



Swansea Bay City Region Joint Committee - 14 October 2021

Swansea Bay City Deal Campuses Business Case

Purpose:	As one of the projects within the Swansea Bay City Deal Portfolio, Joint Committee members are requested to consider and approve the Life Sciences, Well-being and Sports Outline Business Case for submission to UK and Welsh Governments with a view to drawing down £15m of capital investment.
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Recommendation(s):	It is recommended that Swansea Bay City Region Joint Committee:
1)	Formally approve the business case for submission to UK Government and Welsh Government
Report Author:	Keith Lloyd (Project Lead/SRO)
Finance Officer:	Chris Moore (SBCD S151 Officer)
Legal Officer:	Tracey Meredith (SBCD Monitoring Officer)

1. Introduction

The SBCD Campuses project is a phased project based on two sites at Singleton and Morryston.

The vision is to integrate life sciences, med tech, sport and well-being to transform services provided from the Morryston and Singleton sites, to drive economic growth and job creation, and to attract significant inward investment into the region. 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 Morryston 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.

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.



The £15m City Deal investment will support the delivery of phase 1 of the project and specifically:

1. 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.
2. 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, and
3. 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.

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.

2. Background

The Business Case for Life Science, Well-being and Sports Campuses project has been developed as an Outline Business Case (OBC), in line with Better Business Case and Green Book guidance, and has progressed significantly over the last couple of months. It is now in final form for consideration and approval by Joint Committee and then to UK and Welsh Government.

The project governance arrangements are now in place through the Campuses Project Board which has approved the business case for submission through the City Deal governance process.

Following review by the Portfolio Management Office, the business case has been considered by the Economic Strategy Board (ESB) with feedback incorporated into the current draft. An official ESB test and challenge session was held on 21st June, the result of which was full support and endorsement of the programme and its Business Case from the ESB. A feedback report from the ESB test and challenge process is attached at Appendix A.

The Outline Business Case was considered and endorsed by Programme (Portfolio) Board on 27th July and also presented on 28th September to update on progress made on the Gateway Review recommendations and updated financial information.

The Outline Business Case has also received endorsement from:

Swansea Council Scrutiny panel	7 th September 2021
Hywel Dda University Health Board R&I Sub-Committee	13 th September 2021
Swansea Council Cabinet	16 th September 2021
Swansea Bay University Health Board (SBUHB)	19 th September 2021
ARCH Board	21 st September 2021
Swansea University executive approval	22 nd September 2021
Swansea University Council	4 th October 2021

The Project is following the City Deal Integrated Assurance & Assessment Framework for all governance and assurance matters including risk and issue management, benefits realisation plans, quarterly and annual reporting, and Project monitoring. A Gateway Review was undertaken 11th-13th August and the project received an Amber / Green Delivery Confidence Assessment. The recommendations from the Gateway Review are being actioned and all recommendations relating to the OBC stage have been completed. A copy of the Gateway Review report and action plan are included with the OBC documentation.

A presentation on the Project was made to the UK Minister on 16th June and the University also hosted a site visit from the Minister and his officials on 8th July.

A policy workshop was also held with UK and Welsh Governments on 21st July. A further Workshop has been arranged with UK Government for 7th October 2021.

3. Campuses Outline Business Case

The project is demonstrably aligned to the UK, national (Wales) and regional strategic and policy context and is a key component in the SBCD portfolio.

The project builds on the distinct ecosystem and partners' track record of success to create a unique testbed within the Swansea Bay City Region, driving innovation and entrepreneurship and attracting commercial investment.

The project investment objectives are:

1. **Employment:** To support the growth of high value employment within the sector by creating in excess of 1000 jobs across the region by 2033.
2. **High Growth Facilities:** To expand the specialist facilities and pipeline of new enterprises via delivery of phases 1 & 2 in the sector through the creation of 12,000m² of mixed laboratory, office and test-bed space within the region over the 15 year period (page 8 – OBC).
3. **Regionalisation:** To enhance the regional Innovation ecosystem by expanding the ILS infrastructure to include two further sites by 2025.
4. **Ecosystem:** Enhance the region and UK sector profile by capturing major international opportunities through capturing 4 major inward investment opportunities and developing a cluster of 300 firms within the cluster by 2033.
5. **Commercialisation:** To expand the pipeline of innovation opportunities to include the supporting in excess of 100 new innovation and commercialisation opportunities during the project period with a £48m co-investment into enterprise partnerships by 2033.

The project responds to unmet need to deliver key outputs across two phases. Supported by the City Deal, the first phase encompasses establishment of ILS activities (~700sqm) at the Morriston Regional Hospital site, design, planning, submission of planning permission, and procurement framework for new road access to unlock the site's investment potential, and creating ~2,000sqm of dedicated research & innovation space within the Sketty Lane Sports Park. The second phase (not funded by the City Deal) will deliver the development of a 55-acre Innovation Park and a national centre of excellence with performance sport infrastructure.

The Business Case shows there is an industry demand for:

- **Facilities:** The ILS ecosystem is oversubscribed, with trend lines showing a current shortfall of physical space (~2,800 square metres) and capacity to develop industry collaborations.
- **Scale:** Expanded facilities and a new focus on Sports Tech will ensure that the region's research remains globally competitive to attract further investment and collaborations.
- **Skills:** The need to ensure a sustained pipeline of talent coming into the life sciences, well-being and sport innovation sector at every level, from school leaver through to industry professional.

By addressing these three imperatives, the project will contribute to the City Deal's core objectives to grow GVA and create jobs.

4. Financial Implications

Risks will be managed through monitoring and evaluation at project level and reported, via the Portfolio Management Office, to the Joint Committee, where appropriate.

Specific programme financial risks are outlined within the strategic case component of the business case and the Project risk register.

The procedures around the management of City Deal funding are detailed within the Joint Committee Agreement.

The total project cost for all phases is £130.43m with Phase 1 totalling £15.57m and Phase 2 totalling £114.86m.

Phase 1 of the project is funded through the £15.00m City Deal Funding together with other public sector funding totalling £0.57m.

Phase 2 of the project is funded equally through public sector investment of £57.43m and private sector of £57.43m.

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.

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. Legal Implications

The Joint Committee Agreement between the participants of the Swansea Bay City Region requires (at clause 12.3) all councils in whose areas the projects take place to approve the submission of the business case. The project business case shall include a resolution of the relevant project authority lead. Therefore, the City and County of Swansea approved the business case at a Cabinet meeting on 16 September 2021.

Clause 2.2 (i) of the Terms of Reference of the Joint Committee provides that the Joint Committee's functions include the consideration and approval of project business cases. Clause 2.2 (k) provides that the Joint Committee also agrees the terms and conditions of Government Funding.

6. Alignment to the Well-being of Future Generations (Wales) Act 2015

The SBCD portfolio and its constituent programmes and projects are in keeping with the approach and ambitions of the Well-being of Future Generations (Wales) Act 2015. The City Deal goals and objectives will also have a significant impact across the seven well-being goals for Wales.

The alignment of the Life Science, Well-being and Sports Life Science, Well-being and Sports project to the Well-being of Future Generations (Wales) Act 2015 is detailed within the appended Outline Business Case.

Background Papers: None

Appendices:

- A SBCD Campuses Outline Business Case including Executive Summary.
- B A5 Risk Register
- C A7b Full options approach
- D A8 Masterplan and site appraisal
- E A9 v2.0 Financial operating Income & Expenditure
- F A12 Letters of support
- G A12.2 Letters of Support
- H ESB Feedback
- I Project Assessment Review
- J PAR Action Report