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AGENDA

Committee	ECONOMY & CULTURE SCRUTINY COMMITTEE
Date and Time of Meeting	THURSDAY, 9 MAY 2019, 4.30 PM
Venue	COMMITTEE ROOM 4 - COUNTY HALL
Membership	Councillor Howells (Chair) Councillors Henshaw, Gordon, Gavin Hill-John, Parkhill, Robson, Sattar 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 5 - 10)

To approve as a correct record the minutes of the meeting held on 9 April 2019.

4 Cardiff Harbour Authority: Welsh Government Review (Pages 11 - 20) 4.30 pm

To scrutinise the findings of the Welsh Government Review of Cardiff Harbour Authority and the implications for Cardiff and the Council.

5 Dumballs Road Regeneration: Update (Pages 21 - 32) 5.15 pm

To carry out pre-decision scrutiny of the report to Cabinet on the Dumballs Road regeneration proposals, prior to its consideration by Cabinet May 2019.

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

- 6 Cabinet Response: Workshops & Innovation Inquiry (Pages 33 - 44)** 5.45 pm

To receive the response from Cabinet to the recommendations of the Committee's Workshop & Innovation inquiry.

- 7 Annual Report (Pages 45 - 74)** 6.00 pm

- 8 Correspondence Report (Pages 75 - 76)** 6.10 pm

- 9 Way Forward** 6.15 pm

To review the evidence and information gathered during consideration of each agenda item, agree Members comments, observations and concerns to be passed on to the relevant Cabinet Member by the Chair, and to note items for inclusion on the Committee's Forward Work Programme.

- 10 Urgent Items (if any)**

- 11 Date of next meeting**

The next meeting of the Economy & Culture Scrutiny Committee is scheduled for Thursday 6th June 2019 at 4.30pm in Committee Room 4, County Hall, Cardiff.

Davina Fiore

Director Governance & Legal Services

Date: Thursday, 2 May 2019

Contact: Andrea Redmond, 02920 872434, a.redmond@cardiff.gov.uk

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ECONOMY & CULTURE SCRUTINY COMMITTEE

9 APRIL 2019

Present: Councillor Howells(Chairperson)
Councillors Henshaw, Gordon, Gavin Hill-John, Robson, Sattar
and Stubbs

65 : APOLOGIES FOR ABSENCE

None received.

66 : DECLARATIONS OF INTEREST

None received.

67 : MINUTES

The minutes of the previous meeting held on 19 February 2019 were agreed as a correct record and signed by the Chairperson. The minutes of the Joint Scrutiny Committee held on 19 November 2018 were noted.

68 : DRAFT ECONOMIC STRATEGY; ECONOMIC DEVELOPMENT WHITE PAPER

The Chairperson welcomed Councillor Russell Goodway (Cabinet Member – Investment & Development), Neil Hanratty (Director of Economic Development) and Jonathan Day (Operational Manager – Economic Policy) to the meeting.

Members were advised that this item gives them the opportunity to consider the draft Economic Strategy and to pass on comments, observations and any recommendations they wish to make to Cabinet prior to decision.

The Chairperson invited the Cabinet Member to make a statement in which he said that this White Paper provides a focus on what the administration wants to achieve, it gives a signal to the market on the administration's priorities and it builds on the record of successful partnership working. It was noted however that there were still significant issues to be addressed and that not everyone has benefitted previously from growth in the City. Going forward the Council is working with partners such as the Joseph Rowntree Foundation to try to ensure that all communities benefit from the City's success.

The Cabinet Member added that the White Paper has been developed with other Directorates, including Communities, City Operations and Education amongst others; it was not intended as a detailed plan but further details would be provided as projects near the detailed phases. It was important to note that not all projects are Council led, some are partnership-led and some are an extension of what the Council are doing already. More detail would go to Cabinet in the coming months and where appropriate, there would be an opportunity for scrutiny. Scrutiny views were welcomed in driving forward the City's agenda.

Members were provided with a presentation on the Draft Economic Strategy; Economic Development White Paper, after which the Chairperson invited questions and comments from Members;

Members asked how this White Paper fits with other strategies such as the LDP and the Transport Strategy to ensure there is no conflict. The Cabinet Member stated that he worked with the Cabinet Member for Transport to align with the Transport Strategy, there were likely to be some tensions as there were different priorities, the same with the LDP, these would be respected and there would be an opportunity to review this in the future.

Members were concerned there may be creative tensions between economic development, transport and environment issues and asked how this could be resolved. The Cabinet Member acknowledged that it was a challenge, but it was important to get it right, there needed to be jobs in the City centre and people needed to be able to get to them, there are a majority of components of a good infrastructure and this needs public sector investment from Welsh Government.

Members asked what the current position was with regards to the M4 relief road and were advised that the Council supports it, its absence would be a huge inhibitor in the development of Cardiff and the region.

Members asked what the position was with the train station at Gabalfa and were advised that it had been identified in the transport strategy as one in a number of stations, funding was now required.

Members asked about connectivity to the International Sports Village and were advised that it was recognised that the ISV needed to get a critical mass of activity to make increasing public transport viable and attractive.

Members discussed the indicators and asked how these could be used to track and measure progress especially in areas such as tackling poverty. Officers explained that indicators such as looking at better performing wards, unemployment data etc. would be used to look at how issues are dealt with locally and where to target services. Cardiff Commitment works with primary schools upward, raising aspirations and talking about sectors and jobs to young people. There would be a focus on targeting support and services to under-performing areas, considering impacts locally of intended projects to increase positive impacts and shaping council projects to deliver economic outcomes for people.

Members noted the improvement in the paper and considered it was good that it noted that not all have previously benefitted from the City's Growth, asking how this would be addressed going forward. The Cabinet Member explained that there were lessons to be learned from what had previously happened in Butetown and it was important to ensure what happens in the Bay penetrates through that wall, especially with the Arena and that the jobs created provide an opportunity for local people. There would be links with business and education in the area too.

Members asked if there were enough resources in the Economic Development team to deliver this and whether there were opportunities to work with partner organisations if not. Officers agreed that resources were tight and that it was

necessary to work effectively in partnerships both with the private and public sector and also the Welsh Government. There was an experienced team within Economic Development who were capable and would continue to look at ways to work constructively and innovatively.

Members asked if the environmental impact of attracting industry to the city had been considered and were advised that it needs to be a fundamental aspect, along with environmental improvements such as green spaces and access to jobs.

Members noted that, during the debate at Full Council, the Council Leader had acknowledged a number of areas including NEET's that needed addressing and asked if any changes had been made as a result of this. Officers explained that they had revised the indicators to align with what they want to achieve, with additional indicators included for youth unemployment and more indicators focusing on Inclusive Growth. In relation specifically to NEET's, Cardiff does perform well but this would be monitored. The Cabinet Member added that this was not a final document and that there was an opportunity to reinforce messages before the report goes to Cabinet.

Members referred to the slide presented on Successful City Centre's and noted that only London has more than 3 times office space. Members asked if Cardiff has been affected by the increase in Student accommodation and decrease in office accommodation in the City Centre. The Cabinet Member stated that this was a planning issue but he didn't consider that this had had any impact, adding that it was important to note that it was not just land space but air space and height of buildings that sometimes raise planning concerns. He also added that the Council Policy was to build on brownfield sites for City Centre Living.

Members noted that this was a high level strategy and that there would be further reports coming forward, asking what can be expected. It was explained that the strategy was the framework and a number of plans would lie under it; Members were assured that there were discussions all along the process with transport and environment colleagues.

Members noted that there were lots of proposals to build infrastructure but asked that Green and Open spaces are considered and that there was also a need for more trees in the City. The Cabinet Member stated that the emerging masterplan including the canal quarter will show improved open and green spaces and public squares. He added that at the ISV, there was an aspiration for open spaces and outdoor experiences available to the public.

RESOLVED: that the views of the Committee would be discussed during the way forward section of the meeting and a letter sent to the Cabinet Member in due course.

69 : INFORMING A MUSIC STRATEGY FOR CARDIFF REPORT: MUSIC ECOSYSTEM STUDY & STRATEGIC RECOMMENDATIONS

The Chairperson welcomed Councillor Peter Bradbury (Cabinet Member – Culture and Leisure), Neil Hanratty (Director of Economic Development) Jonathan Day

(Operational Manager- Economic Policy) and Ruth Cayford (Creative Industries and Culture Manager) to the meeting.

Members were reminded of the Save Womanby Street campaign, which led to the Leader, Cllr Thomas, giving a commitment to work with partners across Cardiff to develop a Music Strategy. The Council has employed Sound Diplomacy to undertake initial work on this and this item provided Members with a briefing on the work of Sound Diplomacy to date and sets out the timeline moving forward.

The Chairperson invited the Cabinet Member to make a statement in which he thanked Committee for their interest in this issue which was a direct result of the grass roots campaign to save live music in Womanby Street. The Council has worked with Sound Diplomacy to establish a Music Strategy and there is a report to Cabinet in April to respond to the 12 recommendations. The headline recommendation was to establish a Music Board but response would be given to the other 11 recommendations too. The Cabinet Member added that this was a very exciting piece of work driven by the music sector and it put music at the heart of what the Council wants to achieve in the City.

Members were provided with a presentation entitled 'Cardiff Music City' based on the report from Sound Diplomacy after which the Chairperson invited questions and comments from Members;

Members asked what the Music Board would look like and were advised that there would be a representative of the Council on the Board as Chair, there would also be representatives from Schools, the Music Industry and Public Sector partners. The make-up would mirror the London Board's, which provides a good model and works well.

Members asked how local/young people's skills could be developed to ensure all communities benefit from the proposed approach. Officers stated that Cardiff would be the first authority to take such an inclusive approach using music as a force for regeneration; education would be a big part of it through partnership. Welsh Government were investing in Music Education and the Anthem Fund was in its early stages; the Director of Education and Cardiff and Vale Music Services were involved as it is a priority for them. The Cabinet Member added that the new High School in the West of the City would provide music opportunities and work with music partners and the authority was keen to continue that link and build on it at other schools and colleges.

Members asked if there would be any opportunity for feedback from the other music stakeholders to the Sound Diplomacy report, the Cabinet Member explained that Sound Diplomacy had been tasked with looking at the industry as a whole and their report was based on round table discussions with other stakeholders and it provided an honest overview. Officers explained there would be a partnership approach to responding to Sound Diplomacy's recommendations, via the proposed music board.

Members found the report interesting with good comparators and asked where the bigger picture comes in and how Cardiff can obtain a reputation for holding worldwide events. The Cabinet Member stated that the report is of the industry as it is now, there were aspirations however which would be announced at a later date.

Members asked, once the board has been established, how voluntary organisations would fit into it. Officers said they were keen to ensure that the voluntary sector were engaged and they were taking an inclusive approach; there would be sub boards established for venues/public/professional services/volunteers etc.

Members were keen to know how the Board would be resourced. Officers assured Members that the Board would not need a lot of resources, the secretariat would be managed from existing resources, and they would look to attract funding to deliver the Music Strategy.

Members wondered if this would give scope to reintroduce music lessons back into schools. The Cabinet Member explained that these decisions were taken by individual Governing Bodies and Welsh Government, it was not in the scope of the Council. He added that the new schools have improved facilities so there may be more linkages with schools and partners to plug the gap.

