



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

*Please ask for:*  
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**BY EMAIL**

*Date*  
*Dyddiad:*

4 May 2023

**CC: Cabinet Members**

**Summary:** This is a letter from the Development and Regeneration Scrutiny Performance Panel to the Cabinet Member for Investment, Regeneration and Tourism, following the meeting of the Panel on 20 March 2023. It covers the Audit Wales Report on Town Centre Regeneration and the Regeneration Programme / Project Monitoring Report. This letter does not require a response.

Dear Cllr Francis-Davies,

On the 20 March, the Panel met to consider the response to the Audit Wales Report on Town Centre Regeneration and the Regeneration Programme / Project Monitoring Report. We are grateful to yourself and officers for their attendance and contributions.

### **Audit Wales Report on Town Centre Regeneration**

We noted that the Audit Wales Report reflects on a broad sweep of issues over a number of decades and does not reveal anything that was unknown or unfamiliar to the Panel or to you and your officers. You shared with us your positivity for the future and ambitions for the City Centre with an emphasis on doing things in a way that is right for the benefit for the people of Swansea.

Through addressing the themes in the report the officer highlighted how City Centre needs have changed over time and getting the right balance is key, including the regeneration of older buildings. Going forward the City Centre will cater for a mix of uses with flexible spaces that can be changed as needs change. Smaller units have proved popular and housing above shops has been added, forming new communities and increasing trade. You discussed having a long term approach including support to micro businesses which make up around 95% of business in Swansea which in turn supports the multiple communities around Swansea. Communication channels with public bodies were also highlighted as important with dialogue across all sectors, taking into account procurement frameworks particularly when resources are scarce. This allows for decisions to be made quickly when needed.

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The officer highlighted some of the support available including Place Making Grants, Place Plans, strategic projects and private sector schemes with a mix of loan and grant funding to plug viability gaps. In addition there is the Town Centre Loan Fund of which Swansea is the biggest user in Wales. There is also a live Enforcement Action Plan which with support from Welsh Government, works with problem buildings to find resolution to avoid enforcement where possible. The Economic Recovery Fund has also been a helpful source of funding and has supported a number of micro businesses.

The report comments on the Town Centre First Policy not yet being fully embedded. The Council are using Place Plans to pull together all the different strands of this Policy which officers reported is an ongoing journey to keep all these things in balance, listen to what people want and nudge things in the right direction.

We are mindful that many issues outlined in the report have affected all towns and cities in Wales. We would be interested to know how other Local Authorities in Wales have responded to the Audit Report but are aware this information is not available. We would be interested in the Welsh Government's response to this report because they have the opportunity to provide proper guidance and strategy for Local Authorities in Wales and have not done so. Your officers felt that in regards to guidance, the Place Plans do provide a template for Welsh Local Authorities and provides an opportunity to consider actions. Whilst we agree that Place Plans have a role we still feel there would be benefit from a national strategy instead of relying on Councils doing place making as part of planning rather than as part of regeneration.

We commented that retail will continue to reduce in the City Centre with larger businesses going online and query whether this provides an opening for smaller local businesses. Your officer echoed this and said that many smaller businesses' have been successful with some building their businesses into smaller local communities.

We have concerns that Local Authorities will be required to intervene in the development process by supplying incentives to the private sector to invest in Swansea. This may be a reflection of the spending power Swansea has and perhaps the profit margins are not significant enough for businesses to invest in Swansea. Your officers discussed their aim to create affordable spaces for a variety of business with the private sector coming forward in increasing numbers.

Overall we feel that Swansea is moving in the right direction and are grateful to the work of officers to capitalise on grant opportunities and that we are starting to see more private sector developments.

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## **Regeneration Programme / Project Monitoring Report**

### **Copr Bay**

We were informed that snagging is progressing and that there are ongoing discussions to finalize works relating to the painting of the steelwork in the north block. It was clarified that this would be at a cost to the contractor. It was reported that the ticket sales had gone up to over 200,000 and that the Arena's capacity fluctuates depending on the layout. We asked how the ticket sales compare to the business plan and were told that it is probably slightly less but the business plan is based on maturity in year 3 with plans to break into the conference market.

We asked for an update on the hotel development and were informed that there is a developer but funding is an issue therefore a Town Centre Loan is being considered which officers aim to report to Cabinet on in May. We had concerns about how much intervention was coming from the Council and the lack of private sector funding, your officers informed us that this is due to the value of hotels compared to the building costs however work is ongoing to find a viable solution whilst providing a quality development in keeping with the Arena and bridge which has been nominated for a planning award.

We fed back to officers that the play park is in need of a few repairs and as a flagship scheme it is important these are dealt with quickly but the officers were aware of this and provided reassurance these were being dealt with.

We were informed that the Swansea Marriott Hotel has rebranded and upgraded and the lack of competition with other hotels was discussed. We asked about a historic restrictive covenant attached to the Marriott and your officer informed us the covenant says hotels cannot be built on land that's adjacent, therefore further conversation will be required about what this means and to provide support to the Marriott going forward in relation to the new hotel and the development of the Civic Centre.

