



**To/  
Councillor David Hopkins  
Cabinet Member for Delivery**

**BY EMAIL**

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**SPC/2017-18/18**

**04 June 2018**

Summary: This is a letter from the Scrutiny Programme Committee to the Cabinet Member following the meeting of the Committee on 14 May 2018. It is about the City Deal, Commercial Activities, Economic Twinning / Partnerships, Local Business Engagement, Innovation / Collaboration, Planning, European Funding, and Local & Regional Investment Strategy.

Dear Councillor Hopkins,

### **Cabinet Member Question Session – 14 May**

Thank you for attending the Scrutiny Programme Committee on 14 May 2018 and answering questions on your work as then Cabinet Member for Commercial Opportunities & Innovation.

Firstly, we acknowledged what has been a challenging year for you personally because of ill health. You told us that some aspects of the portfolio were picked up by the Leader or other Cabinet Members, while you were unwell. It was good to see you in better health at the meeting.

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

**OVERVIEW & SCRUTINY / TROSOLWG A CHRAFFU**

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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:

## **City Deal**

We talked about 'The Factory of the Future', one of the 11 projects which forms part of the Swansea Bay City Deal. You reported that this is part of the smart and advanced manufacturing strand within the City Deal, which together with the Steel Science project, aims to develop and commercialise new innovations in smart manufacturing. It is anticipated that the Factory of the Future will support inward investment in leading edge technologies and harness opportunities associated with digital manufacturing.

We noted that Swansea University is the delivery lead for this project and implementation of the project is at an early stage. You reported that the project will attract £10 million of funding under the umbrella of the City Deal, and added that discussions with first potential industrial partner are progressing. The Committee was particularly interested in knowing more about what this project will do with this funding and potential site location(s), particularly how it will affect Swansea. You agreed to provide a written response.

The Committee also asked about funding strategies and anticipated capital investment to support the City Deal. Can you quantify what your report referred to as 'substantial' investment?

Some members of the Committee referred to the recent bad news for the City including significant job losses following the announcement by Virgin Media, and impact that Swansea City Football Club's relegation from the Premier League may have. The projection of 35,000 new regional jobs as a result of the City Deal is of course welcome but poses a question about how realistic achieving this is. Would there be an actual net gain in jobs or replacement for job losses? You acknowledged we live in difficult times but remained optimistic about the City and City Region and stressed the need for confidence and belief from within the City which will help make a difference.

## **Commercial Activities**

We understood that a significant part of the portfolio was concerned with embedding commercialism throughout the Council. This included supporting all parts of the Council to generate income and procure products and services at the best possible price, given financial pressures.

You told us that in terms of the delivery of new income streams from commercial opportunities, income and contract savings in the past year have been tracked at approximately £1 million and a further target has been set for the forthcoming financial period. Examples of commercial activities undertaken included the provision of corporate car parking permits in Swansea and using underutilised infrastructure such as the High Street multi-storey car park and reviewing Council contracts.

Your report mentioned work to develop commercial partnerships and cited the Mansion House as an example. We were interested in the possible commercial use of the Mansion House, and asked about the benefits and costs. We noted that the future of the Mansion House is currently subject to review, as part of a wider consideration of Cultural Services, and a private sector partner is being sought to develop its new commercial model. You indicated that there has been interest and the next step would be a formal tender for a partner with an associated commercial agreement.

You clarified that there is an issue with the condition of parts of the building and likely refurbishment costs. It was clear that major investment was necessary, whether from the Council or private sector, for commercial activities to progress. We asked whether any business plan has been developed on the feasibility of the Council to make the investment and recoup through future commercial agreement and activities, for example as a venue for business breakfast clubs and weddings.

### **Economic Twinning / Partnerships**

We noted that the Council has been working to develop new economic twinning arrangements and economic partnerships overseas, especially in China, with notable developments with Wuhan, one of China's commercial centres.

In a previous scrutiny inquiry on Inward Investment we noted the lack of resources that were available which hampered our ability to proactively attract business. Therefore, we read with interest in your report that the Council is preparing a proposal for dedicated resources and a work programme to support economic twinning, particularly to build upon the special links with China and other economic partnerships, and enquiries.

### **Local Business Engagement**

The Committee asked you about the extent of engagement with local businesses. We were aware of the Council's involvement in the Swansea BID (Business Improvement District) but asked about wider engagement with organisations / networks such as the Federation of Small Businesses and Swansea Bay Business Club.

We heard that engagement is an integral part of the Council's approach to business promotion, ranging from supporting economic activity within local communities to the regeneration of the city centre, and to the implementation of the City Deal. You provided assurance that businesses, including small and medium-sized enterprises, were engaged in a variety of ways and there is constant dialogue to ensure that local businesses can help us take the City forward.

### **Innovation / Collaboration**

As part of your report on funding strategies you told us that the Council is continuing to explore collaborative and innovative ways in which local services can be financed and delivered most efficiently, and how the value of council assets can be maximised. We are aware that a cross cutting review is looking at the delivery of 'Services in the Community' and identifying links to public assets. You stated that there has been significant engagement from services users and partners, and work on a pilot hub is currently underway, with the aim to open in September 2018.

### **Planning**

As the Cabinet Member with responsibility for Planning we asked you about the implication of the Environment (Wales) Act 2016 on Planning process and decision-making. Section 6 of the Act places new duty on public authorities to maintain and enhance biodiversity which will clearly impact on Planning. You acknowledged the need to think long-term about any decisions and their impact on future generations, which includes protecting the natural environment. You gave assurance that due regard would be given to relevant legislation to inform and improve decision-making on Planning matters.

On the topic of the natural environment this is the subject of a current in-depth scrutiny inquiry. The Inquiry Panel, convened by Councillor Peter Jones, will anticipate a session with you as part of its evidence gathering. You will be contacted in due course about arrangements.

### **European Funding**

We asked about the likely effect and scale of loss of European funding post Brexit. You promised a written answer on this, however took the opportunity to emphasise the need for the Council to treat Brexit as an opportunity, seek out investment and explore innovative funding and investment strategies.

### **Local & Regional Investment Strategy**

We asked you to tell us about activities and progress in relation to the Local & Regional Investment Strategy. You said you would provide a written response.

## 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:

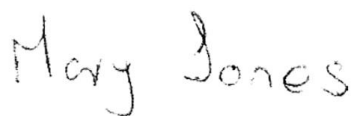
- provide more information about the 'Factory of the Future' City Deal project;
- quantify what you referred to as 'substantial' capital investment to support the City Deal;
- develop a business plan in relation to the Mansion House and future commercial use;
- tell us about the likely effect and scale of loss of European funding post Brexit;
- tell us about activities and progress in relation to the Local & Regional Investment Strategy.

We appreciate that since our meeting the Leader has announced changes to Cabinet positions and portfolios which means some of the responsibilities covered in our letter are now with other Cabinet Members. You may therefore need to refer and seek input from other Councillors however would be grateful for a single co-ordinated response letter.

Please provide the response by 25 June. 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, as Cabinet Member for Delivery, in due course.

Yours sincerely,



**COUNCILLOR MARY JONES**

Chair, Scrutiny Programme Committee

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