

ASSEMBLY ORAL STATEMENT ON CBDC.

October 1999

Earlier this year, I made a Parliamentary statement, as Secretary of State, on the succession arrangements to follow the dissolution of the Cardiff Bay Development Corporation.

I think it right that I should now report to the Assembly on how those arrangements have been followed through.

I begin by setting out the three main policy objectives which have been pursued in abolishing this Assembly-sponsored body.

First and foremost, the period of very special attention which South Cardiff needed, and got during the lifetime of the Corporation is now coming to an end. The Cardiff Bay area can no longer expect a special priority in the allocation of public funds, and we are committed to promoting prosperity in all of the most disadvantaged areas of Wales.

Second, we must ensure that the achievements of the last 13 years are made secure and that the area continues to develop. That is in the best interests of the Cardiff area and of the whole of Wales. Having invested in the barrage and other infrastructure we must now ensure that they are properly managed and exploited, in the best sense of that word, so as to maximise the potential benefits they bring.

Thirdly, I have been keen to substitute proper local democratic control for rule by quango and return responsibility for the regeneration of our capital city and adjoining areas of the Vale of Glamorgan to the local authorities.

In March I announced that the Vale of Glamorgan and Cardiff County councils would take over responsibility for a number of assets which lay in their areas and that the Welsh Development Agency would take over the other development assets. I also said that there would need to be a harbour authority for the barrage and bay. I am delighted to confirm today that earlier this week I signed a Memorandum of Understanding under which Cardiff County Council will become the Cardiff Bay harbour authority. That is, the local authority will own, manage, and develop the potential of the barrage, the inland bay, the outer harbour and some related assets. A copy of that memorandum is in the Assembly library.

The legal process of dissolution will require three Assembly local orders. The Economic Secretary will bring those forward as soon as possible.

Individual assets and liabilities are expected to transfer predominantly by voluntary agreements made under section 165 of the Local Government Planning and Land Act 1980.

So far as funding is concerned, there will be contractual and ongoing commitments to meet. We cannot avoid the fact that this Assembly has inherited commitments as a result of CBDC's existence as we have in many other policy areas. The unusual nature of the freshwater flows into the Bay means that the costs of management will be high. As the Memorandum of Understanding on the harbour authority confirms in accepting the statutory and non-statutory functions, Cardiff County Council will not be expected to meet any additional costs from its own resources.

Transitional funding will also be required, on a temporary basis, to finish certain key tasks which cannot now be completed within the remaining lifetime of the Corporation.

Not all these costs and liabilities can be quantified but the Assembly is already aware that the indicative budgetary provision for 2000-01 onwards is £23.9million a year and our objective remains to contain expenditure within this baseline.

I believe that the succession plan I announced in March, supplemented now by this new Memorandum of Understanding, provides a democratic, viable, cost effective way of consolidating the advantages to Wales which has been brought about by the redevelopment of South Cardiff.

I am making available to the Library a copy of this statement and the Memorandum of Understanding. It is also being published on the Intranet. Rhodri Morgan will ensure that there is a regular report to the Economic Development Committee on progress with the wind-up.