RESOLVED: that the views of the Committee would be discussed during the way forward section of the meeting and a letter sent to the Cabinet Member in due course.

70 : COMMITTEE BUSINESS

Members were advised that the Correspondence was now up to date.

Members were reminded that they had previously asked to have sight of the minutes of the Joint Overview and Scrutiny Committee (JOSC) for the Cardiff Capital Region (CCR) City Deal. The draft minutes of the first JOSC meeting were circulated to Members ahead of their meeting on 17 January 2019.

The JOSC had held further meetings on 9 February 2019 and 28 March 2019 and the Agenda and Minutes were available on the Bridgend Council website.

Members were provided with an overview of the two meeting and an update of the JOSC tour of the Semi-Conductor Foundry building near Newport, which took place on 9 February 2019.

Members discussed the Forward Work Programme and prioritised items that they would like to see at Committee in the coming months.

71 : URGENT ITEMS (IF ANY)

None received.

72 : DATE OF NEXT MEETING

9 May 2019 at 4.30pm, Committee Room 4, County Hall, Cardiff.

The meeting terminated at 6.40 pm

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**CYNGOR CAERDYDD
CARDIFF COUNCIL**

ECONOMY & CULTURE SCRUTINY COMMITTEE

9 May 2019

CARDIFF HARBOUR AUTHORITY: REVIEW

Purpose of the Report

1. This report gives Members background information regarding: Cardiff Harbour Authority; the agreement between Cardiff Council and Welsh Government regarding this; and previous scrutiny of earlier reviews of these arrangements. This information will assist Members in their scrutiny of the most recent review findings regarding Cardiff Harbour Authority arrangements.

Scope of Scrutiny

2. In December 2018, the Welsh Government commissioned Local Partnerships to undertake a review of the current arrangements re Cardiff Harbour Authority. The findings of the review are now available for consideration by this Committee and will be presented at the meeting.
3. During this scrutiny, Members have the opportunity to explore:
 - The findings of the review of the Cardiff Harbour Authority;
 - The implications of the review findings for citizens, residents, visitors, businesses, partners, Welsh Government and the Council;
 - Whether there are any risks to the Council;
 - The timeline and next steps.

Structure of the meeting

4. Members will receive a presentation from Local Partnerships outlining the findings of the review. A panel of review stakeholders has been invited, as follows:
 - Councillor Peter Bradbury (Cabinet Member – Culture & Leisure)
 - Neil Hanratty (Director of Economic Development)

- Jon Maidment (Operational Manager – Cardiff Harbour Authority)
 - Mark Williams (Welsh Government)
 - Howel Jones (Local Partnerships – consultant)
5. Following the presentation, Members will have the opportunity to put questions to the panel regarding the review findings, implications for the Council and key stakeholders and the next steps in the process. Members will then be able to decide what comments, observations or recommendations they wish to pass on to the Cabinet for their consideration and whether further scrutiny is required.

Background

6. Following the wind-up of the Cardiff Bay Development Corporation, Cardiff Council entered into an agreement, commencing 1 April 2000, with the Welsh Assembly Government to operate and manage Cardiff Bay via the Cardiff Harbour Authority. The agreement provided for a review of the financial management and funding arrangements; the first review took place in 2006, with a further review in 2011.
7. The Harbour Authority has a range of statutory duties and responsibilities. Operationally, the Harbour Authority is responsible for the management of the Barrage and the Bay, including the rivers Taff and Ely up to the weirs at Blackweir and the former Arjo Wiggins site respectively. The Authority also has a key environmental role in Cardiff Bay, with responsibility for maintaining water quality within the 200-hectare freshwater lake, and environmental management. In addition to groundwater monitoring and control, it is responsible for the promotion of conservation. More specifically, responsibilities include:
- operation and maintenance of the barrage, which provides a flood defence structure.
 - environmental management of Cardiff Bay.
 - operation and maintenance of the Pont-Y-Werin Bridge.
 - land areas of the Roald Dahl Plass (Oval Basin), Graving Docks, public car park adjacent to the St. David's Hotel & Spa and barrage car park.
 - directly managing the Cardiff Bay Water Activity Centre, Cardiff International White Water facility and the Norwegian Church Arts Centre.

- raising the profile of Cardiff Bay as a visitor attraction and educational resource locally, nationally and internationally.
- running an annual programme of events.

8. The Cardiff Bay Barrage Act 1993 sets the legislative framework for the Harbour Authority, outlining the main statutory responsibilities of the Harbour Authority.

Other legislation guiding the service includes:

- Dangerous Vessels Act 1985
- Transport Act 1982
- Local Government Planning and Land Act 1980
- Docks and Harbours Act 1966
- Harbours Act 1964
- Harbours, Docks and Piers Clauses Act 1847
- Salmon and freshwater fisheries Act 1975
- Environmental Protection Act 1990
- Environment Act 1995.

9. Whilst the Cardiff Bay Barrage Act 1993 sets out the Harbour Authority's statutory responsibilities, the Section 165¹ agreement (and its' subsequent Deeds of Variation following earlier reviews) sets out the contract between the Council and the Welsh Government regarding the Harbour Authority, in terms of obligations and funding. Welsh Ministers became responsible for paying the Council the amounts necessary to fulfil its statutory obligations under the Cardiff Bay Barrage Act 1993. This funding is ring-fenced and may only be spent on Cardiff Harbour Authority-related activities.

10. In December 2018, the Welsh Government issued a written statement² to inform members of the National Assembly that they had agreed with Cardiff Council to undertake a review of Cardiff Harbour Authority, setting out that:

'The review will consider the current arrangements for funding and managing the Cardiff Bay Barrage, the inland lake and the outer harbour under the agreement between the

¹ Section 165 of the Local Government, Planning and Land Act 1980

² Available at: <https://gov.wales/written-statement-cardiff-harbour-authority-review>

Welsh Ministers and Cardiff County Council (Cardiff CC). The review will be undertaken by Local Partnerships (a joint venture owned by HM Treasury, the Local Government Association and the Welsh Government).'

11. The written statement goes on to say:

'A key element of the review will be to consider whether there is scope to achieve improved value for money in the delivery of the statutory harbour authority functions including a means of securing longer-term financial savings and opportunities for increased income generation activities. It will also include a review of the Agreement's existing terms and conditions to take into account operational requirements and risk.'

'The Authority plays a crucial role in ensuring that Cardiff Bay is managed efficiently and effectively. With the support of Cardiff County Council, it has helped to establish the Bay and associated facilities as a unique public amenity worthy of forward looking capital city. The review is designed to ensure that we have sustainable arrangements in place to enable the Authority to carry on performing this role into the future.'

12. Since the establishment of Cardiff Harbour Authority, there has been several reviews, audits and studies on the effectiveness of arrangements. These include Wales Audit Office reports (*The Cardiff Bay Barrage, 2000; Securing the Future of Cardiff Bay, 2001; and Continuing the regeneration of Cardiff Bay, 2002*) as well as Cardiff Council Scrutiny Inquiry reports in 2006 and 2010 and Welsh Assembly Government reviews in 2006 and 2011. Overall, these found that the Harbour Authority discharges its duties with competence, responsibility and professionalism. The early reports identified the need to be more customer-focused and improve engagement with stakeholders; later reports found these improvements had been made.

Previous Scrutiny

13. This Committee has undertaken two detailed inquiries on Cardiff Harbour Authority, in 2006 and 2010, in order to inform discussions with Welsh Government regarding their reviews and the best way forward.

14. The first inquiry (*The future of Cardiff Harbour Authority, 2006*) advised on future risk management and long-term implications for the Council associated with continued management of the Bay. The Scrutiny Task and Finish Group made 11 recommendations in their report relating to the negotiations with the Welsh Assembly Government. More specifically, it highlighted the preference for the Council to continue with the Harbour Authority Contract. It also made recommendations regarding asset renewal, future regeneration, ecosystem management (in particular the Zebra Mussel threat), stakeholder engagement and contingency planning. The majority of the recommendations were accepted by the Executive and used to inform negotiations with Welsh Assembly Government.
15. The Council and Welsh Assembly Government completed their review in March 2007 and the Welsh Assembly Government then carried out a separate review using external consultants and confirmed that they would like the Council to continue to manage the Harbour Authority function. Negotiations were satisfactorily concluded with Welsh Assembly Government over revisions to the current agreement, which resulted in a simplified arrangement for the permanent transfer of the Harbour Authority responsibilities to the Council.
16. In 2010, the Committee undertook an inquiry into Cardiff Harbour Authority (*Cardiff Harbour Authority, 2010*) in response to a Welsh Assembly Government review into the affordability of the Authority. The report put forward twelve recommendations to the Executive relating to the Welsh Assembly's review of affordability, ten of which were accepted and two partly accepted.
17. The recommendations that were accepted in full were:

Recommendations for the Executive

Members consider that Cardiff Harbour Authority managing the Barrage and the Bay fits strategically with the Council's visions in terms of current developments and future regeneration of the Bay area, and should be continued if possible. However, a 30% reduction in grant funding for 2011/12 will have significant implications for the Council and Harbour Authority. Members encourage the Executive to consider the following

recommendations in their negotiations with the Welsh Assembly Government We recommend that the Executive:

Ecosystem management

- R1. Emphasise the importance of water quality and cleanliness to the Bay and that any reductions in maintaining water quality (e.g. oxygen levels) and debris removal will adversely affect safety, sports operations and the valuable image of the Bay.
- R2. Fully support plans to reduce the financial burden of the existing monitoring regime given the 10 year establishment of the Bay and that there is confidence in ten years of historical environmental information.

Stakeholder Engagement

- R3. Safeguard the existing levels of stakeholder engagement within the current negotiations as it plays a critical role in the effective running of the Bay. Members commend the positive response to the previous scrutiny recommendations in 2006 that have resulted in improvements to the communication and stakeholder engagement framework operated by the Harbour Authority.

Marketing

- R4. Risk assess the implications of lower Welsh Assembly Government funding for the marketing the Bay upon the existing joint marketing arrangements for the city as a whole.
- R5. Consider what improvements can be made to signage of Cardiff Bay within the city centre so that visitors to the city centre are aware of the location of the Bay and the transportation routes available.

Events

- R7. Move to a more efficient model for the delivery of events in the Bay by reviewing income generation options (e.g. charging for specific activities, sponsorship, donations etc.) and reducing costs (e.g. use of volunteers etc.). However, entry to the main events should continue to be free.

Sports

- R8. Safeguard sports development in the Bay and emphasise its importance to Wales within the current negotiations. Members commend the improvements made to the sporting infrastructure within the Bay and note achievements to date within Welsh sport, particularly the emergence of international level competitors and in increasing participation levels within under represented communities.
- R9. Continue to promote the Bay as a World-class venue for water sports and examine methods to broaden usage of sports that carry minimal infrastructure costs such as Wind Surfing.

Commercial

- R11. Rigorously pursue, with the Economy and Culture Committee, a decision from the Department of Transport on the charging levels for users of the Bay.
- R12. Keep under review the financial viability of improved water taxi transportation.

