

## The template

This document provides the business case template for projects seeking funding which is made available through the **South East Local Enterprise Partnership**. It is therefore designed to satisfy all SELEP governance processes, approvals by the Strategic Board, the Accountability Board and also the early requirements of the Independent Technical Evaluation process where applied.

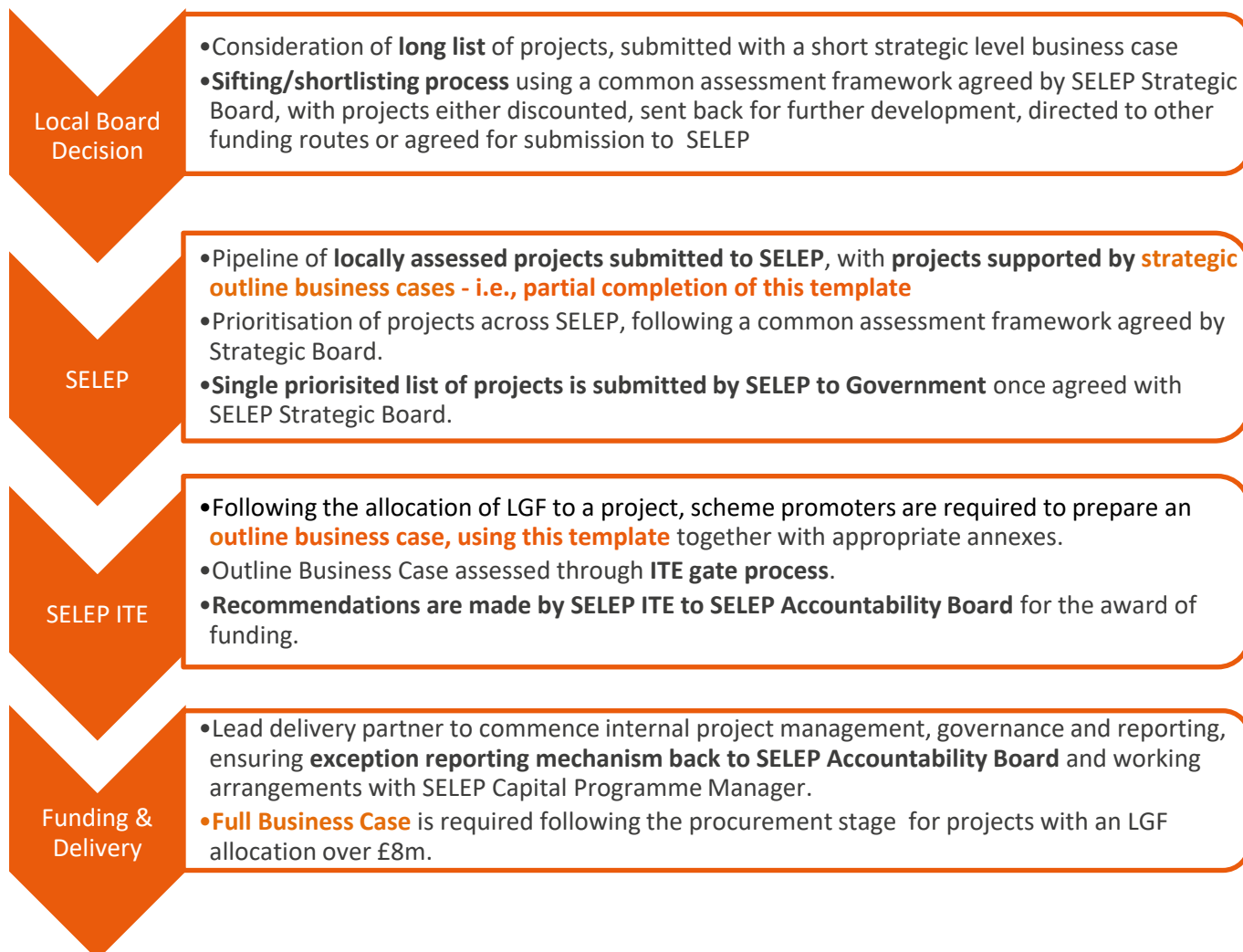
It is also designed to be applicable across all funding streams made available by Government through SELEP. It should be filled in by the scheme promoter – defined as the final beneficiary of funding. In most cases, this is the local authority; but in some cases the local authority acts as Accountable Body for a private sector final beneficiary. In those circumstances, the private sector beneficiary would complete this application and the SELEP team would be on hand, with local partners in the federated boards, to support the promoter.

