



**To/
Councillor Rob Stewart
Cabinet Member for Economy and
Strategy**

*Please ask for:
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Overview & Scrutiny

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6 October 2020

BY EMAIL

Summary: This is a letter from the Development and Regeneration Scrutiny Performance Panel to the Cabinet Member for Economy and Strategy following the meeting of the Panel on 14 September 2020. It covers the Project Update Report.

Dear Councillor Stewart

We would like to thank you, Phil Holmes, Huw Mowbray and Ben Smith for attending to present this item and respond to the Panel's questions. We appreciate your engagement and input.

We are writing to you to reflect on what we learnt from the discussion, share the views of the Panel, and, where necessary, raise any issues or recommendations for your consideration and response.

Dashboard Report

We received the usual monitoring update on the regeneration projects in Swansea. We are pleased by the progress on these projects overall but we do have some observations we would like to share with you.

Swansea Central Phase

We were confused about which venues the ATG ticket sales were for and received clarification that ATG tickets are selling well for concerts in other venues across the world.

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We were informed that Cairns, the appointed hotel developer, are a major UK hotel developer and investor owning 40 significant hotels across UK.

We heard that the steelwork of the arena and north side residential core and MSCP is complete. We requested that these images be circulated to the Panel.

We asked if a visit could be arranged to the arena site to see how it is progressing. Officers confirmed this can be arranged in due course and we will provide possible dates. Of course with the Covid-19 restrictions a visit at this time would be difficult.

We heard that Cairns application for grant funding to Visit Wales is ongoing and that the Council hopes to meet with Cairns and the WG next week to discuss. We understand that under current regulations, the Council cannot build the hotel itself. You informed us that you are confident that a successful bidder will be able to access this funding.

We queried the number and type of commercial units in the area around the arena and heard that it will include a pod café, a large proposed restaurant, approximately six smaller kiosks, a café/church hall development and a building to let adjacent the church hall.

We were informed that a full tender process was undertaken for the hotel developer and that four to five competitive bids were received.

We were concerned if marina residents were consulted about the siting of the hotel development. We were told that the hotel site has been moved as a result of feedback from marina residents. We were pleased to hear this.

Officers confirmed the arena does not need to be finished before construction of the hotel starts but it does need to be at a certain point, so the hotel will start sometime next year.

We queried the effect of the Covid-19 pandemic on supply. We heard that there were some issues with supply of concrete and working with concrete (due to social distancing), causing a 4 to 6 week delay. However overall the pandemic has had a reasonably minimal effect.

We queried the performance of the budgetary position of Phase 1 and were informed that the spend was within limits.

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Swansea Central North

We queried if the report coming to Cabinet later in the year on the Civic Centre is linked to this and received confirmation that it is and that the timetable for moving out of the Civic Centre is dependent on the timetable for the proposed office block. We heard that the proposed office block is part of the Phase 2 scheme and not Phase 1, that it will be partly occupied by the Council and partly by UK Government and that the aim is to transfer quality jobs from London and other parts of the UK to Swansea. We also heard that the preferred option would be for a developer to fund the project but that the Council would fund it entirely and that the amount of borrowing required is not yet known but the intention is that income will cover the cost of the borrowing. The Scrutiny Committee has previously voiced concern at the level of borrowing for the City Deal and the Chief Finance Officer assured the committee that any additional borrowing for Phase 2 would be scrutinised before agreement.

We heard that a number of government departments have expressed an interest in locating hubs in Swansea. Due to the possible sensitivity of internal agreements within these departments, you agreed to provide this information to the Panel outside of the meeting.

Kingsway – Infrastructure and Public Realm

We asked for some information on the green infrastructure and heard that it is mainly planting and grassed areas, that there are undulating grass areas for children's play and that the Council is encouraging developments there to have green walls. There are also improvements to the public realm.

We expressed concern about the damage to green areas and heard that it was mainly in the early days of the project. We were pleased to hear that the contractor will have to make good any damage made to green areas and replace any dead trees under the maintenance regime. We were also pleased to hear that the Council will continue to submit bids for green infrastructure.

Regarding the traffic, we heard that there are initial signs that the system is working well and distributing traffic.

