

EXECUTIVE SUMMARY

POLICY & RESOURCES SCRUTINY COMMITTEE

2ND DECEMBER 2019

Background

The Llanelli Wellness Village (The Village) is a landmark development forming the largest single site development proposed for Carmarthenshire. The Village is a c. £200m development located across 86 acres of brownfield land and will co-locate public (local government, health board) academia, private and voluntary sectors and create an environment for leisure, education, research and development, business incubation and health promotion. In summary the Village will create:

- £199.5 million of infrastructure including research and business development facilities, a learning academy, a state of the art care home and assisted living and rehabilitation centre, a new leisure and aquatics centre with hydrotherapy pool, Wellness Hotel and outdoor leisure space
- A projected 1853 high value jobs plus community benefits
- Create £467 million GVA by 2034
- A multidisciplinary community health and care facility linked to the health board services.

Planning & Design Development

The Village development comprises a series of individual parcels of land each with specific and interconnected use. These have been designated as zones to which can be delivered together or separately.

Zone 1	<ul style="list-style-type: none"> • Community Health Hub • Wellness Hub • Infrastructure, landscaping & public realm 	
Zone 2	Assisted living: <ul style="list-style-type: none"> • Nursing Home including rehabilitation • Extra Care facility Affordable/social housing 	
Zone 3	Assisted living houses and apartments. Life Science Business Centre (expansion space)	
Zone 4	Wellness Hotel Housing Development	

Outline planning for the Village was approved by Planning Committee in January 2019 and, following additional flood modelling requested by National Resources Wales, consent was formally awarded on 6th August 2019. Welsh Government confirmed that they did not intend to call in the application and subsequently removed the 'stop notice'.

ARUP have been commissioned to develop the design for the first Zone of the Village. This commissioning has been approved throughout by Executive Board. In the meeting of October 21st Executive Board recommended to proceed to complete the detailed design development work (RIBA Stage 3). Zone one comprises the leisure (dry and wet) and City Deal (education/business development/clinical delivery) these elements are being brought together into a 'Street' design to optimise opportunities and efficiencies through integration of services.

As part of their RIBA Stage 3 commission, Arup along with cost consultants Gleeds, have also compiled a Procurement and Contract Strategy to provide an options appraisal on the optimal procurement solution for the Village in respect of the appointment of a principal construction contractor. The strategy takes into consideration key procurement criteria identified by the Council, including the need to maximise community benefits and achieve cost certainty, an acceptable distribution of risk and value for money and was developed following a procurement workshop with members of the Authority's Procurement Team. A summary of key milestones are set out below:

Key Milestones – Zone 1	Target Date
Completion of RIBA Stage 3	Q1 2020
Procurement of works tender exercise	Q1 2020
Contractor award and start on-site	Q3 2020

In addition, the Village is one of the first projects in the UK to be awarded full funding (£60,000) by the Department for Business, Energy and Industrial Strategy to undertake a heat network feasibility study. This funding recognises the potential value of the project within the local area and the council's commitment to become a zero-carbon authority by 2030. The study will look at optimising energy use and recovery at the Village and upon completion could be used as a demonstrator site/project.

Funding

A financial appraisal of the project has been undertaken and confirms the investability, with reasonable confidence, of the whole project. A Memorandum of Information has now been completed and has been submitted to a range of potential investors to generate interest from financial institutions. The optimum funding solution for the Authority will be determined through this process. Through initial discussions it has become apparent that the interest in the project is significantly higher as a consequence of the clear Local Authority lead.

The City Deal business case has been taken off hold and has now been redrafted to reflect the new funding and partnering arrangements. An update presentation was made to informal Swansea Bay City Board Economic Strategy Board in July and Joint Committee in October. The proposed timeline is now to submit the business case including the appropriate commitment from partners, formally to Joint Committee in December and, on approval, to Welsh and UK Governments.

On 21st October, Executive Board recommended to:

- delegate authority to the Chief Executive and Director for Corporate Services in consultation with the Leader, to submit the FBC once a higher education partner has been confirmed
- endorse the direct approach to the financial markets.

Partner Commitment

Following 'in principal' approval from Executive Board on 3rd December 2018 to submit the Full Business Case to UK and Welsh Government, Executive Board Members requested that officers explore alternative delivery methods to develop the project. In line with this request the Full Business Case now sets out the revised delivery model, specifically that CCC is the clear lead body for the project, with no external partners to drive any alternative objectives the Authority is fully enabled to manage all objectives and deliverables. The City Deal elements of the Village will be delivered by the Authority with lease agreements to be formed with tenants who will 'anchor' the health, education and business/research components.

