

ECONOMY & CULTURE SCRUTINY COMMITTEE

11 JULY 2023

Present: Councillor Wong(Chairperson)
Councillors Berman, Henshaw, Jenkins, Lloyd Jones, Shimmin
and Thomson

12 : APOLOGIES FOR ABSENCE

Apologies have been received from Cllr Catriona Brown-Reckless and Cllr Jackie Jones

Apologies had also been received from Cllr Russell Goodway, Cllr Thomas attended in his place.

13 : DECLARATIONS OF INTEREST

Cllr Thomson declared a personal interest as she was working on a project with the Royal Welsh College of Music and Drama.

14 : MINUTES

The minutes of the meeting held on 20 June 2023 were agreed as a correct record and signed by the Chairperson.

15 : ST. DAVID'S HALL

Members were reminded that this item was to scrutinise the report to Cabinet that seeks approval to transfer St David's Hall to AMG. During the scrutiny Members have the opportunity to explore the documents underpinning this transfer – the business sale agreement, lease, and memorandum of understanding – as well as the repairs schedule information that Committee has previously requested. Members also have the opportunity to explore any implications for the Council, and whether there are any risks to the Council.

The Chairperson welcomed, joining remotely:

- Cllr Burke – Cabinet Member – Culture, Parks and Events
- Kathryn Richards – Head of Culture, Events, Venues and Tourism
- Scott Couzens – Bevan Brittan LLP

And in the room:

- Neil Hanratty – Director of Economic Development
- Chris Barnett – Operational Manager – Major Projects
- Ruth Cayford – Operational Manager – Creative Industries & Culture
- Richard Crook – Operational Manager - Interim
- Donna Jones – Assistant Director – County Estates
- Eirian Jones – Operational Manager – Strategic Estates

The Cabinet Member was invited to make an opening statement after which Members were provided with the public slides of the Officers presentation.

Members were pleased to hear that the classical and community programme would be legally binding, and the Memorandum of Understanding outlines the collaboration between stakeholders. Members were also assured that the current youth program would be included, and Arts Active would remain with the Council.

Members noted that AMG is required to complete the agreed Essential Repairs within 10 years, with prior approval from the Council and the lease agreement includes a clause to keep the venue open.

Members noted that the refurbishment costs mentioned in the Financial Implications section of the report refer to ensuring the pianos and organ are up to standard before the transfer to AMG.

Members were advised that a Data Protection Impact Assessment may be necessary if customer details are being transferred, and that officers would explore this further and complete it if required.

Members were assured that AMG has committed to TUPE all existing staff, however they have indicated that a reduction in staffing may be necessary through redeployment and normal turnover. Voluntary severance was not offered prior to transfer based on legal advice received.

Members were advised that there was only one request for further information during the VEAT notice publication, but no progress was made beyond that.

Members were assured that if AMG were to renege on their commitments, this was considered unlikely, but the Council would use usual mechanisms to address non-compliance with the lease agreement, including potentially taking back the building.

Members were advised that to address concerns about the acoustics, independent acoustics engineers would be employed, the lease contains a clause on this issue, and any changes would require listed buildings consent. If issues arise, the Council can require AMG to rectify the situation.

Cllr Berman and Cllr Shimmin expressed a minority view that they do not believe the proposals are in the long-term interests of the people of Cardiff. They would like the Council to explore alternative options, including reprioritising spending and pursuing National funding to maintain the Hall as a Council-run provision.

RESOLVED – That the public be excluded from the meeting at this point during consideration of this item as the Committee discussed exempt information of the description contained in paragraphs 14 and 16 of Schedule 12A of the Local Government Act 1972. The public may be excluded from the meeting by resolution of the Committee pursuant to Section 100A(4) of the Local Government Act 1972 during discussion of this item.

AGREED: that the Chairperson, on behalf of the Committee, writes to the Cabinet Member conveying the observations of the Committee when discussing the way forward.

16 : ATLANTIC WHARF MASTERPLAN

Members were advised that this item enabled them to scrutinise the Indoor Arena Pre-Contract Service Agreement and Development and Funding Agreement, the proposed procurement strategy, proposals for Areas A and B and the proposals for the Capella Production Studio Project. Members also have the opportunity to explore any implications for the Council, and whether there are any risks to the Council.

The Chairperson welcomed:

- Cllr Thomas – Leader
- Neil Hanratty – Director of Economic Development
- Chris Barnett – Operational Manager – Major Projects
- Richard Crook – Operational Manager - Interim
- Eirian Jones – Operational Manager – Strategic Estates
- Chris Lee – Corporate Director - Resources

And remotely:

- Kyle Godfrey
- Scott Couzens – Bevan Brittan LLP

The Leader was invited to make a statement after which Members were provided with the public slides of Officers presentation.

