



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

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**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**