

## **INVESTMENT & DEVELOPMENT STATEMENT**

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### **Economic Outlook**

Councillors will be pleased to learn that, despite the economic headwinds we face, and the continued tightening of monetary policy impacting on businesses and communities, levels of unemployment in Cardiff continue to fall. The latest Annual Population Survey model-based estimates of unemployment shows that for the 2022 calendar year, the unemployment rate stood at 3.1%, compared with a figure of 5.1% for the previous year. More recent claimant count data also shows a continued fall in unemployment in Cardiff.

I can confirm that the Cardiff office market also remains resilient. A recent Savills report noted that in Quarter 1 2023, office take-up was 78,000 square feet. This was spread across 26 completed transactions, which was the largest number of completed Quarter 1 transactions since 2019 and 24% above the five-year average for the market.

Councillors will also welcome the fact that Cardiff has built on last year's rapid improvement in the Demos-PwC Good Growth for Cities Index, jumping ten places as a result of its strong performance on indicators such as work-life balance and income distribution, and skills, especially in younger people. The analysis highlights the role of knowledge-intensive services in Cardiff's ongoing progress, with around a fifth of the city's workforce employed in these sectors, and especially the creative community anchored on the BBC's presence in the city. The Index also forecasts future economic growth, where Cardiff is expected to grow at above the national average.

### **Cardiff Growth Fund**

Councillors will welcome the recent launch of a new Cardiff Growth Fund, supported by the UK Government's Shared Prosperity Fund. The funding provides an opportunity to kick-start and grow the economy with the focus on creating a fairer, greener and prosperous future for Cardiff businesses. The new fund will be available to Cardiff Local Authority based small and medium-sized enterprises (SMEs) with a trading history to invest in ways to support a more productive or sustainable business, or to help them provide opportunities for the city's diverse communities. Businesses can apply for up to £10,000, on a match funding basis. Details of the scheme can be found on the Council's website [here](#).

## **Cardiff Market**

Proposals have been developed for a multi-million-pound renovation of Cardiff's historic Central Market that would protect, preserve and future-proof the Grade II\* Listed building, restoring original design features, and introducing a new ground floor seated area for food.

The proposals, which are subject to funding being successfully secured and planning permission being granted, include the restoration of the Trinity Street and St Mary Street entrances; restoration of the roof, original windows and external elevations; restoration of the market interior, including improvements to the historic stalls; and roof-mounted solar panels with integrated battery storage.

These proposals aim to ensure a viable and sustainable future for the building, preserve and enhance its heritage, and ensure it remains the bustling heart of the city centre for many years to come.

## **Core Offices**

Members will be aware that a report exploring the options for the Council's long-term office requirement was considered by Cabinet at its meeting on 22 June 2023. Proposals under consideration could see City Hall secure a multi-million-pound investment to address ongoing maintenance requirements to secure the heritage venue for future generations.

An Outline Business Case commissioned by the Council has looked at several options to better align the local authority's office space with business needs and energy efficiency and carbon standards. The report indicates that a new building would be substantially cheaper. The assumptions set out in the Outline Business Case will be tested in detail through a Full Business Case as the next stage in the process.

The report does note that County Hall, our main office building, is too big for what the Council now needs, so to keep that level of accommodation would be unsustainable, especially at a time when budgets are extremely tight. Not only that, if we were to continue with County Hall as it is, tens of millions of pounds would need to be spent on maintenance and bringing it up to a standard to meet future legislation and carbon commitments and, given its form of construction, the long-term life span of the building would also be limited.

It is proposed that Atlantic Wharf, as a site of a new County Hall, brings a number of advantages. It is already an established Council HQ location that works. It is a site owned by the Council, which brings a significant cost saving. The new building would be part of the Atlantic Wharf development plan, bringing inward investment to support wider regeneration of the area, and assisting other projects, including the arena and the Red Dragon Centre redevelopment. There are already good transport links to Cardiff Bay, which would be enhanced by the development of the Metro. The new building could be constructed whilst the Council continues to occupy the current building, avoiding the need for a costly relocation of staff to a temporary location.

As the owner of City Hall, a Grade I Listed Building, the Council also has a duty to invest in the fabric of the building, as well as renewing its mechanicals and electricals, such as heating and ventilation, so that it remains fit for purpose as a heritage venue of historical significance, both now and for future generations.

**Councillor Russell Goodway**  
**Cabinet Member for Investment & Development**  
**23 June 2023**