

Panel Perfformiad Craffu – Datblygu ac Adfywio

Lleoliad: Ystafell Bwyllgor 5 - Neuadd y Ddinas, Abertawe

Dyddiad: Dydd Mercher, 12 Medi 2018

Amser: 10.00 am

Cynullydd: Y Cynghorydd Jeff Jones

Aelodaeth:

Cynghorwyr: E W Fitzgerald, S J Gallagher, D W Helliwell, T J Hennegan,
C A Holley, P R Hood-Williams, M H Jones, P K Jones, G J Tanner a/ac T M White

Agenda

Rhif y Dudalen.

- 1 Ymddiheuriadau am absenoldeb.**
- 2 Datgeliadau o fuddiannau personol a rhagfarnol.**
www.abertawe.gov.uk/DatgeliadauBuddiannau
- 3 Cofnodion** **1 - 7**
Cymeradwyo a llofnodi, fel cofnod cywir, gofnodion y cyfarfod blaenorol.
- 4 Cwestiynau gan y Cyhoedd**
 - Rhaid i gwestiynau ymwneud â materion yn rhan agored agenda'r cyfarfod ac ymdrinnir â hwy o fewn cyfnod o 10 munud.
- 5 Adroddiad Diweddaraf am y Prosiect**
 - Huw Mowbray - Gwasanaeth Adfywio Economaidd A Chynllunio
 - Phil Holmes - Pennaeth Cynllunio ac Adfywio'r Ddinas

Cyfle i'r panel dderbyn diweddariad am amrywiaeth o brosiectau adfywio
- 6 Cynllun Gwaith 2017 - 2018.** **8 - 9**

Cyfarfod nesaf: Dydd Mercher, 7 Tachwedd 2018 ar 10.00 am

Huw Evans

Huw Evans
Pennaeth Gwasanaethau Democrataidd
Dydd Mercher, 5 Medi 2018

Cyswllt: Craffu 636292

Agenda Item 3



City and County of Swansea

Minutes of the **Scrutiny Performance Panel – Development & Regeneration**

Committee Room 3C - Guildhall, Swansea

Thursday, 19 July 2018 at 1.00 pm

Present: Councillor J W Jones (Chair) Presided

Councillor(s)
E W Fitzgerald
M H Jones
T M White

Councillor(s)
C A Holley
P K Jones

Councillor(s)
P R Hood-Williams
G J Tanner

Officer(s)
Bethan Hopkins
Ben Smith

Scrutiny Officer
Head of Financial Services & Service Centre and Section
151 Officer

Apologies for Absence

Councillor(s): S J Gallagher

1 Disclosure of Personal and Prejudicial Interests.

- None

2 To Confirm Convener of the Panel

- Councillor Jeff Jones was confirmed as the Convener of the Panel for 18/19

3 Notes, Conveners Letter and Response

- Notes approved – one correction page 2 should read February 19 not February 18. Corrected

4 Swansea Regeneration Projects Update - Cabinet Item

- Members read through Cabinet report from 21st June

5 Financial Q&A Session - Development and Regeneration

- Complexity of strands of finance within development projects
- The scale of the capital programme is large and ambitious
- Borrowing will be against a range of schemes, including schools

- Some projects may create revenue and some will not
- Impacts on revenue discussed
- Panel expressed concerns over the affordability of the projects
- Business cases will be developed for different projects
- Carmarthen are the host authority for the administration of monies
- Affordability will be assessed as an ongoing process
- Concerns raised over the spend that has been made before the Business case is agreed
- Concerns raised over the payback of the projects.
- The aim of Panel is to have project identification and project tracking in place.

6 Work plan 2018/2019

- Meetings increased from 4 per year to 6 per year
- New work plan to be drafted

The meeting ended at 2.00 pm

Chair

Minute Annex



**To/
Councillor Rob Stewart
Cabinet Member for Economy and
Strategy**

*Please ask for:
Gofynnwch am:*

*Direct Line:
Llinell Uniongyrochol:*

*e-Mail
e-Bost:*

*Date
Dyddiad:*

Overview & Scrutiny

01792 636292

scrutiny@swansea.gov.uk

14th August 2018

BY EMAIL

Summary: This is a letter from the Development and Regeneration Scrutiny Performance Panel to the Cabinet Member for Economy and Strategy following the meeting of the Panel on 19th July with the Chief Finance Officer and a Conveners meeting with the Director of Place on 24th July.

Dear Councillor Stewart,

The Development and Regeneration Scrutiny Performance Panel has been meeting regularly to monitor regeneration projects within Swansea.

Last year was the first year of the Panel and much of it was spent trying to establish a baseline of information from which the Panel could monitor progress.

Having met with the Director of Place recently, it was agreed that there will be a report available bimonthly for the Panel to review progress.

We are grateful to the service for agreeing to put together this information which will assist the Panel to produce relevant feedback on the projects as they are progressing.

On the 19th July the Panel met with the Chief Finance Officer and discussed the Swansea Regeneration Projects Update and FPR7 which went to Cabinet on 21st June and the financial context of this.

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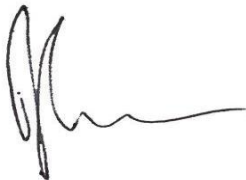
We do have some observations and we would like to share these with you.

1. We do have some concerns over the affordability of some of the projects. Not all have specific costs set against them at this point in time such as Castle Gardens. How do we know that these projects will be achievable?
2. We are concerned that there has been spending on projects when the business case for that project has not yet had final approval. Can you comment on this?
3. There are queries over how the borrowing will be repaid. The cost of the borrowing for the projects will need to be covered by revenue from those projects. Is there confidence that there will be enough revenue from the commercial projects for this to be achievable?

