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## GOHEBIAETH YN DILYN CYFARFOD Y PWYLLGOR

**Pwyllgor** PWYLLGOR CRAFFU'R ECONOMI A DIWYLLIANT

**Dyddiad ac amser y cyfarfod** DYDD LLUN, 12 RHAGFYR 2022, 5.00 PM

Gweler isod gohebiaeth anfon gan Gadeirydd y Pwyllgor ar ôl y cyfarfod , ynghyd ag unrhyw ymatebion a gafwyd

Am unrhyw fanylion pellach, cysylltwch â [scrutinyviewpoints@caerdydd.gov.uk](mailto:scrutinyviewpoints@caerdydd.gov.uk)

12 **Gohebiaeth yn dilyn Cyfarfod y Pwyllgor**(*Tudalennau 3 - 16*)

Mae'r dudalen hon yn wag yn fwriadol

My Ref: SharePoint/E&C Library/Correspondence/22-12-12



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Date: 13 December 2022

Councillor Goodway  
Cabinet Member – Investment and Development

By Email

Dear Cllr Goodway,

## **CARDIFF BAY REGENERATION UPDATE**

Thank you for attending the Economy & Culture Scrutiny Committee on 12 December 2022, along with Neil Hanratty and Chris Barnett, for pre-decision scrutiny of the report to Cabinet titled Cardiff Bay Regeneration Update. This letter captures our comments and observations in relation to these issues.

Regarding the proposed Nordic Urban sea pool and Finnish sauna attraction,  
Members note:

- As part of negotiating the lease, officers will make the case for reduced cost/free sessions for children and young people as well as sessions specifically focused on meeting the needs of all communities in Cardiff, such as women-only sessions
- That the westerly Graving Dock will remain accessible to the public
- That water quality is maintained via a UV treatment system; the planning process will include environmental assessment
- That there are no TAN15 flooding implications, because of the Barrage providing protection.

Regarding the proposed Skyview Tower, Members note:

- There is no impact on the public footpath providing access to the Red Dragon Centre
- There is no impact on the WMC

For both projects, Members note that these works in themselves will improve the public realm and that further works will be undertaken to improve the greening of the area, with more details provided in the Atlantic Wharf update, due to Cabinet in early Spring.

Overall, Members are content with the recommendations to Cabinet. We look forward to scrutinising further projects and improvements to Cardiff Bay as these emerge.

This letter does not require a response, thanks.

Yours sincerely,



**COUNCILLOR PETER WONG  
CHAIR, ECONOMY & CULTURE SCRUTINY COMMITTEE**

cc Members of the Economy & Culture Scrutiny Committee  
Group Leaders - Cllr Robson, Cllr Taylor  
David Hugh Thomas – Chair, Governance & Audit Committee  
Neil Hanratty Chris Barnett  
Clair James Cabinet Support Office  
Chris Pyke Tim Gordon Jeremy Rhys

My Ref: SharePoint/E&C Library/Correspondence/22-12-12

Date: 14 December 2022

Councillor Burke-Davies  
Cabinet Member – Culture, Parks and Events



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By Email

Public Letter

Dear Councillor Burke-Davies,

**ST DAVID'S HALL**

Thank you for attending the Economy & Culture Scrutiny Committee on 12 December 2022, for pre-decision scrutiny of the report to Cabinet titled St David's Hall, along with Cllr Goodway (Cabinet Member – Investment and Development) and the following officers:

- Neil Hanratty (Director of Economic Development)
- Kathryn Richards – Head of Culture, Tourism, Events and Venues
- Ruth Cayford – Operational Manager – Creative Industries and Culture
- Donna Jones – Assistant Director, County Estates
- Chris Barnett – Operational Manager, Major Projects
- Anita Batten – Operational Manager, HR
- James Williams – Deputy Monitoring Officer.

Our discussions were wide-ranging and informed not only by the report to Cabinet but also submissions received via Scrutiny Viewpoints, which were shared with you ahead of the meeting, and the statement at the meeting by Mr Ceri Williams, Cardiff Civic Society. I am grateful to you all for staying beyond the scheduled time to answer questions and debate issues; I am sure this will be appreciated by all those who share a commitment to ensuring St David's Hall remains the renowned venue it is currently.

