

CYNGOR SIR
9 Mawrth 2022

PENTRE AWEL

Y Pwrpas: Rhoi'r wybodaeth ddiweddaraf am Bentre Awel gan gynnwys caffael contractwr ar gyfer Parth 1

Argymhellion y Cabinet:

1. Derbyn a nodi adroddiad y broses a gynhaliwyd i ddatblygu cam cyntaf y contract dylunio ac adeiladu dau gam i gyflawni Parth 1 Pentre Awel.
2. Derbyn y gost fwyafswm (£87.07m) ar gyfer y gwaith adeiladu a ddarperir gan Bouyges UK a dirprwyo awdurdod i Gyfarwyddwr y Gwasanaethau Corfforaethol a'r Prif Weithredwr gytuno ar yr amlen gost derfynol a chadarnhau fforddiadwyedd mewn ymgynghoriad ag Arweinydd y Cyngor a'r Aelod Cabinet dros Adnoddau.
3. Nodi'r cynnydd o ran sicrhau cytundebau tenantiaeth a dirprwyo awdurdod i Gyfarwyddwr y Gwasanaethau Corfforaethol gytuno i symud ymlaen i'r gwaith adeiladu o ran cael sicrwydd addas o incwm rhent. Nodi darpariaeth ar gyfer Arloesedd a Datblygu Busnes, ac felly mae cragen yr adeilad a'r lle craidd yn cael eu datblygu cyn y cynlluniau terfynol ac felly mewn risg.
4. Cymeradwyo polisi sy'n nodi'r egwyddorion sydd i'w mabwysiadu ar gyfer cynnwys sefydliadau'r Trydydd Sector ym Mhentre Awel.
5. Nodi'r cynnydd ar draws parthau eraill a thrafodaethau ac effaith cysylltiedig tu hwnt i ffiniau uniongyrchol y prosiect.

Y Rhesymau:

- Er mwyn rhoi sicrwydd bod proses gadarn wedi'i dilyn er mwyn gwneud y gorau o ddyluniad Parth 1 a bod trafodaethau cynhwysfawr gyda thenantiaid wedi'u cynnal ar lefel strategol a gweithredol i ddatblygu'r cyfluniadau mewnol gofynnol.
- Sicrhau bod y gwaith adeiladu'n fforddiadwy ac y gellir defnyddio'r ddirprwyaeth briodol i osgoi unrhyw oedi o ran dechrau'r broses adeiladu.
- Rhoi sicrwydd bod ymrwymiad sylweddol gan y tenantiaid i gymryd adeilad ym Mharth 1 a chadarnhau fforddiadwyedd cyffredinol y prosiect.
- Rhoi'r wybodaeth ddiweddaraf am gyflawni'r datblygiad busnes drwy amcanion arloesi.
- Sicrhau bod Pentre Awel yn elwa o'r hyn a ddarperir gan y Trydydd Sector ac felly ei phwysigrwydd o ran cyflawni amcanion y prosiect.
- Rhoi gwybod i Aelodau am y meysydd cynnydd ychwanegol i ddarparu tystiolaeth y gellir cyflawni manteision ehangach y prosiect cyffredinol.

Angen ymgynghori â'r Pwyllgor Craffu perthnasol Ddim yn berthnasol

Angen i'r Cabinet wneud penderfyniad

Oes

Angen i'r Cyngor wneud penderfyniad

Oes

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:-

Y Cyngorydd Emlyn Dole, Arweinydd y Cyngor â chyfrifoldeb dros Ddatblygu Economaidd

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Weithredwr

Enw'r Cyfarwyddwr: Chris
Moore

Awdur yr Adroddiad: Sharon
Burford

Swyddi:

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EXECUTIVE SUMMARY

Pentre Awel

UPDATE REPORT

BRIEF SUMMARY OF PURPOSE OF REPORT.