Please note that this template should be completed in accordance with the guidelines laid down in the HM Treasury's Green Book. <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

As described below, there are likely to be two phases of completion of this template. The first, an 'outline business case' stage, should see the promoter include as much information as would be appropriate for submission though SELEP to Government calls for projects where the amount awarded to the project is not yet known. If successful, the second stage of filling this template in would be informed by clarity around funding and would therefore require a fully completed business case, inclusive of the economic appraisal which is sought below. At this juncture, the business case would therefore dovetail with SELEP's Independent Technical Evaluation process and be taken forward to funding and delivery.

## The process

This document forms the initial SELEP part of a normal project development process. The four steps in the process are defined below in simplified terms as they relate specifically to the



LGF process. Note – this does not illustrate background work undertaken locally, such as evidence base development, baselining and local management of the project pool and reflects the working reality of submitting funding bids to Government. In the form that follows:

Version control	
Document ID	
Version	
Author	
Document status	
Authorised by	
Date authorised	

## 1. PROJECT OVERVIEW

### 1.1. Project name:

*[Specify the name of the scheme, ensuring it corresponds with the name of the scheme at programme entry (when added to the LGF prioritised list of projects).]*

#### **Title:**

Building capacity in technical training, skills supply and business support interventions to drive productivity increases in agrifood and associated businesses during Brexit transition and the post Brexit ten-year competitive opportunity period.

#### **Short title:**

*Skills and business support for rural businesses post Brexit.*

### 1.2. Project type:

*[Site development, skills, innovation etc.]*

College Site development to enable increased capacity and enhanced quality of skills delivery and associated business support for agrifood rural businesses.

### 1.3. Federated Board Area:

*[East Sussex, Kent & Medway, Essex, and Thames Gateway South Essex]*

East Sussex (Team East Sussex).

### 1.4. Lead County Council / Unitary Authority:

*[East Sussex, Kent, Medway, Essex, Thurrock, Southend-on-Sea]*

East Sussex.

### 1.5. Development location:

*[Specify location, including postal address and postcode.]*

Lead contact location, Plumpton College, Lewes, East Sussex, BN7 3AE.

Primary delivery location, Plumpton College, Lewes, East Sussex, BN7 3AE.

### 1.6. Project Summary:

*[Provide a summary of the project; max. 0.5 pages.]*

(The clarification paper produced for external evaluation provides a useful oversight to the main project activity)

Plumpton College is the regional specialist land-based training and education centre, working with c2000 businesses and educating c3,500 students annually.

Securing better AgriFood business productivity/efficiency post-Brexit will rely on:

1. A better supply of more highly trained, educated and entrepreneurial new entrants
2. Continual updating of the existing workforce (professionalising)
3. Business leaders adopting improved business techniques to exploit market opportunities, non-traditional diversification, estate utilisation and available technologies, eg the potential offered from automation

4. Increasing technical skills to a) fill the current national shortage of 650,000 technical vacancies (land-based); 150,000 in the southeast, and b) **meet skills demand through new AgriFood opportunities which are not currently delivered elsewhere in the south east**
5. Plumpton College’s enhanced presence to prepare businesses (agri-food and associated) for Brexit and the post-Brexit period, including recruitment of individuals with appropriate levels of skill

Three constraints limit Plumpton College’s response to the call for action...

- a) Growth in student and business activity has saturated existing facilities, preventing further growth of existing provision and **preventing the College responding to the rising demand for new higher level skills in new areas of agrifood, of which provision in bakery and butchery is not being delivered elsewhere in the region.**
- b) Technology innovations/new developments mean some College facilities outdated/**not available**
- c) Application of Research and Innovation is hampered by insufficient conferencing/knowledge exchange facilities co-located with high quality technical demonstration facilities, referencing national bodies, eg The Agriculture and Horticulture Development Board.

This strategic project is ambitious, but phased, reflecting the urgency of industry need and severity of existing capacity limitations (a-c above).

The 10-year plan for the College site development has been evaluated in terms of level of current constraint, demand for increased level 3 and above skills within those sectors of rural businesses most impacted by the current skills shortages and the anticipated outcomes from Brexit and the post Brexit transition period.

This proposal is for **Phase 1 Part A (specifically sub parts A1, A2, A3 and A4)**

Developments in Part B could be brought forward/substituted if needed. Planning outcomes (Phase 1 Part A January 2019; Phase 1 Part B, December 2018).

Please see **Annexes 1a to 1f** - masterplan development to 2028 in the attached spreadsheet for specific details of the developments and the associated outputs and outcomes.

