

COUNCIL: 30 MARCH 2023

INVESTMENT & DEVELOPMENT STATEMENT

Economic Update

Councillors will be pleased to learn that, despite the continued presence of high inflation and the cost-of-living challenges, the Cardiff economy remains resilient. The city continues to attract investment across a range of sectors, which is reflected in the recent Centre for Cities report that notes that Cardiff has the most 'new economy' firms per capita of any of the UK Core Cities, as well as the highest start-up rate. The same report also noted that productivity in Cardiff exceeds all but one of the UK Core Cities, reflecting our ambition to create more and better jobs that ultimately deliver higher wages to Cardiff residents.

Testament to this is the recent news that US streaming tech firm Roku is creating more than 100 jobs in Cardiff, taking nearly 26,000 sq. ft of space at the renovated Fusion Point One scheme close to the city centre.

Footfall within the city centre continues to exceed pre-Covid levels, and new businesses continue to invest. In addition to the variety of hospitality venues that have opened in recent months, we've also seen businesses open, including a new electric bike store that links directly with our City Recovery & Renewal Strategy ambitions of supporting more active travel in Cardiff.

I also recently hosted a visit of the senior management team from a global multinational manufacturing company looking to establish a new service development centre to support the growth in their global green energy business to the defence sector. The investment could create 200 new jobs locally, many of them at the apprenticeship level. The investment could also bring with it a major skills academy to support the demand for talent for the global business. It is anticipated that a decision on the investment will be made within the next three months.

International Delegations

This month, the Council has also been working to promote the city to international investors and businesses, including the Leader of the Council hosting a delegation of businesses and business representatives from Cardiff's twin city of Nantes. The delegation met with a number of businesses across the city and has focussed on developing links with our creative sector.

The Leader of the Council also led a city-region delegation, formed primarily of local businesses, to MIPIM, Europe's biggest real estate conference. The delegation, supported financially by private sector partners showcased £10bn worth of investment from across the Cardiff Capital Region.

Indoor Arena

Members will be aware that a report was presented to Cabinet on 23 March providing an update on the Indoor Arena. This project, despite the pressures faced as a result of increased costs, remains a priority for the Administration and we have worked with the developer to make sure that it can be developed without any additional Council contribution.

The report also reaffirms the Administration's commitment to developing Atlantic Wharf as a leading cultural destination; working with partners such as the Wales Millennium Centre to ensure that jobs in Atlantic Wharf aren't just about putting on performances, and ensuring that investment is put in place to support local people to establish a career path in the sector, whether as performers or producers.

Shared Prosperity Fund

Last month, the Leader updated Cabinet on the delivery of the Shared Prosperity Fund in Cardiff. Cardiff's approach has been based on the Council's City Recovery & Renewal Strategy adopted in May 2021, which set out the initial steps for a greener, fairer, stronger Cardiff. As part of this approach, we have included a number of key projects to support business in the city, including:

Resources are being provided for the Visit Cardiff Network and Business Events Partnership to promote the development of business events in the city and the leisure, hospitality, and retail offer across the city. The funding will be used to promote both city centre businesses as well as neighbourhood areas that offer a variety of leisure and tourism related businesses in line with the City Recovery & Renewal Strategy.

A new business grant scheme that aims to open early in the new financial year for SMEs based on both delivering Shared Prosperity Fund criteria, as well as supporting the objectives of our Stronger, Fairer, Greener strategy. This includes supporting the development of sustainable employment opportunities, enabling investment in more productive processes, and elements of energy efficiency.

Additional resources for the City Centre Management team, as outlined in the City Centre Recovery & Renewal Strategy, will also be provided. This will be complemented by additional Council funding, and we will seek to attract more commercial income to expand the operation and provide a sustainable future model for delivery.

In addition, the Economic Development team is also working with colleagues in our Into Work Advice Service to provide additional support to residents and businesses to get those on the edge of the labour market back into work.

Councillor Russell Goodway
Cabinet Member for Investment & Development
24 March 2023