

ECONOMY & CULTURE SCRUTINY COMMITTEE

17 MARCH 2016

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

62 : APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Javed and Stubbs.

Councillor Ali advised the Chairperson that he would have to leave the meeting before the end.

63 : DECLARATIONS OF INTEREST

A declaration of interest was received from Councillor Weaver, who declared that he was Assistant Cabinet Member for Libraries.

64 : CARDIFF CAPITAL REGION CITY DEAL AGREEMENT

The Chairperson welcomed Councillor Phil Bale, Leader; Paul Orders, Chief Executive; Jon Day (Economic Policy Manager) and Hrijinder Singh (Accountancy Manager - Major Projects) to the meeting.

The Chairperson invited the Leader to make a statement in which he stated that the City Deal was a culmination of months of work; Cardiff has been a member of the Core Cities network and this has been very helpful in the understanding of devolution deals. The West of England deal was done recently too which provides more robust governance for the region and flexibility from the Welsh and UK Governments.

The Chief Executive provided Members with a brief presentation on the Cardiff Capital Region City Deal, which included information on: Headlines; Finance; Regional Decision Making; Governance; Delivery and Next Steps.

The Chairperson thanked the Chief Executive for the presentation and invited questions and comments from Members:

- Members asked what the cost of the City Deal would be to the Council. Officers advised that there were variables to work through now that the agreement had been signed; high level modelling had been done in relation to projects and how expenditure would be shared between partners. It was noted that there was a Local Authority Contribution of £120m, the deal was over 20 years and there were 10 partners. It was also noted that previous estimates were on the basis of carry costs associated with £500m government contribution and £120m LA contribution; this was now not the case; £125m government contribution was now going directly into the Metro which Cardiff will not be liable for so this has reduced the financial exposure of the Council. It is estimated that Cardiff's share of costs will be £65m over 20 years.

- Members sought further information on whether the GVA uplift had been removed. The Leader explained that there had been a shift in the UK Government position in relation to GVA but he was still seeking to achieve it for the region; adding that he was seeking to develop a programme of projects that are driven by economic uplift, with a more disciplined gateway approach that would be reviewed every 5 years, looking at the delivery of projects and ensuring that in the first 5 years there was clear evidence of benefits from the projects such as employment. The leader added that there would be strong private sector input, providing a much stronger voice to shape the economy in the future; partners brought in with long term strategies and looking at best practice internationally as well as nationally.
- With regards to timeframes, the Leader stated that all the local authorities would want to get up and running as soon as possible, they would look at project selection initially. The Chief Executive added that it was important to look at the experience of others, where timeframes had been variable between 6 and 18 months from working through variances, robust assurance frameworks were needed and it was important to establish a Project Delivery Team urgently and get a governance structure in place.
- Members asked if discussions were ongoing with the Vale of Glamorgan on improving transport links to Cardiff Airport. The Leader explained that they were and that with the news of the Enterprise Zone at St Athens, there would be route development; also as a Regional Transport Authority Cardiff would be looking at how the Airport could be better connected in its long term planning.
- Members made reference to the decision making for deciding project priorities and asked how other members and political parties would be engaged with this. Officers explained that project prioritisation would be dependent on economic uplift; the assurance framework would determine what projects would be taken forward; this would be developed in the next few months so there would be a better understanding of what the project mix looks like. The Leader added that the intention is to bring regular updates to Committee as it develops and that there was a commitment to engage with Members through new Governance and Finance arrangements. When asked if the new arrangements would include a scrutiny function such as joint committees have, the Leader stated that this was something that would have to be explored.
- Members noted that the Welsh Government had indicated £500m last year for the Metro and asked if this was now rolled into these arrangements; and were advised it was.
- Members asked whether having an Elected Mayor would impinge on the City Deal arrangements. The Chief Executive stated that it would not; adding that the agreement the Council signs up to should withstand any governance changes such as Elected Mayor or Local Authority Reorganisation; when the Council signs up to the agreement and looks into the budgetary arrangements, all Members should be aware of what they are agreeing to.
- Members noted the potential complexities of delivering projects with 10 partners involved, and noted the importance of establishing a project team and getting lots of contenders on board and asked how this could be delivered.

The Leader explained that in other deal areas its taken on a project by project basis with robust project management needed; the Chief Executive added that S151 Officers would look at affordability and reasonable position, there would be a move into complex governance arrangements but it was important not to crowd out any projects for the Cardiff region.

- Members noted that the financial forecast was built on all 10 local authorities staying in the deal and asked what would happen if one or some drop out. The Leader stated that the 10 Leaders had made a commitment to the final agreement on the City Deal, he noted that it wouldn't be unusual if 1 didn't go ahead but that all 10 were committed at the present time. He added that he has spoken previously to Committee on the criteria of GVA Uplift and Geographical benefits, stating that when schemes are looked at, some areas will benefit more than others, however other schemes such as the Metro would bring wider benefits, recognised benefits need to be reflected. The Chief Executive added that it was important to have a balance of significant local projects and regional projects; the Leader added that the Deal itself would not be enough for the region; more investment was needed and different sources of funding to support growth in the region.
- Members asked if the EU Grant was time limited, officers advised that all projects would need to be completed by 2022, so timescales were demanding.

The Chairperson thanked the Leader, Chief Executive and officers for attending the meeting, giving their presentations and statements and for answering Members questions.

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

65 : Q3 DELIVERY AND PERFORMANCE - 2015/16

The Chairperson welcomed The Leader Councillor Phil Bale, Kath Richards (Head of Culture, Venues & Events) and Jon Day (Economic Policy Manager) to the meeting.

Members were provided with a presentation on Quarter 3 performance which included information on the Budget; Corporate Plan Commitments and Performance Indicators.