This letter captures our comments, observations and recommendations arising from our discussions on issues in the public domain: I have sent a separate letter detailing our thoughts on confidential information. I have grouped our points, to make the letter easier to navigate.

## Funding

Members note the funding available for St David's Hall does not meet the current operating or maintenance costs and that this situation is worsening, given the pressures on the Council's overall budget and the 2021 Condition Survey findings. Members were keen to understand whether funding routes have been explored, and note:

- Previously, the Council has approached Welsh Government to request funding for St David's Hall – this approach was declined. You agreed to provide the Committee with details on when Welsh Government was approached, what the initial approach covered, and the response received
- Funding from the Arts Council of Wales ceased in 2017 and discussions indicate they do not have sufficient funds to meet the capital maintenance costs of St David's Hall
- The 2016 OJEU Competitive Dialogue process did not identify any external operators willing to take on the maintenance liabilities for St David's Hall

## Process

Members note:

- the process is to negotiate a property lease, with the freehold remaining with the Council
- officers are negotiating with AMG to agree a proposed contract
- if, following consultation, the Cabinet are minded to proceed with the proposed contract, a VEAT (Voluntary Ex-Ante Transparency) Notice will be issued
- the VEAT Notice enables the public and competitors to see the proposed contract and associated documentation and for competitors to issue a challenge
- officers' assurance that all associated documentation will be included in the VEAT Notice.

In the interests of transparency and openness, Members **recommend** that the VEAT Notice be published for 28 days, rather than the legal minimum of 10 days.

## Negotiations to date:

Members explored various aspects of the current negotiations and note:

- AMG are offering to invest £23M in yrs. 1-3
  - o RAAC planks – replaced within yrs. 1-3
  - o Sandy Brown, acoustics consultants, have assessed the proposed improvements to understand the impact on the acoustics of St David's Hall
- Classical programme
  - o 60 days in peak season is non-negotiable; the Council will not go below this
  - o The Council is negotiating for additional days in the off-peak season, including, but not limited to, 25 days to cover Cardiff Singer of the World and the Welsh Proms
  - o The proposed contract will include a schedule of events.

- Arts Active – the existing 3 staff will remain with the Council, based in the Education Directorate
- TUPE applies – HR advised Members that:
  - o Staff pensions are a contract right and are not subject to change
  - o Staff salary scales and the staff structure can be altered, if there are sound economic, operational or technical reasons; however, if AMG are aware of these reasons now, they have a responsibility to inform the Council so that it forms part of the official TUPE consultation process.

Members asked whether it would be possible to negotiate a ticket sales levy and note officer's responses that a lot of investment is required to maintain the classical programme and commitments that go alongside that, as well as the building, and that the Council needs to give AMG every opportunity to fulfil these.

Members sought to understand whether AMG will be a Living Wage Employer at St David's Hall, and are grateful to Neil Hanratty, Director of Economic Development, for offering to find out and inform Committee.

Members recognise the complexity of these contract negotiations and are very aware that the devil is in the detail. As such, Members **recommend** that the Council source specialist entertainment legal advice to guide the finalising of the proposed contract and guard the interests of the Council and our citizens.

Members are aware there is concern amongst stakeholders and the public that proposed changes to the interior of St David's Hall's auditorium will affect the acoustics. As such, Members **recommend** that the Sandy Brown report, attached as Appendix G to Confidential Appendix 4 of the report to Cabinet, be released into the public domain.

### **Consultation**

Members were interested to understand the level of consultation to date and note:

- The Council has been speaking to classical programme stakeholders since last April
- The Council has engaged with Cardiff Music Board – committee was informed that the Board is broadly speaking understanding and sympathetic to the position facing the Council and the proposed way forward
- The Council will continue to engage stakeholders

Members sought to clarify why public consultation on the St David's Hall proposals will form part of the planned budget consultation, rather than a specific standalone consultation. Committee heard that this was reasons to do with cost and efficacy and that the Council will be consulting on a number of savings proposals, given the funding gap facing the Council. Most members of the Committee were content with this response. However, Councillors Berman, Brown-Reckless and Naughton

requested this letter note their support for a recommendation for a specific stand-alone consultation before an in-principle decision to proceed is taken.