Members were advised that Live Nation has redesigned the Arena to mitigate inflationary pressures while maintaining a capacity of 15,000. The interior design has been simplified and reduced to a single bowl while ensuring high quality.

Transport links to Atlantic Wharf were discussed, including the awarded UK Government Levelling Up funding for enhanced Metro linkages from Cardiff Central to Cardiff Bay. Members were advised that the Council is obligated to provide parking spaces, which may be accommodated through a Multi-Storey Car Park (MSCP). The proposed MSCP and active/public transport provision aim to address parking concerns. The possibility of a Traffic Management Zone would be explored, and planning processes will address transport issues and parking provision.

A discussion took place around the Affordability Envelope for the Council's contribution to the Indoor Arena, which was noted to be £27 million. Members were advised that it has been factored into the capital and revenue budgets and is considered affordable within other commitments. Officers explained that the project leverages significant private sector investment (£100m+) into Cardiff, creating jobs, training opportunities, and economic growth. The Arena will provide lease payments to the Council and revert to its ownership at the end of the lease.

Members were concerned that delays to the Indoor Arena project pose risks such as losing private sector investment, increased costs, impacts on related projects like Atlantic Wharf regeneration, and potential abortive costs.

Officers explained that they are working with treasury and financial advisors to explore funding strategies considering interest rate fluctuations, timing, levers, and offsetting borrowing costs. Members were advised that a hybrid strategy is likely, and proposals will be presented at a future Cabinet meeting.

RESOLVED – That the public be excluded from the meeting at this point during consideration of this item as the Committee discussed exempt information of the description contained in paragraphs 14 and 16 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972. The public may be excluded from the meeting by resolution of the Committee pursuant to Section 100A(4) of the Local Government Act 1972 during discussion of this item.

AGREED: that the Chairperson, on behalf of the Committee, writes to the Cabinet Member conveying the observations of the Committee when discussing the way forward.

17 : ISV UPDATE

Members were advised that this item enabled them to scrutinise the proposed disposal strategy for residential and commercial development plots, and proposals regarding car parking and the Energy Strategy. Members also have the opportunity to explore any implications for the Council, and whether there are any risks to the Council.

The Chairperson welcomed:

- Cllr Thomas – Leader
- Neil Hanratty – Director of Economic Development
- Chris Barnett – Operational Manager – Major Projects
- Jo-Anne Phillips – Project Manager
- Eirian Jones – Operational Manager – Strategic Estates
- Richard Crook – Operational Manager – Interim

The Leader was invited to make a statement after which Members were provided with the public slides of Officers presentation.

Members noted the release of the developer partner's name in a press release and considered that it should be included in the public section of the report for transparency.

Members were advised that improvements to public and active transport provision for the ISV, including a park and ride solution, are underway. The Council is obligated to provide 800 car parking spaces, and further options for provision will be developed and reported to Cabinet.

Members discussed the area around the water's edge. The report confirms an 8-metre promenade around the water's edge, except for the Cardiff Bay Yacht Club site, to allow public access. The masterplan, which includes plans for a wider promenade for walking and cycling, remains unchanged and will be the basis of the developer's planning application.

Members were assured that efforts are being made to make the site visually green, considering the challenges posed by the remediated nature of the site. Solutions such as trees in containers are being explored to create a visually green and well-landscaped area.

Members noted that the proposed heat exchange system differs from older systems and will not result in temperature inconsistencies.

Members acknowledged the challenges of timing reports for complex projects and suggested staggering them for better scrutiny. They requested that officers consider this in the future and take steps to mitigate information overload where possible, understanding that it may not always be feasible.

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AGREED: that the Chairperson, on behalf of the Committee, writes to the Cabinet Member conveying the observations of the Committee when discussing the way forward.

18 : MUSEUM OF CARDIFF INQUIRY REPORT

RESOLVED: That the '*Museum of Cardiff*' task group report be submitted to the Cabinet.

19 : WORK PROGRAMME 2023/24

RESOLVED:

- I. To agree the final work programme
- II. That Cllrs Wong and Thomson sit on the task and finish group for the Cardiff Riding School Inquiry, and that the principal Scrutiny Officer offers the opportunity to Members not present at the meeting.
- III. Agreed that the Committee Forward Work Plan, based on the work programme be approved for publication on the Council's internet.

20 : CORRESPONDENCE UPDATE

Noted.

21 : URGENT ITEMS (IF ANY)

None received.

22 : DATE OF NEXT MEETING

19th September 2023 at 4.30pm

The meeting terminated at 8.20 pm