



County Hall
Cardiff
CF10 4UW
Tel: (029) 2087 2000

Neuadd y Sir
Caerdydd
CF10 4UW
Ffôn: (029) 2087 2000

AGENDA

Committee	ECONOMY & CULTURE SCRUTINY COMMITTEE
Date and Time of Meeting	THURSDAY, 6 OCTOBER 2016, 4.30 PM
Venue	COMMITTEE ROOM 4 - COUNTY HALL
Membership	Councillor McKerlich (Chair) Councillors Dilwar Ali, Howells, Hyde, Simmons and Stubbs

Time approx.

1 **Apologies for Absence**

To receive apologies for absence.

2 **Declarations of Interest**

To be made at the start of the agenda item in question, in accordance with the Members' Code of Conduct.

3 **Minutes** (*Pages 1 - 10*)

To approve as a correct record the minutes of the previous meeting.

4 **Support for Start-ups and Entrepreneurial Businesses** (*Pages 11 - 38*) 4.35 pm

(a) The Leader, Cllr Phil Bale, will be invited to make a brief statement.

(b) Jon Day (Economic Policy Manager) will be in attendance to provide a presentation and to answer Members' questions;

(c) Questions from Committee Members.

5 **Flat Holm Island Partnership** (*Pages 39 - 50*) 5.15 pm

(a) Cllr Bob Derbyshire (Cabinet Member - Environment) will be invited to make a brief statement.

- (b) Andrew Gregory – Director, City Operations, Jon Maidment – Operation Manager Parks & Sport and Natalie Taylor – Team Leader also be in attendance to deliver a presentation and to answer Members’ questions.

Council Officers will be joined by Cellan Michael, RSPB and Peter Sampson, Flat Holm Society, who will be invited to provide their views on the partnership and vision for the future of Flat Holm Island.

- (c) Questions from Committee Members.

6 Committee Business (Pages 51 - 70) 6.15 pm

Nathan Swain, Principal Scrutiny Officer, will lead discussions on Work Programming, Correspondence and the November Committee meeting.

7 Way Forward 6.30 pm

8 Date of next meeting

To be confirmed.

Davina Fiore

Director Governance & Legal Services

Date: Friday, 30 September 2016

Contact: Andrea Redmond, 029 2087 2434, a.redmond@cardiff.gov.uk

This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg

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.

This page is intentionally left blank

ECONOMY & CULTURE SCRUTINY COMMITTEE

21 JULY 2016

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

9 : APOLOGIES FOR ABSENCE

Apologies were received from Councillors Hyde, Javed and Simmons. Councillor Howells had indicated that he would be late arriving.

10 : DECLARATIONS OF INTEREST

No declarations of interest were received.

11 : CARDIFF BUSINESS IMPROVEMENT DISTRICT

The Chairperson welcomed The Leader, Councillor Phil Bale, Neil Hanratty Director – Economic Development and Jon Day Economic Policy Manager to the meeting.

The Chairperson invited the Leader to make a statement in which he said that it had been a long standing aspiration to support the BID and the committee had had involved over a long time; he was pleased with the ballot result of 84% of those balloted backing the BID; he was now working with partners to determine how the money would be spent; there was energy and commitment from the individuals involved and this was a good news story for Cardiff.

Members were provided with a presentation by Jon Day on the Business Improvement District – Update which included information on BID Ballot Results, Purpose of Report, City Centre Management, Cash Advance, Board Nominations and Next Steps.

The Chairperson thanked officers for their presentation and invited questions and comments from Members.

- Members asked if there were any ideas for potential projects for the BID. Officers advised that the run up to Christmas and marketing would be a priority, Apprenticeships and Digital Infrastructure Support for smaller businesses were some of the projects. The Leader added that he had spoken with the Chair of the BID and there was a desire to promote certain dates such as the Champions League.

Members asked if the main thrust was promotion rather than enhancement of the BID; officers stated that there would be a broad range of promotions but there would also be environmental enhancements such as additional street cleansing, improvements to street scape and commitment to the Night Time Economy.

- With reference to Board Nominations, Members asked if there would be a cross party of elected Members on the Board. Officers explained that the Leader would be the elected member representative; the Board should be

business led rather than Council heavy. Officers added that they were committed to engagement with all local Members and that the Director of Economic Development would be the conduit for this through to the Board. The remaining Board members would be levy paying members and the Police, with the Chair of the Board being the Store Manager of Marks and Spencer's; the Board would provide a vehicle for engagement, representation and would assist in lobbying.

The Chairperson thanked Officers and the Leader for attending the meeting.

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

12 : LEISURE CENTRE MANAGEMENT ALTERNATIVE DELIVERY MODEL

The Chairperson clarified for all present that any presentation, discussion or questions related to the yellow pages (Appendix B and associated appendices) within the Committee papers would be taken in closed session and at that point in the meeting both the public and press would be asked to leave the room.

An initial open session would be held where officers outline the wider procurement project and recommendation to the Cabinet. The meeting would then move to a closed session where the information deemed commercially sensitive could be discussed.

The Chairperson welcomed Cllr Bradbury – Cabinet Member – Community Development, Co-operatives & Social Enterprise; Cllr Hinchey – Cabinet Member – Corporate Services and Finance; Paul Orders – Chief Executive; Christine Salter – Corporate Director, Resources; Andrew Gregory – Director, City Operations; Malcolm Stammers – Operational Manager, Leisure and Play; Liz Weale – Legal Services, Operational Manager, Partnerships and Procurement; Chris McLellan – Operational Manager – Commissioning and Procurement; Sue David – Accountant, Organisational Development and Tracey Thomas – Operational Manager, HR

The Chairperson invited Councillor Bradbury to make a statement in which he said that this issue had been ongoing since 2014, there had been an Economy and Culture task and finish group to look at the issue which was now coming to a conclusion.

The Chairperson invited Officers to provide an overview of the procurement project and proposals to Cabinet. Members were provided with a presentation which included information on Aims, Procurement Update, Financial benefits, Council retaining buildings and land, Service Levels Safeguarded, Employee Benefits, Timetable to Decision, Employee Engagement and Draft Cabinet Recommendations.

The Chairperson advised the meeting that in order to refer to exempt information, not for publication by virtue of paragraph 14 of Part 4, and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972, it was necessary at this point to request that members of the public and the press leave the Committee room.

The meeting then went into closed session.

13 : WORK PROGRAMME 2016 -17

The Chairperson asked Members to consider the list of items for the work programme and indicate their top six priorities to the Principal Scrutiny Officer.

14 : DATE OF NEXT MEETING

The next meeting of the Economy & Culture Scrutiny Committee is Thursday 8 September 2016 at 4.30 in Committee Room 4, County Hall, Cardiff.

This page is intentionally left blank

CITY & COUNTY OF CARDIFF

DINAS A SIR CAERDYDD

ECONOMY & CULTURE SCRUTINY COMMITTEE

06 OCTOBER 2016

SUPPORT FOR START-UPS AND ENTREPRENEURIAL BUSINESSES

Purpose of report

1. To provide Members with an overview of the Council's support of Start-ups and Entrepreneurial Businesses in Cardiff and the work undertaken by this Committee during the 2013/14 work programme focussed on small businesses.

Background

2. A start-up company is an entrepreneurial venture which is typically a newly emerged, fast-growing business that aims to meet a marketplace need by developing or offering an innovative product, process or service. These companies are generally involved in the design and implementation of the innovative processes of the development, validation and research for target markets.
3. Start-ups are usually small and initially financed and operated by a handful of founders or one individual. Because start-ups don't have much history and may have yet to turn a profit, investing in them is considered high risk and access to finance can be limited.
4. Start-ups and small businesses contribute to local economies by bringing growth and innovation to the community in which the business is established. Small businesses also help stimulate economic growth by providing employment opportunities and by attracting talent who invent new products or implement new

solutions for existing ideas. Larger businesses also often benefit from small businesses within the same local community, as many large corporations depend on small businesses for the completion of various business functions through outsourcing. New and young companies are often the primary source of job creation in an economy and these firms also contribute to economic dynamism by injecting competition into markets and spurring innovation.

5. The important role the Council plays in attracting and supporting businesses in Cardiff is recognised within the 2016/17 Corporate Plan and Economic Development Directorate Delivery Plan 2016-18. The vision for Cardiff set out in the Corporate Plan is 'To be Europe's most liveable Capital City', and in delivering this vision the following is identified:

Cardiff will connect Wales to the world and be a Capital city that attracts business, investment, talent and tourism.¹

6. The Corporate Plan's third priority is "Creating more jobs and better paid jobs". The Plan states;

Increasing the number and quality of jobs is essential to improving the quality of life for people in the city and wider region. The Council is therefore committed to helping create the conditions that will enable businesses to succeed, for attracting high quality investment and for more and better jobs to be created in the city.

Working closely with the business community and other public and third sector organisations – in the city, across the wider city-region, nationally and internationally - will be essential in creating the right environment to deliver sustainable economic development.

[...]

Economic success in the knowledge economy is dependent on growing, attracting and keeping talented people, and so quality of life is becoming as important as

¹ The City of Cardiff Council Corporate Plan 2016 - 2018 [<https://goo.gl/QLKTXg>]

the quality of job opportunity on offer. As Cardiff grows its development will need to be managed in a sustainable, resilient and inclusive way if the city is to retain its high quality of life, with a particular focus on achieving a modal shift towards sustainable travel.

