

SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

DATE 16th April 2024

SBCD Campuses Update

RECOMMENDATIONS/KEY DECISIONS

To update Joint Scrutiny Committee on the progress made and status of the SBCD Campuses Project

REASONS

INTRODUCTION

The Campuses project harnesses unique capabilities and the thriving Institute of Life Science (ILS) and health (NHS) ecosystem in the Swansea Bay City Region to establish an international centre for innovation in life science, well-being and sport, supporting interventions in healthcare and medicine and driving the growth of a globally significant Sports Tech industry. As part of the South Wales Health and Life Sciences Corridor, the project will contribute complementary and unique capabilities to enhance regional and UK sector-leading presence.

The project builds on the impact and credibility of the Institute of Life Science, and the proven ecosystem fostered by the partners to deliver academic, industry and NHS-led innovation and economic growth. To date, ILS has created 30 companies and 800 jobs, attracting £36 million in inward investment, and delivering a return of £3 for every £1 in public money received.

The project will deliver R&D, trials and testing facilities, enabling co-location of research and industry alongside clinical infrastructure and investment opportunities. An emphasis on digital and data-driven innovation at the intersection of life sciences, health, well-being and sport is a key differentiator for this project within the South Wales health and life sciences innovation corridor described.

The link between sport and population well-being is well documented. The opportunity is to create the conditions that enable technology innovation that supports population health and sporting endeavour, across the life course and inclusive of disadvantaged communities and able/disabled people. The project spans preventative health and public participation in sport through to personalised medicine and elite performance and will lead the growth of the UK Sports Tech sector.

MedTech and Sports Tech are synergistic industries. Devices and sensors developed for use in sport (e.g. for gait analysis) can find application in healthcare (e.g. for physiotherapy). "Smart clothing" (e.g. printed, heated garments) are being developed for elite sport but have application in healthcare settings. Wearables that monitor heart rate, oxygen saturation, cadence, balance and impact from falls/collisions have clear value for both medical and sport/well-being purposes. Technologies developed to help athletes recover after training

are relevant to patient rehabilitation, while innovations in wound care and reablement can help elite athletes monitor healing from injury, enabling them to return to competition sooner. The project is a partnership between Swansea Council, Swansea Bay University Health Board, and Swansea University alongside Hywel Dda University Health Board and supported by the ARCH (A Regional Collaboration for Health) Partnership. It benefits from the close engagement of three project delivery partners, representing the technology, health and sport sectors.

The project builds on the impact and credibility of the Institute of Life Science, and the proven ecosystem fostered by the partners to deliver academic, industry and NHS-led innovation and economic growth aligned with planned development of the major regional hospital at Morriston. At its core, this project seeks to

1. Expand the current infrastructure to support a widening of the ecosystem into new, targeted areas (including digital innovation in sensors, devices and materials, with applications in health, well-being and sports settings), and
2. Attract private investment into the Swansea Bay City Region from multinational companies and SMEs in the MedTech and Sports Tech sector.

The City Deal investment will support:

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 access route 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.
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.

The investment required to deliver the whole SBCD Campuses project will be £164m. Through direct investment of £15m from SBCD, the SCBD Campuses project is projected to generate an additional investment of c. £149m over the 15 year period to 2032/33. This is delivered through c. £34m from Phase 1 (£11m Public investment and £23m Private investment) and c. £115m from Phase 2 capital inward investment from private sector partners and developers for:

1. Development of a 55-acre Innovation Park, which will include provision for SMEs and larger companies in the Sports Tech and Med Tech sectors to establish a presence and access research, clinical and test bed facilities co-located with further developments of the Region's major hospital and laboratories, and to integrate within the life sciences, well-being and sport innovation ecosystem.
2. A national centre of excellence with performance sport infrastructure, attracting Sports Tech and related companies and establishing Swansea as a sport and well-being innovation test bed that aligns world-class facilities

with elite teams, national governing bodies, community sport, and technology and research.

The result is a unique testbed, aligned around a digital axis, that drives innovation and entrepreneurship in MedTech and Sports Tech, and which attracts commercial, intellectual and sporting talent.

2. Campuses Project Progress

Campuses project has proceeded at risk due to significant delays in the signing of the funding agreement. All agreements were signed in January 2024, which will allow the progress of SBUHB Morrision Management centre refurbishment.

Now all funding agreements have been signed by all parties the timelines and finances will be reviewed. A change notification will be submitted to SBCD in Q2 (April-June) this year. A full business case will be written in close collaboration with SBCD and be finalised by December 2024. An assurance review is planned for Q1 (Jan – March) 2025.