The Chairperson invited questions and comments from Members:

- Members noted that in relation to the Alternative Delivery Model (ADM), there was only 1 bidder left and asked if there was still confidence to go forward with this. Officers acknowledged that there was a risk but advised that it was being continually monitored; adding that it had been competitive up until now with 6 bidders at the start, currently there was 1 bidder versus the In-House Model; competitive dialogue was continuing but it was a challenging time.
- Members asked what was being done to increase inward investment into Cardiff; the Leader noted the importance of increasing investment into Cardiff and the region as a whole and that a balance of the two was needed. He noted the recent announcements of investment by Pheonix/Logic into the City

and Aston Martin into the region. The Leader added that it was important to support the regional business body and through this there was an opportunity to support businesses across the region as well as market regions together via Great Western Cities.

- Members sought an update on the Capital of Culture Bid. Officers advised that they had met with Welsh Government on this and they needed to be convinced on the funding aspect; they seemed keen on a regional bid. The Leader added that there was a commitment from the sector to look at a broader strategy including Events.
- Members asked how much income was generated from digital advertising and whether there was a strategy to increase this. Officers advised that currently the income was around £300k and that a strategy would be developed. The Leader added that there was a plan to increase the number of digital advertising sites across the city and a number were about to go through the planning process. The possible use of the Council's website to generate advertising was also noted.
- Members referred to targets and outcome measures and noted that it would be helpful to see explanations attached to these. It was further noted that the targets seem to be very low compared to other directorates and it was difficult to see what the actual performance is, as the figures show continual over performance in some areas.
- Members noted the Agency overspend of £400k; officers explained that they would come back with detailed figures on this but it related to seasonal and catering/event staff.
- Members asked for an update on the Coal Exchange building. The Leader stated that there was an interested party in the building; the council had invested in security of the building; discussions were ongoing however there was no finalised position as yet. The Leader stated that he would come back to Committee with an update.
- Members were pleased to see that the retained income for the New Theatre had increased. The Leader agreed and stated that the figures had exceeded expectations and paid tribute to the hard work of the staff.

The Chairperson thanked the Leader, and officers for attending the meeting, giving their presentations and statements and for answering Members questions.

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

66 : CARDIFF TOURISM STRATEGY AND ACTION PLAN: 2015 - 2020

The Chairperson welcomed The Leader Councillor Phil Bale, Heledd Williams (Head of Tourism) and Jon Day (Economic Policy Manager) to the meeting.

The Chairperson invited the Leader to make a statement in which he said this was an update on where we are in this area; it's an area where more can be achieved by working with neighbourhood partners rather than in isolation.

Members were provided with a presentation on Cardiff Tourism Strategy and Action Plan 2015-2020 which included information on; Tourism Activity Update; Exhibitions and event attendance; Visit Cardiff.Com; Regional Tourism Engagement Fund 2015-2016; Research Project; Business Tourism Project; Networking; Marketing and PR; #Cardiff; Cardiff Destination Management Plan and Visitor numbers.

The Chairperson invited questions and comments from Members:

- Members noted the aspiration to double the amount of overnight stays in Cardiff and asked if there was a detailed plan to achieve this and whether it would be dependent on other factors such as Cardiff Airport and affordable hotels. Officers explained that this would be through Partnership for Growth and Visit Wales. It was noted that 85% of overnight visitors are from England so the Airport was not a factor there although it did have a part to play; it was more important to find out reasons for visit and build on those. Officers added that they were looking to develop a significant music event to increase visitors but this would need a significant investment of funds.

Members and officers discussed increasing the number of affordable beds and innovations such as SnoozeBox used during the Rugby World Cup. Members discussed Air B&B and how this was very difficult to track, but noted that it has helped Cardiff hugely when there haven't been enough beds. It was noted that it was important to stop the leakage out of Cardiff in this event and rather use temporary accommodation and even camp sites.

- Members noted the links with Belfast and Liverpool and that there was huge potential with the maritime tourism.
- Members suggested that Hotels contribute as they do in Berlin to pay as a marketing partner.
- Officers stated that they sit on Cardiff Hoteliers Association and that they take 20% of beds and offer them out at non inflated rates. All commercial brands were in competition and Cardiff are the facilitators to promote them; there was appetite to work as a region with Cardiff as the driver but not to the detriment of others. It was important that a Destination Management Organisation was arm's length and not influenced by political changes.
- The Leader noted that the City Deal allows for pooling of resources in Tourism and there was a commitment to explore new income streams and flexibilities; he added that there was lots in Cardiff that needs to be pushed and there was scope to drive for further investment and to increase the tourism offer.
- Members asked for an update on the Guest/Visitor Card Status. Officers explained that this has been on sale since April 2015, it costs £4 to purchase and offers lots of discounts; its widely distributed and for sale in the main places of interest. Officers were now looking to expand this to all attractions and possibly transport too; however investment in the software would be

needed for this, so a private partner was needed to drive this forward. Officers have talked with Cardiff Bus who may trial it with Cardiff Castle but a partner was needed to take it forward. The Leader noted the commitment for an integrated ticketing system with the Metro.

The Chairperson thanked the Leader, and officers for attending the meeting, giving their presentations and statements and for answering Members questions.

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

67 : COMMITTEE BUSINESS AND CORRESPONDENCE

The report provided the Committee with the latest update on correspondence. The Committee received copies of correspondence sent and received in relation to matters previously scrutinised by this Committee.

RESOLVED: to note the report.

68 : DATE OF NEXT MEETING

The next meeting of the Economy & Culture Scrutiny Committee is scheduled to be held on Thursday 7th April 2016 at 4.30pm in Committee Room 4, County Hall, Cardiff.