



**To/
Councillor Rob Stewart, Cabinet
Member for Economy & Strategy
(Leader)**

**Councillor Clive Lloyd, Cabinet
Member for Service Transformation
& Business Operations**

BY EMAIL

*Please ask for:
Gofynnwch am:*

*Direct Line:
Llinell Uniongyrochol:*

*e-Mail
e-Bost:*

*Our Ref
Ein Cyf:*

*Your Ref
Eich Cyf:*

*Date
Dyddiad:*

Scrutiny

01792 637257

scrutiny@swansea.gov.uk

SPC/2017-18/9

15 November 2017

cc: Cabinet Members

Summary: This is a letter from the Scrutiny Programme Committee to the Cabinet Members for Economy & Strategy (Leader) and Service Transformation & Business Operations following the meeting of the Committee on 13 November 2017. It is about a proposed cabinet decision on the Liberty Stadium.

Dear Councillor,

**Pre-decision Scrutiny of Cabinet Report:
Liberty Stadium**

The Scrutiny Programme Committee met on 13 November to consider the report that you are presenting to Cabinet on 16 November, and give a view on the proposed decision.

We thank you and relevant officers for attending our meeting to present the report and answer our questions. Your report concerned commercial negotiations between Swansea City Football Club and the Council on existing lease arrangements. We noted the proposal to revise the existing headlease and benefits to the Council, including the sum of £300,000 per annum rent that will be payable to the Council.

OVERVIEW & SCRUTINY / TROSOLWG A CHRAFFU

SWANSEA COUNCIL / CYNGOR ABERTAWE

GUILDHALL, SWANSEA, SA1 4PE / NEUADD Y DDINAS, ABERTAWE, SA1 4PE

www.swansea.gov.uk / www.abertawe.gov.uk

I dderbyn yr wybodaeth hon mewn fformat arall neu yn Gymraeg, cysylltwch â'r person uchod
To receive this information in alternative format, or in Welsh please contact the above

Overall the Committee welcomed the agreement with the Football Club that will see not only a guaranteed cash income to the Council but a percentage of any naming rights deal, and community benefit (3G pitches). We recognised that without a new deal the current arrangement, which requires no rental payment, could continue for the remainder of the original lease – 38 years. Given the unprecedented success of the Football Club over the period since the original lease was signed in 2005 we agreed that it was right to revise the terms.

We asked about the benefits that the Football Club will realise from the agreement and implications on the Council's role and responsibilities. We were satisfied that the proposed terms represented a fair deal for both parties. We also recognised that there are economic benefits to the city from having a Premier League football team, therefore development on and off the field was in everyone's interest.

We understand there will be a legal process to conclude the agreement, and that the Director of Place, in consultation with the Cabinet Member for Service Transformation & Business Operations will be authorised to finalise terms.

There was particular concern about what will happen to the stadium sinking fund. We would expect the Football Club to continue to pay, independently valued, reasonable sums into a 'sinking fund', with its responsibility for the management, maintenance and repair of the stadium. We were told that:

- the 'sinking fund' for the stadium is in place and is the responsibility of SSMC (Swansea Stadium Management Company) to ensure there is sufficient monies to fulfil its repair and maintenance obligations.
- the new lease will not change this and the annual inspection of the stadium by the Council will continue after the changes to the lease are made and will ensure these obligations are fulfilled.

The Committee noted that there are items currently under dispute, specifically the paintwork related to the structural steelwork and concourse flooring issues, and as such we were advised that these could not be discussed in open forum. We were interested in what bearing this had on the negotiations and would like to be informed of the final resolution of this matter.

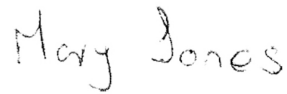
Finally, I am unable to attend the cabinet meeting on Thursday to feedback the committee's views as contained in this letter. However, the vice-chair, Councillor Terry Hennegan will attend in my absence.

Your Response

We would be grateful for a written response to this letter so that the Committee is informed of the decision taken by Cabinet and its consideration of the views expressed by the Committee, whether accepted or rejected.

It would be helpful to receive your reply to this letter by 6 December. We will then include both letters in the agenda of the next available committee meeting.

Yours sincerely,

A handwritten signature in black ink that reads "Mary Jones". The script is cursive and slightly slanted to the right.

COUNCILLOR MARY JONES

Chair, Scrutiny Programme Committee

✉ cllr.mary.jones@swansea.gov.uk