7. The Economic Development Directorate Delivery Plan² provides an important link between the Corporate Plan, the work of directorates and the objectives set for individual employees. In relation to Start-ups and Entrepreneurial Businesses the following Directorate Actions are relevant:

- Deliver 4 successful Social Innovation Fund (SIF) project funding applications (EDC16).
- Attract or support business to expand or locate in Cardiff.

The milestones set within the Directorate Delivery Plan are to deliver one successful SIF project funding application and secure at least one new inward investment or expansion project per quarter.

8. The following performance indicator is relevant in the context of support for start-up businesses:

- (EEI001) New and safeguarded jobs in businesses supported by the Council, financially or otherwise.

The target set for 2016/17 is for 500 jobs to be supported by the Council. Figures from the Quarter 1 2016-17 Directorate Performance Report show that 214 jobs have been supported by the Council in the first quarter.

Workshops and Business Starter Units

9. The Council manages nine sites across the city aimed at encouraging new and expanding local businesses through business units with easy-in easy-out terms.

² Economic Development Directorate Delivery Plan 2016-2018 [<https://goo.gl/6fJV5s>]

The sites can be found in Grangetown, Butetown, Ely, Fairwater, Gablafa, Rumney, Splott and St Mellons. There is a 93% occupancy rate in the workshops, with 100% occupancy in the Ely Brewery workshops.

10. Cardiff Business Technology Centres (CBTC) are ‘incubators’ run by the Council. There are three facilities across the city – one adjacent to Cardiff University on Sengenydd Road, and two in Capital Business Park, Wentloog. The centres provide flexible serviced accommodation and easy access to business support services, tailored to the needs of new technology and science-based businesses.

11. Criteria against which prospective tenants for CBTC are considered are as follows:-

- Tenants should be new start or developing knowledge-driven and/or technology based small firms.
- The firms should have existing or potential linkages to the higher education sector.
- The firms should have a viable Business Plan and should have a target of developing from the relevant Centre to new premises within 3-5 years.
- Tenants should be able to demonstrate that they will benefit from the supportive environment provided by the location, accommodation and related services.

12. Cardiff Council previously held a stake in Cardiff Medicentre located at Heath Park campus. The Medicentre was a Joint Venture between Cardiff Council, the Welsh Government, Cardiff University and Cardiff and the Vale Local Health Board. In January 2014 a report to Cabinet³ identified that the Council had been approached by Cardiff University with regard to its stake in the Medicentre. The decision at this meeting gave approval for the Council to “complete the disposal of the Council’s interest in the Cardiff Medicentre”. It was also agreed to “Ring-fence the capital receipt generated from the disposal of the Council’s interest in the Cardiff Medicentre to enable the development of new incubation space in priority regeneration areas in the city.”

³ Disposal of Cardiff Medicentre – Cabinet Report – 29 January 2014 [<https://goo.gl/Qk5lHi>]

13. The Council has been proactive in securing additional incubation and accelerator space through the Tramshed development and the attraction of the Entrepreneurial Spark at One Central Square, which provides support and mentoring for entrepreneurs.

Social Innovation Fund

14. The Social Innovation Fund was launched following a report to Cabinet in July 2014⁴. The decision made at this meeting authorised the allocation of £70,000 from existing budgets to a new Cardiff Social Innovation Fund. The aim of this fund was to support the development of new and sustainable social enterprises to add value to the city's economy and communities by developing capacity for innovative social enterprises to grow. The fund would be targeted at new social enterprises, and be used to kick-start development rather than to support revenue costs of current enterprises. Additional (non-financial) support would also include access to Council expertise, partner support from the public, private and third sector, and access to wider partnership projects and funding streams. A representative Board was established to make decisions with regard to the award of the Cardiff Social Innovation Fund. Officers are in discussions with partners with a view to leveraging further funding for these activities.

Cardiff Capital Fund

15. Cardiff Capital Fund was set up in 2009 with a view to provide financial assistance in the form of grants, loans and equity investments to new and established businesses across Cardiff. The fund aims to support innovative, high growth companies within the key economic sectors with the potential to create or safeguard jobs in Cardiff. Loans or Equity investments of up to £50,000 are available and are focussed on small and medium-sized enterprises in Cardiff within the key economic sectors including the ICT, Creative Industries, Bio/Life

⁴ Developing a Social Innovation Fund – Cabinet Report – 17 July 2014 - [<https://goo.gl/GEk4cz>]

Sciences, Manufacturing, Financial and Business Services and Green Technologies.

16. The Council also acts as a signpost to direct businesses to alternative sources of funding such as Welsh Government, Finance Wales, Business Wales, European Commission and specialist funding bodies.

Task and Finish Report

17. During the 2013/14 work programme, the Economy and Culture Scrutiny Committee produced two reports focussed on small businesses and innovation in Cardiff.

18. Published in November 2013, the report 'Higher Education Innovation in Cardiff' focussed on the role higher education institutions can make in providing innovative business start ups, and the role the Council can plan in supporting this. The report made 14 recommendations to the Cabinet. The full report can be found via the following link <https://goo.gl/4Uyqb7> and the Cabinet response including the recommendations made and Cabinet comments can be found attached at **Appendix A**. The majority of the recommendations made in this report are appropriate within the scope this meeting.

19. Published in January 2014, the report 'Small Business' made 16 recommendations to the Cabinet. The full report can be found via the following link <https://goo.gl/wNm8Wd> and the Cabinet response including the recommendations made and Cabinet comments can be found attached at **Appendix B**. Members may wish to note that recommendations 1, 5 and 12 are particularly relevant to the focus of this item.

R1. [Cabinet] Supports small businesses in Cardiff to succeed in overcoming the challenges they uniquely face, in particular by increasing joint working between

Council teams [...] and by vesting lead championship and responsibility for supporting small firms across the whole organisation within one Council function.

R5. [Cabinet] agree appropriate targets for the number and value of contracts awarded to the small business sector, and publish the results each year.

R12. [Cabinet] Addresses concerns expressed by small businesses about the difficulty of gaining timely advice from Council officers over a range of inquiry areas including grants, business development and operational issues – either through a centralised contact service, through Cardiff Business Council, through a Council service area or through another effective mechanism.

Way Forward

20. The Leader, Councillor Phil Bale has been invited to attend and may wish to give a statement. Jon Day (Economic Policy Manager) and Rhian Jones (Principal Business Development Officer) will also be in attendance to deliver a presentation and to answer Members' questions.

Legal Implications

21. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure

Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

22. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/ Council will set out any financial implications arising from those recommendations.

Recommendations

23. The Committee is recommended to give consideration to the information attached to this report and received at this meeting and to submit any recommendations, observations or comments to the Cabinet Member.

Davina Fiore
Director of Governance and Legal Services
30 September 2016

CABINET MEETING: 11 DECEMBER 2014

**CABINET RESPONSE TO THE REPORT BY THE ECONOMY
AND CULTURE SCRUTINY COMMITTEE ENTITLED “HIGHER
EDUCATION INNOVATION IN CARDIFF”**

**REPORT OF DIRECTOR OF ECONOMIC DEVELOPMENT
AGENDA ITEM:3**

PORTFOLIO: LEADER (ECONOMIC DEVELOPMENT & PARTNERSHIPS)

Reason for this Report

1. To respond to a report published by the Economy and Culture Scrutiny Committee in November 2013 entitled “Higher Education Innovation in Cardiff”.

Background

2. As a part of the Economy and Culture Scrutiny Committee work programme for 2012-13, the Committee agreed to consider Higher Education Innovation. The scope of the scrutiny was to provide an overview of innovation in the context of higher education institutions and to identify the role the Council can play in supporting higher education institutions.
3. The following issues were examined for this short scrutiny exercise:
 - What is innovation and what role do Higher Education Establishments play?
 - The benefits for Cardiff that can emerge from innovation supported by Higher Education Establishments
 - The policy context surrounding innovation in Wales
 - The Councils current levels of support for / and partnership arrangements with Higher Education Establishments in Council
 - The appropriateness of these levels of support
 - Whether there is scope to improve and expand support for Higher Education Innovation
 - Examples of good practice from relevant local authorities and universities.

Issues

4. The report recognised the important role that higher education institutions play in supporting the local economy, and the interactions that exist between higher education, business and the public sector in promoting and supporting innovation in the city's higher education sector.
5. The report also recognised the work undertaken by partners in the sector to promote and support innovation in the Higher Education sector in the city.
6. The report makes 15 recommendations and all have been accepted or partially accepted. Full details of the recommendations and response are contained in appendix 1.

Reason for Recommendations

7. To enable the Cabinet to respond to the report published by the Economy and Culture Scrutiny Committee.

Financial Implications

8. Any relevant financial implications will be identified and considered as part of the work to progress the responses to the recommendations that are accepted.

Legal Implications

9. Any relevant legal implications will be identified and considered as part of the work to progress the responses to the recommendations that are accepted.

RECOMMENDATIONS

Cabinet is recommended to agree to the response to the recommendations as set out in Appendix A.

