

ECONOMY & CULTURE SCRUTINY COMMITTEE

9 JUNE 2016

Present: County Councillor McKerlich(Chairperson)
County Councillors Dilwar Ali, Howells and Stubbs

1 : APPOINTMENT OF CHAIRPERSON

Noted that at the Annual meeting of Council held on 26 May 2016, Councillor Rod McKerlich was appointed as Chairperson of this Committee.

a Committee Membership

Noted that at the Annual meeting of Council held on 26 May 2016, Councillors McKerlich (Chairperson), Dilwar Ali, Nigel Howells, Keith Hyde, Mohammed Javed, Ed Stubbs, and Elaine Simmons were appointed as Members of this Committee.

b Terms of Reference

Agreed the Terms of Reference for the Economy & Culture Scrutiny Committee.

2 : APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Hyde, Javed and Simmons.

3 : DECLARATIONS OF INTEREST

No declarations of interest were received.

4 : MINUTES

The Minutes of the meeting of the Economy and Culture Scrutiny Committee held on 12 May 2016, were agreed as a correct record and signed by the Chairperson.

5 : CARDIFF COAL EXCHANGE

The Chairperson advised the Committee that the condition of the Coal Exchange has been a matter of public concern in recent years, which this Committee has monitored; Plans have recently emerged for the development of the property, which have prompted further debate.

At this meeting, Members would hear from a range of relevant stakeholders on the plans for the building's future, and on the basis of the evidence received would provide their observations and advice to the Council Leader.

The Chairperson advised that the Council's Constitution confers power on the Committee to hold to account decisions made by the Cabinet and by officers under delegated authority from the Cabinet. The Committee has no constitutional remit with regard to testing or challenging the merit of regulatory decisions. The works carried out at the Coal Exchange early in 2014 were enabled by a regulatory, non-executive

decision made through the Public Protection Committee concerning building control enforcement action.

Because decisions like these are not a matter for the Cabinet and cannot be overturned by Full Council, scrutiny is not the forum for issues like these to be resolved, and the Council has put other mechanisms in place for this purpose.

A range of stakeholders were present at the meeting today, some of whom may wish to discuss the emergency works and associated issues. The Chairperson recognised that it is the role of Scrutiny Committees to hear the views and concerns of the public, and he felt it appropriate that individuals are given the opportunity to voice these – however, as mentioned, the Chairperson asked Committee Members to consider any views expressed on these matters within the scope set out for the meeting in the cover report – which was to discuss the sustainability and future of the Coal Exchange building, to gain assurance that plans in place will deliver economic and commercial benefit for Cardiff and its citizens, and confidence that the Council will properly use its power to safeguard this important asset for future generations.

The Chairperson thanked all those witnesses who have given up their time to join the meeting, and help the Committee gain an understanding of the issues surrounding the Coal Exchange.

The Chairperson reminded all witnesses present that it was a public meeting, with Members of the press and public present, he was conscious that this topic was one that many people were passionate about, but asked that witnesses remain calm in making their representations

The Chairperson welcomed Cllr Bale – Leader, Paul Orders – Chief Executive, Neil Hanratty – Director, Economic Development, Geoff Shimmel – Operational Manager, Legal Services, John Worrall – Operational Manager, Major Projects and Richard Cole – Senior Planning Officer to the meeting.

The Chairperson invited the Leader to make a statement in which he noted the importance of the Coal Exchange building and stating that it was the venue for the first £1million cheque to be signed. The Leader stated that there had been many proposals in relation to the building over the years none of which had come to anything; this was a new proposal to keep the integrity of the building at no cost to the Council; to bring the story of the Coal exchange alive again and for it to become a catalyst for the regeneration of the area.

The Chairperson invited Neil Hanratty to make a presentation to Committee [Presentation](#)

The Chairperson invited questions and comments from Members on the presentation.

- Members asked for an explanation of the term 'escheat' and were advised that it was to disclaim a wasted asset; it was passed to the Crown, if it's a negative asset then the Crown can also disclaim; it's a bare ownership with no responsibility for maintaining.

- Members asked at what stage would members of the public be able to access the building and were advised that the building would be open, the hall would be a centre piece; there would also be access to other parts of the building; the public would be invited to access the building.

The Chairperson welcomed Lawrence Kenwright and David Marsh – Signature Living to the meeting and invited them to make a presentation to Committee. Members were advised that there was structural work to be done to the building but aesthetically it would be left as original as possible, converting a sensitive heritage building and trading it; lots of stories and heritage would be brought to life in the building. There would be a £35m investment with no public monies; 100 construction jobs would be made along with 60 hotel staff and up to 50 apprenticeship opportunities. The project would add value to the area and public realm in the surrounding area would also be upgraded.

