



**To/  
Councillor Rob Stewart  
Cabinet Member for Economy,  
Finance & Strategy (Leader)**

**BY EMAIL**

cc: Cabinet Members

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SPC/2022-23/9

17 February 2023

Summary: This is a letter from the Scrutiny Programme Committee to the Cabinet Member following the meeting of the Committee on 17 January 2023. It reflects on the Q & A Session on the Leader' portfolio responsibilities as Cabinet Member for Economy, Finance & Strategy. It mainly concerns development and regeneration activity, including the City Deal. A formal written response is not required.

Dear Councillor Stewart,

### **Cabinet Member Question Session – 17 January**

Thank you for attending the Scrutiny Programme Committee on 17 January 2023 and answering questions on your work as Leader and Cabinet Member for Economy, Finance & Strategy.

The Q & A session gave us an opportunity to explore priorities and achievements in relation to your areas of responsibility. We appreciate you providing a written paper in support of your appearance at the meeting, which focused on the key headlines and issues of interest and concern to the Committee. This included copy of your recent report to Council on action / achievement against Policy Commitments (The First 100 Days). Your report focused on three key areas of significance: cost of living and budgetary impacts; regional work; and progress on major projects.

Thank you for supplementing the written report with a presentation which highlighted progress and provided a 'forward look' in relation to development and regeneration activity, one of the areas of Committee questioning whether through the City Deal Programme, Council projects, or private investment.

**OVERVIEW & SCRUTINY / TROSOLWG A CHRAFFU**

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This included information on:

- Hafod Copperworks / Penderyn Distillery & Visitor Attraction – anticipated opening during 2023.
- Skyline Park on Kilvey Hill – anticipated to be a major tourist attraction.
- River Tawe Corridor 2022-2025 - the Council is committed to progressing the development and reopening of the River Tawe corridor, including new pontoons, to capitalise on the site's heritage.
- City Centre:
  - 71/72 Kingsway (City Deal Project) – anticipated completion during 2023 providing space for jobs in sectors like tech, digital and the creative industries.
  - 'Living Building' Scheme – redevelopment around the former Woolworths Store on Oxford Street in partnership with Welsh Government, Swansea University and Pobl Housing Group. This would be the first Biophilic building in Wales.
  - Community Hub in the former BHS Building on Oxford Street – will be home to new library and Archives Service as well as other public services providing for a 'one-stop shop'. Main contractor now appointed.
  - Castle Square Gardens – plan to revitalise the public space. The RIBA Stage 3 design is underway, and a planning application has been submitted. Anticipated that work will start on site during Q4 of 2022/23 and will feature two commercial units and increase in green space.
  - Princess Way / Princess House – private sector investment will see refurbishment of the area and further development. The same company has acquired the McDonalds building and property along Oxford Street signalling private sector confidence in the city, following Council investment.
  - Copr Bay – Phase 2 will include demolition of the St Davids Car Park during 2023 making space for development of a new Public Sector Hub.
- Palace Theatre - Tramshed Tech has signed a heads of terms agreement with Swansea Council for the development of the 133-year-old building.
- Albert Hall - acquired by a private sector partner. Work has commenced to convert this building into an 800-seat music and entertainment venue, with office space. Completion anticipated by Oct 2023.
- Civic Centre – working with appointed development partner, Urban Splash. Envisaged that the Civic Centre will not be demolished, and re-design will be based on an existing development in Portsmouth called 'Royal William Yard'. The site will be mixed use, including hotels, retail, residential and leisure, including an aquarium.
- Transport – planned improvement to rail and bus links / connections across the Region (Swansea Bay Metro); trialling hydrogen powered buses with support from Welsh Government
- Blue Eden and Mega Energy Hub – consortium of firms working on the Blue Eden proposal at SA1. Anticipating a planning application coming forward this year. Markedly different scheme from the former Tidal Lagoon

project, including significant on-land development. aims in the long term to deliver an electric battery manufacturing plant and battery storage facility, hundreds of waterfront homes, a tidal energy lagoon and floating solar farm within it, a data storage centre, a green hydrogen production facility, and an oceanic and climate change research centre.

This letter reflects on what we gained from the information presented, questions, and discussion.

We asked about the Swansea Bay City Deal Programme. We know that the Programme is an investment of up to £1.3 billion in a portfolio of nine major projects across the Swansea Bay City region, but is reliant on around £625m from the private sector. We were interested in the extent to which that private sector funding has been realised and what impact this contribution has on achieving the full benefits of the Programme, e.g., in terms of economic boost / job creation, improving services, boosting skills, and creating well-paid employment opportunities. You stated that whilst the Programme dates from 2016, it has taken time to gain necessary financial approvals from Government therefore it is still relatively early in terms of delivery, but we noted that that the nine major projects under the City Deal had now been fully approved and some private finance has been realised in terms of the smaller projects. Further investment would be gradually forthcoming over the life of the 15-year Programme. We noted that projects, including financial monitoring, are regularly reviewed through the Swansea Bay City Region Joint Committee / Overview & Scrutiny Committee. A benefits tracker is in place which is recording the benefits delivered and this is maintained through the project to completion and beyond and published as part of the City Deal steering group public papers.

