

Appendix D

Swansea City & Waterfront Digital District



Cyngor **Abertawe**
Swansea Council



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David



Bargaen Ddinesig
BAE ABERTAWA
SWANSEA BAY
City Deal

Waterfront City Deal Projects

Digital Square and Arena

- Development of a Digital Square and Arena as part of a wider scheme to revitalise the city centre to create the vibrant environment, leisure and lifestyle offer (including events space) that attracts and retains tech businesses and skilled workers, acts as a catalyst for future schemes for the benefit of the wider region.
- Hotel to be delivered by the private sector.



71-71 Kingsway (Digital Village)

- Creation of 115,000 sq ft of flexible and affordable office accommodation to support the growth of tech businesses and other higher value added activities by 2023, through the development of a new **Digital Village** (71-72 Kingsway) in the City Centre.

Innovation Matrix and Innovation Precinct

- Creation of a 34,000 sq ft. Innovation Matrix and 64,600sq ft. Innovation Precinct at University of Wales Trinity Saint David to provide incubation space and co-working areas for start-ups and small businesses.



Digital Square & Arena

- **Programme:**
- Outline planning consent granted June 2017
- Arena Operator Contract signed Jan 2018
- Construction began Nov 19 and completed Jan 2022
- Arena Opened (phased from) Mar 2022
- Hotel to be delivered by the private sector. Application to WG (TTL Scheme) for top-up funding submitted to support the development of the Hotel. Delivery reports being progressed and finance discussions continue
- **Delivered:**
- 3,500 capacity mode for a seated and standing entertainment events
- 2,400 capacity mode for a fully seated entertainment or large business events
- 750 capacity auditorium for medium conferences and business events
- c1,450sqm of exhibition space on the arena event floor
- additional complementary exhibition space available on concourses
- a variety of meeting rooms including: 8 x 25-person capacity (with capability to combine 3 to form 75-person capacity), 1 x 50-person capacity and 1 x 200 capacity
- further potential to utilise other spaces, such as green room, production rooms and crew spaces plus foyer space and foyer café
- 1.1 acre Coastal park and F&B unit
- Over 8,000 Targeted recruitment and training weeks as part of the BBM program.
- Over 145,000 tickets sold to date and over 55 performance events held.



71-72 Kingsway (Digital Village)

- **Achieved to date:**

- Project at FBC and received full funding at cabinet May 2021
- Procurement Contractor Bouygues appointed
- Planning permission for the mixed-use building was granted on 4th June 2020
- Procurement exercise completed and contractor (Bouygues) appointed May 2021
- Enabling infrastructure works completed Sept 2021 and construction began onsite Nov 2021.
- Programme is on track to completed October 2023 with fit out and opening May 2024
- BBM agreed and implemented by Bouygues
- Letting Strategy agents appointed, and marketing commenced.
- Business Case is being updated to reflect achieving full business case.

- **Next Steps:**

- Construction programme continues
- Discussions ongoing with potential flex tenants.



Innovation Matrix and Innovation Precinct

Programme:

Innovation Matrix

- RIBA Stage 3 complete
- Initial tenant/partner engagement commenced

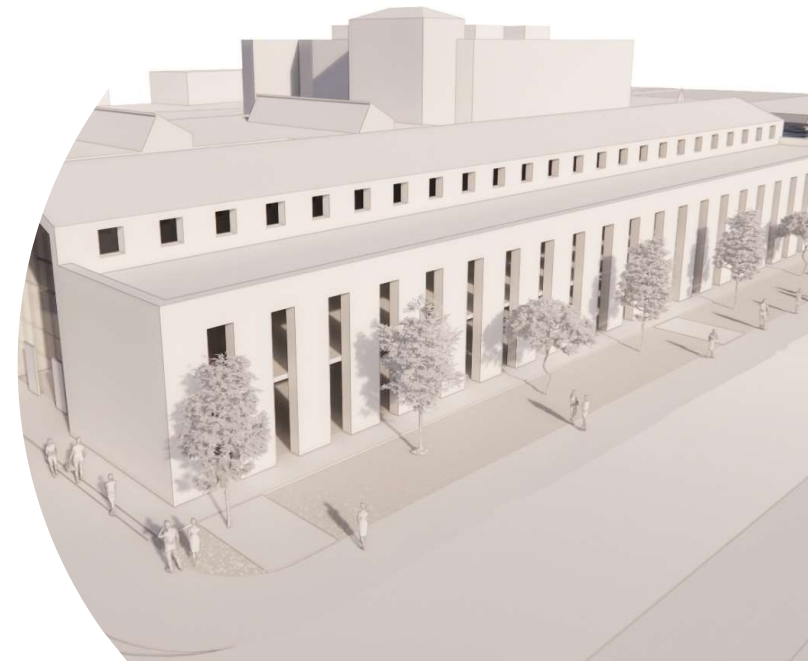
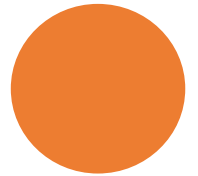
Next Steps

Innovation Matrix:

- Tender and Contractor Procurement June 2022
- Construction Start July 2022
- Construction complete July 2023 with Occupation Oct 2023

Innovation Precinct

- Planning Submission March 2025
- Tender and Contractor Procurement June 2025
- Construction Start Dec 2025
- Construction Completion Oct 2027 with Occupation Dec 2027



