

CABINET RESPONSE TO THE REPORT OF THE ECONOMY & CULTURE SCRUTINY COMMITTEE ENTITLED 'COUNCIL WORKSHOPS & INNOVATION PREMISES'

Recommendation 1

The Cabinet tasks officers to raise the capital required to provide new, more suitable workshop spaces by:

- a. Developing a trickle transfer programme of disposal of existing workshops that enables the Council to maintain a steady income stream and does not diminish the overall provision of workshop space in Cardiff.
- b. Reviewing Council owned employment land for possible disposal, using criteria to ascertain 'best use' for each site that detail the rationale for any decision taken to dispose of parcels of Council owned employment land.
- c. Utilising offers and opportunities that arise from the private sector that meet the Council's Economic Development objectives.

RESPONSE: The recommendation is accepted.

However it should be noted that there is no new capital allocation for such an approach, and that it will be reliant on either raising capital receipts or securing external investment. To that end officers are investigating working with public and private sector partners to secure further provision.

Recommendation 2

The Cabinet ensure that capital receipts from sales of Council owned workshops and Council land is ring fenced for new Council provision of workshops and innovation premises that meet market demand i.e. workshops, workshops with office space, and/ or office space.

RESPONSE: The recommendation is partially accepted.

The approach will use capital receipts to secure provision that meets current and future demand and not simply replace previous provision. This approach could also be based on a model of co-investment. It should also be noted that the Council's priority for capital receipts is to meet the balance of its £40m target for general fund capital receipts (net of fees) assumed in the 2018/19-2022/23 Capital Programme. As such the

earmarking of receipts would be limited to capital expenditure essential to secure a disposal, to meet the terms and conditions of a grant or whether approved by Cabinet to be ringfenced for specific projects or strategies.

Recommendation 3

The Cabinet task officers to investigate the feasibility of introducing a sliding scale for rental, service charge and business rates costs for the first three years of workshop tenancy, with costs in Year 1 facilitating easy access for start-ups, and costs in Year 3 being close to market level. This would assist businesses to become 'market ready' and increase their ability to 'move-on' from Council provision.

RESPONSE: The recommendation is accepted.

It should be noted however that CBTC has been operating a sliding scale of rental charges across the Council workshop and innovation portfolio since 2012. This scheme has worked well in supporting new start businesses and assists with their development and growth with a rise to market rent being achieved in the 3rd year of the lease. It should be noted that a sliding scale for service charges would be more difficult given the need to link service charges with the cost of provision. Generally common practice is to charge all tenants the service charges relevant to their accommodation and to vary the rental amounts only.

Recommendation 4

The Cabinet task officers to investigate ways in which the Council can provide workshop space of 1,000+ sq. ft. for 'move-on' accommodation, to facilitate throughput from smaller Council workshop units.

RESPONSE: The recommendation is partially accepted.

We would seek to ensure a provision of space with partners but not necessarily provide the space directly from the Council. However, we would be open to direct provision if it were deemed to be more appropriate route through a business planning process.

Recommendation 5

The Cabinet task officers to review the application of the Council's employment land planning policy and propose amendments if these are necessary to ensure that the loss of employment land is addressed.

RESPONSE: The recommendation is accepted.

The Cabinet is keen to ensure that we are able to apply our employment and land planning policy to protect against the loss of employment land, and is aware that pressure exists even within our strategic employment zones.

Recommendation 6

The Cabinet task officers to work proactively to support existing CBTC1 tenants to relocate successfully

RESPONSE: The recommendation is accepted.

Council officers will work with all the tenants at CBTC who may seek to relocate to new premises and support them in finding grow on space.

Recommendation 7

The Cabinet considers how to work with existing Council resources, local businesses, entrepreneurs and networks to fill the gap identified in existing advice and mentoring services.

RESPONSE: The recommendation is partially accepted.

Note that such support would is generally provided through national organisations, and that in many cases, especially in the area of innovation, specialist expertise is often require in terms of support which would be beyond the scope and resources of local government to provide. To that end, effective signposting and support for networks is seen as the most efficient and effective approach.

Recommendation 8

The Cabinet continue to demonstrate effective leadership of place, creating a supportive landscape for local businesses, entrepreneurs and innovators in Cardiff.

RESPONSE: The recommendation is accepted.

As noted above, this would also be an approach based on working with the local business networks and other organisations. Such an example would be the Council's support for the Creative Cardiff initiative.

Recommendation 9

The Cabinet continue to engage in effective partnership and regional working to capitalise on opportunities for further innovation and investment in Cardiff and the region.

RESPONSE: The recommendation is accepted, and will form much of the basis of its strategy for supporting innovation.