We discussed progress with 71/72 The Kingsway, which is part of the Swansea Waterfront & Digital District Project within the City Deal Programme. The office development is now under construction. We asked about the level of interest the Council has received from companies looking to occupy what is reported as around 100,000 sq. ft. of flexible office space and amenities for tech and digital businesses, with conference and meeting facilities – space for around 600 jobs. You stated that, despite being a year ahead of completion, agreement for the letting of a quarter of the space has been reached, and confidence is high about achieving full capacity in time. We noted project assurance being high following recent City Deal reviews, endorsing our letting strategy and bearing out that there is demand for that area.

As we focus on recovery from the pandemic and the impact it has had on the retail / hospitality sector and others, the Committee asked about potential interest from new businesses / developers wanting to move into the City Centre. We were interested in whether the Council was seeing a response from retailers and other business to the various City Centre development and regeneration given the expectation that these developments will increase footfall. Furthermore, many businesses are re-evaluating their operations,

taking into account amongst other things changes to consumer behaviour / demand from the pandemic, and we were keen to see the Council engaging with them in terms of promoting a City Centre presence, for example where a business may have a presence in other parts of Swansea that they may be looking to change. You stated that it is still a difficult period nationally and across the UK, however four new businesses have opened in the Quadrant and M&S have been investing in the store on Oxford Street with refurbishments. You told us that Swansea Business Improvement District has reported that a strong Christmas / New Year, evidence that the City Centre, despite the challenges, is performing well, including the night-time economy. We noted there are a variety of monitoring activities measuring footfall and evaluating the use of the City Centre. You assured the Committee that every effort is being made to attract business and increase footfall and whilst the former Debenhams unit remains a big gap, work is continuing to find a solution to address this. The new units at Copr Bay by the Arena would be operational soon, which should help. We noted one of the challenges is that many city centre buildings are in private ownership limiting the control and influence the Council can have on things. You hoped that the planned Public Sector Hub at St Davids, which may attract Government departments as they look to re-locate out of Whitehall, will provide further stimulus to businesses interest and activity in the City Centre. We noted that the advice the Council has received from its long-term regeneration partner, Urban Splash, whose involvement includes the development of Swansea Central North and the Civic Centre Site, provides a positive outlook for the City Centre.

Given that it has been several years since the agreement of the City Deal and launch of current regeneration and development plans, we wanted to know whether advice from our development partners has changed over time, particularly given the impact of the pandemic on businesses, some of whom are pursuing new ways of working or downsizing operations, and what effect might this have on existing plans. You stated that there is constant dialogue with partners on the issues and how these may present a challenge plans, and consultants have assisted the Council over recent years. You told us that the Council remained confident it had the right strategy and plan, which allows an element of flexibility. You told us that whilst there are more flexible ways of working there is demand for quality office space in Swansea, unlike places like Cardiff, Birmingham, and London where there is over supply. This is why there has been private sector investment along Princess Way, with Princess House being fully let. You assured the Committee that strategy and plans are based on a mixed-use City Centre – residential, office, retail and leisure which will sustain City Centre growth and development. Key to this was getting the right mix for the right location. You referred to the Arena, which is almost a year into operation, as already making a significant contribution to the city.

### **Committee Views, including any outstanding issues / actions:**

The Committee appreciates the information shared with us at the meeting, both verbally and in writing. It was a particularly useful and helpful session.

The Committee felt there would be benefit in hearing directly from Urban Splash to hear first-hand about their research and intelligence about the development of our city, and better understand their role, forward thinking and business plans. This would be best undertaken by our Development & Regeneration Scrutiny Performance Panel, and will be a matter for the Convener of the Panel to progress.

The Development & Regeneration Panel is also keen to follow up on projects, and will do so 12 months after completion, to consider their effectiveness and success, and has planned a session around July 2023 for reflection on the Swansea Arena. It will also be interested in the delivery of local City Deal projects and will co-ordinate any activity taking into account the work of the regional Swansea Bay City Region Overview & Scrutiny Committee.

### **Your Response**

We hope that you find the contents of this letter useful and would welcome any comments on any of the issues raised within; however, we do not expect you to provide a formal response. We will plan a further portfolio Q & A with you for around January 2024 at which we can follow up on the matters within this letter.

Yours sincerely,



**COUNCILLOR PETER BLACK**

Chair, Scrutiny Programme Committee

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