We will be inviting you to attend a meeting to discuss the projects further.

We would welcome a response to this letter by Tuesday 4th September 2018.

Yours sincerely,



Councillor Jeff Jones
Convener, Development and Regeneration Performance Panel
✉ cllr.jeff.jones@swansea.gov.uk

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Councillor Jeff Jones
Convener
Development and Regeneration
Performance Panel

Please ask for: Councillor Rob Stewart
Direct Line: 01792 63 6141
E-Mail: cllr.rob.stewart@swansea.gov.uk
Our Ref: RS/CM
Your Ref:
Date: 20 August 2018

BY EMAIL

Dear Councillor Jones

SWANSEA REGENERATION PROJECTS UPDATE

Thank you for your letter dated 14th August 2018

I would respond as follows in relation to the specific points raised

Question 1

As previously outlined the Council and its Section 151 Officer have advised that the total overall "envelope" of £200m of new capital borrowing is built into the MTFP.

The reason why not all of the schemes are fully budgeted for is that many are still in the early stages of feasibility and as such costs will only be derived when the scheme is worked up to a more advanced stage.

For example in relation to Castle Gardens, it would not be appropriate to guess figures nor predetermine the final model of delivery and the extent of commercial opportunities when we are still at the feasibility stage via a deployment manager.

I and officers, would however be happy to attend the Committee when each scheme progresses to a more advanced stage to discuss each project and any concerns the Committee may have

Question 2

In relation to spending on projects where the business case has not been fully agreed with Welsh and UK Government I assume you are referring to the schemes captured under the City Deal banner.

I am sure you will be aware that the City Deal is part of the funding for these projects with the Council and developers also looking to invest to deliver the project.

These schemes were developed and scrutinised to a high degree prior to the signing of the City Deal and have been approved in principle as part of the 11 Regional Projects that form the £1.3bn agreement. Both Governments have been unequivocal that they want aggressive delivery of the projects to ensure the benefits of the projects including jobs and GVA are realised as quickly as possible.

Our ambitious timescales for delivery mean that we are not able to wait until the final terms are agreed. We have a high degree of confidence that the final business case will be approved and existing expenditure will be set against the funding when it is released. We expect this to be in the coming months.

Question 3

In relation to how the borrowing will be repaid I can confirm this will be a combination of City Deal funding, capital prudential borrowing, income from investments and any commercial income from other sources e.g. car parking.

It is important that the economic value of the City Deal is measured and not just the cost. The Section 151 Officer has already confirmed that it is an historically cheap time to borrow and invest. We can borrow £2 now for every £1 a decade ago. In addition the average rate of interest on our historic borrowing has fallen due to the prudent actions of our officers. It is right that we seek to create assets that contribute to the Council's income not act as a draw on its finances as schemes delivered during the 2004-2012 period did.

There will be a further FPR report presented to Cabinet later this year which will set out the full detail and revenue implications. I would be happy to attend a Pre-decision Scrutiny to discuss this at the appropriate time.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rob Stewart', written in a cursive style.

**COUNCILLOR ROB STEWART
LEADER & CABINET MEMBER FOR ECONOMY & STRATEGY**

Agenda Item 6

Development and Regeneration Scrutiny Performance Panel Work Plan 2018/19

Date	Agenda
<p><u>Meeting 1</u></p> <p>19th July 2018 1pm Committee Room 3B</p>	<p>Finance and Budget Update</p> <ul style="list-style-type: none"> • Ben Smith - Head of Financial Services & Service Centre
<p><u>Meeting 2</u></p> <p>12th September 2018 Committee Room 5</p>	<p>Dashboard Project Update</p> <ul style="list-style-type: none"> • Phil Holmes – Head of Planning and City Regeneration • Huw Mowbray - Development and Physical Regeneration Strategic Manager
<p><u>Meeting 3</u></p> <p>7th November 2018 Committee Room 5</p>	<p>Dashboard Project Update</p> <ul style="list-style-type: none"> • Phil Holmes – Head of Planning and City Regeneration • Huw Mowbray - Development and Physical Regeneration Strategic Manager <p>Penderyn – An Update</p> <ul style="list-style-type: none"> • Paul Relf - Economic Development and External Funding Manager • Huw Mowbray - Development and Physical Regeneration Strategic Manager •
<p><u>Meeting 4</u></p> <p>9th January 2019 Committee Room 5</p>	<p>Dashboard Project Update</p> <ul style="list-style-type: none"> • Phil Holmes – Head of Planning and City Regeneration • Huw Mowbray - Development and Physical Regeneration Strategic Manager <p>Planning and Student Accommodation</p> <ul style="list-style-type: none"> • Paul Meller - Strategic Planning and Natural Environment Manager • Ryan Thomas - Development Conservation and Design Manager

<u>Meeting 5</u> 28 th February 2019 Committee Room 5	Dashboard Project Update <ul style="list-style-type: none"> • Phil Holmes – Head of Planning and City Regeneration • Huw Mowbray - Development and Physical Regeneration Strategic Manager
	Skyline <ul style="list-style-type: none"> • Huw Mowbray - Development and Physical Regeneration Strategic Manager
<u>Meeting 6</u> 10 th April 2019 Committee Room 5	Dashboard Project Update <ul style="list-style-type: none"> • Phil Holmes – Head of Planning and City Regeneration • Huw Mowbray - Development and Physical Regeneration Strategic Manager
	Enterprise Zones and Business Parks <ul style="list-style-type: none"> • Paul Relf - Economic Development and External Funding Manager • Paul Meller - Strategic Planning and Natural Environment Manager