

COUNCIL: 26 JANUARY 2023

INVESTMENT & DEVELOPMENT STATEMENT

Economic Update

Councillors will be encouraged to learn that, despite the turbulent global economic environment and the stresses being faced by businesses and households across Cardiff as a result of increasing cost pressures, economic indicators for the city remain positive. Claimant count data shows that unemployment continues to fall in the city set against a context of rises in a number of the UK's Core Cities. City Centre footfall has rebounded faster in Cardiff than both national and comparator city averages, and new investment continues to flow into the city.

Much of this new investment is seeing high waged, high-tech business expand their presence in the city. This includes Swedish-owned corporate to wealth management bank, Handelsbanken, who have relocated into larger premises into the city. This shows continued confidence in the city that is bolstered by PwC's recently announced expansion that takes its workforce to 1,200 in Cardiff. We are also expecting more announcements soon in these sectors.

Increasingly, Cardiff is being recognised as one of the UK's fastest-growing tech cities. This aligns with our vision of creating more and better jobs, jobs that are sustainable and jobs in growing and sustainable sectors. Building on this, recent research by Dealroom has ranked Cardiff as one of the top ten cities in the UK for tech, based on high levels of venture capital funding, tech job opportunities, advertised tech salaries, the number of high-growth tech companies and future high-growth companies. Their research suggested that almost £40m was raised in capital by start-ups in Cardiff, whilst the number of job opportunities and wages are also rising.

Cardiff is also experiencing some manufacturing investment, with the completion of a £60m investment by the food and drink manufacturer Princes. This is the largest ever investment undertaken by the company in soft drinks and will also strengthen their warehousing and logistics capacity in Cardiff. We have also seen the first Welsh-built satellite, from Cardiff company Space Forge, readied for launch by the Virgin Orbit test mission earlier this month and, whilst the launch was unsuccessful on this occasion, the company remains confident and is on track with delivery for its next launch later in the year. The Council's Economic Development team is currently working with the company to help secure expansion space.

On top of this, we have also seen a number of further investment announcements in the city centre, including new food and drinks offerings in The Hayes, and investment in new retail premises in Queen Street.

Members will also recall our business support fund set up to invest in local businesses. The fund invested capital via loans and equity in local companies. One investment in a local media tech business is set to mature as the company is being acquired by a US tech business. This will provide a significant return on our investment. We are now looking to establish a new business support scheme using the Shared Prosperity Fund, and we hope to announce details shortly.

Major Projects

Members may also be aware that this month we approved plans to progress the next phase of development for the International Sports Village. This has included approving the disposal strategy outlined in the recent Cabinet Report, as well as the preferred operator for the new facilities at the International Sports Village. This investment will elevate Cardiff's reputation as a sport city – providing world class facilities for residents, visitors, as well as elite athletes, to use.

We expect to see work commence on this development towards the end of the year, which will include the infrastructure that will not only underpin the new facilities, but create a more visitor friendly environment in the International Sports Village, with more open pedestrianised space linking the facilities, venues and attractions on the site. With this we aim to attract more visitors to the International Sports Village throughout the year and create a new destination for communities in Cardiff to use.

The plans could attract two million visitors annually and will boast a new Central Performance Hub designed to support athletes across different sports, a new Velodrome, a closed loop circuit, outdoor leisure facilities, and a new 'clip and climb' facility – all brought to Cardiff Bay with a new park and ride facility to complement the International Pool, the White-Water Rafting Centre and the Ice Arena, which are already on site.

Key among our aims is to ensure this is a 'green development' powered by renewable energy sources, including solar, wind and heat recovery from the air, ground, and water.

Business Roadshow

In December, the Economic Development team also delivered the first of a number of business roadshows, beginning at Cardiff Business Park, Ty Glas, which was also supported by colleagues from our business rates, planning, procurement, into work services and Cardiff Commitment teams. The event was also supported by partners from the Development Bank of Wales, Business Wales, Cardiff Bus and Transport for Wales. The event saw a number of businesses benefit from a range of business support and advice and the response to the event was well received by attendees. Plans are being developed for an event to take place in the city centre shortly.

Councillor Russell Goodway
Cabinet Member for Investment & Development
20 January 2023