18. The recommendations that were partially accepted were:

- R6. Develop a cohesive approach to its events programme that improves the linkages between the city centre and the Bay and improves winter provision. In particular, consider the possibilities of alternating the location of winter wonderland between the city centre and Bay each year and seek to maximise other commercial uses for the Oval Basin.
- R10. Review the existing plans for the Graving Docks taking into account innovative opportunities that exist in the shorter term for example the Techniquest £1 million lottery bid which would broaden the appeal of the Bay and be a community asset, boosting awareness and education on environmental sciences for the public and schools of Cardiff.

Way Forward

- 19. Councillor Peter Bradbury (Cabinet Member – Culture & Leisure) will be invited to make a statement. Neil Hanratty (Director of Economic Development) Jon Maidment (Operational Manager), Mark Williams (Welsh Government) and Howel

Jones (consultant, Local Partnerships) will attend to give a presentation and answer Members' questions on the Cardiff Harbour Authority review findings.

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:

- i) Consider the information in this report and the information presented at the meeting;
- ii) Determine whether they would like to make any comments, observations or recommendations to the Cabinet on this matter; and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

DAVINA FIORE

Director of Governance & Legal Services

2 May 2019

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**CYNGOR CAERDYDD
CARDIFF COUNCIL**

ECONOMY & CULTURE SCRUTINY COMMITTEE

9 May 2019

DUMBALLS ROAD REGENERATION: UPDATE

Purpose of the Report

1. To give Members background information to aid pre-decision scrutiny of the report to Cabinet on Dumballs Road regeneration, which is due to be considered by Cabinet at their meeting on 16 May 2019. The full draft report to Cabinet is '*to follow*' as **Appendix A**.

Scope of Scrutiny

2. At their meeting on 16 May 2019, the Cabinet will consider a report that outlines proposals regarding the regeneration of Dumballs Road.
3. During this scrutiny, Members have the opportunity to explore:
 - i) The proposals re Dumballs Road regeneration;
 - ii) Whether there are any risks to the Council;
 - iii) The timeline and next steps;
 - iv) The recommendations to Cabinet.

Structure of the meeting

4. Councillor Russell Goodway (Cabinet Member – Investment and Development) will be invited to make a statement and he and Neil Hanratty (Director of Economic Development) will be available to answer Members' questions.
5. Members will then be able to decide what comments, observations or recommendations they wish to pass on to the Cabinet for their consideration prior to making their decisions.

Background

6. The Dumballs Road site is a circa 40 acres brownfield site, south of Central Train Station and Callaghan Square, allocated in the Local Development Plan for housing-led mixed-use developments. On 1 December 2016, Cabinet received a report¹ setting out proposals from Vastint² to regenerate the area, delivering up to 2,000 new homes, including affordable housing, commercial use and community use and providing jobs during the construction phase and beyond.
7. The 1 December 2016 Cabinet report highlights the primary issues facing regeneration of Dumballs Road, which are complicated land ownership arrangements and site abnormalities. To assist with this, the report sought permission for the Council to purchase 12.6 acres of the site and work in partnership with Vastint to develop a master plan, with Heads of Terms and a Memorandum of Understanding underpinning this. The report to Cabinet also sought permission to dispose of a council building at Bessemer Close to provide a suitable relocation site for a business from the Dumballs Road area.
8. Following consideration of the report, including confidential information and a presentation by Vastint, Cabinet agreed that:
 - '1) The Heads of Terms attached as Appendix 4 be approved.*
 - 2) Authority be delegated to the Director of Economic Development in consultation with the Leader of the Council, the Cabinet Member for Corporate Services and Performance, the Corporate Director Resources, and the Director of Governance and Legal Services to:*
 - i) Conclude the acquisition of 8.5 acres of land at Dumballs Road as illustrated at Appendix 2 and in accordance with the Heads of Terms attached as Appendix 4.*
 - ii) Negotiate and conclude the acquisition of a further 4.1 acres of land at Dumballs Road as illustrated at Appendix 2 with the final cost of acquisition subject to allocated budgets and approval by an independent valuer.*
 - iii) Dispose of the former Depot Building at Bessemer Close to enable the relocation of a business from the Dumballs Road area as illustrated in the plan*

¹ Available at: <http://cardiff.moderngov.co.uk/mgAi.aspx?ID=7214&LLL=0>

² Vastint is the property arm of the IKEA group

at Appendix 5 and in accordance with the independent valuation at Appendix 6.

3) The receipt from the disposal of the former Depot Building at Bessemer Close be ring fenced to enhance the allocated capital budget being used to acquire the land at Dumballs Road outlined in this report and illustrated in Appendix 2.

4) that the required level of capital allocation from the Central Enterprise Zone (CEZ) budget is brought forward from future years to the current financial year, as set out in Appendix 8.'

9. Since then, the Council has worked with Vastint in developing a comprehensive approach to the regeneration of the area, leading to the development of new proposals that build on some of the key development principles already established through the planning process, including:

- i) Integration of sustainable travel opportunities
- ii) Maximising the potential of the river frontage
- iii) Providing high quality urban public spaces
- iv) Providing high quality standards of design.

10. In terms of the financial contribution of the Council, Cabinet agreed at their meeting on 1 December 2016 to purchase land at Dumballs Road to assist in progressing the scheme, using funds allocated in the Council's Capital Programme for the Cardiff Enterprise Zone. In addition, the financial implications section of the report to Cabinet 1 December 2016 stated that the Council would become responsible for 'vacant site holding costs', which would crystallise incrementally as landowners transfer their operations to alternative premises elsewhere in the city. These costs would be met from the Cardiff Enterprise Zone Corporate Revenue Budget.

Report to Cabinet

11. A report to Cabinet providing an update on Dumballs Road regeneration scheme is scheduled for 16 May 2019. The full report is '*to follow*' and will be circulated to Members shortly. Members are reminded of the need to scrutinise the proposed recommendations to Cabinet, the timeline and next steps and whether there are any risks to the Council.

Previous Scrutiny

12. This Committee undertook policy development scrutiny of the Dumballs Road regeneration proposals at their meeting on 11 October 2018. A copy of the Chair's letter and the response received, is attached at **Appendix B**. Overall, Members were supportive of the approach taken by Vastint and the Council.

Way Forward

13. Councillor Russell Goodway (Cabinet Member – Investment and Development) will be invited to make a statement and he and Neil Hanratty (Director of Economic Development) will answer Members' questions on the proposals re Dumballs Road.

Legal Implications

14. 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

15. 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:

- i) Consider the information in this report, appendices and the information presented at the meeting;
- ii) Determine whether they would like to make any comments, observations or recommendations to the Cabinet on this matter in time for its meeting on 16 May 2019; and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

DAVINA FIORE

Director of Governance & Legal Services

2 May 2019

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Date: 16 October 2018

Councillor Russell Goodway
Cabinet Member, Investment and Development
Cardiff Council
County Hall
Cardiff
CF10 4UW



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

Neuadd y Sir
Caerdydd,
CF10 4UW
Ffôn: (029) 2087 2088

Dear Councillor Goodway,

Economy & Culture Scrutiny Committee: 11 October 2018

Members have asked I pass on their sincere thanks to you, Andrew Cobden (Vastint) and Neil Hanratty for attending our meeting to provide an update on plans to regenerate the Dumballs Road site.

Overall, Members are supportive of the design concepts explained by Andrew as underpinning the master-planning process. Members particularly appreciate the commitment to creating mixed, balanced communities in a development that integrates with surrounding areas, both North/ South and East/ West.

Improved connectivity is central to whether this redevelopment is successful and Members are pleased to note the commitment to creating routes to connect with the communities of Grangetown and Butetown as well as into the city centre and Cardiff Bay. We note the intention to utilise the river water taxi system as well as to have a new bridge for pedestrians and cyclists, connecting the site to Grangetown, and cycle routes through the site. Members would like to know whether the latter would form part of one of the Council's Cycle Superhighways and ask that this be clarified in your response to this letter. Members also note the aspiration for the proposed Metro system to serve this redevelopment, via routes along Lloyd George Avenue and Dumballs Road. All of these transport modes will help to boost Cardiff's economy, whilst at the same time reducing reliance on cars, which we applaud.

Members are also pleased to note the commitment to providing green and open spaces in the redevelopment, both private courtyards and publically accessible 'fingers' of green space running East/West to boost sight lines and connectivity, and open squares. We note discussions are on-going regarding whether to have a higher number of slimmer routes and squares or whether to 'mass' these and have a smaller number. Members can see the advantages of both and await further plans to see how green, open spaces can be best integrated; however, Members are clear that they would not support any diminution of overall amount of green and/ or open

space. Members also discussed the on-going maintenance of these spaces and, in your response to this letter, would like your views as to whether the Council will adopt the spaces or whether Vastint will use service charges to pay for a management company to maintain them.

Members are supportive of Vastint's stated aim of keeping to 6-8 storeys for most buildings on the development, as we believe this provides the right contrast to the city centre and Cardiff Bay skylines. We were pleased to hear the commitment to ensuring appropriate ground floor usage, to create an active environment with a mix of uses including some commercial.

Concerning commercial units, Members note the intention to locate some along the river frontage, with most units being within the centre of the development. Members agree with the intent to move from heavier industrial uses towards different types of commercial use, including spaces for creative industries and co-working enterprises. Members hope that these spaces could also accommodate lighter, craft-style industries, such as ceramics. Our on-going work on the need for Workshops and Innovation premises has demonstrated to us that there is significant demand for these types of spaces. We recommend that Vastint talk to the Creative Industries departments at Cardiff University, Cardiff Metropolitan University and the University of South Wales for further insight into their student and alumni experiences, which may help Vastint to frame their commercial offer to meet local demand.

Members were interested to hear that Vastint and the Council are working with existing tenants to help them to relocate to appropriate sites and were pleased to see that most of these have stayed in Cardiff.

Given the time period for redeveloping the site, Members were pleased to hear that work is underway to identify suitable 'meanwhile' uses for spaces, to attract footfall and utilise available space. Again, it may be worthwhile speaking to the local universities and to the Creative Cardiff network, which may have some interesting ideas for how to use the space productively and sympathetically during the redevelopment phases.

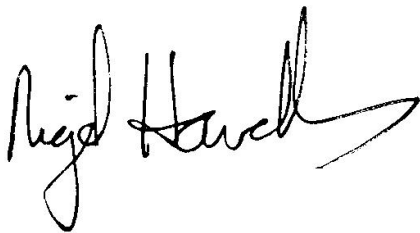
This is a large-scale redevelopment, resulting in possible employment and training opportunities for the local population. Members were pleased to hear Neil Hanratty commit to ensuring that the Council will help to establish links between Vastint and the Cardiff & Vale College, located next to the site, which runs several relevant courses, including construction, in order to ensure training opportunities are maximised.

Members recognise the complexity of land assembly for this site and note that the Council may use Compulsory Purchase Orders in order to ensure the redevelopment takes place; as stated at the meeting, it is to be hoped that this does not prove necessary but, if it is required, Members fully support their use.

