

To:
Cllr Robert Francis-Davies
Cabinet Member for Investment,
Regeneration, Events & Tourism

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Date
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Summary: This is a letter from the Development and Regeneration Scrutiny Performance Panel to the Cabinet Member for Investment, Regeneration, Events and Tourism, following the meeting of the Panel on 11 July 2023. It covers the Swansea Arena Update and the Regeneration Programme / Project Monitoring Report. This letter does not require a response.

Dear Cllr Francis-Davies,

On the 11 July, the Panel met to consider the Swansea Arena update and the Regeneration Programme / Project Monitoring Report. We are grateful to yourself, officers and the Venue Director from Swansea Arena for their attendance and contributions.

Public Question Time

The following questions were received from a member of the public.

QUESTION 1 - In the Development and Regeneration Scrutiny Panel on 20 March there was reference to a 'resounding positive response' at the consultation meetings. This fails to mention considerable opposition at meetings. Can this aspect have a mention?

RESPONSE - *“There is quite considerable support for the scheme and with all schemes, there will be some opposition. But mainly the opposition comments provided were ones of inquiry. This is information which is being provided to us obviously by Skyline as the Council aren't the developer here. Just reminding everybody that all we're doing is enabling and leasing the land to Skyline. So, the information that they've provided and this information forms part of their pack which is the pre application consultation. It supports their planning application, which lists all the questions that were raised during the meeting and the answers as part of the consultation event. A number of the questions were relating to things like what is the pricing that will apply*

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to the scheme, to questions on access and ecology. So, they were the main questions that were coming forward from the various parties who attended the event.”

QUESTION 2 - We were told at consultation that the annual pass mentioned for Swansea residents applies to the Gondola ride only (and this is what I have seen advertised). The prices for other 'attractions' had not yet been fixed. Can this be made clear at scrutiny level?

RESPONSE - *“A statement provided by Skyline reads - a pricing plan is currently being developed with the intention of ensuring that everyone will be able to enjoy various aspects of the attraction. Though currently being worked up and they're very much hope to be able to release and share it with everybody shortly.”*

QUESTION 3 - Press releases indicate that the Welsh Government have awarded £4 million rather than £3 million to the scheme.

RESPONSE *“It's actually £4 million and that has been published by Welsh Government it's £4 million of which £3 million is grant and £1 million is a loan”.*

Swansea Arena Update

We heard that occupancy levels exceeded projection achieving 78.9% with high ticket sales and overall, the Arena had a positive first year. 74 events took place and overall revenue has averaged out due to the higher than expected occupancy. It was noted that the business plan did not consider the full impact of Covid and with that context in mind the venue has exceeded other more established venues of a similar size. The Venue Director praised the venue's flexibility and referenced positive feedback particularly on music events, sound quality and back of house facilities. The venue has seen some returning acts and currently employs 26 full time staff with around 100 casual staff plus external companies providing security, cleaning, lighting and rigging.

We asked if there were any limitations to the size of the venue and were informed the biggest reason for not securing a booking is normally a diary issue rather than capacity. One appeal the venue has is that acts may choose to start their tour in Swansea because of the ease of load and use the Arena as their production day before going onto bigger venues. We asked if the Arena was still expected to reach 200 events in year two and although this is still the aim it is within the context of an ongoing post covid recovery and this number only representing ticketed events.

We asked about the relationship with other Swansea venues including the new Albert Hall and we heard that Albert Hall has a capacity of 800 and therefore productions of this size would not create enough revenue for the Arena. In addition, there are positive

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working relationships between the different venues and an understanding of which events suit which venue, including graduations. You reflected the Council's aim for a "Team Swansea" approach from Swansea's venues which will increase the cultural offer of the city. We asked for more information on the challenges not foreseen in the business plan and heard that there has been a learning curve to understanding the operation of the venue as well as a need for more bar staff and the adjustment for customers attending a venue that has a full security operation. We asked about issues with getting out of the car park and traffic outside the venue. We heard that there have been few complaints from residents aided by communication from the Council. There were some initial issues with a build-up of traffic leaving the car park, but this has been addressed by an adjustment to the traffic signals which can be changed remotely to clear car park backlog when required.

