



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

*Please ask for:
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Overview & Scrutiny

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26 February 2020

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 27 January 2020. It covers the Dashboard Report and the Digital Village.

Dear Councillor Stewart

We would like to thank you, Phil Holmes, Huw Mowbray and Gareth Hughes for attending to present these items and respond to the Panel's questions. We appreciate your engagement and input.

We are writing to you to reflect on what we learnt from the discussion, share the views of the Panel, and, where necessary, raise any issues or recommendations for your consideration and response.

Dashboard Report

We received the usual monitoring update on the regeneration projects in Swansea. We are pleased by the progress on these projects overall but we do have some observations we would like to share with you.

Swansea Central Phase 1

Main contract – We were informed that 10% of ground works have been completed. We heard that the main contractor is having trouble finding local suppliers as there is so much building work going on locally that local contractors do not have any

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capacity. We were informed that only major packages have been tendered so far and that small packages will be tendered in the next 6 to 7 months. We would like to see the figures (%) for local suppliers used as Swansea Phase 1 project progresses.

We requested, once again, to see a copy of the contract for the arena. It was agreed that this will be provided, and we noted that it is confidential as the Council has a Non-Disclosure Agreement with the contractor.

Green wall – We heard the application is progressing for a green infrastructure grant and that £5m is available for Wales. We heard that if successful, it will enable more mature plants to be used in green wall planting than otherwise planned.

Digital – We heard the procurement exercise has commenced for a new broadband provider. We felt this exercise should have commenced earlier. We heard that the cabling being installed is the Council's so will keep competition going and allow the Council to choose partner.

Hotel – We heard the draft lease has been issued to the preferred developer and that you are confident funding is there for the hotel but are waiting for it to be finalised.

Swansea Central – Public Sector Hub

Public Sector Hub – We expressed concern that people from other parts of Swansea will be moved into this hub. We were informed there may be some which move but you also expect some potential new occupiers.

City Centre Transport – We queried when the masterplan will be completed. We were informed this is not known. In the report under risks it says there may not be enough parking available. We feel this is a key risk for the arena and the hub. We heard that the Council's general policy is to reduce parking and have a robust transport plan and that this will be a real test. We heard a robust travel plan will be needed before planning consent is given to build. We would like Stuart Davies to come to the Panel to get an understanding of where we are with the transport plan. We have scheduled this for the Panel meeting on 18 May 2020.

Kingsway Infrastructure

Green landscaping – We heard that as much as possible is being done to prevent people entering green areas again.

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We raised that concern that people are parking on new paving as there are no curbs. We were informed that the introduction of public realm should help stop parking.

We expressed our concern about a build-up of traffic with the Kingsway having one lane in each direction.

We heard that a number of spaces have been built in along the Kingsway in case a vehicle breaks down etc.

We were informed that the project total cost is circa £12.7m and that the contractual works cost may increase as a consequence of the original contractor Dawnus going into administration and employment of Griffiths the second placed tenderer. We heard that Dawnus failed to correct defects before going into administration but that the Council took out a bond against such a situation arising (in the region of circa £500k), and this provides a significant buffer against the additional costs of repairing the defects. We also heard that final costs are not yet known and will be known following a commercial assessment at the end of the project. Currently the project is within budget but the contingencies are likely to be drawn down. The Panel would welcome sight of the final cost details.

Kingsway – Strategy and Digital Village

We feel it is important to have links in place with Swansea University. We were informed that you do not see any competition with the Tech hub as they are on a different scale.

We stated that we would like to see the Welsh Development Bank have more involvement in the area. However we were informed that it is not cheap in terms of the offers it provides and that all these aspects need to be brought in as part of the overall survey of the hub.

City Deal

We were pleased to hear that terms and conditions have been agreed.

We heard that £18m has now been released to Carmarthenshire Council as the lead and that Swansea Council will receive its share of this in due course. We understand that the release of the City Deals monies will be drip fed over 15 years and not in lump sum advance payments, but to date no monies have been released. We also heard that there are ongoing regional discussions about how the £36m will be received over the next 10 years.

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Castle Square

We were informed that a Development Manager has been appointed and that we are having on-going discussions with CADW to ensure they do not object to how the Council moves forward.

Felindre

We heard that the marketing strategy is being reviewed.

Swansea Bay Regeneration

We heard that this project is about reinforcing the sea wall and that Mumbles bus station will be considered as part of the proposed sea wall project, as the Council will probably not get any funding for the bus station without sea wall reinforcement being carried out.

External Funding

RDF Priority 4 – We expressed concern about future funding. We were informed that consultation will be coming out from WEFO – “Future Regional Investment in Wales”, probably sometime in March 2020 and that this will be used to allocate the Council’s share of the fund. It was suggested that the Panel looks at this.

Digital Village – Designs and Plans

We received a presentation giving an overview of Swansea Regional City Deal project, 71 and 72 The Kingsway Redevelopment.

We feel Picton Yard needs to be part of the travel plan and access for deliveries needs to be restricted to certain times for safety.

We would like to see shop frontage on the Yard and on the walk through to Oxford Street.

We heard that the internal building will have adaptable work spaces and meeting areas so is suitable for a mix of different size businesses.

We were pleased to hear that there will be showers and storage facilities in the building for cyclists.

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We expressed concern as a great deal of quality office accommodation is being built in Swansea and it will cost money to run and it is unlikely in the first few years to have enough rental to cover running costs. You told us that you have confidence there will be enough occupancy to proceed with the project.

We heard the current level of rent in the city centre is not commercially viable and you are trying to drive this up. We also heard that the gap is currently being filled with City Deal money.

We were informed the contract should be awarded by the end of this year. £30m is the estimated cost for this project.

We also received an update from Cllr Robert Francis-Davies on the Targeted Regeneration Investment Programme and we will be writing to him separately on this.

Your response:

We hope you find this letter useful and informative. We would welcome your comments on any of the issues raised, but in this instance, a formal written response is not required. However, please provide the following:

- Figures (%) for local suppliers used as Swansea Phase 1 project progresses.
- Copy of the contract for the arena.
- Final cost details for the Kingsway Infrastructure when available.

Yours sincerely,

Councillor Jeff Jones
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