With regard to the budget consultation, Members note that this will include engagement with the Youth Council. Members suggested that information promoting the budget consultation be displayed in St David's Hall, so patrons are aware of it and are signposted to participation routes; we are grateful that this suggestion was accepted.

### **Confidential Information**

Members urge that you look again at what information needs to remain confidential and work to put as much as is possible into the public domain. Members recognise documentation will be available as part of the VEAT Notice process but believe it is better to release as much information as is possible, as early as is possible within the limits of commercial confidentiality, as this promotes transparency and openness and thus helps support local democracy.

### **Future report to Cabinet**

Members note there will be a future report to Cabinet, anticipated for March 2023, which will include the findings of the consultation and an assessment of best value of the AMG offer, to enable Cabinet to take a decision on the way forward. Members note that a Child Rights Assessment will be undertaken and included in this report to Cabinet, as Zack Hellard, our Youth Council representative, highlighted is required.

Members wish to urge you to take the time that is necessary to ensure that the best way forward is secured.

Members **recommend** that the future report to Cabinet be brought to the Economy & Culture Scrutiny Committee. A minority of members – Councillors Berman, Brown-Reckless and Naughton, supported a recommendation that the future report is also brought to the Policy Review and Performance Scrutiny Committee, either in separate meetings or in a joint meeting.

Overall, the majority of committee members support the recommendations to Cabinet. However, a minority of members – Councillors Berman and Brown-Reckless – do not believe the proposals to be in the best interests of the Council or the people of Cardiff and are not convinced it is the best deal possible, as they do not feel sufficient information is currently available on all the safeguards. Councillor Brown-Reckless raised concerns the proposed deal will not be a good deal for the people of Cardiff, including concern that Live Nation may effectively obtain St. David's Hall through a leasehold structure for a limited fixed capital contribution, and concern that further substantial needed renovation and maintenance costs could end up falling back to the Council, and that even if contractual protections are put in place for the short-term, over the course of a few years Live Nation could be able to exploit St. David's Hall by (i) raising ticket prices, (ii) cutting back the classical programme,



or (iii) reducing staff numbers or cutting back employment terms. Councillor Brown-Reckless requested that if the proposed deal really is as good as claimed, and if another party other than the Council is going to meet all future needed capital costs, that the information to support this be made public so the people of Cardiff can judge for themselves

In addition, Councillor Joel Williams raised his concerns that a monopoly would be formed if AMG were to take over the operation of St David’s Hall, in addition to Live Nation operating the CIA, Ticket Master and the proposed Indoor Arena.

To re-cap, the Committee made a number of requests for information and recommendations, as set out below.

**Requests following this scrutiny:**

- A written response to provide details of when the Council approached the Welsh Government, what the initial approach covered, and the response received
- A written response to clarify whether AMG will be Living Wage Employer

**Recommendation to be monitored following this scrutiny:**

To summarise, the Committee makes 4 formal recommendations which are set out below. As part of the response to this letter, I would be grateful if you could state whether the recommendation is accepted, partially accepted, or not accepted and summarise the Cabinet’s response. If the recommendation is accepted or partially accepted. I would also be grateful if you could identify the responsible officer and provide an action date. This will ensure that progress can be monitored as agreed by Cabinet.

<b>Recommendation</b>	Accepted, Partially Accepted, or Not Accepted	Cabinet Response	Responsible Officer	Action Date
<b>Members recommend</b> that the VEAT Notice be published for 28 days, rather than the legal minimum of 10 days				
Members <b>recommend</b> that the Council source specialist entertainment legal advice to guide the finalising of the proposed contract and guard the interests of the Council and our citizens				
Members <b>recommend</b> that the Sandy Brown report, attached as Appendix G to Confidential Appendix 4 of the report to Cabinet, be released into the public domain.				