NEIL HANRATTY

Director

5 December 2014

The following appendices are attached:

Appendix A: Cabinet Response to the Report by the Economy and Culture Scrutiny Committee into "Higher Education Innovation in Cardiff"

The following background papers have been taken into account

A Report of the Economy & Culture Scrutiny Committee Higher Education Innovation in Cardiff November 2013

Cabinet Response to the Report by the Economy and Culture Scrutiny Committee into “Higher Education Innovation in Cardiff”

Cabinet welcomes the findings of the Economy and Culture Scrutiny report into Higher Education Innovation in Cardiff. A response to each of the recommendations is set out below. It should be noted that the responses will need to take into account the fact that the City of Cardiff Council is just one partner involved in the wider innovation eco-system for the city. The lead organisation in delivering many of the recommendations would be the Welsh Government and higher education. Allied to the context of current resource constraints, and reducing resources projected for the next three years there will inevitably be a commensurate reduction in overall levels of service delivery. Subsequently a result services provided will need to become more focussed and targeted on those areas that can have the greatest impact in terms of supporting innovation.

R1. The Cabinet ensures that the Council continues to improve its relationships with the Universities in the city, particularly by undertaking joint forward planning and sharing ‘masterplans’, ensuring the visions of the Council and Universities in Cardiff are aligned. Supported by Key Finding 6

Response: This recommendation is accepted

Officers will work closely with the city’s universities to ensuring that developments across the city are co-ordinated. In particular officers are working with our city’s higher education institutions in order to maximise the impact of current investment into incubation facilities, to remove duplication in provision, and to ensure that strategic projects are undertaken together. Such an example is the work currently taking place regarding Cardiff University’s Innovation Campus.

R2. The Cabinet ensures that the Council continues its commitment to the SPIDER project by supporting officers to participate in the training programmes developed as a result. Supported by Key Finding 5

Response: This recommendation is accepted

Officers will continue to work with Cardiff Metropolitan University to deliver the outputs of the SPIDER project. Through SPIDER, Cardiff Metropolitan University has developed training for public service staff on service design which is available for City of Cardiff Council staff for free. Cardiff Metropolitan University are also running a series of lunchtime seminars on topics relating to service design for Cardiff staff.

R3. The Cabinet ensures that Cardiff continues to advance as an attractive place to work and locate a business by improving transport links, housing standards, the city environment and raising the city profile. Supported by Key Finding 12

Response: This recommendation is accepted

This will be a focus of the development of the city, best described by the vision for the city to become Europe's most liveable capital city. As part of this we hosted an event in October called the 'Cardiff Convention' that brought together international experts to look at best practice from across the globe. The event included experts from various fields participating, from how we use our city's spaces, transport experts, those with knowledge of implementing sustainable city projects, to branding specialists. A report of this event is being produced that will be used to inform future strategy and actions.

Cardiff is also participating in a transnational co-operation project with the Conference of Atlantic Arc Cities, Dublin, Faro, La Rochelle, Liverpool and San Sebastián. The project is called AT Brand, and aims to engage communities in participating cities in understanding what makes their cities great – and how our communities think we should promote ourselves. In Cardiff the project was launched on the 31st July, and is also being undertaken in partnership with Media Wales who will use their media platform as a way of communicating the project.

The Cardiff Business Council has also begun to work with partners and members to promote the city as a place for business to locate.

R4. The Cabinet ensures that the Council continues to provide financial support to innovative start-ups in the city, and is willing to take risks in supporting businesses and trialling their products or services. Supported by Key Findings 14 and 20

Response: This recommendation is partially accepted

This view is accepted, however funding constraints mean that we are no longer currently providing any significant levels of financial support for start-ups in the city. Officers are exploring ways of identifying external funds to support this, but given the current funding squeeze faced by local authorities and public services across Wales this will not be an easy task. It is hoped that the next round of European Funding will provide some support for these activities, but this will nonetheless be restricted to those activities eligible for funding.

Procurement law will clearly create some obstacles for local government in trialling new products, and we also need to be aware of risks in using Council resources in risky ventures where the financial rewards would accrue to private

businesses rather than the City of Cardiff Council. Nonetheless, we do understand the impact that innovative, high value added business can provide to the city, and will be promoting other means of supporting innovation in business, such as Horizon 2020. Horizon 2020 is the EU Research and Innovation programme, with around €80 billion of funding available from 2014 to 2020. Aimed at securing Europe's global competitiveness, Horizon 2020's aim is to remove barriers to innovation and make it easier for the public and private sectors to work together in delivering innovation.

The Capital Cardiff fund, whilst restricted in terms of resources, also provides equity support for those businesses who may offer significant growth potential. As outlined above, officers are looking at identifying potential sources of funding to continue to deliver this.

R5. The Cabinet ensures that the Council continues its support of incubation space in the city and looks to promote these more widely, to all Cardiff based universities and their relevant graduates. The Council should explore the opportunity of developing further incubation space with Cardiff Metropolitan University (Centre for Product Design & Development Research) and University of South Wales (ATRiuM). Supported by Key Findings 16 and 17

Response: This recommendation is partially accepted

The City of Cardiff Council is working closely with higher education in the city to develop and promote incubation facilities. This needs to be undertaken, and in many cases led, with partners to ensure that the best possible space is provided, with the best possible support with a level of resource commensurate with the requirements of the developments taking place. Support will also be entirely privately led too, examples in the city centre including Founders Hub that is providing space for small and innovative businesses primarily focussing on creative and digital enterprises. It is important that the Council's role here is to support an innovative environment and not necessarily to lead on the development of incubation and innovation facilities.

With regard to work currently underway, we are in discussions with Cardiff University and Welsh Government about developments around CBTC and the Cardiff Medicentre with a view of improving current incubation facilities, and providing resources for investment in new facilities. We continue to work with all partners in the city to explore options for the development of incubation facilities across a range of key sectors.

***R6. The Cabinet ensures that the Council continues to develop plans with the Welsh Government to provide office space for innovative companies who are looking to move on from incubators, such as a science park.
Supported by Key Findings 17, 18 and 19***

Response: This recommendation is partially accepted

As above, the City of Cardiff Council is working closely with both public and private sector partners to support future development of incubation facilities and follow-on space in Cardiff and the city-region. This role can take many forms, such as supporting funding bids, or facilitating partnerships. It is important to note that this will not necessarily mean that the City of Cardiff Council will always have direct involvement in delivery. In many cases the Welsh Government and the higher education institutions will be the lead organisation. This will also require working with UK Government and the EU to support investment. This also includes supporting the development of facilities throughout the city-region, such as the Innovation Centre for Enterprise in Caerphilly. As highlighted above, it is important to note that the private sector may also be the lead body in taking forward developments.

Current developments include working with the Welsh Government to develop new office accommodation for innovative businesses, such as Capital Quarter and the new Life Sciences Hub Wales.

R7. The Cabinet encourages the Cardiff Business Council (CBC) to provide support and advice to innovative start-up companies and entrepreneurs, and ensures that all businesses in Cardiff are aware of the CBC. Supported by Key Finding 24

Response: This recommendation is partially accepted

It is important to note that the Cardiff Business Council is not a business support or advice organisation, rather it is a business-led organisation set up to grow Cardiff's private sector by marketing and promoting the Cardiff Capital Region. Cardiff Business Council also acts as the primary link between the City of Cardiff Council and the local business community, be they inward investors or indigenous businesses.

It is, however, recognised that start-up and small businesses need to be a central part of the Cardiff Business Council, and subsequently it has recently welcomed representatives of smaller businesses to the board. Through engaging with a wider group of partners the Cardiff Business Council aims to share information and signpost businesses to support, supporting the development of a wider business to business network.

R8. The Cabinet ensures that the Council looks to support universities in hosting global events in the city, and uses them as opportunities to further promote Cardiff to businesses and entrepreneurs. The Council should have a strategy in place and information available to sell the city to a global audience. Supported by Key Finding 11

Response: This recommendation is partially accepted

Whilst this is seen as an important role for the Council, it must also be recognised that there is a greater role for other organisations such as the Welsh Government.

The Council Economic Development team does currently work with conferences teams within the city's universities to promote Cardiff as a location for academic events. In addition, through the Cardiff Business Council we will also promote the ability of the city's universities to host major events and conferences, notably there is a presence of all the city's universities on the Cardiff Business Council board.

In terms of our strategy to promote Cardiff to a global audience, we have been active in attending events such as MIPIM in Cannes, one of the world's largest property development conventions. In addition higher education partners are also working to promote the city's potential as place to host global events, including a presence of Cardiff Metropolitan University in Beijing.

Furthermore Cardiff Council has also recently joined Eurocities, and will work with the network to attract and promote events in the city.

R9. The Cabinet ensures that the Council looks to learn lessons from leading British regions, such as Manchester and Oxfordshire, in terms of innovative business and entrepreneurial presence, ensuring Council officers are in active engagement with counterparts in these leading regions. Supported by Key Finding 26 and 27

Response: This recommendation is accepted

This is an area where it is accepted that greater collaboration and working with other areas is of significant benefit to Cardiff. However, the current approach is to learn from cities and city-regions rather than regions, and it is for this reason that we have joined the Core Cities network. The City of Cardiff Council has also recently joined the Eurocities network, which is Europe's biggest network of cities. We will also continue to work closely with the Welsh and UK Governments.

