

Newport Unlimited

Minutes of the meeting of the Board held on 16 March 2005

Present: Grant Watson (Chairman)
David Bowler, Nigel Campbell, Councillor Ken Critchley, Bob Macey,
Graham Moore, Gerry Keighley, Karen Thomas and Don Wilkes

Apologies: Councillor Bob Bright, Chris Freegard, Nic Neal and Professor James
Lusty and Andrew Wilkinson

In Attendance: John Burrows, David Ward, Steve Slocombe, Leigh Donovan,
Jenny Heal and Phil Jardine.

1. Congratulations - HM Prison Service relocation to Newport

The Chairman congratulated those involved, particularly John Burrows, upon a successful team effort in attracting the HM Prison Service's Finance and Personnel Service Centre to Newport. HM Prisons would establish a major facility at Celtic Springs to support the Service nationally, creating 500 jobs in the process.

2. Freedom of Information – Minutes

Given the implications of the Freedom of Information Act the Board considered its approach to the treatment of confidential information included in minutes of Board meetings. The Board agreed that the minutes should continue to be a full and accurate record of the proceedings. Consideration will be given to confidential / sensitive information that could be exempt under the provisions of the Act, at the time of the minutes being made publicly available.

3. Minutes

The minutes of the meeting of the Board held on 10 February 2005 were confirmed as a true record and signed by the Chairman, subject to Phil Jardine being added to the list of attendees.

Masterplan for West Newport

Consultants were making progress on the Masterplan for West Newport but work was not yet complete. A further report would be submitted when further information was available.

Welsh Investment Strategic Partnership

Progress regarding the Welsh Investment Strategic Partnership (WISP) office development ('George Street 2') was reported. Representations had been received from the developer for the first office building on the George Street site ('George Street 1') regarding the complementary nature of the proposed WISP development. Reassurances would be given to the developer to enable the first building to proceed to build.

(D Bowler and N Campbell declared an interest in this matter)

4. Chief Executive's Report

University Merger and Name

The Chief Executive reported on the outcome of a meeting held that morning, 16 March, between the First Minister and the Leader of Newport City Council, Cllr. Bob Bright, and the Chairman of the University Board, the Vice Chancellor, and the City's Managing Director about the need for an increase in funded student numbers and support and resources for the City Centre Campus. The meeting had been cordial, making progress for further discussions. Official discussions would likely follow.

Cambrian Centre

The grant application for redevelopment of the Cambrian Centre was being assessed by external advisors. Several meetings had been held with developers and funders to progress matters. The owners were in discussion with a first tier development partner to progress the matter to fruition. Also, the WDA had 'Approved in Principle', a grant of [REDACTED] against a scheme cost of £52m, and agreed to take a five year lease of the vacant element of the office block. The developer, Goldtique Investments, had consequently prepared a funding prospectus to secure the development finance. A more detailed report would be made following completion of the assessment.

City Centre Retail Development

A two-day workshop with the five tenderers for the major retail scheme had assisted the interpretation and understanding of the content of each scheme together with the financial assumptions behind the bids. Formal interviews were scheduled for 17 March, each tenderer being allocated a 1 hour slot and attendance being restricted to four representatives from each. Tenderers would be required to demonstrate deliverability of their respective schemes. The outcome including assessments of each scheme and recommendations regarding a preferred developer would be made to the Board and Council Cabinet Meeting on 14 April 2005.

Network Rail

A meeting held with Network Rail, to discuss their involvement in the refurbishment/redevelopment of the railway station, revealed that they were considering taking greater involvement to deliver the total scheme, thereby displacing the identified private sector partner. The scheme had been progressed on the basis of a probable joint venture between the City Council, WAG, Network Rail and the private sector investor, Laing Rail. Network Rail had agreed to confirm their intentions by the second week of April and the deadline had been proposed as a result of pressure from WAG to ensure that the scheme was complete well before 2009.

Pirelli Site

Gerry Keighley declared an interest in this item.

Tenders were being appraised to develop up to 45k sq ft of industrial units on 4.5 acres of the former Pirelli site under a joint venture between the WDA and Newport and Gwent Chamber of Commerce Enterprise and Industry (NGCCEI). An application for Objective 2 European funding had been submitted. The WDA would be the client for the construction project, expected to commence in September 2005.

(Councillor Critchley declared an interest in this matter)

Corporate Governance Review

The Corporate Governance Review had been commissioned by the WDA and Grant Thornton, the Agency's auditors. The outcome would be reported to the Board on completion.

Joint Meeting of URCs

Reference was made to a proposed meeting on 13 June 2005 for all URCs to meet the Deputy Prime Minister at the House of Commons. Newport Unlimited was invited to join the English URCs and all Board Members were invited to attend.