Summary of phased development programme at Plumpton College

Phase	Timing	Capital development
1 Part A	2019-2021	<b>AgriFood productivity and processing skills training/knowledge transfer centre (see spreadsheet for detail) – this application</b>
1 Part B	2021-2023	Engineering, Veterinary Nursing technical skills centres and residential accommodation for block-release apprentices (see spreadsheet for detail)
2	2023-2025	Technical centres for sport/outdoor education, equine industries (including tourism), animal science/management with associated staff accommodation (see spreadsheet for detail)
3	2025-2028	Expansion/further development of viticulture and oenology, forestry and arboriculture, horticulture and countryside facilities, with associated road and parking improvements (see spreadsheet for detail)

**Specifically, Phase 1 Part A will be to:**

(See Annex 2 for breakdown of details)

**A1. Construct a 2 storey centre of excellence in AgriFood knowledge transfer, business improvement and skills training**

- Gateway to the College farm and biosecurity training centre
- Knowledge exchange conferencing centre
- Rural Business networking facilitation space
- Butchery and meat processing demonstration and training suite
- Bakery demonstration and training suite
- Offices for co-location of Account Managers and Business Relationship Support Team
- Landscaping for site enhancement

**A2. Improve pedestrian and road user access to the new facilities**

- Remodelling of Wales Lane and construction of new access road and car parking facilities. Enhancement of road entrance to allow 2 way traffic at all times and facilitate main site user access. Widening of road junction and adopted highway "Wales Lane; demolition of existing glasshouse and construction of new road way
- Re-siting of animal enclosures and construction of new car park

**A3. Redevelop the pig production and beef and sheep handling facilities, including automated milking stations**

- Demolition of existing facility and construction of a 2 FTE staff capacity unit to act as a primary demonstration and skills facility in direct support of butchery unit
- Enhancement of existing BEEF facilities to install new race system and herd inspection equipment
- Enhancement of existing SHEEP facilities to install new race system and flock inspection equipment
- Remodelling of existing dairy unit to include new technologies for milking and cow welfare

**A4. Develop a village green through landscaping opportunities**

- Significant earthworks and planting to maintain a central green swathe through the campus and protect North-South views to/from the South Downs, creating an outdoor social / learning space for community and College use

**1.7. Delivery partners:**

*[List all delivery partners and specify the lead applicant and nature of involvement, as per the table below.]*

<b>Partner</b>	<b>Nature of involvement (financial, operational etc.)</b>
Plumpton College	Specialist Further Education College
East Sussex County Council (Team East Sussex)	Federated Body to SELEP
Architect	MJB Architecture – Harper Landscape Architecture

**1.8. Promoting Body:**

*[Specify who is promoting the scheme.]*

Plumpton College  
Ditchling Road, Lewes, East Sussex, BN7 3AE

**1.9. Senior Responsible Owner (SRO):**

*[Specify the nominated SRO and provide their contact details. The SRO ensures that a programme or project meets its objectives and delivers projected benefits. This is not the same as a Section 151 Officer.]*

Mr James Hibbert  
Deputy Principal  
Plumpton College  
01273 892054  
[james.hibbert@plumpton.ac.uk](mailto:james.hibbert@plumpton.ac.uk)

**1.10. Total project value and funding sources:**

*[Specify the total project value, how this is split by funding sources, any flexibility in funding scale and profile and any constraints, dependencies or risks on the funding sources, as per the table below.]*

<b>Funding source</b>	<b>Amount (£)</b>	<b>Flexibility of funding scale or profile</b>	<b>Constraints, dependencies or risks and mitigation</b>
LGF 3B	£2,918,000	Sub projects from Phase 1 Part B could be substituted if considered higher priority to SELEP	Project scope has been profiled to fit with LGF timescales.
Plumpton College	£4,119,020	Sub projects from Phase 1 Part B could be substituted if considered higher priority to SELEP	Funds are dependent on LGF match – project viability assessment would indicate that a reduced scope would be unviable and piecemeal site development would be unmanageable within the student experience. Funds would be obtained through secured borrowing.
<b>Total project value</b>	£7,037,020	Option 2 presented later is for sub parts (A2, A3 and A4) but this does not return a sufficient benefit to justify the level of College investment at £4.1m	A project smaller than the proposed is unlikely to generate a sufficient leverage of external funds and this would be considered too risky for the College at this time

College expenditure prior to 2018/19 has been significant in commissioning the professional services associated with the production of a site masterplan (c£35,000) to support this proposed development.

College is committed to maintaining its existing site and has planned expenditure beyond the project period at c£230,000 per year in the form of building maintenance and staff salaries associated with the skills and business engagement functions of the capital developments within this project.

Project costs include non-recoverable VAT and professional services.

The match funding from the College has been agreed by the College Corporation. Match funding for this project would be by bank loan. The College in discussion with Lloyds bank have identified a number of residential properties owned by the College against which the bank would be willing to secure a loan. The College currently has a low level of borrowing and sufficient income to service a new loan to fund the development; with 2018 EBITDA at 4% and borrowing as a percentage of income at 17%. The College has

prudent financial processes and given the external pressures on College funding generally and rising costs, the College has judged this level of risk around this level of loan to be manageable.