R10. The Cabinet ensures that all the advice and support available to new businesses in the city is pulled together and catalogued, regardless of who may provide this support. This should include the development of clear guidance and advice for businesses on where the responsibility of the Council, Welsh Government and other organisations such as Finance Wales lies. Supported by Key Finding 23, 24 and 25

Response: This recommendation is accepted

The City of Cardiff Council has revised its website to provide more streamlined support and signposting for businesses. However, much of the support is provided nationally, and it is anticipated that the new European Funding Programmes are likely to influence future provision of business support, from advice through to grant and loan funding, and it is considered prudent to get a better understanding of what national provision will be available ahead of any radical changes in communication. The Council currently provides a single e-mail point of contact using the businessadvice@cardiff.gov.uk address, and C2C are briefed on main contacts within Economic Development. Officers will continue to look at and revise the Council website in line with this recommendation in partnership with key stakeholders and service providers in the city.

R11. The Cabinet ensures that a community of Cardiff based entrepreneurs is developed, through the formalising of networks that exist within the city, the promotion of businesses through local press and the press of partners, and through Cardiff Business Council. Supported by Key Finding 22

Response: This recommendation is partly accepted

The City of Cardiff Council is committed to supporting the development of business networks in the city, and promoting the role of business in local press. For example, we have supported the development of the Cardiff Start network of technology entrepreneurs in the city, and subsequently have seen Cardiff become a member of the UK Tech City Cluster Alliance. The role of business across sectors has also been supported through local activities, such as our support of the annual Small Business Saturday event that takes place in December.

R12. The Cabinet ensures that the Council further develops the promotion of the services and advice it has available, making contact with businesses and ensuring that the Council is embedded as a

place to provide support to businesses in the city. Supported by Key Finding 25

Response: This recommendation is accepted

The City of Cardiff Council is pro-active in its support of business and seeks to maintain its position as a first point of contact for business. However, the role now needs to extend into a facilitation role as well as delivery in order to maximise the support we can provide for businesses in Cardiff given current funding constraints.

R13. The Cabinet ensures that the Council's Economic Development Directorate develops a reporting mechanism that evidences the Council's support of innovative start-ups and entrepreneurs. This information may include; businesses that have received financial support and investment; the progress and performance of companies that have been invested in; any stakes/shares the Council owns in companies; interactions between entrepreneurs and the Council; companies using council incubator space. Supported by Key Finding 16

Response: This recommendation is accepted

The City of Cardiff Council already has in place a Customer Relationship Management database for current interactions with business. This includes information on the type of business interactions, the sector and area the businesses are working in, the support being provided (both by the City of Cardiff and partners) and the expected level of job creation from the business.

However, in the future this will be embedded within wider work that is taking place to improve the Council's overall CRM capabilities. This will aim to ensure that all interactions with businesses are monitored, rather than just those between the Economic Development function and businesses. There will be some restrictions in data that is available from some businesses, for example, monitoring certain financial progress of a company if they have not given permission for data to be used, or it is not publically available.

R14. The Cabinet ensures that the Council works with each university in the city to develop community engagement strategies, with a view to increasing the number of community based projects, apprenticeships and school based projects undertaken by universities and their students. Supported by Key Finding 10

Response: This recommendation is accepted

The City of Cardiff Council is working with higher education in the city to develop partnerships in developing and delivering projects. For example, the Wales Economic Research Unit has recently completed a draft report looking at employer engagement with those not in education, employment or training. The City of Cardiff Council will work with higher education to develop these activities further. It should also be noted that Cardiff University have recently launched a number of community engagement projects, which Council officers are also participating in.

R15. The Cabinet accepts these recommendations and in its response, identifies an action plan, including timescales, for the implementations of the accepted recommendations.

Response: This recommendation is accepted

The City of Cardiff Council accepts, or partially accepts all of the recommendations, which will be address (or have been addressed) as outlined above. However, where appropriate the recommendations will be built into future business planning processes rather than developing a new action plan.

**CABINET RESPONSE TO THE REPORT BY THE ECONOMY
AND CULTURE SCRUTINY COMMITTEE INTO “SMALL
BUSINESS”**

**REPORT OF DIRECTOR OF ECONOMIC DEVELOPMENT
AGENDA ITEM: 1**

PORTFOLIO: LEADER (ECONOMIC DEVELOPMENT & PARTNERSHIPS)

Reason for this Report

1. To respond to a report published by the Economy and Culture Scrutiny Committee in January 2014 entitled “Small Business”.

Background

2. As a part of the Economy and Culture Scrutiny Committee work programme for 2012-13, the Committee agreed to establish a task and finish inquiry titled “Small Businesses in Cardiff”.
3. The following terms of reference were agreed for the inquiry:
 - How small enterprises in the City and those wishing to move here are supported by the Council, in partnership with governmental and non-governmental agencies.
 - How the Council’s strategic approach operates and supports small businesses and whether it meets its objectives.
 - How support is offered in appropriate areas, including training, staff recruitment, finding/providing suitable premises, sign posting to information including (health and safety, taxation, employment law etc), business start-ups, planning and expansion, access to funding.
 - The support given by other Councils to their small enterprises to identify best practice and value for money.
 - Perceptions of small enterprises of the role the Council plays and the services the Council provides e.g. Business Rates (Research Element).

Issues

4. The report recognised that good work is already embedded in Cardiff with a range of business support highlighted. It was also noted that further improvements can be made, and the report’s key findings and

recommendations aimed help the Cabinet to engage with small businesses, understand their issues, and optimise the support that the Council can provide.

5. The report makes 16 recommendations and all have been accepted or partially accepted bar one. Full details of the recommendations and response are contained in appendix A.

Reason for Recommendations

6. To enable the Cabinet to respond to the report published by the Economy and Culture Scrutiny Committee.

Financial Implications

7. Any relevant financial implications will be identified and considered as part of the work to progress the responses to the recommendations that are accepted.

Legal Implications

8. Any relevant legal implications will be identified and considered as part of the work to progress the responses to the recommendations that are accepted.

RECOMMENDATIONS

Cabinet is recommended to agree to the response to the recommendations as set out in Appendix A.

NEIL HANRATTY

Director

11 December 2014

The following appendix is attached:

Appendix A: Cabinet Response to the Report by the Economy and Culture Scrutiny Committee into "Small Business"

The following background papers have been taken into account

A Report of the Economy & Culture Scrutiny Committee – Small Business,
January 2014

Cabinet Response to the Report by the Economy and Culture Scrutiny Committee into “Small Business”

Cabinet welcomes the findings of the Economy and Culture Scrutiny report into Small Business and was pleased to note that the committee recognised the good work that has been carried out by the Council and its partners supporting small business, whilst recognising there are always areas in which we can improve. A response to each of the recommendations is set out below. It should be noted that the responses will also need to be taken in the context of current resource constraints, and that with reducing resources projected for the next three years there will inevitably be a commensurate reduction in overall levels of service delivery. As a result services provided will need to become more focussed and targeted on those areas that can have the greatest impact in terms of supporting business and employment growth. It is also worth noting, however that recent reports have shown improved performance in business start-up rates in the city.

Council and Councillor Roles

**R1. Supports small businesses in Cardiff to succeed in overcoming the challenges they uniquely face, in particular by increasing joint working between Council teams like Licencing, City Centre Management and Economic Development and Cardiff Business Council, and by vesting lead championship and responsibility for supporting small firms across the whole organisation within one Council function.
(Supported by Key Finding 12 and several others)**

Response: This recommendation is accepted

A review of the partnership activities in Cardiff will begin later in 2014, and as part of this economic development will also be included as part of a ‘refresh’ of the What Matters Strategy.

**R2.
Seeks support from the Cardiff Business Council to recognise the unique needs of small businesses in Cardiff, and to ask them to ensure that the voice of the city’s independent traders is clearly heard.
(Supported by Key Finding 14, bullet point 7)**

Response: This recommendation is accepted

The Cardiff Business Council has recently welcomed representatives of smaller businesses to the board, including the Cardiff Retailers Association, the Cardiff Tourism Network as well as the Cardiff Hoteliers Association. The Cardiff Business Council is also actively engaging with the South Wales Chamber of Commerce, Business in Focus and the Institute of Directors. In addition analysis shows that around three quarters of the members of the Cardiff Business Council are SMEs. It is considered important in particular to engage with representative groups for SMEs in the city as they will have ready formed perspectives in terms of small businesses that the Cardiff Business Council can lobby on behalf of. This movement to supporting SMEs will be continued by the Cardiff Business Council.

R3. Seeks support from the Cardiff Business Council to set up a structured approach to working with Ward Councillors, to help them champion the needs of businesses within their locality while building their awareness of the bigger picture of economic development across the city, and helping them avoid being too parochial in their approach.

(Supported by Key Finding 2)

Response: This recommendation is partially accepted

The Cardiff Business Council will include Ward Councillors in key correspondence, namely the Cardiff Business Council newsletters. Ward Councillors can also contact the Cardiff Business Council directly to raise any issues or concerns that they have. It is important, however, to recognise that the Cardiff Business Council is a business representative body, and in many cases it may be appropriate for Ward Councillors to contact the Cardiff Business Council directly.

Procurement

R4. Develops Procurement reporting systems to enable the Council to measure the Council's procurement activity by the size of business procured to provide services.

