



Report of the Cabinet Member for Economy, Finance & Strategy (Leader)

Cabinet – 16 September 2021

Swansea Bay City Deal – Life Sciences, Well-being and Sports Campuses Business Case

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| Purpose: | To seek Cabinet approval of the Swansea Bay City Deal Life Sciences, Well-being and Sports Campuses business case and to authorise its' formal submission in accordance with the City Deal Implementation Plan to secure City Deal funding approval. |
| Policy Framework: | Swansea Bay City Deal Implementation Plan |
| Consultation: | Access to Services, Finance, Legal |
| Recommendation(s): | It is recommended that Cabinet: 1) Approves the Swansea Bay City Deal Life Sciences, Well-being and Sports Campuses Business Case (Appendix 1) and its formal submission, in accordance with the City Deal Implementation Plan to Welsh and UK governments; 2) Delegates authority to the Director of Place in consultation with the Cabinet Member for Economy, Finance and Strategy to approve any amendments to the business case that may be required to obtain approval at local, regional and national level; 3) Approves the financial implications associated with the Council providing advanced funding to the project pending receipt of city deal monies at marginal cost of recovery only and grants delegated authority to the section 151 officer to finalise any relevant funding or financial agreements. |
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| Access to Services Officer: | Rhian Millar |

1. Purpose

- 1.1 To seek Cabinet approval of the Swansea Bay City Deal Life Sciences, Well-being and Sports Campuses business case (attached as **Appendix 1** of this report) and to authorise its' formal submission to the Portfolio Management Office in accordance with the City Deal Implementation Plan to secure City Deal funding approval.

2. Background and Context

- 2.1 The Swansea Bay City Deal is a £1.3bn investment in nine major projects across the Swansea Bay City Region which is made up of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea. The City Deal is being funded, subject to the approval of project business cases, by the UK Government, the Welsh Government, the public sector and the private sector.
- 2.2 The Life Science, Wellbeing and Sports Campuses project is a phased project based on two sites at Singleton and Morriston.
- 2.3 The vision is to integrate life sciences, med tech, sport and well-being to transform services provided from the Morriston and Singleton sites, to drive economic growth and job creation, and to attract significant inward investment into the region.

3. Main Issues

- 3.1 The project will link into the wider ecosystem of provision for the benefit of the local population, and for the development of regional and national excellence in sports and life sciences. As a result, the Morriston site will become the leading specialist tertiary services, clinical research and trials centre and the Singleton site will focus on the provision of sport and well-being - including prevention of ill-health and rehab provision.
- 3.2 The ambition is for the project to create 1,000 – 1,120 jobs, attract significant inward and private sector investment, and contribute an additional £150m - £153m to regional GVA.
- 3.3 The £15m City Deal investment will support the delivery of phase 1 of the project and specifically:
 - Establishment of ~700sqm ILS space at the Morriston Regional Hospital site, co-locating commercial and academic collaboration alongside clinical research and development, fostering technology development in areas of regional excellence;
 - Planning for new road access from the M4 directly to a 55-acre site already in NHS ownership adjacent to the north of the hospital, unlocking the site's investment potential;

- Creating ~2,000sqm of dedicated research & innovation space within the Sketty Lane Sports Park, establishing an environment that supports the development, testing and evaluation of medical, health, well-being, and sport technologies, as well as commercial collaborations.

3.4 Swansea University are the lead organisation for the project in partnership with a number of organisations including Swansea Council, Swansea Bay University Health Board, Hywel Dda University Health Board, ARCH Partnership (A Regional Collaboration for Health) and key private sector partners.

4. Financial Impact

4.1 The total project cost for all phases is £131.9m with Phase 1 totalling £17.1m and Phase 2 totalling £114.8m.

4.2 Phase 1 of the project is funded through the £15m City Deal Funding together with other public and private sector funding totalling £2.1m.

4.3 Phase 2 of the project is funded through public sector investment of £57.4m and private sector of £57.4m.

| | Singleton New Build | Morrison Refurbishment | Road Planning Contribution | Quarterly Total | Cumulative spend |
|--------------|------------------------|---------------------------|-------------------------------|--------------------|---------------------|
| Jan-Mar 22 | £100,000 | £50,000 | | £150,000 | £150,000 |
| Apr-Jun 22 | £200,000 | £100,000 | £100,000 | £400,000 | £550,000 |
| July-Sept 22 | £300,000 | £500,000 | £250,000 | £1,050,000 | £1,600,000 |
| Oct-Dec 22 | £400,000 | £500,000 | £350,000 | £1,250,000 | £2,850,000 |
| Jan-Mar 23 | £2,250,000 | £100,000 | £200,000 | £2,550,000 | £5,400,000 |
| Apr-Jun 23 | £2,500,000 | | £100,000 | £2,600,000 | £8,000,000 |
| July-Sept 23 | £2,250,000 | | | £2,250,000 | £10,250,000 |
| Oct-Dec 23 | £2,500,000 | | | £2,500,000 | £12,750,000 |
| Jan-Mar 24 | £1,000,000 | | | £1,000,000 | £13,750,000 |
| Apr-Jun 24 | £500,000 | | | £500,000 | £14,250,000 |
| July-Sept 24 | £250,000 | | | £250,000 | £14,500,000 |
| Oct-Dec 24 | £250,000 | | | £250,000 | £14,750,000 |
| Jan-Mar 25 | £250,000 | | | £250,000 | £15,000,000 |
| Total | £12,750,000 | £1,250,000 | £1,000,000 | £15,000,000 | |

4.4 Public sector investment consists of investment from local authorities and other public funded and public service organisations such as health boards. Public sector investment will also consist of specific Welsh Government, UK Government and European funding secured through research grant awards. There is currently no direct funding from Swansea Council into the project and any such future requirement would be subject to a further report to cabinet.

- 4.5 Private sector investment includes regional investment from local and national private sector partners as well as local healthcare and sports providers. The project will lever in private sector funding directly from the supply chain development and indirectly from private research and development partnerships.

5. Financial Implications

- 5.1 There are no additional financial implications falling on the authority by approving this business case beyond the accelerated cash flow for the City deal element only, as set out below
- 5.2 If the council is in receipt of any city deal monies then the usual funding rules will apply. Cabinet have already granted delegated authority to the Director of Place and section 151 officer to enter into any funding agreement in pursuit of the city deal project delivery so no new authorisation is sought in this regard.
- 5.3 In order to assist the cash flow as indicated in the section 4, the Council have agreed to accelerate and advance the City Deal contribution of £15M and recover only the marginal interest and revenue provision costs incurred in the interests of true partnership working. A funding agreement will have to be agreed with Swansea University to ensure full protection and clawback provisions.

6. Legal Implications

- 6.1 There are no additional legal implications associated with the submission of the business case.

7. Integrated Assessment Implications

- 7.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
 - Deliver better outcomes for those people who experience socio-economic disadvantage
 - Consider opportunities for people to use the Welsh language
 - Treat the Welsh language no less favourably than English.
 - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

- 7.1.1 The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.
- 7.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 7.2 An Integrated Impact Assessment screening form has been completed in relation to the project which is attached at **Appendix 2**. The screening form has determined that a full IIA report will not be required primarily as this a Swansea University lead scheme with the Council's involvement limited to being the lead authority as it receives and then transfers the relevant City Deal funding
- 7.3 Finally, the scheme is unlikely to impact on the Council's obligations under the Welsh Language Standard Regulations 2015.

Background Papers: None

Appendices:

Appendix 1 Swansea Bay City Deal Life Sciences, Well-being and Sports
Campuses Business Case

Appendix 2 IIA