This loan will provide £3,624,000 of capital match funding and this figure has been calculated to include contingency and inflationary factors.

£495,020 of revenue match is allocated. The revenue match arises from staff allocations for:

- Project Management and coordination of wider estate activities to protect the critical path of the project. (Project management of the capital build falls into the capital cost allocation)
- Staff costs as additional staff are recruited to deliver the increase in training arising from the expanded facilities
- College staff will design and landscape the areas around the buildings, creating a cost effective saving and a valuable learning experience for students
- Existing Business related staff would support the knowledge exchange centre, particularly employer-facing administrative staff and Business Account Managers

The capital and revenue match funding is directly related to the delivery of this project and will therefore be fully utilised within the project period. The College has strong financial health and the funding is secure. It receives both educational grants and commercial income. Each year a budget is prepared and this will incorporate the operational costs of its activities and the loan repayment. The ESFA financial plan shows the College financial management is graded good moving to outstanding.

In addition, the College sets aside a sum each year to cover capital expenditure. The amounts set aside for the last three years have been £230k per annum. This will continue for the foreseeable future and depending on cash flow is likely to be increased.

**1.11. SELEP funding request, including type (LGF, GPF etc.):**

*[Specify the amount and type of funding sought from SELEP to deliver the project. Please also confirm that the funding will not constitute State Aid.]*

The funding sought is from Local Growth Fund Round 3b  
The total sum sought for LGF3b is £2,918,000

**Economic activity:** Plumpton College does engage in economic activity and such activity is minor in relation to our turnover and the sector, which we serve. Our economic activities provide a training facility for students and employees and the improvements are designed to create exemplar teaching facilities and not create profit. The College is an exempt charity for the purposes of Part 3 of Charities Act 2011 and we are guided by the Further and Higher Education Act (1992).

**Market advantage:** No market advantage is gained through this project. A key output of this project is to equip and prime the AgriFood sector with empowering and effective knowledge and appropriately skilled workforces. In doing so we expect to constrain our own economic activity to allow our stakeholders exposure to advice, support, best practice and skills development. Our offer to students and employers is unique and as such we are not competing with other local Colleges for students.

**Impact on member states:** The notion of trading across member states does not apply to the outputs of this project. We currently attract students from across the EU and will continue to do so.



**In light of the above, State Aid does not apply to this project.**

Plumpton College **has not received De Minimis aid nor does it expect to receive De Minimis aid.** This statement covers the previous 3 financial years (this being the current financial year and the previous two financial years), or over the next 3 financial years. This project does not breach State Aid Regulations.

The only economic advantages conveyed by the project relate to the impact upon beneficiary businesses and individuals. Plumpton College will ensure an equality of approach across the rural sector to allow beneficiaries from across the region to access support.

**1.12. Exemptions:**

*[Specify if this scheme business case is subject to any exemptions (and provide details of these exemptions) as per the SELEP Assurance Framework 2017, Section 5.7.4 and 5.7.5]*

This project is not subject to exemptions under Section 5.7.4 or Section 5.7.5 of per the SELEP Assurance Framework 2017

However, this project proposal is cognisant with the above framework, especially parts:

- 2.5 The Federated Boards
- 2.3 The Accountability Board
- 2.7 The Working Groups
- 4.4 Allocation of Revenue Grants
- 4.5 Accounts and Audit
- 5.0 Ensuring Value for Money
- 5.4 Prioritisation of Sector Support Fund
- 5.6 Business Cases
- 5.10 Value for Money
- 6 Programme Management

**1.13. Key dates:**

*[Specify dates for the commencement of expenditure, the construction start date and the scheme completion/opening date.]*

The key dates for the proposed project are set out below. LGF funding will be used through these stages and the final spend will be 31 March 2021.

Please see Annex 6 (revised 18 April 2019) for project dates



#### 1.14. Project development stage:

*[Specify the project development stages to be funded, such as inception, option selection, feasibility, outline business case, detailed design, procurement, full business case, implementation, the current project development stage, and a brief description of the outputs from previous development stages. Add additional rows as necessary. Please note, not all sections of the table may require completion.]*

