

Central Cardiff Enterprise Zone

Strategic Plan 2018 – 2021



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1. BACKGROUND

Wales Enterprise Zones

There are eight **Enterprise Zones** across Wales. Enterprise Zones are designated geographical areas that support new and expanding businesses by providing a first class business infrastructure and support and each has a focus on one or more key business sectors.

The Central Cardiff Enterprise Zone focuses on the financial & professional services sector.



For more details of the Zones please visit:

<https://businesswales.gov.wales/enterprisezones/>

2. VISION AND KEY PRIORITIES FOR DELIVERY

Cardiff has been recognised by CBI Wales and other organisations as a key driver of growth within the Welsh economy. Since Central Cardiff Enterprise Zone was first established in late 2011, Cardiff has enjoyed significant growth in terms of population and economic activity.

The city remains the primary retail, cultural and administrative centre within Wales and has attracted large scale construction activity unrivalled anywhere else in Wales. Indeed, with construction cranes on the skyline for Central Square, Capital Quarter, alongside student and leisure schemes the city rivals cities such as Birmingham and Bristol in terms of construction activity. With Central Quay, Callaghan Square, Westgate Plaza (WRU), Dumballs Road (Vastint) and possible Government Property Agency Phase II there is strong pipeline of future projects to drive the city's prosperity.

The overall vision for the Central Cardiff Enterprise Zone remains to help create one of the UK's premier locations for the financial and professional services sector. The aim is to attract new investment, facilitate the development of new high quality offices, together with other supporting development and infrastructure in order to create new high quality sustainable jobs. This includes:

- Capitalising on the city's existing attributes and competitive advantages.
- Promoting the right package of skills for both the existing businesses of the city and potential growth sectors of the economy. In addition, improved skills will provide a safeguard against the challenges of automation within our core markets.
- Helping to deliver new, high quality developments that meet the needs of modern business.
- Supporting business, particularly through new and enhanced training and education packages to businesses locating to the Enterprise Zone.
- Securing and building upon existing transportation links – locally, regionally and nationally.
- Building upon existing ICT and other supporting utility infrastructure, enabling Cardiff to continue to be a first class, super connected city, with aspirations to achieving 'Gigabit' connectivity and Smart City status.
- Tapping into the economic benefits and advantages offered by the wider Cardiff Capital Region and generating prosperity for the Region.

The primary focus continues to be the development of new, sustainable Grade A offices (including promoting the Office of the Future), which together with complementary mixed-use developments, major improvements to transport and ICT infrastructure will help secure further business growth and job creation within the Enterprise Zone and across the wider city. In achieving

this, there are a range of supportive factors and enablers, including pro-active business development, marketing, talent development and skills provision which will assist in achieving the Deliverable and Outcomes below.

Key infrastructure and property considerations

- Whilst Cardiff has a large stock of office accommodation across the city, it is widely recognised that Cardiff still has a lack of modern, high quality 'Grade A' offices available for both indigenous and inward investing companies. This remains a key priority, which through a series of new developments and property interventions is now being positively addressed.
- The availability and provision of first class utility serves and ICT infrastructure to meet the increasingly sophisticated needs of business. This to include achieving Gigabit and Smart City Status. Cardiff is well placed to meet this need, aided by the recent appointment of a Smart City Director.
- The completion of an upgraded and integrated public transport hub at Central Square/ Cardiff Central Station as part of the wider Metro regional transport initiative in order to better serve the requirements of business and the wider public across the city and the broader city region.

Ensuring Skills needs are met

With the full spectrum of education and skills development devolved to Wales, Welsh Government has the autonomy to support the skills needs of employers, including innovative skills support which will attract investment projects to Cardiff and to Wales over the next 10 years.

Board Members have worked closely with Regional Skills Partnerships (LSkip) to plot future investment opportunities in the South East Region (including a focus on the Zone) against projected skill forecasts to ensure that we develop the skills in Wales in order to grow the Cardiff and wider Welsh economies.

Across Wales (including within the Zone) Welsh Government offers highly responsive employer-focused skills support to address skills gaps which employers face. It has an excellent track record of utilising and tailoring the skills offering to meet employers' skills needs to ensure that their projects succeed in Wales and the Enterprise Zone.

The further education (FE) and higher education (HE) establishments in the Zone have increasingly focussed on talent development with notable successes achieved in Data Science and Cyber Security. This focus on talent development needs to be further strengthened. As stated above, improved

skills will provide some defence against the challenges of automation within core financial and professional sectors.

Deliverables and outcomes

- Up to one million square feet of new Grade A office accommodation to meet the needs of business;
- Improved transport connectivity between Cardiff and London and the South Wales Region as part of the Metro;
- Enhanced railway stations and a new Public Transport Interchange around Cardiff Central Station;
- Improved transport connectivity between the City and the Bay;
- Leading edge IT infrastructure, connectivity and services, underpinned by competition and diversity of suppliers;
- High quality public realm and business environment;
- The encouragement of new developments and the physical enhancement of buildings to provide new complementary business and innovation space.