1. Background

Pentre Awel will feature a unique combination of academic, public, business and health facilities to create significant opportunities for employment, education skills and training, direct health and leisure provision. In addition, a network of integrated care and rehabilitation facilities will be provided at Pentre Awel with the aim of improving independence and providing a meaningful testbed for the private sector to pilot assisted living / life sciences technologies.

The following illustrated the zones and outlines the key elements of each area.



1.1 Projected Outputs

Through integration of the core elements of Pentre Awel the aim is to provide a unique ecosystem for business, education and research and clinical delivery whilst facilitating improved population health through prevention and health promotion. There will be a focus on education to address skills shortages and on initiatives to improve the unemployment and educational achievements in the area.

Specifically:

- Regeneration in an area of significant need
 - Projected to create 1,800 total jobs across whole project
 - Research based business development and growth
- Education Skills and Training
 - Skills development programmes, many to run alongside clinical delivery
 - Address key recruitment and retention challenges
 - Promote careers opportunities and STEM subject engagement through schools
- Improved health and care in community – care closer to home

- Quantifiable improvement in health outcomes
- Long terms projected reduction in GP demand, reduced chronic condition hospital admittance and readmission
- Community Benefits
 - Targeted support for residents in accessing work.
 - Minimum of 52 weeks of recruitment and training per £1m of spend on construction.
 - Engagement to promote entry level courses and building credits to promote employment. Programmes will facilitate access and affordability.
 - Health promotion and self-management initiatives – including social prescribing and work through schools.
 - Targets defined for sourcing through local suppliers
 - Community groups actively participating in Village facilities
 - Reduction in the number of young people in the adjacent Community First area, within the NEET category

1.2 Reporting

As a key strategic project, member engagement and scrutiny has been sought during the development of Pentre Awel. During 2020, key milestones were conveyed to members at Executive Board (21st September) and Full Council (14th October), including:

- Unanimous approval of the final **City Deal Business Case** and agreement to formally present it to the Swansea Bay City Region Joint Committee for approval to submit to Welsh Government and UK Government.
- Approval of, and agreement to, sign **Memoranda of Understanding** with all identified academic partners; and
- Endorsement of the **RIBA Stage 3** detailed design development work and outputs

During 2021, Pentre Awel transitioned from strategic planning to implementation and delivery, taking a number of important strides towards a start on site:

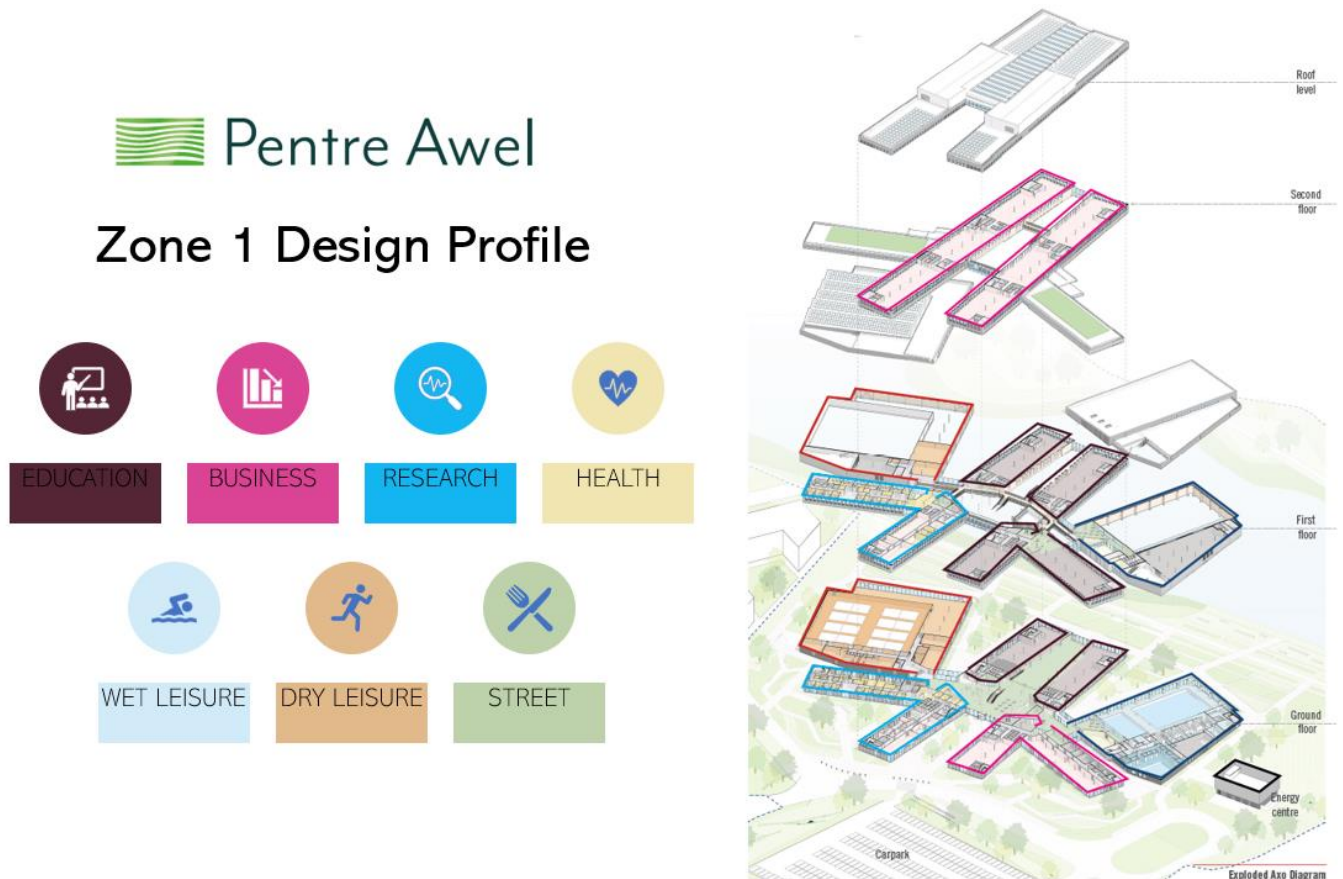
- An interim update was provided to Members of the Executive Board in May 2021 to ensure there was oversight of the decision to place the **tender for the construction of Zone 1** – one of the largest ever published by the Authority
- A report was presented to Members of the Cabinet September 2021 to updating Members on key procurement exercises, including the **appointment of a contractor** to design and build Zone 1 and procurement of **consultants to design Zone 3**. This was presented alongside updates to the projected outcomes for Pentre Awel and wider impact

This report will provide a further update on the project delivery covering:

- The progress of the design of Zone 1 and the maximum cost of the construction.
- The progress on securing tenants for Zone 1
- Progress in design development Zone 3
- Associated progress including Schools networking and Third Sector policy.

2. Design Development and maximum cost – Zone 1

Zone 1 will create five distinct buildings linked with a “street” space, comprising a wet sports facility and health building with education facilities, clinical delivery centre, and a well-being skills centre. Additionally, primary infrastructure is provided including a separate energy centre, road & car parking areas, cycle ways as well as extensive landscaped public spaces for recreational walkways. The design profile of Zone 1 at RIBA Stage 3 is illustrated below:



Following a comprehensive internal and external approvals process, the City Deal Business Case was formally approved by UK and Welsh Governments in March 2021. Accordingly, funding agreements were drafted and approved in order to secure £40m of capital investment over 15 years. Together with the commitment from prospective education, health and research tenants in the form of Memoranda of Understanding, the Authority was able to proceed with a procurement exercise to deliver Zone 1. This was taken to Members of the Executive Board in May.