Project development stages completed to date			
Task	Description	Outputs achieved	Timescale
Create a site masterplan for development	Detailed locations and outlines of developments for next 10 years	Master plan created	2017-2018
Consult with South Downs National Park Authority on site master plan	Consultation to agree development phases and outlines cognisant of planning guidance and regulation	Master plan developed in agreement with SDNPA	2015-2018
Agree loan facility with bank and corporation	Identify collateral to secure loan in agreement with Corporation and Bank	Loan agreed to level set out in this proposal	2018
Draft project proposal as EoI for Team East Sussex and SELEP	EoI drafted to set out the strategic case for the proposal	Proposal scored very highly and proposed by Team East Sussex for consideration of funding by SELEP	Sept 2018
Project development stages to be completed			
Task	Description	Timescale	
Complete full business case	Completion of full business case to be completed on outcome of SOBC considered by SELEP	Dec 2018	
Secure final full planning for relevant elements of the proposal	Complete full planning applications for all component parts of this project. Supported by commitment letter from SDNPA	January – March 2019	
Create project management team and project plan	Develop the project team once final approval is in place and create the project initiation document and change control structure. Steering group meeting dates to align with SELEP claim submission dates for timely reporting.	By January 2019	

#### 1.15. Proposed completion of outputs

*[Include references to previous phases / tranches of the project (link to the SELEP website) and to future projects to be funded by SELEP. Please see [SELEP Programme](#) for more information.]*

There are no previous phases to this specific project, however the College has successfully delivered on two previously funded small SELEP funded programmes to develop technical skills in science and engineering related areas:

- Capital for development for Plumpton College project titled **Growing apprenticeship and skills training in engineering** (refurbished space and equipment) £88,000
- Capital development for Plumpton College project titled **Science and Engineering for Tree Management** (refurbished space and equipment) £144,000

We have experience of formal tendering for major construction works and currently have a live procurement exercise with Brighton and Hove County Council for the regeneration of our Stanmer Park facilities. This project equates to £4.7m and having shortlisted to 7 contractors following the PQQ stage we are set to review and appoint in early December. We are used to managing such workflows alongside normal business and have apportioned time in our management calendar to take this forward. The key direct outputs of the proposed project are shown below:

<b>Direct Outputs associated with project expenditure</b>	
Gross Internal Floor area created.	1,506 m <sup>2</sup> GIA - (£/psm aligns to UK Construction Cost Data – released July 2018)
Infrastructure – new roads built	0.35km
Infrastructure – car parking spaces created	200 spaces (includes e-vehicle recharge ports)
Jobs created	7
Jobs safeguarded	13
Additional apprentices	204
Additional learners	248
Business support interventions (non-financial support)	610
<b>Indirect Outputs arising from the operational facilities (post Feb 2021)</b>	
Learner engagements	5000+ p.a. (arising from visits, taster courses, lectures, demonstrations, interviews, networking events etc...)
Business support interventions (non-financial support)	2500+ p.a. (arising from events, mentoring, peer exchange, masterclasses, demonstrations, student/employer meets etc...)
Course fee leverage	£938,000 p.a. NB this is the revenue funding for the delivery of the programmes, including teaching, administration, consumables, insurance, lighting, learning support etc. It is not money for capital development.

Key headline outputs by project part are:

**A1. Construct a 2 storey centre of excellence in AgriFood knowledge transfer, business improvement and skills training**

**A2. Improved pedestrian and road user access to new facilities**

**A3. Redevelopment of pig production and beef and sheep handling facilities, including automated milking stations**

**A4. Village green landscaping**

## 2. STRATEGIC CASE

*The Strategic Case should present a robust case for intervention, and demonstrate how the scheme contributes to delivering the SELEP Strategic Economic Plan (SEP) and SELEP's wider policy and strategic objectives. It includes a rationale of why the intervention is required, as well as a clear definition of outcomes and the potential scope for what is to be achieved.*

*The outlook and objectives of the Strategic Case need should, as far as possible, align with the Monitoring and Evaluation and Benefits Realisation Plan in the Management Case.*

### 2.1. Scope / Scheme Description:

*[Outline the strategic context for intervention, by providing a succinct summary of the scheme, issues it is addressing and intended benefits; max. 2 pages.]*

*The strategic case for proposal is strong, clear and compelling:*

- Food security, import substitution and export expansion are clear elements of the Governments Industrial Strategy
- The College current activity does not meet the skills needs of the land based industries preparing for Brexit and the post Brexit period of transition
- The land based industries need a further 650,000 skilled jobs to meet the rising demand for increased technology
- The College is currently restricted in its ability to respond because of space (physical resources) to support business interventions and deliver the skills updating training from new entrants and existing unskilled employees
- There is a lack of connectivity between the policy formulators, the industry representative bodies and their extension knowledge exchange programmes and the rural businesses currently preoccupied with Brexit and post Brexit related challenges on technology integration, shortages in skilled and unskilled labour and potential impacts on import and export options / constraints

This programme of development will enable the College to increase its delivery of

