



**To/
Councillor Rob Stewart
Leader of the Council / Cabinet
Member for Economy & Strategy**

BY EMAIL

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Summary: This is a letter from the Scrutiny Programme Committee to the Leader / Cabinet Member for Economy & Strategy following the meeting of the Committee on 8 January 2018. It is about the Budget, Regeneration & Major Projects, City Deal, Corporate Priorities, Tidal Lagoon, and the External Funding Panel.

Dear Councillor Stewart,

Cabinet Member Question Session – 8 January

Thank you for attending the Scrutiny Programme Committee on 8 January 2018 and answering questions on your work as Leader / Cabinet Member for Economy & Strategy.

We appreciate you providing a written paper, giving headlines from your portfolio, in support of your appearance. The Q & A session gave us an opportunity to explore priorities and achievements in relation to your wide-ranging areas of responsibility.

We are writing to you to reflect on what we learnt from the discussion, 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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Budget

We referred to the budget and acknowledged existing arrangements in place to question budget proposals, led by the Service Improvement & Finance Scrutiny Performance Panel. You will have been invited to appear before the Panel on 14 February. Therefore we avoided direct questions about the budget at our Committee meeting. However, you highlighted the significant financial pressures facing the authority and the funding gap. We noted your concern about the impact of continued austerity and the lack of protection for local authority education and social services by government, unlike for health.

Regeneration & Major Projects

You took the opportunity to highlight progress on a range of developments, particularly work in the city centre (Swansea Central, Kingsway, Castle Square, Mariner Street, Hafod Morfa Copperworks, Skyline)

Swansea Central

We noted the current position with regard to the scheme, which includes development of an arena, car park, hotel, and residential units. You confirmed that the authority was currently inviting tenders for the construction contract, with the projected completion by July 2020 of the arena, car parks and public realm.

With regard to the arena we asked about the negotiations with the expected operator, Ambassador Theatre Group, which we understood were at an advanced stage, and the availability of a business plan for the arena. You clarified that the Council was engaging with the Ambassador Theatre Group at the design stage, and that the business plan for the operation of the arena would follow agreement. You said you would confirm the timing of this.

We discussed the need for Swansea to compete with other cities, and the economic benefits of having a large multi-functional arena, as a heartbeat, that could provide a regular flow of people to visit, stay, and shop in the city centre, whether to attend concerts, shows, or conferences.

We did express some concern however at the current level of hotel capacity to accommodate additional visitors. You explained the Council had limited powers to develop hotel accommodation but were confident that the arena will drive investment in hotels, restaurants and shops in the area. You were satisfied that current provision would not jeopardise the launch of the arena, and as construction of the arena progressed you would anticipate interest from hotel developers.

We were also concerned about the competitiveness of the arena with others, particularly given Cardiff's plans for an arena. You told us that Cardiff's plans appeared to be aiming at a different market.

Hafod Morfa Copperworks

You reported on the restoration of the Powerhouse at the Hafod Morfa Copperworks which will see it become the home of Penderyn's new distillery and visitor experience, with expected completion in 2020. We asked about possible impact on the warehouse which houses the Swansea Museum Collections Centre, and the Park & Ride car park.

Wider Regeneration and Strategic Sites

Amongst wider regeneration activities you reported that there has been good progress in bringing forward development opportunities outside of the city centre. You referred to Felindre Business Park, and Tregof residential sites located at Swansea Vale and stated that these will come to the market at the beginning of 2018. We asked about the effect of future development opportunities on current parking on the site at Felindre. You stated that there will be liaison with the DVLA and ABMU Health Board, whose staff currently utilise the temporary car park to address any impact.

City Deal

We heard that it is envisaged that a Joint Committee Agreement will be signed in the early part of 2018. We are interested in the governance structure and arrangements for scrutiny, and look forward to seeing this. We have noted that a report on this is currently listed for 26 April Council meeting.

We asked about the funding arrangements for the City Deal. We understood that funding will be over a 15 year period and each of the individual City Deal 11 projects will be subject of a detailed business case which will need to be submitted to UK and Welsh Governments for agreement, which will then enable release of relevant funds. You stated, however, that all four councils are progressing work ahead of funding in order to move forward quickly in delivery of projects. This meant Councils will potentially need to utilise capital borrowing to invest and deliver, however you stated that this did not add any additional pressure on the council budget as the income generated from the projects would cover the cost of the additional borrowing. We noted that some regeneration projects are part-funded by the City Deal.