The resultant **procurement strategy** advocated a two-stage, design and build tender in order to realise the Council's four key procurement drivers for the Project:

1. **Programme** – to deliver the Zone 1 building in alignment with the commencement of the 2023/24 academic term
2. **Control of design** – to deliver a high-quality and robust building

3. **Cost certainty** – to deliver the project within budget. A two-stage approach promotes collaboration between the Client and Contractor to identify and manage risks, further develop the design and achieve best value.
4. **Community benefits** – to improve the health, social, environmental and economic wellbeing of local communities

Bouygues UK were appointed by the Authority in October 2021 as the construction contractor and formally entered into a Pre-Construction Services Contract (PCSA). During the pre-construction period, CCC, external project and cost managers Gleeds, Bouygues UK and its design team have been working collaboratively to:

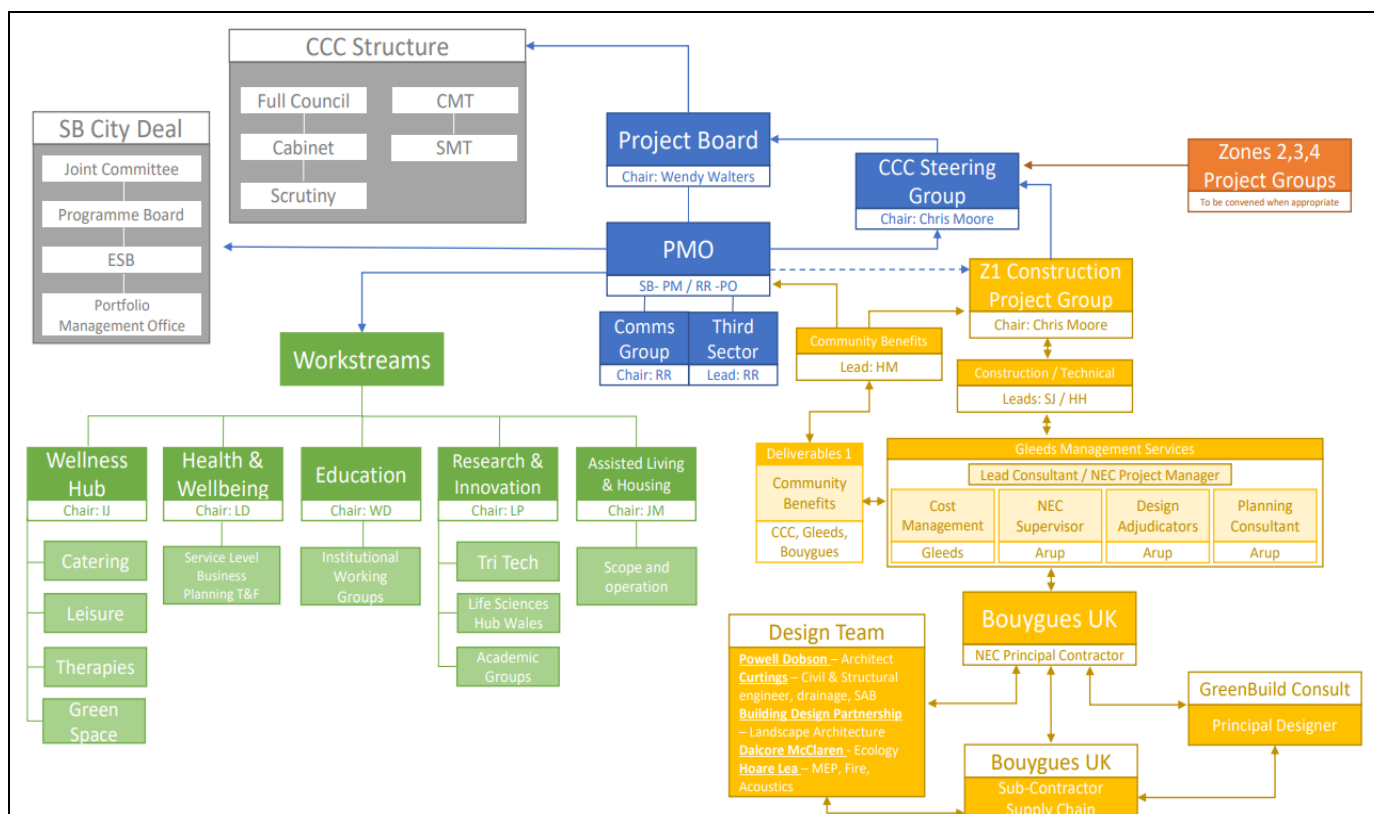
- Review RIBA Stage 3 designs with tenants, with a particular focus on the Clinical Delivery Centre, Clinical Research Centre and wet/dry leisure design.
- Undertake RIBA Stage 4 design
- Review planning conditions with a view to discharging the ‘pre-commencement’ planning conditions prior to breaking ground on-site. A Wintering Birds Survey is being undertaken onsite to update the available ecological information
- Prepare a Reserve Matters Application. There will be a Non-Material Amendment to the redline boundary plan approved at outline planning stage in order to reflect the revised Zone 1 (Phase 1) development area.
- Agree a programme, identify/assess risks and work toward greater cost certainty. Bouygues have been working to a ‘Not to Exceed Price’, which forms the basis of this report