- Direct support to rural businesses to stimulate and embed improved business improvement techniques.
- Enhance networking opportunities between production, processing and retail elements – currently there is no large scale conferencing facilities collocated with the specialist demonstration resources for agrifood related rural businesses to network, form clusters, develop supply chains and link effectively with knowledge transfer organisations, for example The Agricultural and Horticultural Development Board
- Scale up the delivery of butchery and bakery skills through full time programmes and apprenticeships as well as linking to the best practitioners in industry to run masterclasses the stimulate the uptake of new techniques and practices to break into new markets, including export and greater import substitution, for example, English Sparkling Wine
- Scale up the links with industry to exploit the developments within T levels of the 'Industrial Placements' to create a better continuum from school to industry placement where the academically talented vocationalists can see a route to highly paid jobs and careers

This proposal is for four key developments of varying scale to bring about the transformation of the skills landscape and form stronger industry and community links – see outputs and outcomes in section 2.10

**A1. Construct a 2 storey centre of excellence in AgriFood knowledge transfer, business improvement and skills training**

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- Enhancement of existing BEEF facilities to install new race system and herd inspection equipment
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- Remodelling of existing dairy unit to include new technologies for milking and cow welfare

**A4. Village green landscaping**

- Significant earthworks and planting to maintain a central green swathe through the campus and protect N-S views to/from the South Downs, creating an outdoor social / learning space for community and College use

**2.2. Location description:**

*[Describe the location (e.g. characteristics, access constraints etc.) and include at least one map; max. 1 page excluding map.]*

The capital development will be located at Plumpton College, near Lewes East Sussex. During 2017 a new landscape strategy for this site was created in conjunction with the SDNPA. This masterplan provides a framework for the future development and capacity assessment of this site set in the context of known and applied planning constraints.

The resulting masterplan allows our development work to proceed with both confidence and realism. This is a strategically important site for further development to meet industry needs because:

- The College is the remaining independent specialist land based College in the region, offering the full breadth of provision to support the land based occupations
- The College has extensive productive relationships with the land based sector and is viewed as the technology hub for land based skills
- The capital developments will be collocated with exemplar demonstration facilities for example to enhance the delivery of knowledge exchange seminars and industry workshops

The full landscape strategy is available on request and the resulting site masterplan is attached as **Annexes 1a to 1f.**

### 2.3. Policy context:

*[Specify how the intervention aligns with national/regional/local planning policies and the SELEP SEP; max. 3 pages.*

*Smaller schemes: (less than £2 million) are required to complete this section in line with the scale of the scheme; max. 1 page]*

The policy context for this short, medium and long-term development at Plumpton College is compelling. The alignment with local, regional and national policies articulated below apply to all three phases of the development programme but are shown below specifically for Phase 1 Parts A and B. Part A is the project proposed under this funding call but some components could be interchanged with Part B if required from a strategic and management decision perspective.

#### **Alignment with National Policy Objectives**

##### **Government Industrial Strategy**

Government is clear that increased productivity and greater efficiency in primary processing of agricultural and horticultural food and drink is central to driving down imports, improving food security (the proportion produced within the UK) and increasing business and economic performance (employment and GDP). This proposal is cognisant of the Government's Industrial Strategy which sets out the roles that employers, businesses, knowledge transferors and educational organisations must play to increase UK productivity. Central to the industrial strategy is the increase of advanced and high level skills, coupled with business support programmes.

The benefit arising from this proposal will be to support the Agri-Food and Agri-Drink industries with a South East / Southern England knowledge transfer and training network. This will be impactful because there is currently no centre co-locating production processes with processing procedures and knowledge transfer networks, specifically targeted to maximise efficiency and effectiveness. The opportunities from such an approach are significant, eg English wine is predicted to increase at least 10 fold in the next 10 years, provided inefficiencies in vineyard and winery systems can be overcome through producer application of recent developments in research and technology.

This project is well aligned to the Government's Industrial Strategy and directly supports the pillars:

- 1. Investing in science, research and innovation** – we must become a more innovative economy and do more to commercialise our world leading science base to drive growth across the UK.
- 2. Developing skills** – we must help people and businesses to thrive by: ensuring everyone has the basic skills needed in a modern economy; building a new system of technical education to benefit the half of young people who do not go to university; boosting STEM (science, technology, engineering and maths) skills, digital skills and numeracy; and by raising skill levels.
- 4. Supporting businesses to start and grow** – we must ensure that businesses across the UK can access the finance and management skills they need to grow; and we must create the right conditions for companies to invest for the long term.
- 6. Encouraging trade and inward investment** – government policy can help boost productivity and growth across our economy, including by increasing competition and helping to bring new ways of doing things.
- 8. Cultivating world-leading sectors** – we must build on our areas of competitive advantage, and help new sectors to flourish, in many cases challenging existing institutions and incumbents.
- 9. Driving growth across the whole country** – we will create a framework to build on the particular strengths of different places and address factors that hold places back – whether it is investing in key infrastructure projects to encourage growth, increasing skill levels, or backing local innovation strengths.
- 10. Creating the right institutions to bring together sectors and places** – we will consider the best structures to support people, industries and places. In some places and sectors there may be missing institutions which we could create, or existing ones we could strengthen, be they local, civic or educational institutions, trade associations or financial networks.