3. PROGRESS AND ACHIEVEMENTS SINCE INCEPTION

The progress that has been achieved in the Zone in support of the Board's key priorities and objectives includes:

- International business advisory firm Deloitte has created 220 jobs and announced the creation up to 700 further jobs as it prepares to diversify and expand its business operations Centre of Excellence in the Zone.
- US inward investing ITC sector company Alert Logic has created over 125 new jobs in the Zone. Other companies having brought new investment and jobs to the Zone include British Gas, AA, Network Rail, Admiral, Equinity and Lewis Silkin.
- The £45 million Cardiff and Vale College campus opened in 2015 on Dumballs Road has created an exciting and vibrant new learning environment in the heart of the Zone.
- The phased expansion of the existing University of South Wales central Cardiff Campus at 'The Atrium', providing additional and expanding further education courses and services.
- Central Square:- This large comprehensive mixed-use scheme by developer Rightacres has seen the development of a series of phased new buildings including:-
 - *One Central Square* (135,000 sq. ft. of Grade A offices) - completed in March 2016, with tenants including solicitors Blake Morgan and Motonovo.
 - *Two Central Square* (140,000 sq. ft. of Grade A offices) under construction and pre-let to solicitors Hugh James and Cardiff University (School of Journalism).
 - *BBC Wales headquarters* (150,000 sq. ft. of Grade A offices and technical floor space). Fit out of the building is nearing completion.
 - *Public Sector Hub* (269,000 sq. ft. of Grade A offices) – acquired by the Government Property Agency on behalf of HMRC and other departments of the UK Government, with a potential second phase of circa 160,000 sq ft to follow.
 - *Transport Interchange* (mixed use) – the on-going redevelopment of the former NCP car park and Marland House in association with Welsh Government, Cardiff Council and Network Rail will provide a new integrated bus station alongside new offices, retail and residential developments.
 - In September 2015, Legal & General announced its £400m investment in the Central Square scheme for investment purchase and development funding purposes. There have, subsequently, been a range of investment sales which has brought a number of new institutional investors into the city, including Credit Suisse and Aerium.
- Central Quay: a large mixed use redevelopment based on the site of the former SA Brain brewery and incorporating adjacent land including the

Network Rail car park and BMW dealership. The 14-acre site has the capacity to accommodate up to 2.5 million sq. ft. of built accommodation to include offices, university campus (for Cardiff Met), hotel, multi-storey car park and residential units.

- Capital Quarter:- This large comprehensive mixed-use scheme by developer J R Smart (Builders) Limited comprises a series of phases as follows:-
 - *Building 1* (79,500 sq. ft. Grade A offices) - acquired by Welsh Government and, when 100% let, was sold for a substantial uplift in price.
 - *Building 2* (85,077 sq. ft. Grade A offices) - Cardiff's largest letting (50,000 sq. ft.) to Public Health Wales was announced in November 2015.
 - *Building 3* (80,000 sq. ft. Grade A offices) is now complete and mainly let.
 - *Building 4* (95,000 sq. ft. Grade A offices) – construction underway.
 - *Student Housing* – In 2017, developer Viridis Real Estate completed its 600 unit student housing project and Fusion Students is underway with its landmark 675 bed 26 storey student housing block.
 - *Multi-storey car park* – new 300 space car park completed.
- John Street/Callaghan Square – J R Smart has acquired land at John Street for a regeneration scheme that could provide circa 250,000 sq. ft. of mixed use development.
- Customhouse Street – Developer Watkin Jones has obtained planning consent for a 42-storey student housing tower block – which, if constructed, would be the tallest building in Wales.
- In June 2017, the First Minister officially opened the £57 million Eastern Bay link road in Cardiff linking the Queen's Gate roundabout at the base of the Central Link dual carriageway and the Heliport roundabout in Ocean Park. This has delivered a further section of Cardiff's Peripheral Distributor Road (PDR) across a difficult area of land in terms of utilities and leaves just the Eastern Bay Link as the missing section of the PDR. In addition, outside the Zone, the dual carriageway, Ffordd Ewart Parkinson, will improve access to the Zone and enhance connectivity across the wider city region.
- Network Rail has issued its initial visioning proposals for the redevelopment of Cardiff Central Station and the Cardiff Capital Region City Deal has offered £40 million toward a total project cost of £200 million for the proposed 'Metro Central' project. The business case is being developed to secure UK Government/DFT funding.
- Since its launch, IX Cardiff (Internet Exchange) has continued to attract major new business users to the capital, already ranking 3rd in the UK to London and Manchester.

- A package of marketing materials has been developed for Central Cardiff which includes literature, exhibition display stands, promotional videos and a 3D 'fly through' animation. A comprehensive programme of marketing activity, which includes both generic and Zone specific work to continue to promote the Zones, is in place; Central Cardiff is being promoted extensively as part of the broader Financial & Professional Services sector offering.