To optimise the pre-construction period, a revised project governance structure was operationalised. A Construction Board, chaired by Director of Corporate Services as SRO has been established to oversee the design and build process and meets monthly. Construction and Technical leads have been appointed to manage the Gleeds/Contractors contract and ensure that the design and build process is optimised. Their designation within the overall structure is shown in the Governance plan shown over.

A Community Benefits work group has been established with Stakeholder Membership to ensure that we maximise the impact of Pentre Awel and ensure that the contractor delivers on the benefits set out in their tender. The Membership covers Economic Regeneration, Policy and Welsh Language, Educations Skills and Training, Third Sector and Procurement.

Bouygues UK design team comprises: Powell Dobson Architects, Curtings (Civil & Structural Engineering), Hoare Lea (MEP, Fire & Acoustics Engineering), Green Build Ltd (Principal Designer & BREEAM advisor), Building Design Partnership (Landscape Architecture) and Dalcour MacLaren (Ecology).

The revised governance structure is set out below and has been approved by Project Board.



The first phase of the contract, the detailed design and cost certainly is now nearing completion and sufficient details have been developed to enable the contractor to issue a maximum price for the construction of Zone 1.

This price is currently being firmed up at £87.07m

In achieving a cost profile, the tenants have reviewed their Stage 3 designs and the internal configuration adapted where required.

Recommendation 1

Members are asked to receive and note the report of the process undertaken to progress the first phase of the two-stage design and build contract to deliver Pentre Awel Zone 1.

Recommendation 2

To receive the maximum cost (£87.07m) for the construction provided by Bouygues UK and to delegate authority to the Director of Corporate Services and the Chief Executive to agree the final cost envelope and confirm affordability in consultation with the Leader of Council and Cabinet Member for Resources.

3. Progress in securing tenants

The Authority has entered into negotiations on Head of Terms with the main tenants for Zone one. Each agreement includes details of the floorspace required and the service level

agreements in respect of the service charges. The charge rate has been modelled to ensure the affordability and sustainability of the build. A rental valuation has been confirmed by the District Valuer and along with a service charge included within the Head of Terms, under which the tenant will contribute to all costs associated with the running and maintenance of the occupied areas as well as contributing to the costs of the common areas on an apportioned floor area basis. The service charge will include heating of demised area and electricity if not separately metered and any other additional services for demised area that are agreed - e.g. cleaning.

All Tenancy agreements are at Heads of Terms stage and will progress to lease agreements before the commitment to build is given.

3.1 Hywel Dda University Health Board

3.1.1 Clinical Delivery

The clinical services to be delivery at Pentre Awel will support a strategic shift to community-based care and delivering care closer to home. A Health and Wellbeing strategy was developed through a multidisciplinary work stream, this detailed the services to be delivered in Pentre Awel and the associated infrastructure required.

The strategy was revisited considering covid learning through a multidisciplinary workshop in June 2021 with subsequent service by service discussions. The final plans have been approved by the Health Board Executive Team in September.