### ***Government Educational Policy***

Apprenticeships and specialist technical training from level 3 through to level 7 are the backbone of the Government's educational policy, aligned to its industrial strategy. This proposal directly contributes to these strategies and policies, because of the additional skills created through the expansion in capacity. The Government's approach to consolidating growth in education delivery supports the project's sustainability.

### ***Government Area Based Reviews***

The College strategy is predicated upon the endorsement from the Government's Area Based Review Process (2015-16) for Plumpton College to:

- Remain independent to ensure the highest quality of staffing and physical resources for supporting specialist businesses, especially with level three and above skills and management competencies
- Continue sustainable growth in specialist provision to meet the rising demand for local, regional and national skills within the land based sectors
- Improve the access to and scaling up of delivery of existing provision and services through expansion of key training resources, the shortage of which is currently limiting the number of potential new entrants for those industries of key importance; Agri-Food, Engineering/Metalsmithing and Veterinary Nursing and Animal Science and Management.

### ***Industrial Strategy Challenge Fund***

This challenge fund is specifically about transforming food production and will be directly supported by this project by acting as a focal point to raise awareness of the need for innovation to help transform the way the AgriFood sector responds to future needs in a sustainable way, by providing a direct link to the work going on in research and innovation.

### ***Defra 25 Year Food Plan***

This is designed to ensure commercial investment in food production is supported so that the UK industry can prosper. It promotes the development and uptake of Agri-Food technology to support productivity growth and reduce the environmental burden. It recognises the need to develop new supply chain partnerships which respond to changing consumer demands in the UK and globally.

### ***Institute of Directors***

The professional network of directors of businesses promotes the importance of networking and building reliable long-term business contacts. An approach they use is to recognise organisations, which provide business support and are able to offer drop in collaboration facilitative space (eg the business networking atrium proposed in this project). This would support the IoD promotion for networking and generate the potential to bring additional footfall from businesses allied to or new to the Agri-Food sector in its widest sense.

### ***All Party Parliamentary Groups (APPGs)***

As part of Government policy for consultation, an APPG was held in July 2018 to directly review with the horticultural sector the current situation with regards skills supply and early stage careers. Plumpton College was engaged to make proposals for improvements through 'an ask of Government'.

The agreement from the APPG was to drive towards the features of a more dynamic skills pipeline for horticultural progressions, which would include:

- A scale which can operate at local, regional and national scales
- A finesse which provides a connectivity of information on careers and prospects which better link and inform:



- School teachers (of the National Curriculum) and school careers teachers
- Young people directly
- Parents and guardians of the young people, especially those not from a horticultural profession
- Employers who are trained to be better to entice the best young people into those most attractive and rewarding high level careers
- Mid-life career changers who can more clearly see their generic and transferable business skills being used in a new sector
- A consistent ‘glue’ to make sure the elements of the pipeline are well connected and regularly refreshed
- An opportunity for training and retraining which is flexible, available and inspiring

### **Wider National Policy Alignment**

The support for Agri-food businesses and associated preparatory training through full time, part time and apprenticeships will also directly contribute to various recent Government initiatives / Policies:

- The Agri-Food Skills Strategy
- The establishment of the Agriculture and Horticulture Workforce Skills and Development Strategy
- The Food and Drink Sector Council
- Health and Harmony agenda
- Innovation South

### **Alignment with SELEP Policy Objectives**

#### **SELEP Rural Working Group**

This proposal will directly support this group by creating the capacity to scale up ready for the increased activity post-Brexit. It is directly complementary to the two **pan LEP** programmes approved by the SELEP Board (funded through the Sector Support Framework September 2018). They are:

- Planning and prioritising future skills, training and business support needs for rural businesses across SELEP (**Plumpton College is the lead**)
- Good food campaign to promote supply chain effectiveness (**Food Kent is the lead**)

#### **SELEP Strategic Economic Plan**

This project is exceptionally well aligned to the relevant LEP strategies, for example:

<b>SEP aspect</b>	<b>How supported in this project</b>
1.20 Boosting our Productivity	Bring together sector champions, experts and practitioners to engage with new entrants and existing businesses to support business development, raise awareness of opportunities, access to support and links with export markets.
1.3 Our Growth Deal	Delivery against SELEP targets from central Government.
1.4 Boosting the productivity of our businesses	Strategic planning of education and training will create more synergy between business and the FE and HE sectors and research organisations. Benchmarking to best practice.
1.4 Investing £128m in skills capital projects	Provides employers with scope to influence the nature and scope of education delivery.
1.5 Our federated delivery model	Project works within federated areas but will identify overlapping needs to create pan LEP overview of skills delivery for rural businesses.
1.20 Productivity level remains stubbornly low	Through business networking and referencing and working with national organisations through Knowledge Exchange Centre, the project builds relationships between SELEP, businesses and FE, HE and research organisations.





