



City and County of Swansea

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

Committee Room 5 - Guildhall, Swansea

Wednesday, 12 September 2018 at 10.00 am

Present: Councillor J W Jones (Chair) Presided

Councillor(s)
E W Fitzgerald
C A Holley
T M White

Councillor(s)
S J Gallagher
P R Hood-Williams

Councillor(s)
D W Helliwell
M H Jones

Officer(s)

Phil Holmes
Bethan Hopkins
Huw Mowbray

Head of Economic Regeneration and Planning
Scrutiny Officer
Property Development Manager

Apologies for Absence

Councillor(s): P K Jones

1 Disclosure of Personal and Prejudicial Interests.

- None

2 Notes

- Approved

3 Public Questions

- None

4 Project Update Report

- The Panel were taken through the dashboard report
- This report is for the steering group and programme board to aid in monitoring projects
- The flow of information to this point has not been easy
- Will also need financial input from the relevant officer
- Phase 1 is underway – not all of Phase 1 is in the City Deal
- The digital arena detail is being progressed
- The hotel needs to be above a 3* to attract grant money

- Surveys are being undertaken to look at 'right to light' issues which may arise
- Not all projects are City Deal
- Some projects are a mixture of City Deal – felt that this could have financial complexity

Questions

1. What is the contingency plan if a 4* hotel is not achieved?

- It is likely a hotel won't be built
- There is an ongoing discussion around grant terms
- Some potential timing issues, ideally the arena and hotel need to be built at the same time

2. What is the capital budget commitment?

- £124m including construction, contingency and fees but the final figure is not set yet
- Swansea Council are borrowing a large sum
- A report will be produced with all of the final costing so borrowing can be decided
- The budget comes from the revenue fund and will end up as a capital asset
- This does put strains on the revenue budget
- Some of the money is a £6.8m loan from Welsh Government repayable over 20 years after the arena is built, interest free and with first payments delayed until arena opening
- The only capital sum is £1.5m for early work
- The main capital comes once the final figures are out on cost

3. To build a 4* are we leasing to a hotel company

- A developer will contract to Swansea Council and then franchise it to the relevant company
- Visit Wales will issue the grant to the developer not the Council

4. Given that work is progressing on the area, what will the internal shape be like?

- The internal shape is flexible and can have different formats
- There is a 3500 maximum capacity
- There can also be the capacity for conferences and meeting rooms with VIP areas

5. If ongoing consultation is happening with local people, how often are we meeting with people and businesses?

- This is one of the first projects in Wales to go through new planning process which requires much more consultation
- There are ongoing and regular meetings, sometimes monthly, with affected businesses

6. 3500 capacity seems a modest capacity for a pop concert

- Being told that the arena industry is changing and people want smaller concerts
- ATG, the arena operators, have bargaining power
- Lots of market research was done in advance
- ATG are entering into a 30 year lease
- The University is keen to bring educational conferences along with the tech industry
- It is a competitive area

7. Has the business plan been signed off, it was supposed to have been done in June?

- Not yet
- The Kingsway infrastructure is paid for by Swansea Council and a grant from WEFO
- There have been some issues with contractors but these are resolved and there are monthly meetings and consultation with residents

8. The Kingsway work is phased, are all of those projects working together?

- The work is being monitored on a daily basis to mitigate any issues
- There will be disruption as it is major work
- Managing compounds is important

9. Is there interest for occupation on Kingsway?

- If we don't develop it will stay empty
- Developers are buying chunks of property
- It will never be a retail area again
- Looking to capitalise private developers and independent shops

10. Swansea has low levels of GVA

- We are hoping to generate income with the tech jobs

11. As long as we are on target we should keep going, we need to ensure the authority are supporting small shops

- There aren't enough people working and living in the City Centre, hopefully this will change
- There are too many students in the City Centre

12. What is the 'play strategy' and where will it be?

- The Council adopted the play policy, the character is Dilly the Dragon
- There will be play trails throughout the City Centre

13. The CUIDAR project looks at how children and young people need to be involved when things go wrong e.g. high risk venues, this sort of emergency planning should be considered

- The team will follow this up (sent links)

14. What exactly is the digital square?

- It is the arena plus the public area around it
- The Digital Village is the Kingsway office space
- Swansea has a strong track record of creating businesses but the record for retaining them is poor

15. What are the plans for the arcade in town?

- Would like to see some more footfall and changes of access in and out of the arcade to create better links

16. What is the impact of losing the 5G project?

- Lost out to more advanced areas but the bid was good
- Already looking at other bids and it raised the profile of Swansea

17. What is the occupancy level of the Kingsway building?

- 50% needs to be let before we progress
- There are potential occupants

18. What is the process for the business deal once signed off?

- Feedback is due from Government in October
- There is a Public Sector and Private Sector group

- Analysis of projects done by private sector group then public sector group
- **19. The City Deal money seems secondary**
- The Council has to borrow upfront and are paid back as the money comes in over the next 15 years
- The Swansea project is first phase money
- City Deal government funding is approximately £36m over 15 years, Local Authority funding will be approximately £76m, other projects will be in addition to this, this will need to be clarified

Other information

- Some flooding and drainage issues on the Tawe river currently – this is being reviewed
- The only funding authorised for Castle Square is £50k for feasibility studies, then any proposal goes to Cabinet
- The 'choke' points around the City are due to be looked at – Dyfatty and Fabian Way
- The project teams dealing with this work are not big enough and working extremely hard

5 Work plan 2018/19

- Keep current work plan as it is
- Invite relevant Cabinet members to each session
- Potential for work plan to be flexible going forward

The meeting ended at 11.40 am

Chair