(Supported by Key Finding 3)

Response: This recommendation is accepted

The Commissioning and Procurement Team are working towards putting in place a system that would enable procurement spend to be reported by the size of organisation. The aim is to have this system in place by winter 2014 and to provide a report for 2013/14.

R5. Once the above system has been introduced, agree appropriate targets for the number and value of contracts awarded to the small business sector, and publish the results each year. (Supported by Key Finding 4)

Response: This recommendation is accepted

Targets will be set once new system in place and results will be published annually.

R6. Considers opportunities identified through the evidence provided to this inquiry to engage with small businesses wishing to provide services to the Council. In particular to consider how social media and e-training packages could reduce the costs of providing direct procurement training to small businesses. (Supported by Key Finding 5)

Response: This recommendation is accepted

The Commissioning and Procurement Team will continue to explore how it can further improve how it engages with small businesses and will explore the potential use of e-training and social media. The Team is already working with Business Wales on delivering a series of targeted 'meet the buyer' events for 2014.

As recognised by the Scrutiny Committee Report the Council, through its Source Regional Project work, has already made it easier for small businesses to access procurement opportunities. In particular the Selling to Cardiff Council Guide and Self Declaration Form have both been well received by organisations and were shortlisted in the Welsh National Procurement Awards 2014. In addition the Council is in the process of upgrading its electronic tendering platform to PROACTIS which will enable electronic tenders to be received, this is anticipated to make it easier for small businesses to tender for work with the Council and reduce the costs of tendering.

R7. Considers how the practice followed by some councils in offering a Top Up Insurance Scheme as mitigation for Public Liability Insurance procurement requirements could be deployed in Cardiff. (Supported by Key Finding 6)

Response: This recommendation is not accepted

Organisations only need Public Liability Insurance at contract award stage; they do not need insurance in order to tender. The costs of Public Liability Insurance

are proportional to the risks and should be built into an organisation's tender costs.

Payments

R8. Considers what it can do to ensure that Cardiff Council promptly pays small businesses for services they provide to the Council. In particular, how the practice of Halton Borough Council (commended to this Inquiry by the Cardiff Federation of Small Businesses) of agreeing early payment discounts which aids cash flow for the business and promotes a message that the Council are 'good to do business with' can be deployed in Cardiff, should such a scheme be acceptable within existing Council or Welsh Government policy. (Supported by Key Finding 7)

Response: This recommendation is accepted

Officers in the Commissioning and Procurement team are currently researching to use of business databases to enable a list of small businesses to be compiled so that appropriate businesses can be identified and appropriate payment terms put in place to ensure prompt payment of undisputed invoices. Officers are also looking at new ways of receiving and processing invoices that will reduce the time involved in payment.

Business Rates

R9. Seeks to work with and educate the small business community about business rates. In particular: ask the Cardiff Business Council as part of its ongoing work with the small business sector to address concerns expressed by small businesses in key findings eight, nine and 10 above; and use various means (such as enclosures in annual rates bills and increasingly via online media such as the Council's website and Twitter) to help businesses understand that whilst the Council is responsible for the collection of Business Rates it is not responsible for the allocation of the monies. (Supported by Key Findings 8, 9, 10 and 11)

Response: This recommendation is partially accepted

The City of Cardiff Council website now has a specific business rates section that includes a page entitled 'What if I feel my rateable value is wrong?' This

page provides a link to the Valuation Office for those businesses who feel that their rateable value is too high. The Cardiff Business Council will also include an update on business rates, including a background to how they are calculated and what happens to the money raised, in a future newsletter. This will information will also be provided on the Cardiff Business Council website.

R10. Ensures that useful advice is available on the Council website and through Cardiff Business Council to support small businesses who are considering an appeal to the Valuation Office Agency (Ty Rhodfa, Ty Glas Road, Llanishen, Cardiff CF14 5GR. Tel: 03000 505505) if they believe that the rateable value of their premises is assessed at too high a rate. (Supported by Key Finding 13)

Response: This recommendation is accepted

The City of Cardiff Council website now has a specific business rates section that includes a page entitled 'What if I feel my rateable value is wrong?' This page provides a link to the Valuation Office for those businesses who feel that their rateable value is too high. See also the response to Recommendation 9.

R11. When the trade of a small business or group of small businesses is affected by nearby development works, the Cabinet takes advantage of its powers through Discretionary Small Business Rate Relief. (Supported by Key Finding 11)

Response: This recommendation is accepted

The City of Cardiff Council has already begun working with small businesses in areas where significant development is expected to take place. In particular the Council has recently launched a Discretionary Small Business Rate Relief scheme for the Dumballs Road area of the city.

Contact Systems

R12. Addresses concerns expressed by small businesses about the difficulty of gaining timely advice from Council officers over a range of inquiry areas including grants, business development and operational issues – either through a centralised contact service, through Cardiff Business Council, through a Council service area or through another effective mechanism.(Supported by Key Finding 12)

Response: This recommendation is partially accepted

The City of Cardiff Council has revised its website to provide more streamlined support and signposting for businesses. However, much of the support is provided nationally, and it is anticipated that the new European Funding Programmes are likely to influence future provision of business support, from advice through to grant and loan funding, and it is considered prudent to get a better understanding of what national provision will be available before overhauling the methods of contacting business support in Cardiff Council. The Council currently provides a single e-mail point of contact using the businessadvice@cardiff.gov.uk address, and C2C are briefed on main contacts within Economic Development. Given current resources and pressures on funding providing an increased level of service provision will also prove difficult. This issue is also reinforced by the fact that funding for the Council's own business support scheme, Capital Cardiff, has been withdrawn, leaving the Council with very little in terms of financial support for small businesses.

Officers will continue to look at and revise the Council website in line with this recommendation in partnership with key stakeholders and service providers in the city.

City Centre

R13. Considers the feasibility of introducing to Cardiff a scheme similar to the Bristol Pound. (Supported by Key Finding 14, bullet point 1)

Response: This recommendation is partially accepted

The Council is aware of the potential opportunity of a loyalty based scheme for businesses in the city and will work with the Cardiff Business Council to explore opportunities for introducing such a scheme.

R14. Recognising the unique contribution to Cardiff's retail offer made by its Edwardian arcades, considers improvements to signposting and way finding from key transport nodes, and how to better profile and encourage footfall through the arcades via Council publications, electronic and social media communications activity. (Supported by Key Finding 14, bullet point 3)

Response: This recommendation is accepted

The Council fully agrees that the arcades in the city centre are a unique asset and shopping experience. The Council will seek to improve the promotion of the arcades and wayfinding through the range of communication channels currently used by the Council. The Council is also seeking to take forward a Business Improvement District proposal which will include allocating funding for improved marketing and promotion of the city centre.

R15. Consider developing more than one Business Improvement District in Cardiff, to spread the benefits evenly across Cardiff's business sectors and neighbourhoods. (Supported by Key Finding 14, bullet point 6)

Response: This recommendation is partially accepted

With regard to the introduction of Business Improvement District proposals in Cardiff, our recent bid for Welsh Government funding was unfortunately unsuccessful. This funding would have enabled the Council to commission consultants to begin the process, and lead us to the point of a ballot following an extensive consultation process. The Council is, however, currently in the process of seeking 'invest to save' funding to help support the development of a Business Improvement District.

The intention is to focus initial activities on the city-centre as this is where the scheme will potentially have the biggest impact and generate a significant budget. If this is successful, the intention would be to look at other key retail centres in neighbourhoods, using the city centre success as a showcase to galvanise support. However, experience from other cities suggests that detailed modelling would be required to support BIDs in neighbourhoods to ensure that revenue raised will produce a significant surplus once administration costs are taken into account. A potential means of mitigating administrative costs in neighbourhoods would be to manage all future BIDs through a single administrative structure which would include the city centre.

R16. Is ready to consider additional findings likely to emerge from Committee's Spring 2014 Inquiry into Cardiff Market and Arcades. (Supported by Key Finding 14, bullet points 3 and 4)

The final report has been submitted to this Cabinet meeting and a response will be considered in due course following consideration of the final report.

This page is intentionally left blank

CITY & COUNTY OF CARDIFF

DINAS A SIR CAERDYDD

ECONOMY & CULTURE SCRUTINY COMMITTEE

6 OCTOBER 2016

FLATHOLM ISLAND PARTNERSHIP

Purpose of report

1. To provide Members with background to the Flat Holm Island Partnership and the progress that has been made to deliver a sustainable future for the island.

Background

2. Flat Holm Island is a small island, less than ½ a mile wide, in the Bristol Channel. It is approximately 4 miles from Lavernock Point in the Vale of Glamorgan and includes the most southerly point in Wales. Flat Holm Island lies within the City and County of Cardiff
3. Cardiff Council assumed the freehold ownership and management responsibilities of Flat Holm Island in 1996. Since this time, the Council has managed the Island as a Site of Special Scientific Interest, Local Nature Reserve and Historical Site with a number of Scheduled Ancient Monuments and Listed Buildings and in partnership with the Flat Holm Society.

Task and Finish Report

4. As part of the 2012-13 work programme, the Economy and Culture undertook an inquiry titled 'Flat Holm Operations'. The scope of this Inquiry was to scrutinise the operations at Flat Holm Island and examine options to enhance revenue.