The Chairperson invited questions and comments from Members on the Signature Living presentation:

- Members asked when planning permission was going to be applied for and were advised that an application for change of use had already been made.
- Members asked how discussions with CADW had been going and were advised that a very good initial pre-meet had taken place; CADW were happy so far and wanted to work with partners going forward.
- Members asked if there would be any engagement with the local Butetown community as the story of the Coal Exchange was developed. Members were advised that this engagement had already started and there would be open days, round table meetings etc. to gather local stories and history, meeting with both local people and historians with an interest in this building.
- Members sought reassurances that if some reason Signature Living left the building, that it would not be left in a worse state. Members were advised that the first stage of the development would be to stop the water ingress to the building, so from the very start the building would be in a better state of repair. Members were also assured that the interior of the building was not going to be ripped out.
- Members noted that there was a very well established local campaign group who needed to feel involved and to feel comfortable with the proposals. Members were advised that engagement had already started and they were welcome on-board.
- Members asked for an idea of timescale for the project and were advised that planning permission needed to be obtained initially then they would likely be open in around 12 months' time.

The Chairperson invited Mike Johnson (Coal Exchange Ltd), Ian Hill (Save the Coal Exchange) and Kerry Hood to make their representations. Mike Johnson outlined his involvement with the building and stated that this proposal was the most exciting to come forward in 25 years. Ian Hill and Kerry Hood referred to the following document: [Document](#)

The Chairperson invited Jon Avent (Mann Williams) to make his representations: [Presentation](#)

The Chairperson invited David Leathley to make his representations in which he stated that he had been running a successful chamber from within the Coal Exchange building for a number of years; he considered the loyalty to the building from the Save the Coal Exchange group exemplary; and that the only criticism he had heard of the proposal was that of 'what if you fail'; he had heard praise for the developers from colleagues in Liverpool and he considered that if nothing else the initial investment of £15m to make the building safe was a positive.

The Chairperson advised Members that Hilary Roberts had provided a written submission and this was circulated to Committee Members.

The Chairperson invited back representatives of the Council and Signature Living to address questions raised during these representations.

- Members were provided with clarification on prohibition orders and disabling; regulatory processes and information in the public domain.
- The Chief Executive considered that this was an intrinsically difficult issue for Cardiff, to balance the wishes of the Community and the Council to have an effective solution to the long-term decline of the Coal Exchange, which was a critical heritage asset. There were significant constraints of not being the owner of the building. The three key issues were: to avoid liability, fiduciary duty to recover public money spent and regeneration of the building and the wider environs. The Chief Executive added that his assessment in terms of the 3 objectives was that there was now a robust solution with Signature Living.

Officers added that Cardiff Council had put in place a memorandum of understanding setting out expectations of how to move forward, this was a legally binding agreement with Signature Living. Points raised about communication in the past were accepted and the timing issues were noted; now with a preferred partner, moving forward there were no reasons for not fully engaging with stakeholders in a timely manner.

- Members asked what Cardiff Council could do to ensure that the developer does enhance the building and the whole of Mount Stuart Square. The Leader stated that some issues pre-date him as Leader, but he does not want any elements demolished or changed. This proposal addresses the concerns over public money spent; public risk; potential to develop the wider area and engaging the community. The solution would preserve the building going forward, through mature partnership and stakeholder working and by Signature Living committing to Cardiff long-term.
- Members congratulated Signature Living on an innovative and exciting proposal. Members asked whether there would be parking at the hotel and were advised that there would not be a dedicated car park but conversations have taken place with car park owners in relation to leasing spaces.

- Members referred to conservation management, community engagement and risk analysis; officers stated that the Memorandum of Understanding incorporates all of these.
- Members were advised that there was an ongoing dialogue with CADW who were very welcoming of the proposal; the planning application was to purely seek change of use, this would be followed with a listed building application and then a CADW conservation order, so there was a linear pathway to follow.
- Members asked if there were plans to work with the existing Coal Exchange tenants and were advised that Signature Living were already in discussions with existing tenants and Save the Coal Exchange.

The Chairperson thanked all witnesses and officers and the Leader and Chief Executive for attending the meeting.

AGREED – That the Chairperson writes on the Committee’s behalf to the Leader to convey their comments and observations.

6 : WORK PROGRAMMING

The Chairperson noted that last year Members sought suggestions from Directorates as to what topics to be scrutinised; he added that it was also possible to ask the public and third sector organisations for ideas to be discussed at the July Economy and Culture Scrutiny Committee meeting.

Members discussed the various options, and considered they were happy to invite Directors to suggest ideas providing that they concentrate on risk issues.

The Principal Scrutiny Officer agreed to compile a list of topics, circulate to Members who could then add to it if they wished; the list would then be discussed at the July meeting.

7 : CORRESPONDENCE

The correspondence report was noted.

8 : DATE OF NEXT MEETING

The next meeting of the Economy & Culture Scrutiny Committee is scheduled for Thursday 7 July 2016 at 4.30pm, Committee Room 4, County Hall, Cardiff.