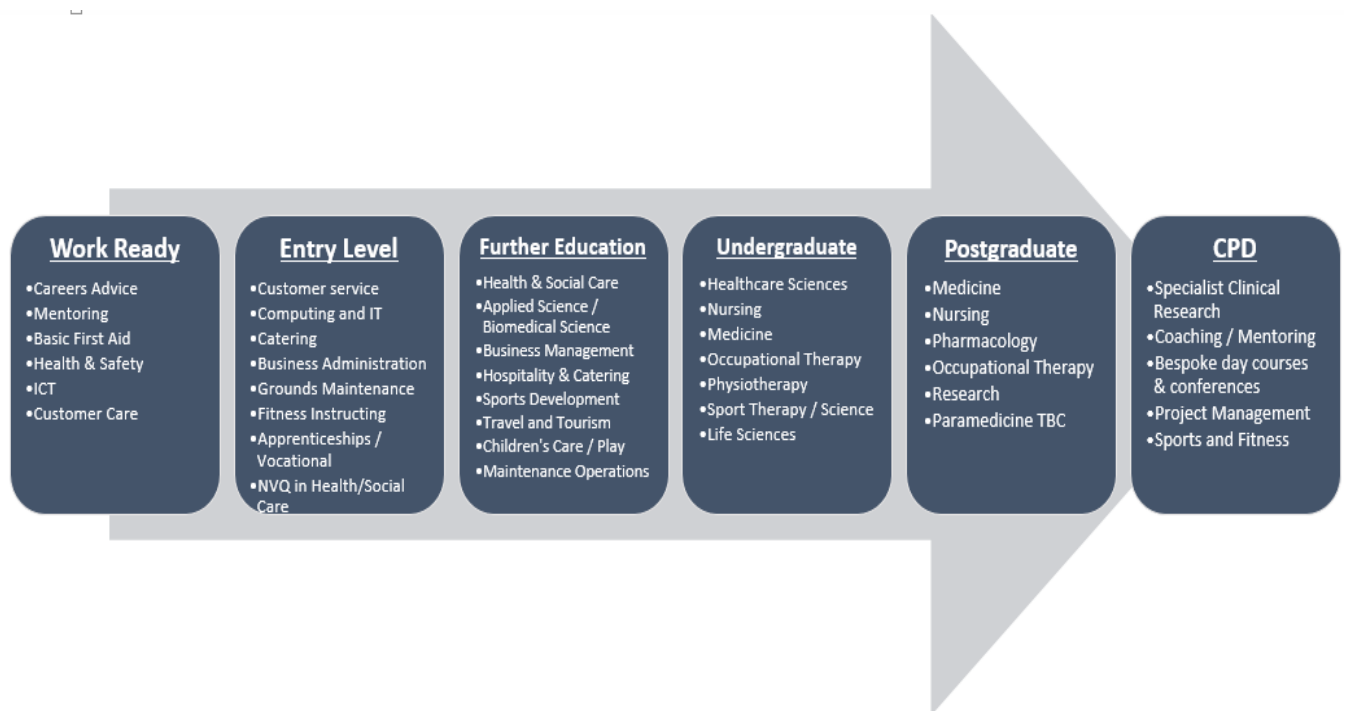
Health

To deliver the objectives of the project, Hywel Dda UHB have been engaged throughout the design development and business planning stages to ensure that the space reflects the needs and operational requirements. Hywel Dda UHB has through its Public Board in January 2019 confirmed its commitment to deliver services in the Village.

Academic/Research Partners

Due to the matters that have arisen with Swansea University, CCC has had to revert to inception stage discussions with a new Higher Education institution. Discussions are ongoing and positive and are progressing through the institution's formal governance structure. Once approved, financial/heads of terms agreements will be confirmed.

In addition to higher education provision, formal meetings have been held with a range of education partners, including further education and work-ready programmes. The work has focussed on the development of a pipeline for training focussed on meeting the key local skills gaps from work-ready through entry level to postgraduate opportunities and continuing professional development. In summary:



Brand Positioning Exercise

A branding positioning exercise has been undertaken by Heavenly Group Limited, an international brand and marketing consultancy. Through this exercise views have been sought from a wide range of stakeholders including Council Members and Officers, proposed tenants, representatives from Health, Academia and the community. The new brand was approved at Executive Board in October and is reflective of local place and history. Subsequent work is now underway to further develop the brand identity, including logo and promotional materials. It is aimed to launch the brand in the new year.