3.1.2 Hywel Dda Clinical Research/Tritech Institute

A research partnership exists between Hywel Dda University Health Board and UWTSD. This work is currently being developed in an interim premises in Bynea but will be relocated to Pentre Awel and will include clinical trials and a significant clinical engineering development with private sector support.

Governance

Following extensive consultation with Clinical Teams the plans for Hywel Dda involvement in Pentre Awel have been taken through Board, Strategic Development and Operational Delivery Committee and to the Executive Team for sign off.

3.2 Cardiff University

Cardiff University and the Authority have entered into a partnership arrangement to develop plans for innovation and business at Pentre Awel along with delivery of academic courses.

Governance

Working group established. The Pro Vice Chancellor is the lead for the work at Pentre Awel through the College of Biomedical and Life Science.

3.3 University of Wales Trinity St David (UWTSD)

UWTSD plan three key elements, digital innovation, a facility focussed on health and care training linked with Coleg Sir Gar and a third element comprising business development linked to advanced manufacturing and medical innovation.

Governance

Working group established, Senior Management Team involved at all stages of service development.

3.3 Swansea University

Swansea University plan to develop a new 'spoke' of the Health and Wellbeing Academy at the Pentre Awel. The 'hub' would be retained in the existing facility on the Singleton Campus.

The Health and Wellbeing Academy at Pentre Awel will comprise Inter-professional clinical learning space, supported by learning technologies. The digital infrastructure will enable distance learning and delivery of education and assessment across all the university, HWA hub and spokes.

Governance

Working group established, Senior Management Team involved at all stages.

Recommendation 3

To note the progress in securing tenancy agreements and to delegate authority to the Director of Corporate Services to agree to progress to construction on achieving suitable assurance of rental income. To note the delivery of Innovation and Business Development and therefore the shell and core space being developed is in advance of final plans and therefore at risk.

4. General update

4.1 Progress on the design development of - Zone 3

Zone 3 comprises 144 units of assisted living alongside an Expansion Business Centre of up to 10,000m².

A needs analysis and affordability exercise has been undertaken to develop the assisted living specification for Zone 3. A mix of one and two bedded accommodation of a mix of tenures, has been identified.

A tender was placed via the Welsh Procurement Alliance (WPA) framework to procure multi-disciplinary consultants to take forward the design development of Zone 3 to RIBA Stage 3. The contract was awarded to AHR architects, the key factor that differentiated their submission

was their vision and suggestions for innovation in design meeting the project objectives of future proofed design focused on maintaining independence.

The design development will be completed by September 22.

4.2 Finance

Following an approach to the financial markets to secure further funding for Pentre Awel, two bids have now been received. These are currently under review to ensure that the optimal financial arrangements can be achieved for the Authority.

Further discussions have been held with the UK investment Bank and with the Department for International Trade. The overall viability of the Zone 1 development will be modelled and agreed prior to the agreement of the final cost envelope and start of construction.

The current funding position to meet the Guaranteed Maximum Price is as follows:

Guaranteed Maximum Price	£87,070,00
Funding:	
City Deal	-39,400,000
CC Capital Programme	-19,070,000
Trust Fund	-1,000,000
JV (CC & CCC)	-7,000,000
<i>(Some receipts TBC)</i>	
CC Reserves/DRF	-2,000,000
External Private Finance	-18,600,000
Funding Total	£87,070,00

4.3 Third Sector Policy

A policy is proposed to cover third sector organisations wishing to locate within Pentre Awel. A Third Sector organisation must through submission of a business case demonstrate how they will contribute to the objectives of Pentre Awel and demonstrate that they have financial sustainability.

A maximum figure for square meterage occupied by third sector has been set at 200sqm which is 10% of the shared space available within Zone 1, this in turn equates to 1% of the overall zone 1 build. Maintaining this level will enable an overall stable financial position to be maintained for the development but will ensure that the Third Sector can be accommodated and recognised for their contribution to meeting the overall project aim and outputs.

