

Date: 12 July 2023

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### Public Letter

Dear Councillor Thomas,

### **ATLANTIC WHARF UPDATE**

Members have asked that I pass on their thanks to you, Neil Hanratty, Chris Lee, Chris Barnett, Richard Cook, Kyle Godfrey, Eirian Jones, and Scott Couzens, Bevan Brittan LLP, for attending our meeting for pre-decision scrutiny of the report to Cabinet titled '*Atlantic Wharf Update*'. Members have asked that I pass on the following comments and observations on the public information; I have sent a separate confidential letter capturing our comments on the exempt information.

### **Changes to Indoor Arena**

Members note inflationary pressures have led Live Nation to redesign the Arena to mitigate these and ensuing risks. Members note the capacity of the Arena is staying at 15,000 and that the redesign has focused on simplifying the interior design, from a technical perspective, and reducing the interior with a single bowl. Members are pleased to note the quality of design and finish will remain high.

### **Transport**

Members explored transport links to Atlantic Wharf and note:

- UK Government Levelling Up funding has been awarded to provide enhanced Metro linkages from Cardiff Central to Cardiff Bay, including stops at Bute Street and Pierhead Street
- The Council is contractually obligated to provide a number of car parking spaces, which it is currently proposing are provided via a Multi-Storey Car Park (MSCP)

- The MSCP and proposed active and public transport provision will assist in alleviating local residents' concerns regarding parking issues
- There may be an opportunity to have a Traffic Management Zone to tackle non-resident access and parking; this will be explored as the scheme progresses
- Masterplanning and Planning Development Control will be used to address transport issues and the level of parking provision for premises, in line with Cardiff Council's wider transport policies.

### **Cost to the Council**

Members note the Affordability Envelope for the Council's overall contribution to the Indoor Arena is £27million. Members are aware of pressures on the Council's budget overall and note the following points made by yourself and officers in response to questions as to whether this project is still affordable given other pressures:

- The Affordability Envelope will not increase and has been factored into the Council's capital and revenue budgets, meaning it has been judged to be affordable whilst meeting other agreed commitments, such as increased funding for schools in Cardiff
- As the Affordability Envelope is not being increased, there are no additional, unexpected revenue impacts – the revenue impact of borrowing for the Affordability Envelope has already been factored into the Council's Medium Term Financial Plan
- The Indoor Arena project is leveraging in significant levels of private sector investment (over £100m) into Cardiff and into culture; this is a vote of confidence in Cardiff and will provide jobs and training for residents and economic growth.
- The Indoor Arena will provide lease payments to the Council and will ultimately revert to the Council at the end of the lease.

### **Delay**

Members note the following risks highlighted in the meeting, were the Council to delay the Indoor Arena project:

- Risk losing the private sector investment
- Risk increasing the costs to the Council

- Risk impacts on other related projects, such as the wider Atlantic Wharf regeneration
- Risk having to pay abortive costs, detailed in Confidential Appendix 9.

### **Funding Strategy**

Members note officers are working with treasury and financial advisors to explore funding strategies that take account of interest rate fluctuations, exploring different levers and mechanisms, the timing of these and opportunities to offset borrowing costs. Members note it is likely that a hybrid strategy will be utilised and that proposals will be brought to a future Cabinet meeting.

Thanks again to you, Scott Couzens, and all officers for attending and answering our queries. This letter does not contain any requests for further information or recommendations and so does not require a response.

Yours sincerely,

*P Wong*

**COUNCILLOR PETER WONG  
CHAIR, ECONOMY & CULTURE SCRUTINY COMMITTEE**

cc Members of the Economy & Culture Scrutiny Committee  
Group Leaders - Cllr Lancaster, Cllr Berman, Cllr Gibson  
Gavin McArthur – Chair, Governance & Audit Committee  
Neil Hanratty Chris Lee Chris Barnett Richard Crook  
Kyle Godfrey Eirian Jones  
Scott Couzens – Bevan Brittan LLP  
Cabinet Support Office  
Chris Pyke Tim Gordon Jeremy Rhys