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.
- The Full Business Case outlines strategic alignment across the Authority, partners, and relevant Regional and National Strategic Policies and Plans.
- Crime and disorder are key considerations of the project and the site aims to achieve the 'Secure by Design' standard.
- Any partners operating onsite will be expected to comply with the Council's Welsh Language Standards – be that contractors and/or tenants from the public, private or third sector. Practical support will be provided through the Council's teams in order to support this compliance.
- Work undertaken between the Authority and Health partners to ensure highest standards of accessibility. This is an implicit need 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.
- All procurement will be undertaken in compliance with the County Council contract procedure rule and European legislation.

2. Legal

A comprehensive overview of the legal advice obtained was included within the Executive Board report in October. This confirmed the Authority's approach to commission of the design development work and in relation to the redesign of the work with respect to engagement with academic partners.

3. Finance

Public and private capital (provided through financial institutions) is required to deliver the Wellness Village as a whole

- Business case to draw down of £40m of City Deal money has been prepared to reflect the new structure for delivery of the project. The Business Case also reflects revised partnership arrangements to deliver education and research-based business development. The academic arrangements will include more entry level training opportunities along with higher professional medical and care courses these will be delivered through broader academic partnerships and form a 'pipeline' for career development.
- The Authority has engaged an independent consultant to undertake the development of a financial plan for the project and develop the business case rather than through the appointment of a development partner to broker the investment. Invitations to express interest in funding the project have been issued to the financial market.
- The overall investment summary for the project is set out as follows.

LAND USE	GROSS INTERNAL AREA (m ²)	INDICATIVE BUILD COSTS	FINANCE STREAM
Community Health Hub, comprising: <ul style="list-style-type: none"> • Business Acceleration • Wellbeing Skills Centre • Clinical Delivery Centre 	13,128	£40.0m (20%)	City Deal
Expansion Life Science Business Centre (latter phase development)	10,000 (max spec for outline planning)	£25m (12.5%)	Public/Private
Wellness Hub	9,249	£25m (12.5%)	CCC
Nursing Care and Residential Rehab Unit	8,206	£42.1m (21%)	CCC & Private/NHS to potentially operate
Assisted Living (inc. extra care facility and individual dwellings)	16,463		Private
Wellness Hotel	5,500	£11.5m (6%)	Private
Open market residential	6,600	£10.9m (5.5%)	Private
Affordable/Social housing	3,600	£5.5m (3%)	TBD
Infrastructure	-	£15m (7.5%)	CCC/Private
Sub-total		£175m	
Land value		£12m (6%)	
Affiliated financial costs*		£12.5m (6.3%)	
Total Investment		c. £199.5m	

4. ICT

A Full Digital Strategy is in development.

Discussions underway to agree the infrastructure requirements, liaison in place with planning and design consultants to reflect current requirements and the future proofing of the whole site.

Considerations include:

- Two feeds onto site – one into zone one and a second into the assisted living site for resilience – these two will be linked to each other by fibre connections to enable switching. To achieve highest resilience one feed would be from Llanelli and the other from Carmarthen
- Potential to put a ring ducting to enable subsequent stage connectivity
- Potential to build in masts e.g. as part of screening of car park
- Tenant responsibility for cyber security
- Flexibility for the business development elements to ensure adaptability of facilities

5. Risk Management Issues

- Risk strategy and appropriate mitigation planning is maintained across all elements of the project work stream, procurement and planning.
- The development of the delivery structure will be subject to legal scrutiny and therefore the Council's risk exposure will be mitigated
- Key risks include:
 - The enforcement of strict pre-election protocol (Purdah) may have a consequential impact on the approval and/or funding process for City Deal projects
 - Project delay remains a risk
 - A risk remains that the new Higher Education partner does not sign a formal agreement to deliver the required training elements.

6. Physical Assets

A range of new physical assets will be developed as set out within the outline planning application. Zone 1 elements are currently being taking forward during the design development stage.

7. Staffing Implications

- The Wellness Village will bring about positive impacts on employment and staffing – it is projected to create 1,853 jobs by 2034.
- No adverse impacts are expected on existing staffing.
- Possible recruitment of additional staff and provision of training opportunities to meet identified skills shortages in health and care professions.
- Anticipated to provide supported work placements from the local community, links to be investigated with local schools.

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. Local Member(s)

Cllr Jane Tremlett and Carmarthenshire Disability Partnership engaged as part of design development process; feedback sought on accessibility and inclusive layouts.

2. Community / Town Council N/A

3. Relevant Partners

Third sector information event held 07/10/19 with c. 15 third sector organisations in attendance. Consultation survey issued to explore opportunities for joint working and/or co-location at the Village.

4. Staff Side Representatives and other Organisations N/A

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

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

THERE ARE NONE