining data would be reported; with regards to schools a change in policy would be anticipated to incorporate wider community access.

- Members asked whether regional capacity was also mapped, to take into account for example people who work in and use facilities in Cardiff but live outside of Cardiff. Officers advised that they have asked Sports Wales to look into this with regard to Cogan centre in the Vale of Glamorgan and they would ask them to repeat the exercise this time looking at Rhondda Cynon Taff. The Cabinet Member added that the Football Leagues would be key to this as they use facilities wider than Cardiff.
- With regards to opening up schools facilities to the public, the Chairperson noted that this could cause issues with caretakers hours and job descriptions; also there would likely be objections from nearby residents. Members were advised that some progress was being made in some schools but more needed to be done. The Cabinet Member added that it was important to get the message out that children playing sport in a facility are less likely to be involved in anti-social behaviour.
- Members noted that some schools have outside pitches but planning restricts their use after 6pm; Members also noted that some school Governing Bodies are reluctant to open up the school facilities. Officers stated that there was a huge opportunity with 21<sup>st</sup> Century Schools, it was important to empower the local community to merge facilities, some issues could be addressed easily such as changing the locations of changing rooms so that access does not have to be through the school; having local clubs to be key holders to lock up etc. innovative thinking was now needed.
- Members discussed ways of overcoming possible objections from residents on issues such as noise from hockey balls hitting fences, which could be addressed by having dampers on the fences.
- Members noted that some schools don't have facilities of their own; Officers explained that permission is given to such schools to use local parks for sports days etc. also swimming programmes were provided at leisure centres.

The Chairperson thanked the Cabinet Member, Officers and witnesses for attending the meeting, giving their presentations/views and for answering Members questions.

AGREED – That the Chairperson writes on the Committee's behalf to the Cabinet Member to convey their comments and observations. [View Letter](#)

26 : WORK PROGRAMME

Councillor Chris Weaver took the Chair at this point in the meeting.

Members were provided with a Work Programme for consideration and approval, as was discussed and prioritised at the 9 July 2015 Committee meeting.

Members discussed the addition of an Inquiry into Business Rates, which they considered should be done before Christmas in order to have the opportunity to influence budget decisions.

Members were advised of an Inquiry into the Community Infrastructure Levy being conducted by Paul Keeping and that volunteers for this Inquiry would be sought via email.

RESOLVED: to approve the Work Programme subject to the inclusion of an Inquiry into Business Rates.

#### 27 : WAY FORWARD AND DATE OF NEXT MEETING

The next meeting is scheduled for Thursday 15<sup>th</sup> October 2015 at 4.30pm in CR 4 County Hall.