SBUHB have set up a governance board to govern campuses project decisions which demonstrates a strong commitment to the project and achieving its outputs and outcomes.

The campuses project continues to meet with each workstream on a fortnightly basis (WS1 Morrision Management Centre, WS2 Sketty Lane, WS3 Education, WS4 Enterprise and Innovation, WS7 Research, WS8 Health and well being WS9 Morrison Link Road, Singleton Phase 2, Morrision Phase 2, WS10 5G testsbed)

WS1: **Morrision Management Centre**

- Progress now funding agreement signed

WS2: **Sketty Lane.**

- Progressing with RIBA stage 3
- Project to be presented to Design commission for Wales 21st February.
- Design meeting with Architects 12th February – External façade.

WS3: **Education**

- We will start to recruit student to New sports courses

WS4: **Enterprise and Innovation / WS5: Commercial and partnerships**

- Continued engagements with Vodaphone senior leadership teams, WRU, FAW, Sport UK. All at varying stages of development.
- Signed MOU Hockey Wales and Swim Wales
- Meeting scheduled with Ospreys Feb 2024
- Department of Business Trade visiting SU and Campuses project March 2024

WS7: **Research**

- Research grants continue to be written and awarded which contribute to public and private investment.

WS8: **Health and well being**

- Workshop held to disseminate findings of HNA to SU Academics.
- HNA signed off and approved by SBUHB and issued to Campuses project board.
- Health Impact Assessment (HIA) toolkit being developed.

WS9: Morriston Access Route

- Ecological surveys completed

Swansea Bay Sports Park (phase 2)

- 3G pitch on Sketty Lane continues to progress, profiled completion February 2024

Morriston (Phase 2)

- Progress now funding agreement signed.

WS10: 5G Infrastructure Vodafone (awarded by SBCD Digital Infrastructure programme)

- Meeting held with Vodafone and SU estates department to discuss 5G infrastructure.
- SU buildings to be surveyed Q1 2024.

Successful Grants awarded

| | Grant Award |
|---|-----------------------|
| HEFCW | £ 500,000.00 |
| 3G Pitch | £ 500,000.00 |
| SBCD Digital Infrastructure | £ 1,550,000.00 |
| Swansea Bay 5G Innovation Testbed | £ 1,550,000.00 |
| SBCD Skills and Talent | £ 312,719.00 |
| Agor Skills, Sport, Health & Wellbeing | £ 312,719.00 |
| SPF Strategic Project | £ 375,487.45 |
| Accelerate Pentre Awel | £ 375,487.45 |
| Shared Prosperity Fund | £ 288,247.00 |
| Swansea Bay Sports Park Feasibility Study | £ 288,247.00 |
| Grand Total | £ 3,026,453.45 |

1. Campuses Project Risks/Issues

| Ref | Title | Type | Risk Descriptor | Mitigation |
|-----|--|--------|--|--|
| 4 | Incubation Space Partners | Threat | Potential under demand and over supply of incubation space across the region leads to failure to generate occupancy, resulting in failure to realise project benefits and deliverables | <ol style="list-style-type: none"> 1. Campuses Business Development Manager in post. 2. Engagement with SME community 3. Ongoing review in line with benefits realisation 4. Our willingness to coordinate the regional offer across City Deal projects to ensure clarity of regional offer |
| 14 | Building Affordability | Threat | Construction sector cost inflation leads to Current building envelope becoming unaffordable, resulting in either additional funding required or a smaller footprint, potentially reducing the amount of space to deliver the student teaching and/or business incubation | <ol style="list-style-type: none"> 1. Project Team have track record of working closely with Estates , cost consultants and contractors to deliver complex construction projects on time and on budget and are experienced with the process of value engineering 2. Ongoing monitoring of cost schedule 3. Value engineering exercise undertaken for Sketty Lane and cost savings identified 4. Additional £4.4M budget uplift approved by SLT for Sketty Lane |
| 10 | Private Sector Engagement and Investment | Threat | Failure to secure external partners, student numbers and tenant income lead to failure to achieve income targets, resulting in inability to realise benefits | <ol style="list-style-type: none"> 1. Implement Engagement Plan. Initial discussions held with multi-nationals and governing bodies in the sectors of Medi-Tech, Sports Tech and Digital. 2. Decision made to engage in Market Analysis to demonstrate market share - complete; range of activities undertaken 3. Comms and Marketing Manager to continue with stakeholder engagement. 4. Ensure continuing consultation with key delivery partners in other Faculties (in particular Science & Engineering) 5. Business Development Manager appointed 6. Sports Strategy Committee in place 7. Strategic Sports Advisor appointed 8. We are hosting a global investor delegation being organised by the department for business and trade first week of March |