Development Programme – Key Target Dates

The Board noted the position on the principal projects as set out in the Key Target Dates schedule attached to the Chief Executive's report.

Usk Footbridge

Consideration was given to a report on progress regarding the Usk Footbridge project and proposing endorsement of costs for the bridge and associated works, in order to proceed to the next stage of design.

The bridge, a significant landmark development for Newport and a key part of the Central Area Masterplan proposals, provided important infrastructure supporting the Citywide Transportation Strategy. The original budget set for the bridge project, excluding landscaping on both banks and lighting, was £4m. This had risen since April 2004 owing to the increase in the World price of steel and various changes to the location and specification. The contractor/design team had, as part of the partnering contract, explored a range of value engineering issues to establish a 'best value' target cost in response to Board concerns about escalating costs. The report detailed the measures considered and the revised target cost of £4.93 million, including all design costs but excluding the allowance of £250k for the enhanced lighting scheme and the landscaping works on both banks. Should costs change during the contract the variations would be shared on the basis detailed in the report. Following re-tendering for the steel fabrication contract, Rowecord of Newport had been confirmed as the preferred contractor.

Expenditure on further design work was required to keep the contractor/design personnel on the project. Further delay would require the diversion of team members to other projects, delaying the project by a minimum of two months and incurring an additional cost of approximately £80,000. The Board noted that planning permission had today been granted for the scheme.

Agreed

1. To recommend that the WDA proceed to the next design stage for the bridge increasing design expenditure from £250k, already supported by the Board on 16 March 2004, to £450k.
2. To note that the Contract is based on a partnership basis and has an inbuilt pain/gain clause, the effect of this indicating that the maximum cost overrun above the cost to be agreed with the contractor in May 2005 would be capped at £200k, and any savings being shared 50/50 between the contractor and the employer.
3. To investigate whether the Council would meet the running costs of the feature lighting for the bridge.

5. University of Wales, Newport Proposed Merger with UWIC - Implications for Regenerating and Promoting the City

Gerry Keighley declared an interest in this item.

Consideration was given to a report providing a perspective on the merger proposals of the University of Wales, Newport and the University of Wales Institute Cardiff (UWIC) regarding the name and focus of the new university and its potential implications for the promotion and image of the City of Newport.

The report expressed concern about the potential loss of the name 'University of Wales, Newport' as a result of merger, and the negative impact this would have on promoting the City of Newport when 44 of the 48 major cities in the UK had universities named after their city. The name of the new institution was a critical issue in economic development and city-image terms for Newport. Retaining "Newport" within the name of the newly merged university was considered to be essential. The University Board had committed itself to not losing the word 'Newport' in the university's title and the Council had made this a condition of its support. It was important also that 'Newport' remained in any shortened version of the University name.

The perceived financial and property benefits of the merger should also be scrutinized to ensure the property strategy of the merged university could deliver the space for increased student numbers in Newport and the new riverside campus, as well as UWIC's aspirations and other property requirements arising from merger.

Agreed

1. To support the retention of the name 'Newport' in the full and shortened name of the new institution if merger takes place with UWIC and to consider ways the Board can make strong representations on the merger proposals and name, as part of the University's consultation process.

6. URC Development Programme for the next 3 years - 2005 Revision

Consideration was given to the revised Development Programme for the URC' work over the next 3 years which would form part of the revised Business Plan for the Company. A presentation was made by the Director of Development on proposed changes to the Programme.

Agreed

1. To endorse the revised Development Programme set out in Table A of the Director of Development's report, totalling, provisionally, a URC programmed spend of £10.79m in 2005/6; £14.485m in 2006/7; and £11.506m in 2007/8 subject to the satisfactory progress of projects and availability of grant and land sale receipts.
2. To endorse the revised requirement for core grant funding from the three Founder Members, as set out in Table B of the Director of Development's report, for submission to the Founder Members for their agreement;
3. To note that a further report will be made to Board on the 'Receipts and Other Funding Sources' position as part of the Business Plan.

8. Revenue Budget 2005/06

Consideration was given to the draft Revenue Budget for 2005/06 which reflected the allocation of revenue funding available to Newport Unlimited. Each Founder Member had committed £333k, which provided a total revenue budget of £999k. This was consistent with the funding committed for the current year.

Quarterly monitoring reports would be submitted.

Agreed

To approve the draft Revenue Budget for Newport Unlimited of £999,000 for 2005/06 to be funded from revenue grants of £333,000 each from the Welsh Assembly Government, the Welsh Development Agency, and Newport City Council, and to note the content of the report.

9. Project Coordination Group

The minutes of the meeting of the Project Coordination Group held on 22 February 2005 were noted.

10. Next Meeting

To be held on 14 April 2005 at the Civic Centre.

11. May Meeting

To be rearranged from 11 to 13 May 2005, to commence at 2.00pm.