

Fy Nghyf / My Ref: RM/RP/22.09.16

Dyddiad / Date: 23rd September 2016



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

Dear Councillor Patel

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

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

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

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

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

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

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

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

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

I would be grateful if you would consider the above comments, observations and recommendations, and look forward to receiving your feedback.

Regards,

A handwritten signature in black ink, appearing to read "Rod McKerlich", with a horizontal line underneath it.

Councillor Rod McKerlich
Chairperson, Economy and Culture Scrutiny Committee

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