We talked about comparisons between the Swansea Bay City Region City Deal and the Cardiff Capital Region City Deal. You highlighted that, despite the Cardiff City Deal having been approved much earlier than Swansea, our plans were further developed with clearly defined projects, and therefore more ready for the allocation of funding.

We asked about the sign off process for each of the business cases and whether Council would have a role. You confirmed to the Committee that once the business cases were agreed in principle by both governments they would be reported to Council for approval, as the Council will need to approve whether to proceed with the relevant projects and commit to the necessary expenditure and investment.

We touched on the funding and governance of cross cutting projects such as the Skills & Talent Initiative and involvement of colleges / universities and industry. We noted this cross cutting project is being led by Carmarthenshire Council, and the submission was awaiting approval by government. You stated that this project would be delivered through the existing Regional Learning & Skills Partnership which is made up of private and public sector members.

Corporate Priorities

You were alerted to a specific question that was going to be raised about alignment between Public Services Board (PSB) well-being objectives and the Council's Corporate Plan / Priorities. Some concern was brought to your attention that 'Working with Nature', which is a draft PSB objective, is not included in the Corporate Plan and should be, given the Council's obligation under the Well-being of Future Generations Act.

We noted that you took the opportunity to address this question in your written paper to the Committee. You pointed out that:

- the draft PSB Well-being objectives, along with the Council's duty under the Well-being of Future Generations Act Resilience and Global Responsibility Goals, are effectively reflected in the Council's Policy Commitments Statement.
- the finally agreed PSB Wellbeing Objectives will require a commitment from the Council and to review the Corporate Plan objectives accordingly - however the existing Well-being Objectives set out in the Corporate Plan together already seek to address and improve environmental well-being.

The Committee recognised the view that the natural environment and biodiversity may not have in the past featured as a specific priorities and that a clear 'well-being' objective, to mirror the PSB, would be positive step. It will be important that Council has the opportunity to review the Corporate Plan.

We touched on the work of the PSB generally. Our PSB Scrutiny Performance Panel recently discussed the PSB's draft Well-being Plan which is currently subject of public consultation. You remarked that you felt the Public Services Board was working well and recognised the challenges ahead. We want to see that the PSB and specific partners have clear / identifiable actions in delivering the objectives.

Tidal Lagoon

We recognised the efforts that have been made to promote the Swansea Bay Tidal Lagoon project and put pressure on decision-makers. We acknowledged that a decision is still awaited from the UK Government. We discussed some of the myths around the project including issues regarding the strike price and how it compares to other energy schemes. You stated that a lack of decision

is frustrating given the clear evidence that the project would be more competitive than off-shore wind and nuclear plants. We noted it has been one year since the publication of the Charles Hendry review report which backed the Swansea Bay Tidal Lagoon and urged government approval.

External Funding Panel

We took the opportunity to share our support for the application for funding by Hillside Animal Sanctuary, which was being considered by the External Funding Panel. As chair of the External Funding Panel we asked you to consider the work of the Sanctuary in helping the Council to manage issues related to the tethering of horses. You will be aware that a Scrutiny Working Group looked at the issue of tethered horses in 2016 – and is being followed up on 31 January. We understood that the Panel has difficult decisions to make given the available pot of funding, but highlighted the impact of their activities which results in savings to the council relating to horse management and welfare problems.

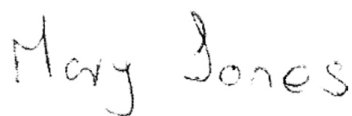
Your Response

In your response we would welcome your comments on any of the issues raised in this letter. We would be grateful, however, if you could specifically refer to our request for you to provide more information about the arena and likely development of a business plan.

Please provide your response by 21 February. We will then include both letters in the agenda of the next available Committee meeting.

We will arrange to follow up on portfolio developments and invite you to a future committee meeting in due course.

Yours sincerely,



COUNCILLOR MARY JONES

Chair, Scrutiny Programme Committee

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