An organisation wishing to locate at Pentre Awel will need to match its proposed service delivery against the two core framework documents which underly the project, namely the 5 life Stages and the Health Impact Assessment. The greater the match against the life stages and

the strong recommendations of the Health Impact Assessment will enable a greater reduction in rent to be applied. An organisation may with sufficient alignment be able to qualify for a maximum of a 90% reduction in rent but must in all instances pay the full service charge applicable to all tenants.

Recommendation 4

To approve a policy setting out the principles to be adopted for inclusion of Third Sector organisations within Pentre Awel

4.4 Wider County Impact

Wider engagement has been held regarding the role of Pentre Awel in the Carmarthenshire Local Innovation Strategy.

The proposal is that the work in Pentre Awel be expanded to link into the developing community health bases being planned by Hywel Dda University Health Board. These links will enable the development of a 'Hub and Spoke model' for remote clinical consultations, research, education and training and business development. This will enable the establishment of a larger catchment area enhancing opportunities for innovation and product development and give larger population base for clinical trials

4.5 Welsh Language

Discussions have been held regarding equity of Welsh and English in Pentre Awel. An action plan is in development recognising the potential impact and opportunities due to the wide scope of Pentre Awel. The work planning will align with the Welsh Government 'More Than Just Words' Action Plan. Planning will include recognition of the importance for embedding language choice in areas such as emerging assisted living technologies and support for delivery of remote healthcare. Work is ongoing with Cardiff University and with University of Wales Trinity St David covering areas such as school engagement and the development of a link with Aberystwyth University to provide Nurse training in Welsh.

Recommendation 5

To note the progress across other zones and associated discussions and impact beyond the immediate project boundaries.

DETAILED REPORT ATTACHED?

No

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Chris Moore

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	YES	YES	YES	YES	YES	YES

1. Policy, Crime & Disorder and Equalities

- The project will be compliant with policy and will meet all governance criteria agreed as part of the Swansea Bay City Deal programme.
- Crime and disorder are key considerations of the project and the site aims to achieve the 'Secure by Design' standard.
- A Health Impact Assessment has been undertaken in conjunction with Public Health Wales to reduce health inequalities. Process has been seen as an exemplar.
- The Full Business Case outlines strategic alignment across all partners, relevant Regional and National Strategic Policies and Plans.
- Pentre Awel aligns with the Wellbeing of Future Generations (Wales) Act 2015, with the Project Management Office using the 5 ways of working. The project will make a demonstrable contribution to the 7 National Goals.
- All public sector partners operating onsite will be expected to comply with the Welsh Language Standards. Private companies will be encouraged to use the Welsh Language and offered practical support to foster take-up.
- Work undertaken between the Authority and Health partners to ensure highest standards of accessibility. This is essential due to the inclusion of a hydrotherapy pool and delivery of therapeutic services delivered within a community environment. Wider accessibility criteria will be met to promote use of facilities across all abilities.
- Discussions on design have been held with the Disabilities Forum and assurance given.
- To facilitate accessibility, it is proposed to include 10% disabled parking spaces and two Changing Places facilities.

2. Legal

Memoranda of Understanding have been signed with health and skills, training and business development partners.

These are not legally binding documents and will be superseded by Heads of Terms which are currently in development.

A decision-making structure has been agreed for each of the main tenants. Each tenant has identified a lead at executive level who is also a member of the overarching Pentre Awel Project Board. Work groups have been established within each tenant organisation to develop their remit and then identify the floorspace and infrastructure needs which will be incorporated into the Head of Terms. Tenants in turn are represented on the appropriate project Implementation Groups.

