



CITY AND COUNTY OF SWANSEA
DINAS A SIR ABERTAWE

**To/
Councillor Rob Stewart
Leader / Cabinet Member for
Finance & Strategy**

BY EMAIL

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Dyddiad:

Summary: This is a letter from the Scrutiny Programme Committee to the Leader / Cabinet Member for Finance & Strategy following the meeting of the Committee on 9 January 2017. It is about City Deal, Budget, Regionalisation, Oceana Building, and City Centre Regeneration.

Dear Councillor Stewart,

Cabinet Member Question Session – 9 January

Thank you for attending the Scrutiny Programme Committee on 9 January 2017 and answering questions on your work as Leader / Cabinet Member for Finance & Strategy.

We wanted to explore priorities, actions, achievements and impact, in relation to your areas of responsibility.

Things you highlighted to the committee included developments in relation to:

- the Swansea Bay City Deal
- the Council budget
- the Regionalisation Agenda, and
- City Centre Regeneration

These topics provided the focus for our meeting. We are writing to you to reflect on what we learnt from the discussion to share the views of the committee, and, where necessary, raise any outstanding issues / actions for your response. The main issues discussed are summarised below:

OVERVIEW & SCRUTINY / TROSOLWG A CHRAFFU

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City Deal

We noted progress in relation to the City Deal proposal which was now awaiting Central Government approval. You talked about the collaboration across the Swansea Bay City Region between the local authorities, health board and universities to develop innovative proposals which will turn the region into a digital hub, using technology to transform the economy, the future of energy and the delivery of health and social care.

You gave examples from the 11 individual projects across the region that together will attract investment and create a significant number of the jobs, including a digital district on the Kingsway, and a life science campus at Morriston Hospital. You stated that one of the City Deal projects related to the development of 5th Generation communication networks.

We noted that a decision from the UK government was expected in the next few weeks.

We asked about the financial contributions and commitments by partners across different sectors to the City Deal. You told us that the City Deal very much depended on real commitments and one of the strengths of the proposals were agreements with the private sector and other partners to bring businesses to the Kingsway and City Centre. You added that the plan was supported by over a hundred different organisations. We have learnt that private sector commitment amounts to £673m, compared to £360m from public sector, and £241m from Government.

We also heard about work led by Sir Terry Matthews that will focus on encouraging and helping graduates in the area to start up, develop and grow their business ideas in this region. We asked about the sort of approaches that this might involve, and the need to learn from experiences with the Technium concept for business incubation.

We also asked about comparisons with the Cardiff City Deal which was approved last year. Overall you felt that the Swansea approach was different in that proposals were more developed with clearly defined projects, and agreed investment levels and projected outcomes. Therefore you felt that Cardiff's plans and Swansea's plans were effectively at the same stage.

Budget

We were aware that public consultation on the budget was currently open and that the budget was scheduled to be agreed by Council on 23 February 2017. You highlighted a £16m budget deficit and at the same time some areas, particularly social care were in need of increased spending of approximately 4%. You told us that progress was being made, particularly with improvements and savings from Commissioning Reviews, however, this still

remained the 3rd most difficult year on record in terms of savings which had to be achieved.

We also noted that there has been an agreement to create an All Wales investment pool between the 8 regional Pension Funds to reduce administrative costs for each fund. We understood a joint committee to oversee this arrangement was being set up.

Regionalisation

You informed the committee that Councils are being asked to comment on the best regional collaborative footprint to follow in the future. We noted that the Welsh Government are looking at creating one consistent footprint, as there are already a number of different regional partnership approaches e.g. Western Bay, City Regions and Education through Regional Working using different footprints. We felt that Council discussion about the future direction was merited before any response is made.

Oceana Building

We followed up on our discussion with you in November about scrutiny of the demolition of the Oceana Building and issues relating to the asbestos survey which resulted in a significant increase in demolition costs to the Council.

You commented that the asbestos contained within Oceana was very unusual and had been used in a very unique way. You also pointed out that there was no purchase price for the building but the Authority had entered into a lease exchange agreement. You emphasised that without the acquisition of Oceana, investment on the Kingsway as part of the City Deal could not be delivered. Despite the issues, you added that the overall position was still very positive.

We asked about this project and the role of the Development Cabinet Advisory Committee in reviewing this matter. Committee Members raised questions concerning the work carried out to inspect the building for asbestos and value for money, and re-iterated the need for scrutiny.

Following discussion about scrutiny and the involvement of the Cabinet Advisory Committee please note that the Scrutiny Programme Committee wishes to examine the demolition asbestos survey / contract award in respect of the Oceana building, and requests access to all documents. We are liaising with relevant officers on this.

City Centre Regeneration

We asked about how the Kingsway will develop and the overall size of the scheme given the acquisition of land beside and behind the Oceana building. You talked about the lack of office accommodation and the creation of high quality, flexible and useable office space in the City Centre to address current deficiency. We understood that the acquisition of adjacent buildings would provide for better access routes as part of the new development.

As well as aiming to increase the number of people working in the City Centre, you also highlighted the need to increase the number living in the City Centre. This led to a discussion about student accommodation and issues that have been raised about the number of houses in multiple occupation (HMOs), and the approach to controls. We were aware that a proposed student complex on the Kingsway would soon be coming forward for planning permission. You mentioned that draft Supplementary Planning Guidance is about to be issued which will seek to introduce sensible controls. You felt that high density student developments may prevent the saturation of HMOs, but of course these were matters for the Planning Committee to determine. You were clear that there was a need to accommodate students but also a need to balance this with a desire for strong communities.

We talked about plans for the re-location of staff from the Civic Centre and for the Central Library. You told us that whilst earlier thinking had envisaged staff moving to the Oceana building, a different base would now be sought in the vicinity. We noted that the Library would move to the City Centre core but all options were open with regard to precise location. We learned with interest that a report on an accommodation strategy would be coming forward to Cabinet in February. We will be carrying out pre-decision scrutiny on this report.

We looked forward to seeing and hearing more about plans for city centre regeneration, in particular the St David's site. Members recalled many years of seeing 'artists impressions' without progress and asked about the delivery of ideas currently being publicised, such as an arena. You confirmed that the search for an arena operator was currently in progress. You mentioned some of the confirmed developments within the City Centre to demonstrate successes (e.g. Mariner Street, High Street) and plans to improve further (e.g. Wind Street, Parc Tawe, Castle Square, St David's / Civic Centre). You felt there was developer confidence in Swansea, and the success of development such as that at Oystermouth Square, Mumbles delivered a clear message for the City as a whole.

Your Response

We hope that you find the contents of this letter useful and would welcome any further comments however **we do not expect you to provide a formal response.**

We will arrange to follow up on portfolio developments and hearing about achievements and impact in due course.

Yours sincerely,

Mary Jones

COUNCILLOR MARY JONES

Chair, Scrutiny Programme Committee

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