Finally, Members note the reassurance provided at the meeting that there are no other known or anticipated further costs to the Council. Members are impressed with the co-operative manner that Vastint has demonstrated in the collaborative master-planning to date and believe that the scale of the development is both exciting and feasible. We look forward to seeing more details and ask that you liaise with Scrutiny Services to ensure this happens at the appropriate time.

Once again, thank you for your attendance. This letter requires a response, please, as it contains requests for information.

Yours sincerely,

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

COUNCILLOR NIGEL HOWELLS
CHAIR, ECONOMY & CULTURE SCRUTINY COMMITTEE

cc Members of the Economy & Culture Scrutiny Committee
 Andrew Cobden – Managing Director, Vastint
 Neil Hanratty Clair James Cabinet Support Office

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County Councillor Russell Goodway
Cabinet Member, Investment & Development

My ref : RVG/Scrutiny/CM40462

Your ref : T: Scrutiny/Correspondence/Cllr NH

2 April 2019

County Councillor Nigel Howells
Chair, Economy & Culture Scrutiny Committee

By email: nhowells@cardiff.gov.uk



Dear Nigel

DUMBALLS ROAD

I refer to your letter dated 16 October 2018 and I apologise for the delay in replying to you.

I am grateful for the support of your committee for this project and we have taken on board the various views expressed both at the meeting and in your letter.

I have asked that the Council's Transport Strategy team to consider the matter you raised regarding cycle superhighways as part of the development. They will explore precisely the extent of any commitment we can make in this regard.

I can confirm that there will be no diminution of green or open space as part of the development. Indeed, we see the provision of new open spaces in the Dumballs Road area as a key benefit of the development. It is the intention that Vastint will manage the public open space through service charges.

In terms of commercial units, we will certainly ensure that Vastint link with the city's universities as well as other industry networks to consider how they can meet demand. We will also share with Vastint the work of the Scrutiny Committee on innovation and workshop space.

In the meanwhile, we have continued to make progress in developing Heads of Terms for the disposal of the council's landholdings on the site along with an agreement for the delivery of some 450 units will transfer to the Council and be managed as part of our council housing stock.

/cont...

T: 07962 251439

Email: r.v.goodway@cardiff.gov.uk

Please reply to:
Cabinet Office, County Hall, Cardiff, CF10 4UW
T: 029 2087 2631

A report relating to these issues will be considered by Cabinet in the near future. That report will also outline the timetable for taking the project forward including the date by which the masterplan will be completed through to construction and occupation of the housing units.

Thank you again for your support for this project. I believe it will make a hugely positive contribution to this area of the city, and will play a crucial role in linking the city-centre with Cardiff Bay.

Best wishes,

Yours sincerely



RUSSELL GOODWAY
CABINET MEMBER, INVESTMENT & DEVELOPMENT

Copies: Neil Hanratty, Director of Economic Development.

**CYNGOR CAERDYDD
CARDIFF COUNCIL**

ECONOMY & CULTURE SCRUTINY COMMITTEE

9 May 2019

**CABINET RESPONSE TO THE REPORT BY THE ECONOMY & CULTURE
SCRUTINY COMMITTEE INQUIRY – ‘*COUNCIL WORKSHOPS & INNOVATION
PREMISES*’**

Purpose of report

1. To update Members on the Cabinet response to the recommendations made in the Economy & Culture Scrutiny Committee November 2018 inquiry report ‘*Council Workshops & Innovation Premises*’.

Background

2. During discussions to inform the Committee’s work programme for the municipal year 2018-19, Members received a request to undertake an inquiry into the way forward re Council-owned workshops and innovation premises. Members were requested to undertake the inquiry over the summer months and to report as soon as possible in the autumn, to help inform policy development in these areas.
3. The Committee agreed the following membership for this task group: Councillor Howells; Councillor Hill-John; and Councillor Robson. The Inquiry had the following terms of reference:
 - i) To investigate what the Council’s role should be in the provision of workshop premises and premises for supporting innovation¹ in Cardiff, by:
 - Examining current council provision – e.g. location/ unit size/ demand/ property condition

¹ Innovation is: the application of research for a benefit to the wider community, economy or for commercial benefit; and the successful exploitation of new ideas, turning ideas into business or social capital. Innovation contributes directly to productivity growth and creates sustainable, high value jobs.

- Examining alternative provision – currently available and planned
 - Identifying whether there are overlaps and/ or gaps in provision
 - Exploring the role the Council wishes to play in addressing the above
 - Hearing the views of stakeholders with regard to the above.
- ii) To make evidence based recommendations to Cabinet on the future role of the Council re provision of workshops and premises for supporting innovation in Cardiff.
4. The task group heard evidence from a number of internal and external witnesses, including relevant Cabinet Members, senior officers, Cardiff University, the University of South Wales, and Gareth Jones, co-founder of Welsh Innovation Centre for Enterprise and The Town Square. As part of the Inquiry, Members visited a number of the Council's workshop sites to see the range of sizes and types of units provided and to meet with businesses to hear their views on existing provision.
5. The task group Members used the evidence to identify findings and to develop recommendations. The report for this task and finish inquiry was taken to the Cabinet meeting held on 24 January 2019. The full report for this inquiry is available at:

<http://cardiff.moderngov.co.uk/ieListDocuments.aspx?CId=151&MId=3543&LLL=0>

Cabinet Response to Recommendations

6. The Cabinet agreed their response at their meeting on 18 April 2019. Attached at **Appendix 1** is a full copy of the Cabinet paper, outlining the recommendations made and the Cabinet response to each recommendation.
7. Overall, the Committee made **nine** recommendations to the Cabinet. The Cabinet response shows that:
- **6** of the recommendations are accepted – *R1, R3, R5, R6, R8 & R9*:
 - **3** of the recommendations are partially accepted – *R2, R4, R7* :
 - *R2 – ring-fence capital receipts for new Council provision of workshops & innovation premises* - the response notes that the Council's priority

for capital receipts is to meet the target of generating £40million general fund capital receipts to assist in funding the 2018/19 -2022/23 Capital Programme and therefore there are limits on earmarking capital receipts. These limits include: for capital expenditure essential to secure a disposal; to meet the terms and conditions of a grant; or where approved by Cabinet to be ring-fenced for specific projects or strategies.

- *R4 –provision of 1,000 sq. ft. move-on accommodation* - response highlights that the Council would work with partners to ensure provision, but would be open to direct provision by the Council if a business case proved this a more appropriate route.
- *R7 – gap in existing advice and mentoring services* – the response highlights that the Council sees effective signposting to national organisations that provide support and specialist expertise as the most efficient and effective approach

Way Forward

8. Councillor Russell Goodway (Cabinet Member – Investment & Development) and Neil Hanratty (Director – Economic Development) have been invited to present the response to the inquiry and present any progress made in addressing the issues raised and recommendations approved.

Legal Implications

9. 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

10. 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 receive the Cabinet response and agree the way forward for receiving progress reports on the work required to implement the agreed recommendations.

DAVINA FIORE

Director of Governance & Legal Services

2 May 2019

The following Appendix is attached:

Appendix 1: Cabinet Response to the Report by the Economy and Culture Scrutiny Committee entitled "Funding of Parks in Cardiff"

CABINET MEETING: 18 APRIL 2019

**CABINET RESPONSE TO THE ECONOMY & CULTURE
SCRUTINY COMMITTEE REPORT ENTITLED 'COUNCIL
WORKSHOPS & INNOVATION PREMISES'**

**INVESTMENT & DEVELOPMENT (COUNCILLOR RUSSELL
GOODWAY)**

AGENDA ITEM:6

Reason for this Report

1. To respond to a report of the Economy & Culture Scrutiny Committee received at Cabinet in January 2019, entitled 'Council Workshops & Innovation Premises'.

Background

2. In Autumn 2018 a task group comprising Members of the Economy & Culture Scrutiny Committee was established to investigate the Council's role in the provision of workshop premises and support for encouraging innovation in the Cardiff Economy.

Issues

3. The inquiry sought to investigate the Council's role in the provision of business workshop and innovation support. In particular the inquiry looked at:
 - Examining current Council provision – e.g. location, unit size, demand and property condition
 - Examining alternative provision – currently available and planned
 - Identifying whether there are overlaps and/or gaps in provision
 - Examining funding models worldwide, testing transferability
 - Hearing the views of stakeholders with regards to the above
4. The Scrutiny report makes nine recommendations all of which are accepted or partially accepted. The Cabinet response is outlined in Appendix A.

Reason for Recommendation

5. To enable the Cabinet to respond to the report published by the Economy & Culture Scrutiny Committee of November 2018 entitled 'Council Workshops & Innovation Premises'.

Financial Implications

6. Appendix A sets out the Cabinet response to the nine recommendations. The Council approved Capital Strategy highlights the use of capital receipts and prioritises the £40 million target for General Fund Capital receipts (net of fees) assumed in the 2018/19 – 2022/23 Capital Programme and indicates that any excess sums over the target are to be considered to be used to reduce the level of debt. The Capital Strategy also highlights that the earmarking of capital receipts can be done where Cabinet approves the receipt to be ring-fenced for specific projects or strategies.
7. Any initiatives which expand the Capital Programme will need to have funding sources identified either through external investment or grants or capital receipts in excess of the £40 million target which was approved in the Council's Budget and Capital strategy.
8. The currently anticipated workshop income for 2018/9 is in the region of £800,000. Any proposed changes to the schedule of charges needs to consider the impact on the income stream and the directorate's overall budgetary allocation. Any shortfall would need to be found from that budgetary allocation.

Legal Implications

9. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.
10. In discharging its duties under the Act, the Council has set and published well being objectives designed to maximise its contribution to achieving the national well being goals. The well being objectives are set out in Cardiff's Corporate Plan 2019-22. When exercising its functions, the Council is required to take all reasonable steps to meet its well being objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the well being objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.
11. The well being duty also requires the Council to act in accordance with a 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:
 - Look to the long term
 - Focus on prevention by understanding the root causes of problems

- Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions
 - Involve people from all sections of the community in the decisions which affect them
12. The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below:
<http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>
 13. The Council has to be mindful of the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards when making any policy decisions and consider the impact upon the Welsh language.
 14. The Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties) – the Public Sector Equality Duties (PSED). These duties require the Council to have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of ‘protected characteristics’. The ‘Protected characteristics’ are: • Age • Gender reassignment • Sex • Race – including ethnic or national origin, colour or nationality • Disability • Pregnancy and maternity • Marriage and civil partnership • Sexual orientation • Religion or belief – including lack of belief.
 15. Where a decision is likely to result in a detrimental impact on any group sharing a Protected Characteristic, consideration must be given to possible ways to mitigate the harm. If the harm cannot be avoided, the decision maker must balance the detrimental impact against the strength of the legitimate public need to pursue any policy decisions. The decision maker must be satisfied that having regard to all the relevant circumstances and the PSED, the proposals can be justified, and that all reasonable efforts have been made to mitigate the harm.

RECOMMENDATION

Cabinet is recommended to agree the response to the report of the Economy & Culture Scrutiny Committee entitled ‘Council Workshops & Innovation Premises’ (Appendix A)

SENIOR RESPONSIBLE OFFICER	Neil Hanratty Director Economic Development 12 April 2019
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The following appendix is attached:

Appendix A: Cabinet Response to the Report published by the Economy & Culture Scrutiny Committee of November 2018 entitled ‘Council Workshops & Innovation Premises’.