Members <b>recommend</b> that the future report to Cabinet be brought to the Economy & Culture Scrutiny Committee and the Policy Review and Performance Scrutiny Committee, either in separate meetings or in a joint meeting, to be resolved by discussion between the Scrutiny Committee Chairs.				
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Yours sincerely,

*P Wong*

**COUNCILLOR PETER WONG  
CHAIR, ECONOMY & CULTURE SCRUTINY COMMITTEE**

cc Members of the Economy & Culture Scrutiny Committee  
Cllr Joel Williams – Chair Policy Review and Performance Scrutiny Committee  
Cllr Russell Goodway – Cabinet Member – Investment and Development  
Cardiff Civic Society – Ceri Williams  
Group Leaders - Cllr Robson, Cllr Taylor  
David Hugh Thomas – Chair, Governance & Audit Committee  
Neil Hanratty    Kathryn Richards    Ruth Cayford    Donna Jones  
Chris Barnett    Anita Batten    James Williams  
Clair James    Cabinet Support Office  
Chris Pyke    Tim Gordon    Jeremy Rhys

## SWYDDFA CYMORTH Y CABINET CABINET SUPPORT OFFICE

Fy Nghyf / My Ref: CM48874

Dyddiad / Date: 21 December 2022

Councillor Peter Wong  
Cardiff Council  
County Hall  
Alantic Wharf  
Butetown  
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CF10 4UW

Annwyl/Dear Peter

### E&C Scrutiny - St Davids Hall - Public Letter

Thank you for your letter dated 14<sup>th</sup> December 2022 that deals with the Economy and Culture Scrutiny Committee's comments and observations on the information submitted to Cabinet as part of the St David's Hall report.

I would sincerely like to thank the committee for their comments and consideration of the St David's Hall report. I would also like to thank Mr Ceri Williams, the representative of the Cardiff Civic Society, and Zack Hellard of the Cardiff Youth Council for their contributions at the session.

I can confirm that the recommendation for the Academy Music Group to take on a long-term lease to operate St David's Hall has been agreed in principle at Cabinet on Thursday December 15<sup>th</sup>. Final approval of any lease would be subject to a further Cabinet report, following public consultation as part of the Council's budget setting process, and the publication of a Voluntary Ex-Ante Notice (VEAT notice), a public notice of intent which will include details of the draft contract negotiated with the Academy Music Group.

Assurance can be given that once negotiations have been finalised, comprehensive details on the proposed deal will be published with the VEAT notice, to be challenged by the market and for consideration by the Economy and Culture Scrutiny Committee.

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#### GWEITHIO DROS GAERDYDD, GWEITHIO DROSOCH CHI

Mae'r Cyngor yn croesawu gohebiaeth yn Gymraeg, Saesneg neu'n ddwyieithog. Byddwn yn cyfathrebu â chi yn ôl eich dewis, dim ond i chi roi gwybod i ni pa un sydd well gennych. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

#### WORKING FOR CARDIFF, WORKING FOR YOU

The Council welcomes correspondence in Welsh, English or bilingually. We will ensure that we communicate with you in the language of your choice, as long as you let us know which you prefer. Corresponding in Welsh will not lead to delay.



STRONGER  
FAIRER  
GREENER

Tudalen 11



In response to the issues raised, assurances can be given to all concerned that we are working tirelessly with stakeholders and advisors to ensure that any proposed future arrangements for operating St David's Hall have the right protections in place, to maintain and improve a world class classical offer for orchestral music and choral concerts, as well as a thriving community programme.

It is important to note that this is in addition to a proposed significant improvement in the contemporary music offer at St David's Hall, securing a roster of established and up and coming rock and pop acts to perform in Cardiff. It is also worth noting that the Academy Music Group proposal will secure a first-class comedy and entertainment offer, so residents and visitors will have access to an improved cultural programme.

It is also the Council's priority to protect existing jobs at the venue. As part of our negotiations Cardiff Council will stipulate in contractual agreements that all staff protected by TUPE arrangements should continue to benefit from at a minimum the Living Wage status when employed by the Academy Music Group.

I would like to inform the committee that the Sandy Brown acoustic reports are now available in the public domain, attached to the St David's Hall report to Cabinet, accompanied with a brief summary by a Director of Sandy Brown in the addendum to the report.

In response to the request on whether it would be possible to negotiate a ticket sales levy, the Academy Music Group have confirmed that they already operate this model at all of their heritage locations and a restoration levy is included in all ticket prices. St Davids Hall would also benefit from such a restoration levy to support investment in the venue.