### **Shaping Swansea**

As Shaping Swansea was unsuccessful with a Levelling Up Fund (LUF) bid, we were informed that other funding sources are being explored through ongoing discussion with Welsh Government and there is a further round of LUF coming up.

### **Swansea Central North**

We heard that Urban Splash are looking at the first development phase and discussions are being held with Welsh Government for gap funding whilst Urban Splash will provide private sector funding. The gap funding needs required are currently in discussion.

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### **71/72 The Kingsway**

We were updated that construction is advancing, with the build now up to first floor level and that marketing and branding agents are now in procurement stages. We asked for an update on the letting of the property as we had been informed at a previous Panel that some of the space had already been let. Officers reported that 25,000 square foot is under offer and the letting agents will advertise the rest of the space.

We inquired if there were any supply chain or cost issues and were informed that although there are, due to the Council's fixed price contract these costs will be for the contractor. However, help will be given to the contractor where possible in regards to making changes that won't impact the quality or end maintenance.

### **Civic Centre Relocation**

The officer reported that meetings being held with Cadw in regards to the potential listing. Urban Splash are also working on the designs.

### **TAN15 Development and Flood Risk**

We heard about the recent work that has gone into TAN15 by officers and that Welsh Government have gone out for consolation again with the original document suspended and an updated version likely to be available in October. We asked further about the areas of concern and how the changes to TAN15 will make a difference, we were informed that Swansea City Centre is largely a zone 3 flood risk area which is the highest risk. The changes to TAN15 will allow works to be carried out in these zones with mitigation. The Hafod area isn't as badly affected as was previously thought so the flood maps will be changed accordingly.

### **Skyline**

We heard that the initial public consultation has been completed with a positive response overall. This will be included with the planning application which is aiming for a July submission. We hope that unlike Castle Square this will be brought before Planning Committee as there are some issues with this that need to be heard in the public domain.

We asked about the total development cost and were informed it is around £40m with around £36m coming from Skyline. We noted the £3 million grant from Welsh Government which had recently been in the news and raised concerns that the article reported Swansea Council were also in negotiation about putting funds into Skyline. We asked why this was required as the amount from Skyline and the Welsh Government Grant seems to cover the total costs. We were informed that money from

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the Council was never ruled out and that some funding would be required to reduce Skyline's Internal Rate of Return from around 13 years to 10 however this has not been finalised. Whether this is a loan or grant is part of the ongoing discussion and final costs are variable. We would like an update to the Panel on these discussions when available.

After asking when the development may start the officer informed us Skyline are aiming for December 23/January 24. We asked for an update on the potential move of the nearby park and ride and were told this is still with the highways department with various options being considered and ongoing discussions with the stadium.

### **Powerhouse Redevelopment Hafod Copperworks**

We were updated that Penderyn have taken partial occupation and begun fit out. We queried why additional funding was being sought and was told there were some ongoing additional costs due to the complexity of the site.

### **Laboratory Building**

We were informed that scaffolding is up and it is ready for refurbishment. As the LUF bid has been confirmed, discussions are underway to move this development forward.

### **Lower Swansea Valley**

This development is also part of the successful LUF Bid and we were informed that further details will be supplied to us due course with teams being put in place and completion aim of March 2025.

### **Palace Theatre**

Officers report this is well underway with a completion aim of the end of 2023, we felt this may be optimistic. You highlighted the positive report from the Theatres Trust regarding the development. We asked if there were any cost issues, it was reported that there have been issues with cost escalation but these were the same issues affecting all capital projects at the current time. Officers gave assurances that this was being managed and were looking to secure additional grants.

### **Inward Investment**

The Council hosted an event welcoming various partners from around Swansea to present to the Welsh Government Invest team to highlight Swansea's offer. This work is ongoing and details are confidential however the Panel would be interested to have those details at some point in the future as it is important that Members see what the investment pattern looks like.

### **Copperworks Pontoon**

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We were updated that quayside railings are being installed, including lighting along the footpath. The lease been completed with the Duke of Beaufort and procurement for the main work is complete with completion in early summer. We asked for an update on work to join up the Hafod end of the boardwalk. We were informed that survey works have commenced there.

We also asked about the plans for the other pontoons and were informed that Urban Splash are drawing up plans for the pontoon on the St Thomas side of the river with two further pontoons, one at High Street and one near the bascule bridge also planned for a later phase. We queried when the bascule bridge will be repaired and were informed that repairs have begun and have received a further grant award from Cadw to help with purchase of timber.

### **Exclusion of the Public**

For the next municipal year we would like to receive more information regarding costs and financing in relation to a number of projects. We will therefore be adding closed sessions at the end of Panel meetings when appropriate. The next closed session will held at the end of our Panel meeting on Tuesday 11 July 2023.

### **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 Performance Panel

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