5. The inquiry report can be found in full via <http://goo.gl/7UaMbv> . The following are some of the key findings of this inquiry:

- A key issue in improving the tourist offer and footfall to the island is that of transportation. In 2012 45% of the trips planned for Flat Holm were cancelled mainly due to adverse weather conditions.
- The majority of the trips to the island were provided by the Lewis Alexander that has a capacity of approximately 45 passengers. The boat is 25 years old and in need of significant maintenance in the near future.
- Flat Holm boasts two helipads that are utilised for emergency purposes. Commercial helicopter operators are available to transport the public to and from the island and this potential method of transport has not been realised to date.
- Flat Holm does not have its own fresh water supply. There are potential opportunities to gain a water supply via a borehole and this would require significant investment.
- A range of marketing activity has been attempted to increase the number of visitors to the island, ranging from attracting hen and stag do's to corporate events. Flat Holm's strength is however considered by many to be sustainability and environmental.
- The provision of overnight stays has the potential to increase the income of the island significantly.
- The island's provision of environmental/sustainability education is valued by several educational institutions ranging from primary to higher education.
- Flat Holm benefits from active volunteers coordinated through the Flat Holm Society and other charities.

6. Ten recommendations were made to the Cabinet as part of this inquiry, and a Cabinet response was received in November 2013. The recommendations made and associated Cabinet responses can be found attached at **Appendix 1**.

Community Asset Transfer of Flat Holm Island

7. In April 2013 the Council sought expressions of interest from individuals, groups and organisations that could provide a sustainable future for the island. This followed a decision to reduce the Council's budget for Flat Holm Island within the 2013/14 budget. A report taken to Cabinet in November 2013 agreed the following recommendations:
 - Approve Consortium A as the preferred future operators of Flat Holm Island and delegate authority to the Director of Sport Leisure and Culture in conjunction with the County Solicitor and the S151 officer to facilitate this transfer.
 - Agree that Flat Holm Island remain open and operated by the Council to provide time for the Community Asset Transfer Process to be completed by April 2015.
 - Approve the allocation of funds to support the delivery of remedial and conservation work from the Landfill Community Fund is approved if required to facilitate this transfer, subject to the approval of the environmental body holding this budget.
 - Agree that should the community asset transfer of Flat Holm Island fail the island be advertised for disposal with a further cabinet report on the outcome of this process presented at that time.

The full Cabinet report can be found via : <http://goo.gl/SCbzNn>

8. It is clear from subsequent Cabinet Reports that 'Consortium A' comprised of the Royal Society for the Protection of Birds and the National Trust.

9. The Economy and Culture Scrutiny Committee undertook pre decision scrutiny of this Cabinet report, and wrote to the Cabinet Member for Sport, Leisure and Culture with the following comments:

“Committee Members would like to commend officers for the work they have done in progressing arrangements for the potential transfer of Flat Holm Island. This Committee is a strong advocate of the benefits of community asset transfer, but we appreciate that it is a new and relatively untried aspect of work for the Council, and feel that the arrangements you have undertaken have been done so with sensitivity and skill.

“The preferred partners that you have identified would appear to have the organisational experience and resources required to successfully manage and develop the Island’s ecological, environmental and visitor potential.

We were also appreciative that you had sought to take the recommendations of this Committee’s November 2012 task and finish Inquiry report into account when planning arrangements for the asset transfer.

“We noted last night that the Council retains a £70,000 revenue contingency to preserve the Island’s operations during the spring and summer should arrangements not proceed as planned, and also your commitment to keep this Committee informed of arrangements as they move forward.

“Finally we were pleased to note that you will be seeking to ensure that the Flat Holm Society remain involved in the process. We feel that they are an excellent resource for harnessing community participation in the life of the Island.”

Flat Holm Island Partnership

10. A further report was taken to Cabinet in February 2015, providing a progress update on the Community Asset Transfer for Flat Holm Island. This report outlined that it was clear the Council would need to contribute a capital endowment to the consortium and to underwrite any revenue shortfall in operating costs in order for a Community Asset Transfer to take place.

11. The report recommended that a four way partnership be established between the RSPB, National Trust, Cardiff Council and the Flat Holm Society. The basis of the partnership would be to share resources, liabilities and assets, opportunities and risk; thereby overall reducing the risk to any one party. The report suggested that the RSPB take the lead in building the partnership through a project management approach.

12. The following recommendations were agreed at the meeting:

- The City of Cardiff Council enters into a Memorandum of Understanding with the Royal Society for the Protection of Birds, the National Trust and the Flat Holm Society to form a partnership for the management of Flat Holm Island.
- Authority is delegated to officers to work with partners to scope the details of the partnership.
- A further report is presented to Cabinet for approval of Head of Terms of the lease, once the partnership arrangements have been agreed in principle.

The full report can be accessed via <http://goo.gl/y4ODOo>.

13. Further changes have occurred with the Flat Holm Island Partnership, with the National Trust withdrawing from the partnership. The Landmark Trust has been identified as a potential new Heritage Partner.

Way Forward

14. Councillor Bob Derbyshire, Cabinet Member for the Environment has been invited to attend and may wish to give a statement. Andrew Gregory (Director, City Operations), Jon Maidment (Operational Manager Parks & Sport) and Natalie Taylor (Team Leader) will also be in attendance to deliver a presentation and to answer Members' questions.
15. Council Officers will be joined by Cellan Michael (RSPB) and Peter Sampson (Flat Holm Society), who will be invited to provide their views on the partnership and vision for the future of Flat Holm Island.

Legal Implications

16. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

17. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/ Council will set out any financial implications arising from those recommendations.

Recommendations

18. The Committee is recommended to give consideration to the information attached to this report and received at this meeting and to submit any recommendations, observations or comments to the Cabinet Member.

Davina Fiore
Director of Governance and Legal Services
30 September 2016

This page is intentionally left blank

Response to the Economy and Culture scrutiny Task and Finish group recommendations on the Operation of Flatholm Island

R1. Consult and identify the correct balance between protecting the natural environment and increasing the footfall and income of Flat Holm Island.

This recommendation is accepted. This is particularly important as we move to the management and operation of the island transferring to a third party organisation.

R2. Develop a long term costed plan for Flat Holm island that identifies areas for investment and potential alternative funding sources such as lottery funding, European funding, educational funding, private finance, invest to save etc.

This recommendation is accepted although this has been superseded by the need for the new partner organisation to carry out their own longer term planning for the Island.

R3. Prioritise as a part of the existing forward plan the development of the landing stage.

This recommendation is accepted. It is acknowledged that the landing is critical to the economic, environmental and educational success of the Island

R4. Investigate the viability of Lewis Alexander boat, evaluate and develop a range of suitable options to transport more visitors to Flat Holm whilst meeting operational needs. This should include the evaluating involvement of commercial boat operators.

This recommendation is accepted. The decision was taken this year not to operate the Lewis Alexander due to the high costs of repairs needed to maintain the vessel. Commercial operators have operated trips to the Island this year providing a significant financial saving

R5. Develop a coherent branding and marketing approach for Flat Holm that builds on the island's environmental and sustainability credentials. This could take the form of eco tourism or the educational offer.

This recommendation is accepted. It is acknowledged that a marketing plan for the Island will be a necessity for the partner organisation and that this should include environmental and sustainability opportunities in addition to the historic and visitor offers.

R6. Increase the accommodation available for public overnight stays on Flat Holm, at the Farm House, Barracks and Drift Wood and formally negotiate with Trinity House regarding the possibilities of using the lighthouse accommodation. The Task Group also support the plans to develop 'glamping' on the island.

This recommendation is accepted. The works to improve the Fog Horn cottage have been completed this year and improvements to the accommodation offer on the island has been identified by the partner organisation likely to take over responsibility for the Island as a key issue for the future.

R7. Ensure that any long term plans are aligned to the availability of electricity and water supply. Investigate the feasibility of a bore hole to ensure the security of clean water supply for the island.

This recommendation is accepted. Budget costs have been obtained for exploratory drilling of a borehole on the island and this information is being made available to the preferred operator.

R8. Develop a range of visitor packages for Flat Holm that includes the provision of private helicopter trips

This recommendation is accepted. Options for the use of helicopter trips have been obtained and this information will be passed to the preferred operator to consider developing this offer further.

R9. Formally pursue Flat Holm as a residential field studies centre that provides high quality, academic field courses for British and overseas students in order to increase the demand from education providers. The centre should offer a comprehensive selection of fieldwork courses (e.g. geography, ecology, geology, environmental studies and outdoor education) for all ages and abilities.

This recommendation will be passed on to the preferred operator to consider as part of their planned education offer on the Island.

R10. Actively pursue a more inclusive approach to the management of the island that engenders a regional approach, brings in new partners and new opportunities for growth. Such partners could include the Centre for alternative Technology, higher education, private and voluntary sectors, and bordering Local Authorities.

This recommendation will be passed on to the preferred operator to consider as part of their planned management of the Island.

This page is intentionally left blank

**CITY AND COUNTY OF CARDIFF
DINAS A SIR CAERDYDD**

ECONOMY & CULTURE SCRUTINY COMMITTEE

6 OCTOBER 2016

COMMITTEE BUSINESS

Purpose of the Report

1. To provide Members of the Committee with an update on Committee related business, including the Work Programme and Correspondence.