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CABINET RESPONSE TO THE REPORT OF THE ECONOMY & CULTURE SCRUTINY COMMITTEE ENTITLED 'COUNCIL WORKSHOPS & INNOVATION PREMISES'

Recommendation 1

The Cabinet tasks officers to raise the capital required to provide new, more suitable workshop spaces by:

- a. Developing a trickle transfer programme of disposal of existing workshops that enables the Council to maintain a steady income stream and does not diminish the overall provision of workshop space in Cardiff.
- b. Reviewing Council owned employment land for possible disposal, using criteria to ascertain 'best use' for each site that detail the rationale for any decision taken to dispose of parcels of Council owned employment land.
- c. Utilising offers and opportunities that arise from the private sector that meet the Council's Economic Development objectives.

RESPONSE: The recommendation is accepted.

However it should be noted that there is no new capital allocation for such an approach, and that it will be reliant on either raising capital receipts or securing external investment. To that end officers are investigating working with public and private sector partners to secure further provision.

Recommendation 2

The Cabinet ensure that capital receipts from sales of Council owned workshops and Council land is ring fenced for new Council provision of workshops and innovation premises that meet market demand i.e. workshops, workshops with office space, and/ or office space.

RESPONSE: The recommendation is partially accepted.

The approach will use capital receipts to secure provision that meets current and future demand and not simply replace previous provision. This approach could also be based on a model of co-investment. It should also be noted that the Council's priority for capital receipts is to meet the balance of its £40m target for general fund capital receipts (net of fees) assumed in the 2018/19-2022/23 Capital Programme. As such the

earmarking of receipts would be limited to capital expenditure essential to secure a disposal, to meet the terms and conditions of a grant or whether approved by Cabinet to be ringfenced for specific projects or strategies.

Recommendation 3

The Cabinet task officers to investigate the feasibility of introducing a sliding scale for rental, service charge and business rates costs for the first three years of workshop tenancy, with costs in Year 1 facilitating easy access for start-ups, and costs in Year 3 being close to market level. This would assist businesses to become 'market ready' and increase their ability to 'move-on' from Council provision.

RESPONSE: The recommendation is accepted.

It should be noted however that CBTC has been operating a sliding scale of rental charges across the Council workshop and innovation portfolio since 2012. This scheme has worked well in supporting new start businesses and assists with their development and growth with a rise to market rent being achieved in the 3rd year of the lease. It should be noted that a sliding scale for service charges would be more difficult given the need to link service charges with the cost of provision. Generally common practice is to charge all tenants the service charges relevant to their accommodation and to vary the rental amounts only.

Recommendation 4

The Cabinet task officers to investigate ways in which the Council can provide workshop space of 1,000+ sq. ft. for 'move-on' accommodation, to facilitate throughput from smaller Council workshop units.

RESPONSE: The recommendation is partially accepted.

We would seek to ensure a provision of space with partners but not necessarily provide the space directly from the Council. However, we would be open to direct provision if it were deemed to be more appropriate route through a business planning process.

Recommendation 5

The Cabinet task officers to review the application of the Council's employment land planning policy and propose amendments if these are necessary to ensure that the loss of employment land is addressed.

RESPONSE: The recommendation is accepted.

The Cabinet is keen to ensure that we are able to apply our employment and land planning policy to protect against the loss of employment land, and is aware that pressure exists even within our strategic employment zones.

Recommendation 6

The Cabinet task officers to work proactively to support existing CBTC1 tenants to relocate successfully

RESPONSE: The recommendation is accepted.

Council officers will work with all the tenants at CBTC who may seek to relocate to new premises and support them in finding grow on space.

Recommendation 7

The Cabinet considers how to work with existing Council resources, local businesses, entrepreneurs and networks to fill the gap identified in existing advice and mentoring services.

RESPONSE: The recommendation is partially accepted.

Note that such support would is generally provided through national organisations, and that in many cases, especially in the area of innovation, specialist expertise is often require in terms of support which would be beyond the scope and resources of local government to provide. To that end, effective signposting and support for networks is seen as the most efficient and effective approach.

Recommendation 8

The Cabinet continue to demonstrate effective leadership of place, creating a supportive landscape for local businesses, entrepreneurs and innovators in Cardiff.

RESPONSE: The recommendation is accepted.

As noted above, this would also be an approach based on working with the local business networks and other organisations. Such an example would be the Council's support for the Creative Cardiff initiative.

Recommendation 9

The Cabinet continue to engage in effective partnership and regional working to capitalise on opportunities for further innovation and investment in Cardiff and the region.

RESPONSE: The recommendation is accepted, and will form much of the basis of its strategy for supporting innovation.

**CYNGOR CAERDYDD
CARDIFF COUNCIL**

ECONOMY & CULTURE SCRUTINY COMMITTEE

9 MAY 2019

ANNUAL REPORT 2018/19

Purpose of Report

1. This report seeks Committee's approval of the Committee's draft Annual Report 2018/19, at **Appendix A**, prior to its presentation to Council.

Background

2. The Cardiff Council Constitution requires all Scrutiny Committees to '*report annually to the Council on their workings and make recommendations for future work programmes and amended working methods if appropriate*'.¹
3. Attached at **Appendix A** is a copy of the Economy and Culture Scrutiny Committee's draft Annual Report 2018/19. This report lists all items considered from June 2018 – May 2019, and provides examples of the various types of scrutiny undertaken. The report concludes by setting out topics that the Committee has indicated a future scrutiny committee may like to include in its 2019-20 work programme.

Way Forward

4. During their meeting, Members may wish to consider the draft Annual Report, attached at **Appendix A** and suggest any amendments required.

Legal Implications

5. 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

¹ Part 2, Article 6.3 (d), Cardiff Council Constitution, as at 9 March 2019

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

6. 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

The Committee is recommended to consider, if necessary amend, and approve the Economy & Culture Scrutiny Committee draft Annual Report 2018/19, attached at **Appendix A**, for presentation to Council.

Davina Fiore
Director of Governance & Legal Services
2 May 2019



A Report of the: Economy & Culture Scrutiny Committee

Annual Report

2018- 2019



Cardiff Council

Economy & Culture Scrutiny Committee Membership



Councillor Nigel Howells
(Chairperson)



Councillor Iona Gordon



Councillor Jane Henshaw



Councillor Gavin Hill-John



Councillor Thomas Parkhill



Councillor Adrian Robson



Councillor Abdul Sattar



Councillor Elaine Simmons¹



Councillor Ed Stubbs

¹ Councillor Simmons was a Member of the Committee until March 2019

TERMS OF REFERENCE OF THE ECONOMY & CULTURE SCRUTINY COMMITTEE

- To scrutinise, measure and actively promote improvement in the Council's performance in the provision of services and compliance with Council policies, aims and objectives in the area of economic regeneration.
 - Cardiff City Region City Deal
 - Inward Investment and the marketing of Cardiff
 - South East Wales Economic Forum
 - Economic Strategy & Employment
 - European Funding & Investment
 - Small to Medium Enterprise Support
 - 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
- To assess the impact of partnerships with and resources and services provided by external organisations including the Welsh Government, joint local government services, Welsh Government Sponsored Public Bodies and quasi-departmental non-governmental bodies on the effectiveness of Council service delivery.
- To report to an appropriate Cabinet or Council meeting on its findings and to make recommendations on measures, which may enhance Council performance or service delivery in this area.

CHAIR'S FOREWORD

To be completed

DRAFT



Councillor Nigel Howells
Chair, Economy & Culture Scrutiny Committee

2018-19 INTRODUCTION & OVERVIEW

The Economy and Culture Scrutiny Committee plays an important role in assessing service performance and informing policy development across a range of Council services. The Committee hears from diverse witnesses to inform this work, including relevant Cabinet Members, council officers, partner organisations, citizens and service users. During 2018–19, Committee Members scrutinised items across several Cabinet Portfolio areas, as follows:

- Cllr Huw Thomas – Leader
- Cllr Peter Bradbury – Culture & Leisure
- Cllr Russell Goodway – Investment & Development
- Cllr Sarah Merry – Education, Employment & Skills
- Cllr Michael Michael - Clean Streets, Recycling and Environment
- Cllr Lynda Thorne – Housing & Communities.

The Directorates predominantly covered by the Committee's terms of reference are Economic Development; and People & Communities: Housing & Communities. This report presents the Committee's activities during 2018-19 and, where possible, identifies the impact of the Committee's work upon the areas within its remit. Between June 2018 and May 2019, the Committee scrutinised a wide range of topics, which are listed below.

Inquiries

Where the Committee has undertaken an examination of a topic over a period of time, resulting in a formal report to the Cabinet.

- Cabinet Response: Funding of Parks Inquiry (*October 2018*)
- Council Workshops and Innovation Premises (*November 2018*) and Cabinet Response to this (*April 2019*)
- Events in Cardiff (*February 2019*).

Policy Development and/or Review

Where the Committee has contributed to the Council's policy development processes, for example by considering draft policy documents, and/or where the Committee has considered the implementation of policies, looking at whether this has happened in a

timely manner and the impact of the policy, giving the Cabinet the opportunity to know Scrutiny Members' views about whether any changes are required.

- Adult Community Learning – Welsh Government Consultation
- Innovation
- Dumballs Road regeneration
- Employment/ Employability Services
- Leisure Management Partnership with GLL
- Informing a Music Strategy: Music Ecosystem and Strategic Recommendations
- Cardiff Harbour Authority – Review of current arrangements.

Pre-Decision

Where the Committee has evaluated and commented on policy proposals before they go to the Cabinet, giving the Cabinet the opportunity to know Scrutiny Members' views prior to making their decision.

- Britannia Park – Harbour Drive
- Multi- Purpose Indoor Arena
- Securing Council Funding for Heritage Buildings
- Public Space Protection Order: Proposed Dog Controls
- Economic Development White Paper route
- Corporate Plan 2019-22 and Budget 2019/20
- Draft Economic Strategy: Economic Development White Paper.

Monitoring

Where the Committee has undertaken monitoring of the Council's performance and progress in implementing actions previously agreed.

- Directorate Delivery Plan – Economic Development; People & Communities: Housing & Communities
- Quarterly Performance Reports – Economic Development; People & Communities: Housing & Communities – including performance briefing.
- Budget Monitoring – Month 4, Month 6 and Month 9
- Welsh Public Library Standards 6th Framework
- Cardiff City Region City Deal: Joint Overview & Scrutiny Committee.

Call- In

Where a non-Executive Member invokes the Call-In procedure under the Council's Constitution, to review an Executive Decision prior to implementation.

- None

Over the period June 2018 – May 2019 we held 10 committee meetings and wrote 17² letters to the Cabinet, officers and external partners, sharing our comments, recommendations and concerns following the scrutiny of items at committee meetings. We also held 2 forum meetings – one to consider our work programme and the other to consider the Welsh Government's consultation proposals for Adult Community Learning. The Committee ran 2 task and finish inquiries, both of which have presented their reports to Cabinet this year.

The following pages highlight the Committee's key activities during 2018-19, identify the comments and recommendations made and the Cabinet responses to these.

