



City and County of Swansea

Minutes of the **Scrutiny Performance Panel – Development & Regeneration**

Committee Room 5 - Guildhall, Swansea

Tuesday, 15 May 2018 at 10.00 am

Present: Councillor J W Jones (Chair) Presided

Councillor(s)

S J Gallagher
C A Holley
P K Jones

Councillor(s)

D W Helliwell
P R Hood-Williams
G J Tanner

Councillor(s)

T J Hennegan
M H Jones
T M White

Officer(s)

Bethan Hopkins
Clare James
Huw Mowbray
Ben Smith

Scrutiny Officer
Economic Development & Projects Officer
Property Development Manager
Head of Financial Services & Service Centre and Section
151 Officer

Apologies for Absence

Councillor(s): E W Fitzgerald
Co-opted Member(s):
Other Attendees:

1 Disclosure of Personal and Prejudicial Interests.

None

2 Minutes.

Approved

3 Business Case Discussion

- The Swansea Bay City Deal is eleven projects, with one managed by Swansea
- The project is hoping to create a footfall in the city centre.
- Hoping to create and retain businesses in the city centre
- The project creates a life cycle for businesses with a range of property locations.
- There is a need for a venue for major international conferences

- This version of the business case is the revised version with feedback from Welsh and Westminster Government
- An inter-government agreement needs to be signed before the governance for the City Deal can come into force.
- None of the issues/questions raised via the feedback process has raised any concerns
- The business case including financial implications needs to be approved through Council procedures before it progresses to implementation
- The Panel commented that this project seems costly given the job outcome figures.
- The advice around rent assessments was completed by a company called Cushman Wakefield, the Panel felt that these figures were optimistic
- There is already private investment in the Kingsway and the catalytic effect of the work being undertaken cannot be underestimated
- There will also be a range of income streams such as car parks which will support the projects
- The final fixed cost through the construction tender process will not be secured until the first quarter of next year
- The initial works are scheduled for August 2018 with a pause for Christmas then a remobilise for February 2018 and completion in November 2020
- Swansea has the largest Tech Hub outside of London so needs to accommodate the businesses who are developing there
- The Council are currently undertaking work which would have been done in spite of the City Deal but should the money not flow properly from Welsh Government once it is all approved, the financial obligation will be to look whether it is viable to proceed
- The Council are working up the project at risk subject to the City deal being finalised. This is the same as the other 11 City Deal projects.
- The initial spend will be over a very compressed timescale as the money will flow over a 15 year period from Government and the projects need to be completed so they can start creating an income stream.
- 50% of NNDR raised through rates on City Deal projects has been agreed as being retained by councils.
- There will be limited financial return in the short term – income will not be received for the first year.
- Swansea rentals are quite low so there is opportunity for growth
- Regional projects such as 'Factory for the Future' are important because they encourage investment in the region
- The universities increasing their range of courses etc is feeding into this because lots of people want to study and develop businesses in Swansea. Students spend money and encourage investment, it is a growth area
- The due diligence needs to be done when building these structures. The costs have to be correct
- A risk matrix for each project would be beneficial
- The Council would secure tenants for buildings before any work started
- The Federation of Small Businesses have made it clear that they would like to tender for some of the work but don't have the knowledge and capacity to be able to take part in the tender process

- Business Wales have offered to deliver bespoke training around the tendering process so smaller organisations can take part
- The major contractors are being encouraged to use local businesses as the sub-contractors to buoy the local economy

4 Development and Regeneration Overview Update

- The Panel would have liked to have seen more information populated in the spreadsheet with more detail around project positions
- The spreadsheet will be required to be updated at every meeting so the Panel can maintain a monitoring approach to the development and regeneration projects in Swansea

5 End of year review

- The Panel read through the overview report and were happy with progress so far
- Next year the Panel would like to invite various Cabinet Members to attend and give their view and would like to explore areas of development outside of the City Centre

6 Work Plan 2018-19

- Work Plan agreed in theory – Planning and Student Accommodation is to be moved to the top of the list
- The draft work plan has been developed with 6 meetings in mind (based on the Panels request to increase frequency) however, this may change if the frequency increase is not agreed and it will revert back to 4 meetings per year

The meeting ended at 11.30am

Chair