

INTERNATIONAL SPORTS VILLAGE (ISV) DEVELOPMENT STRATEGY: PRE-DECISION SCRUTINY

Appendices 4 and 5 of the Cabinet Report are not for publication as they contain exempt information of the description contained in paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972. It is viewed that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Purpose of the Report

1. To give Members background information to aid the scrutiny of the draft report to Cabinet regarding the International Sports Village (ISV) Development Strategy, which is due to be considered by Cabinet at their meeting on 10 October 2019.
2. Members should note that **Appendices 4 and 5** of the Cabinet report are exempt from publication. Members are requested to keep this information confidential, in line with their responsibilities as set out in the Members Code of Conduct and the Cardiff Undertaking for Councillors.

Scope of Scrutiny

3. At their meeting on 10 October 2019, the Cabinet will consider a report that seeks cabinet approval for a revised development strategy for the ISV, including considering land ownership and use as well as future operating models and appropriate procurement processes to identify these.
4. This item will enable Members to:
 - a. Undertake pre-decision scrutiny of the report to Cabinet on the International Sports Village - *to follow as Appendix A*
 - b. Explore with witnesses key factors shaping future plans and any risks to

the Council

- c. Explore with witnesses the fit between these discussions and the wider Cardiff Bay regeneration plans
- d. Gain an understanding of the next steps and timelines involved, and
- e. Test the recommendations to Cabinet.

Structure of the meeting

5. The Chair will move that this item be considered in two parts: an open session, where Members will be able to ask questions on the issues and papers that are in the public domain; and a closed session, where members of the public will be excluded, where Members can ask questions that pertain to **Appendices 4 and 5**.
6. Members will hear from Councillor Russell Goodway (Cabinet Member – Investment and Development) and Neil Hanratty (Director of Economic Development). There will be a presentation taking Members through the proposals and recommendations to Cabinet, followed by Members questions.
7. 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

8. In 2001, the administration's 'Ambitions for Cardiff' strategy document contained a commitment to "*progress the development of the £240m International Sports Village as the centre piece of Cardiff's plans to become a regional capital of sporting excellence*". The commitment to this project was reiterated in the Ambitions for Cardiff 2002-03 as "*progress the development of the International Sports Village as the centrepiece of Cardiff's plans to become a European Sports/Leisure destination*".

9. As part of the regeneration project, the Council acquired ownership of tranches of land on the ISV site, which remain in Council ownership. Since then, a mixture of public and private sector investment has resulted in the following developments:

- i) Cardiff International Swimming Pool
- ii) Cardiff International White Water Centre
- iii) Ice Arena Wales
- iv) Residential and Retail developments
- v) Pont y Werin Bridge.

10. In 2012, the Council signed a Development Agreement with Greenbank Partnership Ltd (GPL)¹ to construct a new Ice Arena and undertake work to secure a Snow Dome or equivalent alternative leisure facility, with the release of the Council owned Waterfront site for mixed-use development.

11. In July 2017, the Council's new Administration set out a policy programme and associated delivery commitments in the Capital Ambition five-year plan. This contains a commitment to '*Set a refreshed vision for Cardiff Bay as a leisure destination, by securing a new visitor attraction, with the possible creation of a permanent "beach style" facility and revitalising the strategy for the International Sports Village.*'

12. Since then, the Council has had a dialogue with GPL regarding the next stages of ISV development. The global financial 'crash' and consequent impacts on property markets translated into localised delays in the roll-out of the Cardiff Pointe development; the Council responded by providing GPL with an extension to the Development Agreement timeline. GPL have recently informed the Council that they are entering a Joint Venture with a new development partner to complete Cardiff Pointe.

13. In addition, in March 2018 Cabinet provided authority for the Council to acquire 4.32 acres of land on the former Toys R Us retail building including a large service

¹ GPL are the owners and developers of the adjacent Cardiff Pointe site and signed a Development Agreement with Cardiff Council, in 2012, to construct a new Ice Arena and undertake work to secure a Snow Dome or equivalent alternative leisure facility

yard and circa 300 car parking spaces. The rationale for the acquisition was to improve the development potential of the Council's adjoining land holding known as Retail 3.

14. The draft report to Cabinet entitled '*International Sports Village Development Strategy*' is marked '*to follow*' as **Appendix A** and has **five** appendices:

- **Appendix 1** – Phasing plan
- **Appendix 2** – Land ownership plan
- **Appendix 3** – New development strategy
- **Confidential Appendix 4** – Financial Strategy
- **Confidential Appendix 5** – Contractual issues

15. Members are advised to ensure they have read the following:

- i) New development strategy proposals
- ii) Proposed financial strategy
- iii) Financial implications
- iv) Legal implications
- v) Confidential appendices.

Previous Scrutiny

16. In March 2018, this Committee undertook pre-decision scrutiny of a report to Cabinet re International Sports Village, with confidential information in the appendices. Overall, Members were supportive of the recommendations to Cabinet and Cabinet, at their meeting on 15 March 2018, resolved:

'that authority be delegated to the Director of Economic Development in consultation with the Cabinet Member for Investment and Development and statutory officers to acquire the leasehold interests in the Toys 'R' Us site shaded blue on the plan attached at Appendix 1, on the terms set out in Confidential Appendix 3 and subject to a full independent valuations.'

17. In the Chair's letter² Members highlighted:

'Members wish to undertake further scrutiny of the proposals for revitalising the ISV, as these come forward... We look forward to these including details

² Letter from Cllr Howells, Chair Economy & Culture Scrutiny Committee, to Cllr Goodway, Cabinet Member Investment & Development, dated 9 November 2018.

on proposed improvements to pedestrian and cycle routes in the Bay, thus enhancing the visitor and resident experience.'

18. At their Committee meeting on 8 November 2018, Members scrutinised a report to Cabinet regarding land at Harbour Drive. The full report is available at: <https://cardiff.moderngov.co.uk/ieListDocuments.aspx?CId=151&MId=3541&LLL=0>

19. Following their scrutiny, the Chair, Councillor Nigel Howells, wrote to Councillor Russell Goodway, Cabinet Member- Investment & Development, stating³:

'Members are supportive of the proposal to purchase land in order to protect the Bay edge for leisure use and to provide opportunities for appropriate investment to enhance further the amenity of Cardiff Bay. Members are reassured to hear that officers are working on an overall Cardiff Bay masterplan, which will include this site.'

Way Forward

20. Councillor Russell Goodway (Cabinet Member – Investment and Development) will be invited to make a statement. Neil Hanratty (Director of Economic Development) will attend to give a presentation and answer Members' questions on the proposals.

21. All Members are reminded of the need to maintain confidentiality with regard to the information provided in **Appendices 4 and 5**. Members will be invited to agree the meeting go into closed session to enable discussion of this information.

Legal Implications

22. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct 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

23. 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, its 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 10 October 2019; and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

DAVINA FIORE

Director of Governance & Legal Services

27 September 2019