3. Finance

- Public, City Deal and institutional capital is required to deliver the whole of Pentre Awel:
 - Business case to draw down of £40m of City Deal money has been approved.
 - The City Deal funding provides an important catalyst for the wider project and subsequent benefits realisation programme.
 - Independent financial planning has been undertaken to secure institutional funding for this and subsequent phases of the project, including nursing home, assisted living, housing and hotel. An Information Memorandum was sent out to a pre-selected number of investors outlining the project together with financial information and business plans. The aim of the exercise being to obtain best value for the Authority and best long-term Investor partner for the project. Two Bids have now been received and are currently being assessed. Further discussion has been held with the UK Investment Bank and the Department of International Trade in relation to securing investment.
 - Running cost projections have been developed and these along with the cash flow requirements to meet the financial planning projections have been used to inform the lease terms with the tenants.
 - Funding for the County Council leisure centre elements of the project costs are included within the County Council Capital Programme 2022/23 – 2026/27.
 - The overall viability of the Zone 1 development will be modelled and agreed prior to the agreement of the final cost envelope and start of construction. The current funding position to meet the Guaranteed Maximum Price is set out as follows:

Guaranteed Maximum Price	£87,070,00
Funding:	
City Deal	-39,400,000
CC Capital Programme	-19,070,000
Trust Fund	-1,000,000
JV (CC & CCC)	-7,000,000
<i>(Some receipts TBC)</i>	
CC Reserves/DRF	-2,000,000
External Private Finance	-18,600,000
Funding Total	£87,070,00

4. ICT

- A key dependency in realising the benefits of interconnectivity will be the digital infrastructure created to facilitate and support partners and stakeholders, both now and in the future. Broadly, this will include:
 - Full fibre, multi tenancy connectivity to the site.
 - Full fibre, multi tenancy interconnectivity across/within the site.
 - Wireless network connectivity, indoor and outdoor across the park, multi tenancy.
 - 4G and 5G mobile coverage, including indoor solutions.
 - Internet of Things wireless networks.

Provision of this next generation Digital Infrastructure will provide Pentre Awel with future proofed network access for high speed connectivity to the internet, to private networks, data storage and cloud-based services within the facilities and remotely. The provision of first-class Digital Infrastructure at Pentre Awel will support and underpin the site in its entirety, significantly enhancing the success and its ability to deliver on the identified critical success factors.

5. Risk Management Issues

- Risk strategy and appropriate mitigation planning is maintained across all elements of the project work stream, procurement and planning.
- COVID-19 impact assessment undertaken to evaluate the impact of the outbreak. The project is resilient and able to capitalise on the opportunities, learning and new service delivery models developed through Covid.

6. Physical Assets

- New physical assets will be developed, the scope of which is set out within the outline planning application.
- RIBA stage 3 (detailed design phase 1 Street) formed the basis of the Zone One Tender.

7. Staffing Implications

- Provision of significant training opportunities to meet identified skills shortages in health and care professions, positive promotion of entry level opportunities for local people.
- No adverse impacts are expected on existing staffing.
- Enhanced training opportunities for staff both through leisure and care services.
- Possible recruitment of additional staff.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Chris Moore

Director of Corporate Services

1. Scrutiny Committee

City Deal Joint Scrutiny 15.02.2020

2. Local Member(s)

Leader, Cllr. Emlyn Dole, briefed at key project intervals

Local members individually briefed since 01.06.2020 - Cllr. Louvain Roberts, Cllr. John Prosser, Cllr. Deryk Cundy. Cllr. Jane Tremlett with the Disabilities Partnership.

3. Community / Town Council

Consulted through public engagement event 27/10/17.

Outline planning application submitted 15/03/18. Town council is a statutory consultee. All documents are accessible to the general public.

4. Relevant Partners

Hywel Dda University Health Board

Lead contact:

Lee Davies - Executive Director of Strategic Development & Operational Planning

Leighton Phillips - Director for Research, Innovation and University Partnerships

Regular updates submitted to Strategic Development and Operational Delivery Group
Presentations to Executive Team

Academic Partners

Lead contacts:

Vice Chancellor, University of Wales Trinity St David

Pro-Vice Chancellor Cardiff University

Provost Swansea University

Vice Chancellor Coleg Sir Gar

Vice Chancellor Pembrokeshire College

Vice Chancellor Gower College

5. Staff Side Representatives and other Organisations

Full communications log maintained

Attendance at CERF

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Project Board papers	Stored on <u>CFP</u>.	