Committee's Work Programme

2. A draft Work Programme has been developed for consideration and approval, as was discussed at the 7 July 2016 Committee Meeting. The resulting calendar of items can be found at **Appendix A**.
3. Scrutiny Procedure Rule 7 in the City of Cardiff Council's Constitution states that each Scrutiny Committee will set its own work programme. This is undertaken at the beginning of a municipal year, and updated as the work progressed. A Committee work programme is carefully constructed, so that the time available to the Committee is used most effectively, and to explore topics within Committee's terms of reference, which include:

- Cardiff City Region City Deal
- Inward Investment & the Marketing of Cardiff
- Economic Strategy & Employment
- European Funding & Investment
- Small to Medium Enterprises
- Cardiff Harbour Authority
- Lifelong Learning
- Leisure Centres
- Sports Development
- Parks & Green Spaces
- Libraries, Arts & Culture

- Civic Buildings
- Events & Tourism
- Strategic Projects
- Innovation & Technology Centres
- Local Training & Enterprise.

4. Scrutiny plays an essential role in promoting accountability, efficiency and effectiveness in the Council's decision making process and the way in which it delivers services. The main roles of the Scrutiny Committees are:

- Holding the Cabinet and officers as decision-makers to account.
- Being a 'critical friend', through questioning how decisions have been made to provide a 'check and balance' to decision makers, adding legitimacy to the decision making process.
- Undertaking reviews of Council services and policy.
- Undertaking reviews to develop Council services and policies.

5. In prioritising the work programme, a range of potential items have been considered, as outlined in **Appendix B**. Following meetings between the Chair of the Committee, the Principal Scrutiny Officer and Directors potential items have been colour coded with a traffic light system – green items identified to be undertaken, yellow items to be considered, red items not to be included in the 2016/17 work programme

6. The items included within this list were identified from a number of relevant sources, including;

- 2014/15 Committee agendas
- Requests from previous Committee meetings' letters
- Directorate Delivery Plans
- Cabinet Forward Plan
- Suggestions from Committee Members
- Suggestions from Directors
- Suggestions from Stakeholders (eg Federation of Small Businesses, Cardiff Civic Society)

- Items carried forward from last year's work programme.
7. In setting their work programme, Members have been mindful of Wales Audit Office advice for scrutiny committees to aim to achieve committee meetings that last no longer than three hours, whilst maintaining robust and appropriate levels of scrutiny across the terms of reference, by ensuring agendas are of a manageable size and that work occurs outside committee meetings. Members agreed in principle with this approach and agreed to aim to achieve this, with the option to adjourn a committee meeting if more time is required than originally anticipated.
 8. In 2015/16 the Committee agreed to adapt the way in which Performance and Budget monitoring reports are to be scrutinised, in order to allow the Committee to focus on key areas and maximising the impact of the scrutiny. It was agreed that the Chair of the Committee would review the performance reports for the relevant Directorates with the Committee Principal Scrutiny Officer, identifying areas for focus at Committee and inviting the appropriate Cabinet Members and Directors to the relevant Committee meeting. For the areas not chosen to come to the full Committee meeting, Members have the opportunity to request a written overview on any particular projects or areas of performance that are of interest. This approach was trialled in the 2015/16 work programme and is proposed to be undertaken again for 2016/17.
 9. A provisional draft work programme has been developed for Members consideration (attached at **Appendix A**). The schedule of items detailed below includes the task identified under the four work areas of the Committee, namely:
 - **Pre-decision Scrutiny** - Where the Committee evaluates and comments on policy proposals before they go to the Cabinet, giving the Cabinet the opportunity to receive and consider Scrutiny Member's views prior to making their decision.
 - **Policy Development / Review** - Where the Committee contributes to the Council's policy development processes by considering green papers or draft

policy documents, and reviews the progress made in implementing agreed Council policies.

- **Corporate and Performance Items** - These reports enable the Committee to receive inspection reports, regularly review service area performance information, identify areas for further investigation and appraise the effectiveness of improvement actions and their implementation.
- **Committee Improvement Inquiries** - Where the Committee undertakes an examination of a topic over a period of time, resulting in a formal report to the Cabinet. These can be short inquiries, such as deep dives, or longer inquiries, as required.
- **Committee Business Items** – enabling Members to consider items of Committee business, such as correspondence reports, the Annual Report and work programming.

10. The work programme for each Scrutiny Committee identifies various types of scrutiny investigations. Members of the Committee have consistently committed to regularly monitor and review corporate strategies, budget proposals and their delivery, performance and improvement reports, governance reports and reshaping services proposals. The Members agreed to continue this approach as detailed below:

Pre Decision Scrutiny

- Cardiff Multipurpose Arena
- Integrated Transport Hub
- Library Stock Management
- Arts Venues Management Procurement

Policy Development/Review

- Cardiff Castle
- Flat Holm Island Partnership
- Summer Reading Challenge

- Welsh Public Library Standards 5th Framework
- Civic Centre Heritage Quarter
- Mount Stuart Square Heritage Quarter
- Parc Cefn Onn Project
- Sport and Leisure Strategic Framework – Phase 2
- Tourism Strategy Action Plan
- Innovation and Entrepreneurial Support
- Bay Creative Industries Cluster
- Into Work Services
- Leisure Management Procurement
- Events Strategy
- Parks Friends Groups and Volunteering
- Volunteering (Libraries / Digital agenda)
- Asset Transfer Reviews (Insole Court / Maes y Coed Rd / Cardiff International Sport Stadium)
- Adult Community Learning (Cost Recovery Model)
- Cardiff Contemporary Arts Festival

Corporate, Performance and Budget Monitoring

- Quarterly Performance and Budget Monitoring
- 2017/18 Budget and Corporate Plan

Committee Improvement Inquiries

- Cardiff's allocation of Non-Domestic Rates

Committee Business Items

- Correspondence
- Annual Report
- Work Programme Updates

11. It is important to note that the work programme of a Scrutiny Committee is a live document and will be subject to changes as the year progresses, as the Committee responds the needs and priorities of the organisation.

12. The Committee Principal Scrutiny Officer Nathan Swain will introduce this report to Members at the meeting. It is suggested that the Committee considers and agrees the topics proposed, and agrees the draft timetable of issues for the Committee, as set out in set out in **paragraph 10** above and summarised in **Appendix A**.

Committee Meeting Correspondence

13. Following Committee meetings, the Chair writes a letter to the relevant Cabinet Member or senior officer, summing up the Committee's comments, concerns and recommendations regarding the issues considered during that meeting. The letter usually asks for a response from the Cabinet Member to any recommendations made and sometimes requests further information.

7 April 2016

14. A reply has been received to the letter written to the Cllr De'Ath following Members' consideration of the Communities, Housing and Customer Services Directorate Delivery Plan. The reply was received on 9 June 2016 and can be viewed via the following link - <http://goo.gl/RAUWpU>.

12 May 2016

15. Replies have been received from Cllr Bale (16 June 2016) and Cllr Hinchey (20 June 2016) to letters written following the May meeting of the Economy and Culture Scrutiny Committee. The letters written and the replies received are published on the Council's website and can be accessed via the following link - <http://goo.gl/UTghH5>.

9 June 2016

16. At this meeting the Committee considered an item on the Coal Exchange and proposed developments. A letter was written to Councillor Bale following this meeting and a reply was received on 4 August 2016.

These letters are published on the Council's website and can be accessed via the following link - <https://goo.gl/OZ9SSK>.

7 July 2016

17. At this meeting the Committee considered items on Cardiff Business Improvement District and the Leisure Centre Management Alternative Delivery Model. The following letters were written:

- Leisure Centre Management Procurement Exercise – Cllr Bradbury.
- Leisure Centre Management Procurement Exercise – Cllr Hinchey.
- Cardiff Business Improvement District – Cllr Bale.

The following replies have been received to the letters listed above:

Cllr Bradbury & Cllr Hinchey – reply received 27 July 2016.

Cllr Bale – reply received 5 August 2016.

These letters are published on the Council's website and can be accessed via the following link - <https://goo.gl/VMZz9l>

Task and Finish Correspondence

18. On 22 September 2016, Members of the Economy and Culture Scrutiny Committee undertook a joint task and finish inquiry meeting with Members of the Environmental Scrutiny Committee. This scope of this meeting was to undertake pre-decision scrutiny of a Transport Interchange report to be taken to Cabinet on 28 September 2016. Following this meeting a letter was written to Cllr Patel – Cabinet Member: Transport, Planning and Sustainability. This letter can be found attached at **Appendix C**.

November Meeting

19. The next meeting of the Economy and Culture Scrutiny Committee is scheduled to take place on Thursday 3 November. This is the same date that a by-election for Grangetown has been called. Members may wish to discuss their availability for the Scrutiny meeting and whether to seek to rearrange it.

Legal Implications

20. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

21. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that

goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATION

The Committee is recommended:

- To consider the information set out in **paragraph 10** of the report and agree the proposed Work Plan Timetable for 2015/16 as set out in **Appendix A**.
- To review the chosen approach to scrutiny of performance reports and budget monitoring following the scrutiny of figures for Quarter 1 (as set out in **paragraph 8**).
- To review the responses received to the recent letters sent by the Committee and refer any questions or concerns to the relevant Cabinet Member or Director.

