

SBCD Portfolio Objectives Definitions - Economic Impact

All projects will need to evidence, attribute and report on their contribution towards the SBCD Portfolio objectives of:

Jobs	To create over 9,000 jobs aligned to economic acceleration, energy, life sciences and manufacturing sectors across the region within 15 years (2017-2033)
Economic Impact (Originally GVA)	To contribute £1.8-2.4 billion of economic impact to the Swansea Bay City Region by 2033 and contribute to the region achieving 90% of UK productivity levels by 2033
Investment	To deliver a total investment in the region of £1.15-1.3 billion in the South-West Wales Regional economy by 2033

Objective: Economic Impact

Project:

The SBCD project or programme as defined in the 9 headline business cases and including all phases, elements and deliverables.

Economic Impact:

Economic impact is the additional contribution that is made to the regional economy as a result of the delivery and operation of a project.

The following categories are included:

- Direct Economic Impact (£) - The impact to the regional economy as a result of the construction and operational phases of a project directly related to the project's spending on goods, services and wages.
- Indirect Economic Impact (£) – The wider impact to the regional economy as a result of the construction and operational phases of a project indirectly related to spending on goods, services and wages across supply chains and the region.

The demonstration and attribution of economic impact is crucial in evidencing the success of SBCD. For the purposes of demonstrating business case viability and value for money, an assessment of Gross Value Added (GVA) impact was made through business case economic appraisals.

Whilst GVA remains a valid estimate, the SBCD projects and programmes are unable to evidence and attribute GVA to its delivery and operations. All projects are required to attain and evidence an equivalent economic impact during the timescale of the SBCD portfolio. Economic impact outside the region and at a local authority level should also be captured, although this is not to be included in the regional Investment Objective target.

Evidence:

Documented and verified information that will provide auditable evidence of the achievement and attribution of a specified objective. Economic impact is best demonstrated through regular monitoring and reporting of economic benefits and a formal evaluation of a project and its outcomes and impacts over a period of time. This will demonstrate how the project has benefitted the regional economy in monetary and other terms. Examples of the types of evidence are provided, however it is accepted that projects may include other

<p>alternative and additional methods for identifying economic impact depending on the nature of the project intervention.</p>	
<p>Direct Economic Impact</p>	<p>The impact to the regional economy as a result of the construction and operational phases of a project directly related to the project's spending on goods, services and wages.</p> <p>Examples of direct economic impact:</p> <ul style="list-style-type: none"> • Spending on the goods, services and wages with main and sub-contractors related to the construction of infrastructure. • Ongoing direct spend by the project on goods, services and wages in the operation of any infrastructure / facilities. <p>Examples of Evidence:</p> <ul style="list-style-type: none"> • Project audited accounts and documentation identifying amount of expenditure on goods, services and wages. • Contract accounts and documentation demonstrating expenditure on goods, services and wages. • Economic evaluation reports evidencing and attributing expenditure by the project on goods, services and wages.
<p>Indirect Economic Impact</p>	<p>The wider impact to the regional economy as a result of the construction and operational phases of a project indirectly related to spending on goods, services and wages across supply chains and the region.</p> <p>Examples of indirect economic impact:</p> <ul style="list-style-type: none"> • Expenditure on goods, services and wages by tenants during their location and operation within project infrastructure • Expenditure on goods, services and wages by users of project facilities and infrastructure • Expenditure on goods, services and wages by organisations benefiting from project grants and / or incentives • Further expenditure stimulated / induced as a result of indirect impacts. • Expenditure on goods, services and wages as a result of collaborations and partnerships facilitated by an SBCD project • Additional expenditure related to complementary activities, projects and programmes catalysed by SBCD projects. <p>Examples of Evidence:</p> <ul style="list-style-type: none"> • Economic impact evaluation reports demonstrating attributable relevant expenditure of SBCD projects. • Confirmation from contractors of relevant expenditure during the construction phase of a project

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| | <ul style="list-style-type: none">• Confirmation from businesses / organisations of relevant expenditure made as a result of locating within or utilising SBCD infrastructure.• Documentation demonstrating SBCD involvement in collaborations and partnerships resulting in additional relevant expenditure within the region.• Confirmation from companies / organisations of additional relevant expenditure made as a result of SBCD grant funding / incentives• Revenue expenditure accounts for operational phase of a project |
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