² Up to 9 May 2019 committee meeting

Cabinet Response: Funding of Parks Inquiry

In October 2018, we received the response from Cabinet to our recommendations made following our Funding of Parks Inquiry (*April 2018*). Our Inquiry explored a wide range of income generation and cost reduction approaches used by other local authorities. We invited contributions from a range of stakeholders, including Friends Groups, sports pitch users and partner wildlife organisations. We also heard from the Cardiff Civic Society, Urban Park Rangers and Community Park Rangers, senior officers and Councillor Peter Bradbury, Cabinet Member with responsibility for Parks and Green Spaces.

Our Inquiry found little scope for further cost reductions without significantly affecting the Council's ability to maintain Cardiff's parks to their current standard. In terms of generating income, we found scope to generate more income by using a number of approaches, although some of these would require changes, such as additional concessions in Parks.

Our recommendations centred on clarifying the purpose and focus for Parks Services, in order to direct the scale, scope and acceptable routes for income generation. We also recommended that there be no further cuts to the Park Ranger service.

Out of thirteen recommendations, Cabinet accepted nine in full and partially accepted three. One recommendation was not accepted; this was in relation to there being no further cuts to the budget that pays for urban and community park rangers. The Cabinet Response stated that Cabinet could not allow budget decisions to be tied into specific Scrutiny recommendations. We are pleased to note that, when the budget was set for 2019/20, there were no savings proposals put forward for the Park Ranger services.

In a press release issued at the time of the Cabinet Response, Cabinet Member for Leisure and Culture, Cllr Peter Bradbury said: *"This report has brought some really good ideas to the table and I am grateful to scrutiny for the hard work which has gone into it.....The Scrutiny report has come up with some really worthwhile recommendations which we will pursue."*

Officers have developed an action plan to implement the agreed recommendations; we will monitor progress in delivering these.

Council Workshops and Innovation Premises

We received a request to undertake an inquiry into the way forward re Council-owned workshops and innovation premises, to help inform policy development in these areas.

In August 2018, we visited council workshops across the city to see the range of sizes and types of units provided and to meet with businesses to hear their views on existing provision. We then heard evidence from Cabinet Members, senior officers, Cardiff University, the University of South Wales, and Gareth Jones, co-founder of Welsh Innovation Centre for Enterprise and The Town Square.

We found a clear need for the Council to continue to provide small, low cost workshops for new and growing businesses. However, several existing sites have rising maintenance costs; we recommended that these sites be disposed and the monies received used to invest in more suitable workshop spaces. We found significant growth in the supply of a range of innovation spaces, from universities, the finance industry, co-working and solo working spaces; consequently, there is less need for Council involvement in the provision of innovation space. We observed a need to think through how we help businesses to become 'market ready' and move to private sector provision. Significantly, we heard that there is a gap in the availability of in-depth advice and mentoring for new start and growing businesses, hampering the growth of innovation.

Our recommendations addressed these findings, with a clear steer to provide new, more suitable workshop spaces, assist businesses to become market-ready and fill the gap identified in existing advice and mentoring services.

Out of nine recommendations, Cabinet accepted six in full and partially accepted three, agreeing that the Council needs to work with partners in the public sector and across the business sectors to meet demand for workshop and innovation premises and stating that this approach will form the basis of its strategy for supporting innovation. The Cabinet response also highlights the difficulties in ring-fencing capital receipts at a time when the Council needs to find resources to fund its Capital Programme; as such earmarking of receipts is limited but possible in specific circumstances.

Events in Cardiff

We received a request from Councillor Peter Bradbury, Cabinet Member Culture & Leisure, to undertake an inquiry into events in Cardiff, focusing on what the programme of events in Cardiff should look like and what the role of the Council should be regarding events.

To inform the Inquiry, we heard from Cabinet Members, senior officers, Welsh Government officers, South Wales Police, Cardiff & Vale Local Health Board, event organisers, For Cardiff (*Cardiff's Business Improvement District*), Cardiff Hoteliers Association, Professor Terry Stevens and John Rostron, a local music consultant. The Inquiry received written contributions from Artes Mundi, South Wales Fire & Rescue Services, Public Health Wales and a group of Pontcanna & Riverside residents. As part of the Inquiry, we visited the Principality Stadium to hear their views. We also looked at recent Cardiff Council consultations that included respondents views re events in Cardiff. Desk based research was undertaken into approaches used by other local authorities and a high-level review of recent developments regarding Events Levy and Tourism Tax was also undertaken.

We found that events are worthwhile for Cardiff, both economically and socially, enhancing citizens' lives and supporting many jobs and businesses in Wales. However, they also bring costs to statutory services, which are not recompensed. All of these factors, coupled with the reduction in available Council resources, mean it is time to rethink our approach to events in Cardiff.

Our recommendations aim to place Cardiff Council in an enabling and facilitative role, retaining in-house our key function of coordinating partner efforts, consolidating our strategic approach, developing a signature event, lobbying for increased funding to meet the costs incurred by statutory services, and responding to the concerns of affected communities. Cardiff needs to further strengthen its events calendar and increase the legacy and impact of events, for the benefit of local communities and Wales.

Councillor Henshaw presented the report to the Cabinet at its meeting on 21 March 2019; a Cabinet response is scheduled for June 2019.

Economic Development & Regeneration

A key role of this Committee is to scrutinise economic development and regeneration initiatives. We look at how to improve the impact these have for citizens and communities, how to maximise benefits such as employment, training and connectivity, and we check that schemes work together and fit cohesively into the wider economy of the city region. We also scrutinise the financial contribution of the Council and whether there are any risks to the Council and, if so, how these are addressed and mitigated.

This year, the Committee has focused on a number of high-profile proposals, as set out below.

Dumballs Road regeneration

The Dumballs Road regeneration site is circa 40 acres and is within the Cardiff Central Enterprise Zone. The Council is working with the developer, Vastint, to agree a comprehensive plan for the site. In October 2018, we received a presentation from Vastint and specifically explored issues relating to proposed commercial units, employment & training opportunities, community space and the liaison process with existing businesses located on the site, as well as our overarching themes regarding fit with other schemes and the wider economy, the financial contribution of the Council and risks to the Council.

Overall, we support the proposed design concepts, including the commitment to create connected, mixed and balanced communities in a development that integrates with surrounding areas, both North / South and East / West. We also support the commitment to providing public and private green and open spaces.

We agree with the intended move away from heavier industrial uses towards different types of commercial use, including spaces for creative industries and co-working enterprises and hope that these spaces can also accommodate lighter, craft-style industries, such as ceramics. Our task and finish work on Workshops and Innovation premises demonstrated there is significant demand for these types of spaces. We recommended that Vastint talk to the Creative Industries departments at Cardiff University, Cardiff Metropolitan University and the University of South Wales for further insight into their student and alumni experiences, to help frame the commercial offer to meet local

demand. Given the time for redeveloping the site, we also thought it would be worthwhile speaking to the local universities and to the Creative Cardiff network about how to use available spaces productively and sympathetically during the redevelopment phases.

At the meeting, we highlighted that, as this is a large-scale redevelopment, there should be employment and training opportunities for the local population. We were pleased to hear that the Council will help to establish links between Vastint and the Cardiff & Vale College in order to ensure training opportunities are maximised.

We were interested to hear that Vastint and the Council are working with existing tenants to help them to relocate to appropriate sites and were pleased to see that most of these have stayed in Cardiff.

In his response to our letter, Councillor Goodway expressed his gratitude for the support of the Committee for this project and stated *'we have taken on board the various views expressed both at the meeting and in your letter'*. He went on to state that *'we will certainly ensure that Vastint link with the city's universities as well as other industry networks to consider how they can meet demand. We will also share with Vastint the work of the Scrutiny Committee on innovation and workshop space.'*

Securing Council Funding for Heritage Buildings

In November 2018, we scrutinised proposals for securing investment into Council owned heritage buildings, including Cardiff Castle, City Hall, Cardiff Market, Mansion House, New Theatre, St David's Hall, the Old Library and the Norwegian Church. We received the report to Cabinet, which included confidential information and provided an outline of the general condition, maintenance backlog and operating costs of the Council's portfolio of heritage buildings. We explored the proposed approach for securing the future of Cardiff's heritage buildings, whether there are any risks to the Council, the timeline and next steps, and the recommendations to Cabinet.

We recommended amendments to the report to Cabinet to include a section on Cardiff Market and to clarify whether there would be a further report to Cabinet on the New Theatre; both of these comments were raised at the Cabinet meeting, with Cabinet committing to bringing a further report on the New Theatre proposals.

We are clear about the value of these heritage buildings for future generations and recognise the need to find alternative uses that sustain their future without diluting their heritage value. As such, we recommended that the Council seek to work with organisations with expertise and experience in securing heritage buildings, and include their views on proposals in future reports to Cabinet. In his response, Councillor Goodway stated *'I will ensure that this is followed up and referenced in future reports.'*

We also highlighted that the Cabinet needs to consider all risks to the Council prior to deciding whether to transfer maintenance costs to lease operators; these are significant buildings and we need to factor in consideration of reputational risk if the handover of these buildings proved unsuccessful. Further work is required to understand fully the possible risks associated with each heritage building, in terms of risks associated with listed building status, trust status, covenants and grant conditions. We have asked that details of these risk assessments be included, with appropriate legal advice, in future reports to Cabinet.

We are clear that we wish to carry out further scrutiny on more detailed proposals as these come forward.

Multi-Purpose Indoor Arena

Following previous scrutiny in 2017-18, Committee Members gave their support for a new Multi-Purpose Indoor Arena, recognising the benefits to the city region from increased footfall and enhanced infrastructure. Members also provisionally supported the preferred location, subject to future consideration of additional information regarding financial implications and the business case. During these scrutinies, Members emphasised the need for high quality, reliable and affordable public transport to encourage the additional visitors to Cardiff to use sustainable transport and to avoid adding to the congestion in Cardiff. In addition, Members highlighted the need for officers to explore a range of funding options and to ensure that the business case for the multi-purpose indoor arena clearly detail the likely impact the arena will have on other venues in the city region.

Having scrutinised the outline proposals and options appraisals of potential sites, in November 2018 we considered the next stages of the Indoor Arena development, including the need for independent verification checks of the developer's proposals. We

stated that it is essential that the Council has robust, independent advice to ensure that the Council remains legally compliant and achieves value for money in a development as complex as the indoor arena. As such, we gave our support for due diligence, design and pre-development work costs to be met.

We committed to making time available for further scrutiny of proposals as these developed and stated that we wished to receive evidence of market testing to demonstrate the indoor arena development is able to hold its own against competitors. We stated we would also be asking for relevant finance and legal council officers to attend this meeting to provide advice to the Committee and that we are interested in inviting the independent consultants, procured to undertake due diligence, to attend this meeting.

In his response, Councillor Goodway stated that he was *'grateful for the time taken by your colleagues for the constructive input they have provided to what is an exciting project for the city.'* He went on to confirm that market testing had been undertaken in the period following the Committee meeting and that he will provide details of the outcomes of the exercise in the near future. He also confirmed that he was *'happy to bring the item to Scrutiny later with the appropriate officers – including financial and legal officers - as well as any other relevant individuals.'*

Britannia Park – Harbour Drive

In November 2018, we considered a report to Cabinet regarding the acquisition of land at Harbour Drive, Cardiff Bay. The report stated the acquisition would protect the Bay edge for leisure use and provide opportunities for appropriate investment to enhance further the amenity of Cardiff Bay.

