



My Ref: SS/ECON/PK

Date: 4 April 2014

Councillor Peter Bradbury
Cabinet Member for Community Development, Co-operatives and Social
Enterprise
c/o Cabinet Support Office
County Hall
Atlantic Wharf
CARDIFF CF10 4UW

Dear Peter

**Economy and Culture Scrutiny Committee 3 April 2014:
Euro 2020 Championships**

Thank you for ensuring that the proposal for Cardiff to bid to become a hosting city for the Euro 2020 Championships came to Scrutiny last night, prior to being considered by Cabinet on 10 April. Please also pass on our thanks to Chris Hespe, Kathryn Richards and Geoff Shimell for attending to support Committee's scrutiny of the matter.

I and my Committee colleagues wish to congratulate you on your appointment as the Cabinet Member for Community Development, Co-operatives and Social Enterprise, and we are (as you would expect) pleased that the scrutiny experience and awareness you have acquired as a Member of this Committee during the past two years will be of great benefit both to you, to the Committee and the wider public as we work together in coming years. I feel we have already noticed the benefit of this, as I understand that you and the newly-appointed Council Leader played a strong role in ensuring that the report on the Euro 2020 was made available for pre-decision scrutiny.

You will remember that your predecessor Councillor Ramesh Patel made his first appearance in front of this Committee under similar circumstances late last year with an urgent report on the IAAF World Half Marathon. Members asked me to remind me of a point that we know you will expect us to make: although we recognise the financial, commercial, reputational and other sensitivities involved with bidding for major events (and were grateful for the opportunity to scrutinise this issue), we would prefer it if you can ensure in the future that we are afforded more time to absorb the issues, and provide more considered (and therefore quality assured) observations and recommendations. Scrutiny is a major contributor to the Council's 'corporate health', so please let's work together to ensure that we can demonstrate the highest levels of governance and transparency.

Moving on to the substance of the scrutiny, Members are fully in support of your wish for the Council to bid to become a hosting city for the Euro 2020s as set out in your draft Cabinet report, subject to the caveats, recommendations and observations listed below:

- In my 14 February 2014 letter to Councillor Goodway after Members considered the Cabinet's 2014/15 Budget proposals I expressed Committee's concerns at the sustainability of a major cut proposed to the Council's Corporate Initiatives Fund. We recognise that (should this bid succeed) monies will not be payable until 2020, but the Fund is becoming inadequate to meet the city's ambitions as a major sporting and cultural capital. Even if this bid is unsuccessful, we recommend that you place a contingency each year from the Fund into a Reserve to support the hosting of other potential events like this, and that you think seriously before considering further cuts to the Corporate Initiatives Fund.
- We have previously made the point to Councillor Goodway and Patel by letter that as a Committee we feel some grievance that the Council is required to place hard cash up front to support bids such as this, but is not part of the income shared out at the end. We were grateful to Kathryn Richards for her candour in so clearly spelling out to us that in contractual terms hosting cities should never expect cash income, and need to focus more on the wider economic benefit that results to the city's reputation, and its hospitality, cultural and sporting sectors. We recognise that the Council's options are also contractually limited in terms of the hospitality we can arrange, but Members urged you last night to take every step possible to mitigate the Council's liability by maximising revenues at a time when other Council services are having to tighten their belts. As a result, we would like to ask that you bring to a future Committee written proposals for how you might maximise income to the Council in the lead up to events staged in Cardiff as part of the Euro 2020 Championships.
- Members asked a series of questions about the IT compliance costs and the likely financial benefit to enure to the Millennium Stadium from having their IT infrastructure refreshed. We agree that the Stadium needs to maintain its cutting edge status to give assurance of our integrity as a leading sports city, but urge you to do all you can to negotiate firmly on this aspect of the proposal to ensure that the Council gets best value from its own investment in the bid.
- Members heard that the policing costs might be found from the Home Office or Welsh Government, but would like to receive further assurance on this point, as it did not seem absolutely clear at last night's meeting that this would be the case. We hope that you will address this point in your reply to this letter. Similarly, we were advised that clean up costs could be found from Council revenue, as they are for Rugby Internationals and other sports events hosted in Cardiff. We remain, however, concerned on this point. If you are

considering, for instance, creating fan zones or camping areas, the restitution of grass after 2020 might incur significant and ongoing financial commitments, as it has done for previous events like the Winter Wonderland and Eisteddfod. We are also aware of UEFA's very high expectations on issues like trading standards, and urge you to ensure that these issues have been fully thought through, as the current trajectory of public sector funding might make it unlikely that the Council can withstand major and unexpected commitments in future years.

- Finally, Committee were pleased to hear Chris Hespe and Kathy Richards spell out in detail the main areas of the anticipated £40 million positive economic impact for Cardiff as a host city. You'll be aware that economic impact reporting is of great interest to this Committee, and we will be pleased to accept Kathy's offer to share the FAW report on this matter with us. Please could Kathy pass this on to Paul Keeping for distribution? Although 2020 is some years away, there may be some value in considering some form of independent post-event analysis, to validate the figures suggested. This could help provide further confidence and support across stakeholder groups for the Council's future investment in events of this kind. Please could you share your thoughts on this matter with us in your reply?

I hope that the above will be of assistance to you in considering the proposal at Cabinet next Thursday. Please rest assured of Committee's wish to provide honest, cross-party and helpful feedback. As this letter contains a recommendation and a request for information, I look forward to your response to this letter within the next month.

Yours sincerely



Cynghorydd / Councillor Craig Williams
Cadeirydd Pwyllgor Craffu Economi a Diwylliant
Chairperson Economy & Culture Scrutiny Committee

Copies to:

- Chris Hespe, Kathryn Richards, Geoff Shimell
- Jo Watkins and Claire Deguara (Cabinet Support Office)
- Members of Economy and Culture Scrutiny Committee