| | | | | |
|----|----------------------|--------|--|--|
| 6 | Phase 2 Funding | Threat | Weakened economy, (potentially influenced by COVID-19, BREXIT and Ukraine conflict), leads to delay / reduction to co-financing of later stages, resulting in reduction in scope / scale of Phase 2 developments | <ol style="list-style-type: none"> 1. Phase II planning opportunities, strategy 2. University Estates Prosperity funding re 3. SBUHB to update board established 4. Phase 2 Singleton control plan develop |
| 17 | Funding agreement | Issue | Delay in signing of funding agreement leads to delay in Phase 1 project activity, resulting in delay to outputs and benefits. | <ol style="list-style-type: none"> 1. Meetings with all 2. Principles agreed January 2024. 3. Change notificatio |
| 3 | Benefits Realisation | Threat | A lack of engagement from the wider community including industry will mean the outputs and benefits of the project are not secured, resulting in financial clawback re. outputs, damage to reputation. | <ol style="list-style-type: none"> 1. Project resource m 2. City Deal monitor |

1. Financial Implications

Risks and issues are managed through monitoring and evaluation at both Project and Programme level and reported, via the Swansea Bay City Deal's Programme Management Office, to the Joint Committee, where appropriate.

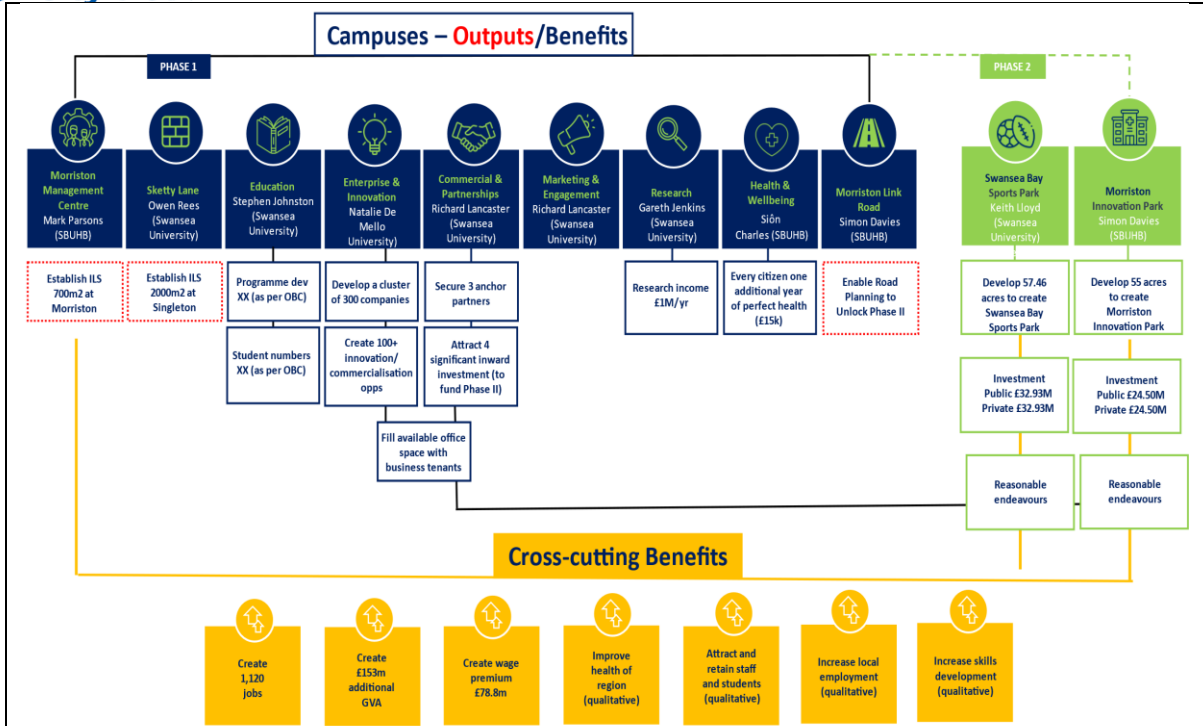
Specific Programme financial risks are outlined within the financial case component of the Campuses Project Business Case.

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

2. Outputs/Outcomes/benefits

Campuses project proceeded at risk and is achieving outputs. January 2024, Funding agreement fully executed.

Project Outputs/Outcomes and Benefits highlighted in figure 1 below:



Appendices:
None

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