Having considered the proposal and any risks to the Council, we gave our support to the proposed acquisition, subject to further due diligence checks and independent valuation of the land, and to the use of Full Repair and Insuring leases, to protect the Council from future costs. We sought reassurance that the site holding costs would not prove onerous and were pleased to hear that land sale receipts and income from venues and future events on the site would meet these.

We have provisionally scheduled scrutiny of the overall Cardiff Bay masterplan, which will include this site, for June 2019.

Economic Development White Paper route

Following publication of the Economic Development Green Paper, we committed to scrutinising the consequent White Paper prior to its consideration at Cabinet. In December 2018, we discussed the route forward for the Economic Development White Paper with Councillor Russell Goodway, Cabinet Member – Investment and Development, who expressed his wish to take a draft to Council for debate prior to bringing it to scrutiny.

We appreciated the desire to enable Council to debate this major policy statement prior to decision, recognising this strengthens the role of Council. We also appreciated Councillor Goodway's guarantee that this Committee would have the opportunity to undertake pre-decision scrutiny of the White Paper, prior to Cabinet decision on the White Paper.

As part of this discussion, we identified that the Constitution is silent on White Papers; we recommended that the Council address this at the earliest opportunity, by taking a report through the appropriate channels that sets out a clear process for White Papers.

The original timeline was to take the White Paper to Council in January 2019, bringing it to this Committee the following month; however, Council in January was cancelled due to the risk of snow disruption and the White Paper was subsequently taken to Council in March.

Draft Economic Strategy: Economic Development White Paper

Following debate at Full Council in March 2019, we considered the draft Economic Strategy (White Paper) in April 2019. Overall, Members supported the aims and objectives set out in the Strategy and recognised that it provides a high-level framework giving focus and clarity re priorities. Members made clear their expectation that specific details, including actions, deliverables and timescales, should be included in the raft of plans that will sit beneath this Strategy, to give clarity and accountability to the routes used to deliver these aims and objectives and the underpinning themes of Inclusive Growth and Sustainable Development.

Members recommended that an assessment of how the draft Economic Strategy complies with the Wellbeing & Future Generation Act requirements be added to the report to Cabinet.

At the meeting, we explored linkages between economic development, transport, education and inclusive growth. We reiterated our belief that good public transport and

work to raise pupils' aspirations and access to opportunities are essential for inclusive growth.

We discussed the metrics listed in the Strategy and suggested that these be grouped by the underpinning themes. At the meeting, we asked how the indicators would be used going forward and noted that they will be applied ward by ward to enable targeted action to be taken to address poor performance. We were also interested to hear that they would be used to learn lessons when shaping future projects and intended outcomes and asked for more details on how the metrics shown can be used to achieve this.

We also gave our support to several points raised during the Council debate on the draft White Paper, including: ensuring plans work to reduce NEETS (young people Not in Education, Employment and Training), improve Job Opportunities for Young People in Care, reduce inequalities and develop skills; ensure plans reference the opportunities arising from the removal of Prince Of Wales Bridge tolls, M4 relief road and changes to business rates; and ensure plans address the need to refresh St Mary's Street.

In his response, Councillor Goodway provided an explanation of how the draft Economic Strategy complies with the Wellbeing & Future Generation Act requirements. He also provided a table grouping the metrics by the underpinning themes and gave further details of how the metrics would be used to shape projects.

Informing a Music Strategy: Music Ecosystem and Strategic Recommendations

In April 2019, we received a presentation briefing summarising the findings of the work undertaken by Sound Diplomacy, consultants employed by the Council to map the music ecosystem in Cardiff and provide strategic recommendations to inform the development of a Music Strategy for Cardiff.

Members welcomed Sound Diplomacy's work and were pleased to hear the range of engagement with stakeholders that has highlighted the areas that a Music Strategy would need to address. Given the level of engagement with stakeholders and the need to maintain this engagement and momentum to enable Cardiff to move forward as a Music City, Members recommended that all stakeholders who contributed via Sound Diplomacy engagement events be given the opportunity to comment on the strategic recommendations.

Members believe that a Music Strategy for Cardiff will lead to a number of creative and economic benefits for residents, visitors, businesses and those working in Cardiff, as well as across the region. We are pleased that the proposed scope of strategy is broad, not limited to live music or a particular genre but encompassing all genres and the music ecosystem across the city. We raised our concern that the Music Strategy should ensure that music is accessible and inclusive for all young people, not only in terms of being musicians but also in terms of developing pupils' awareness and skills sets so they can benefit from the range of skilled roles that exist across the music economy.

In terms of the proposed partnership Music Board, we highlighted our belief that the membership of the Board will be critical to the success of work in this area; we were pleased to hear that membership will be broad and inclusive, with a number of sub-groups to provide focus on particular aspects.

Members highlighted their wish to be involved in policy development and pre-decision scrutiny of the Music Strategy as it progresses.

City Deal

In June 2018, Councillor Huw Thomas, Leader, in his capacity as a member of the Cardiff Capital Region City Deal Joint Cabinet and portfolio lead member for City Deal, attended committee to present a report that proposed establishing a Joint Overview and Scrutiny Committee (JOSC) for the City Deal.

We considered the proposals, in particular looking at the draft terms of reference and matters concerning the nominated representative and deputy, such as: the length of appointment; the skill set required; and whether to have remuneration for the Chair of the Joint Overview and Scrutiny Committee.

Overall, we supported the establishment of a JOSC, recognising this does not preclude local authority scrutiny committees deciding to carry out individual scrutiny of City Deal. We felt that nominees should be appointed annually by Council and be experienced scrutineers, who have knowledge of the City Deal and professional skills that will be of value and assistance to their role on the JOSC.

We did not support the proposal for the Chair and Vice Chair of the JOSC to '*rotate annually between the appointing authorities in alphabetical order*'. Rather, the JOSC should decide the Chair and Vice Chair, in line with the guidance issued by the Welsh Government regarding the establishment of JOSC. We did not think that the Chair should be paid, particularly if they already receive a special responsibility allowance.

Our comments were included in the report to Council, considered on 19 July 2018, where Members noted our recommendations and agreed to approve the establishment of a JOSC. The JOSC met for the first time in October 2018.

Since then, we have received three updates on the work of the JOSC, in December 2018, January 2019 and April 2019. We received a copy of hyperlinks to meeting papers and draft minutes in order to see which areas they are planning to scrutinise, in order that we avoid duplication, and to keep abreast of information shared with them.

Front Facing Services

A key role of this Committee is to scrutinise the delivery of front facing services covered by our terms of reference, including employment services, adult community learning, libraries, hubs, leisure and sports. These services are vital to improving people's lives, helping people into work, boosting health and well-being and promoting community cohesion. There have been significant changes to these services in recent years and we prioritised scrutiny of these services to understand the impact of these changes, monitor performance and assess whether there are areas that require improvement.

Employment Services in Cardiff

In December 2018, we scrutinised progress in delivering the new-style employment services in Cardiff, which launched in April 2018. We wanted to understand take-up and usage rates for these services, for those seeking employment, self-employed and start-ups as well as employers.

We were impressed with the range and scope of the services provided and the number of locations that offer job clubs. We felt that there may be scope for additional venues and were pleased that this met with a positive response.

We felt that there is an opportunity to provide longer-term support to start-ups, many of which fail in the first five years. We are pleased that this has been acknowledged by Councillor Thorne, Cabinet Member – Housing & Communities, in her response to this scrutiny and that, in future, our Into Work Self Employment Advisor will hold '*pop-up follow up*' sessions to offer practical support to these start-ups.

We also recommended that officers investigate opportunities to commercialise their services re support for businesses and are pleased that this has been agreed and that services will be advertised to local businesses.

We are aware of concerns regarding changes to funding and have asked for any proposals relating to this to come for pre-decision scrutiny, which Councillor Thorne, Cabinet Member – Housing & Communities has stated she is happy to take place.

Adult Community Learning – Welsh Government Consultation

We held a forum meeting to consider the draft response from Cardiff Council to the Welsh Government's proposals to change the funding for Adult Community Learning (ACL).

Following our scrutiny, we wrote to the Welsh Government, asking that they count our letter as an official response to their consultation document. We expressed our deep concern about the impact on adult learning in Cardiff that all of the proposed models will have if implemented in their current form; these all show at least a 50% reduction in funding. We outlined our responsibility for scrutinising adult community learning and that, over recent years, we have noted great improvements in performance. We highlighted that our scrutinies have demonstrated the significant improvement to individual's life chances that effective adult learning provides; these benefits ripple out to family members, local communities and, ultimately, the whole economy of the region.

We gave our whole-hearted support and endorsement to Cardiff Council's response and to the recent approach to link Into Work and Adult Community Learning. Our response was included in the Welsh Government's list of consultation responses. We await the outcome from this consultation and are committed to scrutinising proposals developed in response to this.

Libraries & Hubs

In May 2018, we scrutinised proposals to create community and well-being hubs in the north and west of Cardiff, via community branch libraries. We also explored proposals re Central Library and plans to develop a new Library Strategy.

We highlighted that we wish to carry out further scrutiny as proposals develop, in particular re capital funding and significant changes to current buildings. We recommended that proposed area reviews take into account public transport linkages and are pleased that Councillor Thorne, Cabinet Member – Housing & Communities, accepted this recommendation.

As part of our scrutiny role, in August 2018 we visited the Library Stacks at Dominion Way in order to understand how these work and the reviews currently underway to catalogue

collections. We discussed how best to care and conserve antique and rare books and collections as well as how to increase accessibility to the public. We considered the need to dispose of duplicate materials to reduce the storage space required, meaning that the stacks could move to more suitable accommodation. We also highlighted our view that some of the artwork stored in the stacks may have commercial potential, in terms of leasing it to local companies that may wish to support Welsh artists.

In January 2019, we considered the Welsh Government's annual assessment of library services, which reported our performance against the sixth set of Welsh Public Library Standards 2017-2020 '*Connected and Ambitious Libraries*'. We found that our performance has improved and that we are performing well compared to other library services in Wales. We heard that we are not meeting one of the twelve core entitlements, which is to have an overall library strategy, but that work on this is underway. We also heard that, out of ten quality indicators that have targets, we are not meeting three of these in full. However, we received explanations of the reasons for this and were satisfied that steps are in place to improve performance i.e. staff are undertaking recognised librarianship qualifications; and a new library management system is being implemented which will make it easier for customers to access available materials, in person and virtually.

In February 2019, we looked at budgetary proposals 2019-20 for libraries and hubs and highlighted that Members are keen to play a role in consultation events, as local ward members, so that plans are amended to reflect local communities' preferences and needs. We are pleased with the reassurances received that this is the case and that the role of ward members, in terms of informing plans and encouraging take-up from residents, is appreciated.

We have recommended scrutiny of the draft Libraries Strategy in the new municipal year.