Davina Fiore
Director of Governance and Legal Services
30 September 2016

This page is intentionally left blank

Economy and Culture Scrutiny Committee - Draft Work Programme 2016 / 2017

Scrutiny Work Streams	Sept (CR4)	6 October (CR4)	3 November (CR4)	8 December (CR4)	12 January (CR4)	Budget meeting 14 February (CR4)	9 March (CR4)	April	May
Pre Decision Scrutiny			Library Stock Management	**ADM Arts Venues	Budget Consultation stakeholders		Multipurpose Arena	Pre-election period / purdah (tbc)	Pre-election period / purdah (tbc)
Policy Development / Review		Flat Holm Partnership	Summer Reading Challenge	Tourism Strategy	Event Strategy		Mount Stuart Sq / Coal Exch		
		Innovation / Entrepreneur	Welsh Public Libraries Standards	Parc Cefn Onn	Friends Groups / Volunteering (Parks)		ACL (Cost recovery model)		
			Civic Centre Heritage Quarter	Into Work Services	Volunteering (Communities)		Cardiff Contemporary		
					Community Asset Transfers				
Corporate and Performance items			Q2 Performance			Budget and Corporate Plan	Q3 Performance		
Committee Business items and information reports		Work Programme		Correspondence			Annual Report		
		Correspondence					Correspondence		
Committee Improvement Inquiries		NNDR Inquiry							
	Transport Interchange								

Corporate	City Operations
Communities	Economic Development
Task and Finish Inquiry	Committee Business

Additional items that may require scheduling during 16/17

Sports Strategic Framework	Bay Creative Industries Cluster	Dumballs Road Regeneration	Cardiff Capital Region City Deal
----------------------------	---------------------------------	----------------------------	----------------------------------

** ADM Arts - May require change of date of December meeting

This page is intentionally left blank

ECONOMIC DEVELOPMENT – potential items for Scrutiny 2016/17

Potential Item	Comments
Alternative Delivery Model – Arts	December As suggested by Malcolm Stammers
Cardiff Capital Region City Deal	Ongoing interest – schedule around Cabinet reports Late 2016
City Deal (the role of the arts in delivering projects) The potential of Cultural Regeneration in Cardiff and in the Cardiff Capital Region	
Civic Centre Heritage Quarter	November
Mount Stuart Square Heritage Quarter/Coal Exchange	March
Preservation of Cardiff's Heritage	No item
Cardiff Bay Masterplan	Relevant to environment
City Hall plans	January
Multipurpose Arena / Central Enterprise Zone	March
International Sports Village	
Central Square Development/Transport Interchange (public realm)	September / November (maybe through T&F group)
Tourism Strategy and Action Plan Update	Ongoing interest – schedule annual update December
City of the Unexpected	Taking place in Sept – potential to review success?
Cardiff Castle (new family attraction / restructuring)	September? Check with Kath Richards
Music Strategy / Music Cities Bid	Suggested by Leader / Cllr Mitchell January
Creative Industries cluster (Cardiff Bay) Support of start-ups and entrepreneurial businesses – linked to work with Cardiff Universities Entrepreneurial support	December – focus on innovation and entrepreneurial support Cardiff Civic Society Federation of Small Businesses
UK City of Culture 2021 bid	Arts Community Suggestion
Impact of EU referendum	Arts Community Suggestion (Item previously taken to Cabinet)
Marine Economy opportunities - the Cardiff tidal	Cardiff Civic Society

lagoon - tourism, jobs, leisure and flood control benefits. Linked to plans for revitalising the semi-derelict areas of east Cardiff around Lamby Way.	Maybe link with Coal Exchange / Mount Stuart in March
Digital Strategy	Cardiff Civic Society
Hosting a Major Athletics Event Focus on Events Strategy	Cardiff Civic Society January
City Twinning	Suggested by Leader
Cardiff Contemporary - review	January
Dumballs Road	September

COMMUNITIES, HOUSING & CUSTOMER SERVICES – potential items for Scrutiny 2016/17

Potential Item	Comments
Adult Community Learning (performance / cost recovery model / increase in community first areas)	Cost Recovery could be good at end of financial year – March – but flexible
Into Work Services	New initiative with flying start – funding bid going in – Dec/Jan
Summer Reading Challenge	Oct / Nov (with other library items)
Community Hubs	Briefing note in line with Quarterly Performance
Volunteers	Libraries, and other areas? January – digital agenda focus
Heritage Development Centre (Cathays Library)	Local studies move – date tbc
Job Fairs	Briefing note in line with Quarterly Performance
Library Stock Management	Need for pre decision scrutiny – provisionally Oct/Nov
WPLS	October / November

CITY OPERATIONS – potential items for Scrutiny 2016/17

Potential Item	Comments
Parks	
Flat Holm Island Partnership	October?
Parks Friends Groups	January
Volunteering / Time Banking	Combine with friends groups January
Parc Cefn Onn Project	November
Green Infrastructure Delivery Plan	

Sports / Leisure	
Sports Facilities Strategic Framework	Winter 2016
Community Asset Transfer Reviews <ul style="list-style-type: none"> • Cardiff International Sports Stadium • Insole Court • Maes Y Coed Rd Cardiff Asset Transfer Strategy	Early 2017
Cardiff Bay Action Plan	To be looked at by Environmental Cttee

Fy Nghyf / My Ref: RM/RP/22.09.16

Dyddiad / Date: 23rd September 2016



Councillor Ramesh Patel
Cabinet Member: Transport, Planning and Sustainability
City of Cardiff Council
County Hall
Atlantic Wharf
Cardiff
CF10 4UW

Dear Councillor Patel

JOINT TASK AND FINISH INQUIRY – ECONOMY & CULTURE AND ENVIRONMENTAL SCRUTINY COMMITTEES: CARDIFF CENTRAL TRANSPORT INTERCHANGE, 22ND SEPTEMBER 2016

The Members of the Joint Task and Finish Inquiry into 'Cardiff Central Transport Interchange' met with officers on Thursday 22nd September to undertake pre-decision scrutiny of a report and recommendations to be taken to Cabinet on 28 September 2016. Members of the Inquiry would like to thank you for your ongoing commitment to engage with scrutiny on this piece of work and would ask you also pass on our thanks to the officers who attended the meeting. As the Cabinet Member responsible for the delivery of a new Transport Interchange for Cardiff, we are writing to you with our comments and observations following the meeting.

During the meeting Neil Hanratty presented the current position with regard to the design scheme, identified progress made to date and outlined future funding options to be considered by the Council. The case presented to us is encouraging and we are pleased that the whole Central Square development is progressing at a rapid pace.

Members of the Inquiry recognise that minor revisions have been made to the design of the transport interchange from those presented earlier in the year. We accept that this is a standard part of any design process and are assured that the final building delivered will be of the highest quality. Members were informed during the meeting that a more substantial change to the proposed design is for car parking spaces to be provided above ground rather than below. Officers explained the rationale behind this decision, outlining the substantial extra cost involved in providing underground car parking and the additional time the build would take to complete. With this in mind, we welcome the decision to amend the designs to allow for above ground car parking.

Much of the discussion at the meeting focussed on the development proposed above the bus interchange element of transport interchange. With regard to the bus interchange Members were left with little doubt that this element will be delivered and are confident that it will have the capacity to cope with the required bus traffic through the city centre. Members were assured that the Council's interests are being protected in this respect regardless of the changes and amendments to the upper floors of the building.

Members are mindful that more substantial Cabinet decisions will be required in January when a Detailed Business Case will be presented, and we look forward to seeing the final approach being proposed as the way forward for the Council. During the meeting officers outlined the options that will be considered as part of this process, centring on whether the development of office accommodation on the Saunders Road end of the building will be led and delivered by the Council or the Developer. We are pleased that consideration is being given to opportunities that could generate income for the Council and are aware that these options come with varied levels of risk.

It is vitally important that the potential risks and rewards are fully quantified in order for the right decision to be made for Cardiff. As such we would like to stress the importance of full and detailed future scrutiny of the proposals given the risks and financial commitments that the Council may be taking on. We would expect to see details of all cash (whether revenue or capital) spent by Cardiff Council to that date and what cash (capital or revenue) would be spent by the Council for each option under consideration. Alongside this we would like the forecast revenue return on past money spent and future money committed together with the underpinning assumptions. Where we act as principal in any development the projected return will be "flexed" to reflect least favourable circumstances as well as expectation circumstances.

Brief discussion took place at the meeting around the impact that has been observed following the referendum vote to leave the European Union. Members were given assurances that there will be no specific impact on the scheme, with Legal & General committed to Central Square and Local Authorities remaining able to access finances in the same way. Members however would urge you to be mindful of the uncertainty created by the Brexit situation when considering the leases and risks that are taken on by the Council.

In closing, and in relation to the contents of the Cabinet Report, Members of the Committee endorse the report and recognise the need for the recommendations being made, namely to proceed with a planning application based on the current design scheme, to undertake a detailed business case to establish a preferred funding approach and to underwrite the second phase of design costs. We would support a decision for authority on these grounds to be granted by the Cabinet.

I would 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 Neil Hanratty – Director Economic Development
Cabinet Office
Members of the Economy and Culture Scrutiny Committee
Members of the Environmental Scrutiny Committee

This page is intentionally left blank