

CARDIFF EAST INDUSTRIAL STRATEGY: PRE-DECISION SCRUTINY

Purpose of the Report

1. To give Members an overview of the draft report to Cabinet titled Cardiff East Industrial Strategy, which is due to be considered by Cabinet at their meeting on 10 October 2019.

Scope of Scrutiny

2. At their meeting on 10 October 2019, the Cabinet will consider a report that updates the Cabinet on work undertaken to develop a Cardiff East Industrial Strategy and seeks cabinet approval for the proposed Strategy and the next steps in implementing this. The report also requests Cabinet to consider the potential support for the Cardiff Parkway development.
3. During this scrutiny, Members have the opportunity to explore:
 - The proposed Cardiff East Industrial Strategy;
 - Whether there are any risks to the Council;
 - The next steps for delivering Cardiff East Industrial Strategy; and
 - The recommendations to Cabinet.

Background

4. East Cardiff has significantly high levels of deprivation, with almost 44% of the area falling within the 10% most deprived areas in Wales. This is illustrated by the following:
 - unemployment rates 1/3 higher than the rest of Cardiff
 - 33% over 16yr olds have no educational qualifications.¹

¹ Compared to 21% average across Cardiff.

5. The Administration's policy programme, the Corporate Plan and the Economic Strategy all include a commitment to develop a new Industrial Strategy for East Cardiff. Consequently, the Council commissioned consultants to undertake an initial consultation and research exercise to review the economic potential of the East Cardiff area. Following their report, the Council commissioned further work to explore how the findings of the initial report could be realised.
6. The Council's Corporate Plan links the delivery of an Industrial Strategy for Cardiff East to the progression of the Cardiff Parkway development, stating that the Industrial Strategy will support it. The Economic Strategy also states "*Working with partners to deliver a new Cardiff Parkway Station at St Mellons.*"

Issues identified in the Cabinet Report

7. The draft report to Cabinet entitled '*Cardiff East Industrial Strategy*' is attached at **Appendix A** and has one appendix - **Appendix 1** – '*Cardiff East Industrial Strategy Phase 1: Scoping, Visioning and Spatial Planning Summary Report*'.
8. The report to Cabinet summarises the key findings from the consultants' reports, highlighting the need for a coordinated approach to development and for significant multi-modal improvements to address poor public transport connectivity and rail freight terminal connectivity.
9. The report to Cabinet at **Points 18 – 20**, outlines three phases for developing East Cardiff. The phases are high level and the report to Cabinet states, at **point 16**, that '*the phases have no formal status and any issues that would need to be considered, such as planning or environmental mitigation, would need to be considered on a case by case basis.*'
10. The consultants work has identified various strengths and opportunities in East Cardiff, including:
 - Potential investments, including the Cardiff Parkway development and expanded Eastern Bay Link Road

- Opportunity to work in partnership to attract UK Government funding and private sector investment
- Opportunity to expand visitor economy in Harbourside area
- Potential for energy, creative and digital, distribution and advanced manufacturing.
- Land available in Harbourside area,
- Potential for renewable energy generation and to build a district heating network
- Potential to enhance green infrastructure – **points 24-25**.

11. The consultants work has also identified various challenges that need addressing in East Cardiff, including:

- Historic under-investment, resulting in poor public transport connectivity
- Environmental enhancements
- Flood Protection
- Remediation works
- Increasing capacity of existing utilities networks.

12. At **points 31-36**, the report to Cabinet focuses on Cardiff Parkway, highlighting the need for *'adequate investment in public infrastructure to provide access by road and active travel measures to both the rail station and the business park'* and that *'the project sponsor has made contact with the Cardiff Capital Region City Deal to consider the use of the City Deal Investment Framework (which includes infrastructure as an investment priority) to support the required investment.'*

13. **Points 38-41** set out the proposed Next Steps, which include:

- Establishing a cross-disciplinary Cardiff Council Officer Working Group to develop a master planning framework, delivery strategy and programme, and business case for public sector investment
- Using Scenario 1 as the basis of the Council's initial consideration of East Cardiff.

14. Scenario 1 focuses on expanding Lamby Way to the east, focusing on infill between existing employment land and remediation of landfill sites. It would require enhancing the existing highway network.

15. Financial and legal implications are set out at **Points 44-56** of the report to Cabinet and Members are advised to read these.

Proposed Recommendations to Cabinet

16. The report to Cabinet contains the following recommendations:

- i. Approve the East Cardiff Industrial Strategy.*
- ii. Delegate authority to the Director of Economic Development, in consultation with the Cabinet Member for Investment and Development, the Monitoring Officer and the Section 151 officer to develop opportunities on Council owned land, including marketing land for disposal and to return to Cabinet as appropriate.*
- iii. To request the Leader of the Council and the Chief Executive to promote an application to the Cardiff Capital Region for an investment in the Cardiff Parkway project.*

Way Forward

17. 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 taking Members through the proposals and recommendations to Cabinet, followed by Members questions.

18. 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.

Legal Implications

19. 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

20. 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

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27 September 2019