Leisure Management Partnership with GLL

In 2016, GLL took over responsibility for managing most of the Council's leisure centres. In December 2017, Committee Members scrutinised the first year of operation of the partnership. Members were keen to test whether the partnership was meeting the needs of Cardiff citizens and communities and issued a press release seeking the views of citizens of Cardiff on how the leisure centres were being run. Responses were received from over

70 residents, with responses collated and shared with Committee Members and the partnership. At the meeting, Committee Members used these responses to frame lines of enquiry with the partnership.

In January 2019, we scrutinised the performance of the Council and GLL over the last year in the delivery of leisure centre services covered by the Leisure Centre Management Partnership contract. We focused in particular on participation and usage rates, use of leisure centre rooms by public sector organisations and delivery of the capital programme. We also asked whether there are any planned changes to services and checked whether there are any changes to the Council's commitments or risks to the Council.

We were pleased to hear that there is genuine partnership working via a strong liaison board that receives robust monitoring information and works together to develop the leisure offer for Cardiff. We were delighted with the improving trends re participation and usage rates and the targeted work to increase participation by people with disabilities, resulting in increased membership levels. We tested the willingness of GLL to keep prices as affordable as possible and to enhance accessibility by widening opening hours and were pleased to hear positive responses on both of these. To help to continue to drive improved customer satisfaction, we asked to receive the number of complaints per 100,000 visits in future monitoring reports.

We were reassured that the capital programme is on track and that no new commitments or risks to the Council have been identified. Finally, we confirmed that we wished to hear more details of work, in 2019, to improve further the leisure offer in Cardiff; we look forward to hearing more details of this in due course.

Public Space Protection Order (PSPO): Proposed Dog Controls

In November 2018, we held a joint Committee Meeting with the Environmental Scrutiny Committee to carry out policy development scrutiny of a report to Cabinet on PSPO: Proposed Dog Controls. Whilst dog fouling comes under the remit of the Environmental Scrutiny Committee, the proposals included banning dogs from sports pitches and this Committee therefore wanted to have the opportunity to comment.

As part of this scrutiny, we considered the consultation exercise undertaken regarding the proposals and heard from a range of stakeholders, at the meeting and via written

contributions, including: residents of Cardiff; local councillors, including a representative of the All Party Council Group Caring4K9s; local dog owners; Guide Dog Cymru; Creigiau Recreation Area Management Committee; Cardiff Dog Action; and The Dogs Trust.

Following our scrutiny, Councillor Bradbury wrote *'I would like to thank scrutiny for your review. The process has supported a connection and engagement with Cardiff Dog Action and other dog groups'*. He continued that he had *'committed to meeting Cardiff Dog Action and other groups regularly'*.

During our scrutiny, stakeholders highlighted the need for an Equality Impact Assessment (EqIA) to be completed to ensure the final PSPO for Dog Controls was appropriate and fit for purpose. We re-iterated this point in our letter and Councillor Bradbury responded that an EqIA would be completed *'by engaging with Guide Dogs Cymru and other vulnerable user groups'*.

We also highlighted concerns with the consultation survey, in terms of language used and structure: in his response, Councillor Bradbury stated *'We have learnt from the consultation survey and may ask scrutiny to review any similar city wide consultation surveys before commencement.'*

Based on the evidence presented to our Committee via written contributions and at the meeting, we listed various schemes and measures for improving dog behaviours and suggested that the Council explore these further. In his response, Councillor Bradbury committed to work with Cardiff Dog Action and other groups *'to look at schemes to support good dog ownership behaviours across Cardiff. This will include reviewing ideas suggested by scrutiny.'*

Finally, we requested that the planned report to Cabinet be brought for pre-decision scrutiny, which was agreed to by Councillor Bradbury. In March 2019, final proposals for a PSPO: Dog Controls were released, which showed that the PSPO had been amended to exclude sports pitches. The Environmental Scrutiny Committee therefore undertook the consequent pre-decision scrutiny.

Corporate Plan 2019-22 and Budgetary Proposals 2019-20

At our February 2019 meeting, we considered the Council's draft Corporate Plan and draft budgetary proposals for 2019–20. Members:

- Recommended the step '*to develop a business plan to protect the city's historic assets*', which was in the Corporate Plan 2018-2021, be included in the final version of the Corporate Plan presented to Council.
- Highlighted that we intend to scrutinise the step '*Develop a new vision and masterplan for Cardiff Bay by 2020, including taking forward delivery of the next phase of development for the International Sports Village by 2019*'.
- Highlighted that we will recommend to a future committee that they scrutinise progress on achieving savings that fall within our terms as reference, as well as capital financing and the affordability envelope for the Indoor Arena
- Welcomed the proposal from Councillor Weaver, Cabinet Member Finance, Modernisation & Performance to discuss budget consultation with Scrutiny Chairs and Scrutiny members, in an effort to boost engagement.
- Noted the significant levels of savings from the Economic Directorate
- Raised our concerns about the impact of the savings relating to events, tourism, marketing and business events, striking a note of caution that many partner organisations are also facing budget reductions.
- Clearly stated our wish to scrutinise any new proposed operating model for the New Theatre.
- Re-iterated our long-standing desire to boost the number of park rangers, whom our Inquiry into Funding of Parks in Cardiff (April 2018) found are critical in ensuring our parks are safe spaces and that volunteers' contributions are maximised.
- Confirmed our wish to scrutinise the Welsh Government review of Cardiff Harbour Authority funding arrangements.
- Restated our commitment to scrutinising changes to adult community learning, libraries and hubs.

Councillor Chris Weaver, Cabinet Member - Finance, Modernisation and Performance, responded, noting the above points and thanking the Committee for their support in the budget process.

Monitoring

Performance Monitoring

We decided to continue the approach we trialled in 2018/19 to scrutinising performance, receiving quarter 1, 2 and 3 performance reports by email, with a summary of key points provided by the Committee's Scrutiny Officer. We then had the opportunity to review the reports, raise any concerns and, where necessary, request that the relevant Cabinet Member and officer be invited to the next Committee meeting to discuss performance issues and mitigating actions. We would still receive the quarter 4 report at committee, to enable Members to review the whole year performance.

In June 2018, we considered the quarter 4 performance report for 2017/18. We found that, overall, there is good performance against targets across the Economic Development Directorate and that the performance levels achieved across libraries, hubs, into work services and adult community learning, in the Housing & Communities Directorate, are pleasing. As part of our discussions, we focused on high street footfall; we believe it would be beneficial to learn lessons from approaches taken elsewhere that have boosted daytime economy footfall on high streets. We also discussed whether our performance reports contain appropriate indicators that capture the impact of the Economic Development Directorate and were pleased to hear the Director say he is open to reviewing indicators; to inform this, we agreed to look at indicators used by other local authorities to see whether other performance indicators would be useful and helpful.

In September 2018, we considered a desk-based review of economic development performance indicators reported to scrutiny in the core cities of Bristol, Birmingham, Manchester, Leeds and Sheffield. The number of performance indicators reported to scrutiny ranged from nine to 32. They all included indicators for economic activity and most had indicators re businesses, GVA, skills and visitor economy.

We received the other quarterly performance reports by email; there were no issues in these that necessitated consideration at Committee. We are due to scrutinise the quarter 4 2018/19 report at our committee meeting in June 2019.

Budget Monitoring

We decided to also continue with the approach to budget monitoring that we trialled in 2018/19, receiving Month 4, Month 6 and Month 9 budget monitoring reports by email, with a summary highlighting key areas to look at provided by the Committee's Scrutiny Officer. These reports highlighted no issues, in the areas that we cover, that required scrutiny at committee.

Directorate Delivery Plans

We considered the relevant sections of the Housing & Communities Directorate Delivery Plan at our meeting in May 2018 and the Economic Development Directorate Delivery Plan at our meeting in June 2018.

We assessed whether these Plans assisted in the delivery of Cardiff's Wellbeing Plan and the Council's Corporate Plan, whether they focused on the right issues for local communities and whether the plans were robust and fit for purpose. We checked whether resources were sufficient to deliver the Plans and whether the performance measures were sufficient to monitor delivery.

We found that the Plans were fit for purpose and that there was a sound process and performance management framework in place to monitor implementation and delivery. We used the information gained regarding future challenges and proposed actions to help inform our work programme for 2018-19.

WORK PROGRAMME FOR 2019- 20

Members of the Committee will be invited to consider items for possible inclusion in the Committee's work programme during 2019-20. Work is currently in progress to draw together issues for the Committee to consider. A draft work programme will then be developed and brought to Committee for approval and implementation. The Committee would welcome suggestions for scrutiny items from other Members.

FUTURE SCRUTINY WORK

Over the course of its deliberations this year, the Committee has recommended that the following items be considered for inclusion in the Committee's 2019-20 work programme:

- ❖ Cardiff Capital Region City Deal.
- ❖ Cardiff Bus Station.
- ❖ Metro Central - Cardiff Central Station.
- ❖ Cardiff East Industrial Strategy.
- ❖ Music Strategy.
- ❖ Multi-Purpose Indoor Arena.
- ❖ International Sports Village.
- ❖ Dumballs Road regeneration.
- ❖ Cardiff Bay regeneration.
- ❖ Heritage Buildings.
- ❖ Canal Quarter Masterplan.
- ❖ Chapters Arts Centre.
- ❖ Other Economic Development plans.
- ❖ Cardiff Harbour Authority.
- ❖ Cardiff Sport.
- ❖ Sports & Physical Activity Strategy.
- ❖ Leisure Management.
- ❖ Libraries Strategy.
- ❖ Libraries & Hubs.
- ❖ Welsh Library Standards.
- ❖ Performance Reports.
- ❖ Savings Reports.
- ❖ Relevant Audit, Inspection and Regulatory Reports.
- ❖ Cabinet Responses to previous Inquiries, and implementation of agreed recommendations from previous Inquiries.

DRAFT

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**CYNGOR CAERDYDD
CARDIFF COUNCIL**

ECONOMY & CULTURE SCRUTINY COMMITTEE

9 MAY 2019

CORRESPONDENCE REPORT

Background

1. Following most Committee meetings, the Chair writes a letter to the relevant Cabinet Member or officer, summing up the Committee's comments and recommendations regarding the issues considered.
2. At the Committee meeting on 9 April 2019, Members received a report detailing the correspondence sent and received up to that meeting, showing that there were no correspondence responses outstanding.
3. Since then, correspondence has been sent following the Committee meeting on 9 April 2019, as set out below:
 - i. *Response Received* - from Councillor Russell Goodway, to the Chair's letter following scrutiny of the Draft Economic Strategy (White Paper);
 - ii. *Response Awaited* – from Councillor Bradbury to the Chair's letter regarding the presentation briefing on Sound Diplomacy's report on the Music Ecosystem of Cardiff.
4. Copies of the Chair's letters and responses received can be found on the Council's website page for the relevant Committee meeting, with a hyperlink provided at the top of the page, entitled '*correspondence following the committee meeting*'.

Way Forward

5. During their meeting, Members will have the opportunity to reflect on the correspondence update.

Legal Implications

11. 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

12. 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

The Committee is recommended to reflect on the update on committee correspondence.

Davina Fiore

Director - Governance and Legal Services

2 May 2019