We discussed how some cities are trying to become carless and you confirmed that we are not at the point where we can provide a carless city centre but the Council will continue to invest in the electric charging strategy and progressing work on the SW metro and encouraging other forms of transport.

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Kingsway – Strategy and Digital Village

We queried the need for additional office space given the present amount of vacant office space in Swansea and the effect that coronavirus was having in respect of more work being carried out from home. We queried what the occupancy rate needs to be for the office building, to make it viable to build. We heard that the pandemic has had an effect on when tenants sign up but that there is a lot of interest and there is ongoing discussion. We were informed that the final report to Cabinet in October/November will include the costs, position regarding tenant negotiations and funding from City Deal for decision on proceeding with the build.

We were pleased to hear that it will be one of the few building in the UK which will be as pandemic proof as possible.

Officers confirmed that we are currently in budget for the scheme based on what is known at this point in time.

City Centre Marketing of Strategic Sites

We heard that the launch went well and that there is lots of interest that will hopefully result in formal bids.

We asked for more information on Flood Consequence Assessments. We were told that the Council is complying with NRW policies. For example, a significant piece of work is needed in the area along the sail bridge site and river to provide protection for the City Centre. Also the underpass by the Civic Centre needs to be blocked. We heard that these are part of a long-term plan and will be looked at in conjunction with the partner appointed. We feel this long-term thinking is encouraging.

We queried what was meant by Updating Parking Standards and heard that this is looking at appropriate parking mechanisms for the City Centre and how it links to public transport to ensure it is fit for purpose. We also heard that a transport plan will be needed in the future.

We were informed that there are seven sites currently in the procurement process and that the Council is looking for one partner or consortium of partners.

Strategic Sites and Project Overview

Wind Street – We stated that there are several accommodations and we queried if disabled tenants had been consulted to ensure the developments are compatible

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with their needs. Officers confirmed that the same process will take place as for the Kingsway including consulting with disability groups and Coastal Housing as the landlord.

Hafod Copper Works – We heard that the building should be completed in 12 months and it will probably be 18 months before it is open. We asked for confirmation on the number of jobs that will be created on site with the distillery and officers agreed to provide this outside of the meeting.

Swansea Vale – We requested further information in terms of mitigation measures, and what is involved in developing a wildlife management plan. Huw Mowbray agreed to arrange a direct discussion between Cllr Peter Jones and a member of his team.

Felindre – We expressed our disappointment that there is still only one business operating from this site given the substantial investment. We were informed that the current marketing of this site is for immediate use. We felt the marketing of the site is very poor. We heard that an external company is currently being used to market the site and that the marketing strategy needs to be reviewed. We stated how we cannot understand why major developments have gone elsewhere. Officers confirmed that the scale of the site is an issue and that it has to be the right size of development. We were assured that whenever an investment inquiry comes into Wales, that Felindre is always part of this discussion. Officers agreed that the Panel would be kept up to date on the marketing of this site.

We stated that a number of sites are important as historical sites, for example Castle Square and Hafod Copper Works. We said how we would like to see plenty of interpretation boards on site for these schemes. Officers agreed to take this suggestion on board.

We discussed how the budget is showing as green in the report for all schemes but that they are currently only in feasibility stage. Ben Smith confirmed that the building of them is not funded at this point and will be a decision for Cabinet and Council in due course.

Your response:

We hope you find this letter useful and informative. We would welcome your comments on any of the issues raised, but in this instance, please provide a formal written response by 27 October 2020 to the following:

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- Images of arena, north side residential core and MSCP.
- Panel visit to arena site to be arranged, once possible dates provided.
- Information on government departments interested in locating hubs in Swansea and number of jobs that are to be transferred to Swansea.
- Information on number of jobs to be created at distillery.
- Arrange direct discussion between Cllr Peter Jones and member of Huw Mowbray's team regarding Swansea Vale.
- Information requested in scrutiny letter dated 26 February 2020 addressed to yourself and not yet received ie final cost details for Kingsway infrastructure.

Yours sincerely,

Councillor Jeff Jones

Convener, Development and Regeneration Performance Panel

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