We asked if there was any help available for the Oystermouth Road guesthouses and heard that you have received no requests for support. In addition, there are mechanisms such as Transforming Towns grants and free loans from the Bank of Wales should there be a need. We asked about the specifics regarding the financial return for the Council and heard that rent is paid to the Council in addition to a service charge for Copr Bay, a ticket share and profit from VIP lounges. This is before a profit share on the Arena comes into play in due course. Officers reported that Urban Splash were motivated to bid for Swansea in part due to progress being made with the Arena.

Regeneration Programme / Project Monitoring Report Copr Bay

We received an update on progress on the painting to steelwork in the car park which will be completed by the end of this year. We asked about interest in the commercial units and heard that this has been significant with the units being handed over in the next month.

Shaping Swansea

We heard that the masterplan is progressing at the St Thomas site and at the Hafod site architects have been appointed. Also, meetings have been conducted with the Design Commission for Wales. We would be interested in hearing from Urban Splash in the future when appropriate and asked for clarity on the number of masterplans, we were informed there are separate masterplans for each of the major schemes. When asking for an update on the footpath from the bridge to the stadium we heard that the Hafod site in general is part of a Levelling Up Fund Bid and is a Council led development. The path has undergone site investigations and awaits the bid outcome. In addition, the Shared Prosperity Prosperity Fund bid for Swansea central and waterfront sites is due imminently.

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Swansea Central North

We were informed of positive tenant engagement on the 350,000 square foot of office space. After requesting more information on funding and whether there is a limit to the number of LUF bids, officers informed us there has been encouragement from UK Government to continue to submit LUF bids and that the Shared Prosperity Fund bid is a small amount which will be used to further develop the plans.

71/72 The Kingsway

We had some concerns about appetite for office space due to the growing number of home working employees post Covid but heard that there has been considerable interest in this site and there is confidence in filling the space. We asked if this interest is businesses moving from offices already in Swansea or attracting new business and we told there is a mix and that this site provides a high specification of office space not currently offered in Swansea. We asked for the completion estimate and were given between first and second quarter next year for occupation. On inquiring about the Hacer building behind, officers assured us these developments are in cohesion. This led to us querying the future of the former Barclays building and we were updated that this site is likely to be marketed to the private sector. We raised concerns about Picton Arcade given that there will be new access between the Kingsway through to Oxford St. We were made aware that a cut through is being considered but there are issues with floor level, we hope these can be resolved as without this there could be significant impact for traders.

Castle Square

We queried whether the Castle Gardens development is all Council funding and heard that there is a substantial Welsh Government transforming towns grant. We were given a completion estimate of 2 years. We also asked officers to chase up the public information boards that have not yet been installed down Wind Street. We asked for an update on the ongoing issue with scaffolding on the old David Evans building and were advised this is a private legal issue going back several years.

Skyline

Further to the public questions on Skyline we were interested in the breakdown on funding which we will explore further in a closed session.

Powerhouse Redevelopment Hafod Copperworks and Palace Theatre

We were informed that the Penderyn site opening is imminent, and that this development will feed into the wider masterplan for the Hafod area which will also include Skyline. We shared our appreciation of this development and the revitalisation on this area. You shared the Councils commitment to restoring heritage buildings

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including the Palace Theatre which are being restored with a view to providing an ongoing sustainable purpose.

Levelling Up Fund – Lower Swansea Valley

We found the Colliers report interesting and noted it sees potential for more than 300 new hotel rooms across the city which would support a growth in conferencing. We heard that there is demand from operators and that the hotel next to the Arena would be built by the private sector but would need elements of financial support to make it viable. We asked further about the development at the Strand Arches and you reflected that this development will complement the large amount of student accommodation in this area as well as the heritage of this site. We wondered if this student accommodation could be used by tourists and conference attendees when vacant in the holidays.

Overall we are pleased with the achievements and reflections of the Arena's first year and with the updates on other developments. We want to reflect the large amount of money that the people of Swansea have invested in many of these developments, and it is up to us as Councillors to ensure this money is invested wisely to ensure the benefit of the people of Swansea.

Your Response

We are interested in any thoughts you may have on the contents of this letter but, in this instance, we require no formal written response.

Yours sincerely,

Councillor Chris Holley

Convener, Development and Regeneration Scrutiny Performance Panel

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