Enterprise Zone Performance

Update of progress against key projects across the Enterprise Zones is published annually (please see Section 6 – Previous Enterprise Zone Publications for links to the relevant documents).

- From inception to March 2018, 891.5 jobs have been created either through direct financial support or through wider assistance from the Welsh Government, with a further 86 safeguarded and 1473 assisted.
- From inception of the zone to March 2018, over £79.7m was invested by Welsh Government with over £12.5m invested by the Private Sector during this period.
- From inception to March 2018, 84 businesses within the Zone have been financially supported and financially assisted through Welsh Government business support programmes or direct interventions.

Enterprise Zone Business Rates Scheme

The Enterprise Zones Business Rates Scheme was launched in October 2012 as a means of providing financial assistance for business rates liabilities incurred by small and medium-sized businesses located in Enterprise Zones in Wales. Since its inception the Wales Enterprise Zone Business Rates Scheme has benefitted 11 businesses within the Central Cardiff Enterprise Zone with over £491K offered towards the cost of their business rates.

4. FUTURE PRIORITIES AND DIRECTION FOR THE ZONE

The Board has identified the following key priorities and objectives for the further development of the Zone moving forward:

- 1) Delivery of mainline railway electrification to London and improved journey times westwards to Swansea and the electrification of the Valleys Lines, in order to create an integrated transport network (initially through Phase 1 of South Wales Metro).
- 2) Delivery of the 'Metro Central' upgrade of Cardiff Central railway station and Interchange bus station in order to allow the safe handling of high volumes of commuter and visitor passenger traffic.
- 3) Ensure that the Zone retains first class digital communications. Working with public and private sector partners, to include progress towards achieving Gigabit connectivity and Smart City status.
- 4) Refresh the Utilities Study undertaken in 2015 within the next 24 months, particularly with respect to power supply and substation infrastructure.
- 5) Monitor the emerging proposals for a 'combined heat and power' supply from the Viridor waste to energy plant into the Zone.
- 6) Continued liaison with Learning, Skills and Innovation Partnership (LSkip) on regional skills delivery.
- 7) Continued liaison with further and higher education providers and business to develop further talent development within the Finance & Professional Services and ICT Sectors.
- 8) Callaghan Square and Canal Parade redevelopment sites to be brought forward, potentially in association with Cardiff Council and the private sector.
- 9) Look for the completion of Central Square and Capital Quarter developments and progress on John Street and Central Quay (SA Brain).
- 10) Encourage the large scale redevelopment of Dumballs Road by Vastint, to include high density residential units and an element of mixed use and employment floorspace. Cardiff Council to take the public sector lead in delivering this.
- 11) Over the next three years, Cardiff must be allowed to be promoted in its own right. This is because the city has the ability to reach parts of the economy that other parts of Wales cannot reach. The Board feels it is to the advantage of the whole of Wales that Cardiff be promoted to secure high value added jobs and investment. This will require a

bespoke marketing focus. With the abolition of the Cardiff Business Council, the right vehicle must be found to drive this promotion – we recommend working with Cardiff Council and the Regional Growth Partnership and Business Council for the Cardiff Capital Region City Deal.

5. GOVERNANCE

Enterprise Zone Boards

From inception to 31 July 2018, each Enterprise Zone has been led by an independent; private-sector Advisory Board which advises the Welsh Government on the implementation and delivery of action plans and priorities for the Zones.

Future Governance Arrangements for the Zone

The tenure of the current Board ended on 31 July 2018. Governance arrangements for the Zone will transfer to other suitable advisory structure(s) in due course.

6. PREVIOUS ENTERPRISE ZONE PUBLICATIONS

Strategic Plans

Central Cardiff Enterprise Zone – Strategic Plan 2015 (includes updates made in 2016 and 2017)

<http://gov.wales/docs/det/publications/170719-strategic-plan-central-cardiff-en.pdf>

Enterprise Zones – Progress Update November 2014

<http://gov.wales/docs/det/publications/141203-ezw-progress-update-en.pdf>

Enterprise Zones – Progress Update October 2013

<http://gov.wales/docs/det/publications/141001-enterprizezone-summary-en.pdf>

Enterprise Zone Performance

Key Performance Indicators 2017/18

<https://gov.wales/docs/det/publications/enterprise-zone-key-performance-indicators-annual-report-april-2017-to-march-2018.pdf>

Key Performance Indicators 2016/17

<http://gov.wales/docs/det/publications/170719-kpi-16-17-en.pdf>

Key Performance Indicators 2015/16

<http://gov.wales/docs/det/publications/160802-kpi-15-16-en.pdf>

Key Performance Indicators 2014/15

<http://gov.wales/docs/det/publications/150615-ezw-kpi-14-15-en.pdf>

Key Performance Indicators 2012/13 and 2013/14

<http://gov.wales/docs/det/publications/140522ezwkpi1213-1314en.pdf>