To summarise the Cabinet responses to the recommendations:

- Cabinet accepts the recommendation to publish the VEAT notice for 28 days, rather than the legal minimum requirement of 10 days. The responsible Officer is Neil Hanratty, Director of Economic Development. Action date Q4 2023.
- Cabinet partially accepts the Committee's legal advice recommendation, as Cardiff Council has already commissioned independent legal advisors Bevan Brittan, one of the top UK commercial law firms, who are advising the Council on the contract between AMG and the Council, including all aspects of the protection of the entertainment programme, to guard the interest of the Council and its citizens. If it becomes necessary to take the advice of a specialist entertainment lawyer, it would be sourced from within the expertise of Bevan Brittan. The responsible officer is Neil Hanratty, Director of Economic Development. Action date from September 2022.
- The Sandy Brown acoustic testing reports have been shared in the public domain. The responsible Officer is Neil Hanratty the Director of Economic Development. Action date December 2022.
- Cabinet agrees that a future report to Cabinet be brought to the Economy & Culture Scrutiny Committee and the Policy Review and Performance Scrutiny Committee in a joint meeting. The responsible Officer is Neil Hanratty, Director of Economic Development. Action date (TBC).

Thank you again for inviting myself and officers to the Economy and Culture Scrutiny Committee, and for your time in considering a report to Cabinet intended to secure a future for St David's Hall, the National Concert Hall of Wales, to secure the significant investment needed for the venue, to protect the integrity of the world class acoustics of the auditorium, the classical and community programme, and significantly improve the contemporary music and entertainment offer.

We look forward to bringing a future report to the Committee, once we have finalised negotiations with the Academy Music group, post budget consultation when a date has been set to take a report to Cabinet to consider decisions on the future of St David's Hall.

Yn gywir  
Yours sincerely



**Cynghorydd / Councillor Jennifer Burke-Davies**  
**Aelod Cabinet dros Ddiwylliant, Parciau, Digwyddiadau a Lleoliadau**  
**Cabinet Member for Culture, Parks, Events and Venues**

Mae'r dudalen hon yn wag yn fwriadol

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Date: 13 December 2022



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Cllr Chris Weaver  
Cabinet Member – Finance, Performance and Modernisation

By Email

Dear Cllr Weaver,

### **Economy & Culture Scrutiny Committee 12 December 2022**

Many thanks to you and Mandy Evans for attending committee to discuss the report to Cabinet titled Local Broadband Fund, despite this item starting much later than anticipated due to the length of time of the previous item; Members really appreciated your commitment and completely understand why other officers were not able to attend.

Overall, Members welcome the £7.7M Welsh Government funding to improve digital infrastructure to poorly served premises in Cardiff and commend officers for their work to develop a successful bid.

At the meeting, Members explored whether there could be premises missed, with gaps between this project and the proposed 5G roll-out programmes of commercial suppliers. Members note that it is Welsh Government's responsibility to liaise with commercial suppliers and that they closely monitor changes in their programmes and roll-out. Members note Welsh Government will then liaise with the Council regarding premises not included in commercial 5G roll-out programmes, and that these premises will be included in the Local Broadband Fund project. Therefore, there should be no gaps.

Members note that there are poorly served premises across Cardiff and that this project will seek to address as many as possible within the available funding. Members note premises will be prioritised using the Welsh Index of Multiple Deprivation, coupled with the need to achieve Best Value with roll-out programmes to maximise the number of premises that can be included in this project.

Members note that this project is focused on improving the digital infrastructure and that this should in turn increase the availability of social tariffs, as more commercial suppliers will be able to access premises, and that this increased competition will drive up the number of suppliers in Cardiff that offer social tariffs.

In conclusion, Members are content with the report to Cabinet and wish you and the project team every success with the procurement process to improve the digital infrastructure in Cardiff.

This letter does not require a response, thanks.

Yours sincerely,

*P Wong*

**COUNCILLOR PETER WONG  
CHAIR, ECONOMY & CULTURE SCRUTINY COMMITTEE**

cc Members of the Economy & Culture Scrutiny Committee  
Isabelle Bignall Phil Bear Mandy Evans  
Group Leaders - Cllr Robson, Cllr Taylor  
David Hugh Thomas – Chair, Governance & Audit Committee  
Cabinet Support Office  
Chris Pyke Tim Gordon Jeremy Rhys