Risks and mitigation

Unexpected rise in construction costs:

- For both Digital Arena and 71-72 Kingsway, the Council has entered into fixed price contracts for construction.
- Covid – Impacting internal and contractor resource:
- *The project will follow all government guidelines around Covid safety and continually monitor individual project resource.*

New hybrid working models –creates occupier inertia and market uncertainty preventing pre-lets before construction and/or early commitments from occupiers:

- *Deliver a Grade A spec office, that is flexible and futureproofed to meet the needs of future occupiers*

Private Sector Funding:

- *Funding secured through City Deal and delivery using recognised project management tools will enable the developments to be delivered on time and help realise the current (and future additional) private sector interest in securing occupancy in the Digital District.*

Unforeseen economic / external factors:

- *Risks will be continually assessed and monitored.*

Private sector fit out risk – 71-72 Kingsway

- *Discussions ongoing with private sector and investigating funding options*

Business Case Updates

- The Swansea Digital Waterfront business case was first produced in 2017 and was updated previously in June 2020.
- The business case has now been updated to reflect the significant progress made on projects since the last business plan. The Digital Arena & 71-72 Kingsway projects are now at Full Business Case.
- November 2022 Updates:
 - Milestone Date changes
 - 71-72 Kingsway Additional Floor – from 100,00sq ft to 115,000sq ft.
 - 71-72 Kingsway updated project costings from £49.6m in original BC to £48.5m.
 - 71-72 Kingsway updated procurement details and letting strategy.
 - Updated Risks and Issues.

Milestone Updates

	June 2021 BC	Nov 2022 BC
Innovation Matrix		
Planning Submission	Sep-20	Q2 2022
Detailed Design	Dec-21	Jul-22
Procurement	Mar-21	Jul-22
Construction Completion	Jun-22	Nov-23
Completion and Occupation	Sep-22	Nov/Dec-23
Innovation Precinct		
Planning Submission	Q2 2022	Q2 2023
Detailed Design	Q3 2022	Q2 2023
Procurement	Q4 2022	Q4 2023
Construction Completion	Q4 2024	Q3 2025
Completion and Occupation	Q2 2025	Q4 2025
Digital Village		
Detailed Design	Aug-20	Aug-20
Planning Submission	Mar-20	Mar-20
Procurement	Jun-20	May-21
Construction	Jan-21	Jun-23
Completion and Occupation	Dec-22	Oct-23
Fit Out	Nov-22	May-24
Digital Square & Arena		
Outline planning consent granted	Jun-17	Jun-17
End of Design Stage 2	Nov-17	Nov-17
Arena Operator Contract signed	Jan-18	Jan-18
Hotel procurement	May-19	May-19
Contractor Procurement	Jul-19	Jul-19
Construction complete	Oct-21	Jan-22
Arena Opening (phased from)	Oct-21	Mar-22

PAR Gateway Review – November 2022

- A (PAR) Gateway review was held on the Digital Arena and 71-72 Kingsway in November 2022.
- This review was undertaken by independent reviewers and facilitated through the WG Assurance Hub.
- Evidence from documentation, interviewees and a site visit enabled the Review Team to give an overall assessment for the two elements of the Waterfront Project of Amber Green.

The Digital Arena has delivered successfully, providing a multi-purpose centre, attracting a variety of events, including music, theatre and comedy acts, conferences, and ceremonies.

71/72 Kingsway construction is progressing to plan, with a fixed price contract secured with an experienced contractor – Bouygues, although there are already stresses on the overall budget, dialogue remains positive and open at this stage but will need to be carefully managed.

Risks relate to Economic climate, supply chain and increasing material costs, changing work patterns meaning demand for office space is low, these are well understood, but will need constant monitoring

It is too early to assess the long-term benefits as detailed in the business case, but early indications are positive. Benefits Plans remain high level, and more attention to identifying measures and ways of tracking is advisable.

There is no single integrated plan showing all activities associated with 71/72 Kingsway (construction, marketing and fit out, etc) to define the critical path and assist with monitoring progress.

There is an effective Project Management team in place, along with an experienced team of designers and supervisors (quality control).

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Gateway Recommendations

Recommendation	Priority	Actions	Target Date
Introduce a formal meeting between SCC and UWTSD, as part of Governance, thus ensuring that any joint dependencies, opportunities, risks and plans are understood and appropriately managed.	E-Essential	First meeting in January	Feb-23
Review the 71/72 Kingsway Risk and Issues Log on a regular basis to ensure that risks and issues are captured and actively managed to form a key part of the monitoring and control governance.	E-Essential	Withn 3 months	Mar-23
Develop and maintain an integrated critical path plan for 71/72 Kingsway to ensure all key activities and milestones are identified and visible. Use this plan to identify and manage dependencies and impacts, and pinch points as work progresses.	E-Essential	Withn 3 months	Mar-23
Expand the Benefits Delivery framework associated with the Arena to identify qualitative benefits and detail measures and tracking arrangements.	R - Recommended	In line with next FBC update	Nov-23
Undertake an Arena Lessons Learnt workshop, involving all stakeholders, to capture learning from construction, implementation/handover and live running phases.	R - Recommended	In line with next FBC update	Nov-23
Commission an independent review of the market demand for Grade A office accommodation of the type being proposed for 71/72 Kingsway within the context of the predicted national economic forecast	E-Essential	Within 3 months	Mar-24