1.21 The proportion of our residents with higher level (4+) qualifications is low	Provides rural businesses with the opportunity to drive the skills training required, especially at level 4 and above. The increased capacity will enable the College to meet business expectations and needs.
2.10 Economic activity is not evenly spread across the SELEP area.	The additional capacity will create greater potential for students to engage in Level 2 training and then progress to advanced and higher levels.
2.11 Entrepreneurial Business Culture	This project will directly identify and plan support options for microbusinesses. It will link in with sources of capital and business development support.
2.21 Environmental Technologies and Energy	Better training and skills needs for rural business through improved communications and networking, supported through the knowledge transfer centre.
2.29 The SELEP area economy is not as strong as the economies elsewhere in Southern England	This project provides employers and businesses with the opportunity to influence the skills delivery process pan LEP. Case studies and impact studies will be developed and made available.
2.32 Our ambition is to ensure that in achieving significant jobs growth.	Project is directly targeting skills needs delivery and future planning. It will offer support in commercial acumen and underwrite long-terms skills investment.
2.45 Some of the most varied, valuable and productive rural areas in the country can be found within the SELEP	Project directly supports AgriFood sector businesses and therefore contributes to addressing productivity and skills gaps across SELEP.
2.46 A substantial proportion of the SELEP business base is located in rural areas	Project directly supports land based businesses, especially food related and the associated processing and manufacturing to add value to primary products.
2.48 Technology and education in the rural sector	Project directly supports the improved use of technology within the rural sector through influencing training needs and business support planning and delivery. This development will improve the demonstration of available technologies and by referencing national research and innovation bodies, eg Agriculture and Horticulture Development Board. The centre will provide a forum for industry experts to showcase the new research innovations and applications.
2.54 Improving our Skills	The project provides the opportunity to directly address the skills shortage through investment in capacity to extend delivery to more students, employees and business principals.
4.55 Rural and Coastal Communities Job density is low in some rural areas	The project will enable small rural businesses to access expertise to support development and provide direct help to start-ups. Innovation regarding food production techniques, food processing, and routes to market and access to new markets will enhance economic development and support job creation.

### **SELEP Rural Strategy**

This project is well aligned to the SELEP Rural Policy by directly contributing to the following aspects

<b>Rural Strategy aspect</b>	<b>How supported in this project</b>
RE1 - Provide support for rural businesses and businesses in rural areas	Better planning and targeting of business support, training, skills and knowledge transfer.
RE2 - Optimise the growth and development of the Agri-Tech, Agri-Food, Forestry-Tech sectors	Identification of precise training, skills and business support required in agribusinesses, including crops and animal related enterprise. Direct delivery of higher skills training underpinning AgriTech strategy.
RE3 – Support the development of sustainable rural tourism	Supports rural businesses with diversified business interests where tourism plays a role – eg wine tourism, through better planning of business support programmes and training for business to better connect with supply chains and tourism opportunities.



RC2 – Develop the skills of the rural workforce	Better engagement, uptake and impact because training and skills better aligned to business needs – delivery well supported through most up to date new facilities and resources.
REn1 – Support development of a more efficient low carbon and sustainable rural economy	Better provision of knowledge transfer to support business development to evaluate sustainability impacts and evaluate and mitigate for risks.
REn3 – Support sustainable development	Better planning of provision for skills development and training, business advice, mentoring, marketing expertise, business management improvement techniques. Greater resilience to deal with post Brexit outcomes.

**SELEP Skills Strategy 2015 and 2018**

Skills Strategy aspect	How supported in this project
Improve the talent pool in support of priority sectors	Specifically delivers rural training and skills and the skills pipeline delivery approaches.
Increase participation of young people in work, education and training	Through this project more skills pipelines for the sectors identified will be developed to increase work experience opportunities and create a more coherent passage from school though post-16 education into work and lifelong learning.
Improve skill levels and employability	The capital investment through this project will create greater capacity for skill delivery at all levels, but particularly at Level 3 and above.

**Agriculture and land based ‡**

- 6,000 enterprises
- 1,000 vacancies including landscaper, veterinary nurse and farm estate worker
- Average national salaries include farmer (£44k), veterinary nurses (£24,495)
- A rich and diverse food production / manufacturing sector showcasing innovations and importance of food security – linked to tourism

**Now**
**Future**

- Important to food security and potential move to more UK production if imports become costly
- Innovations in areas such as wine production could lead to further growth
- Farmers UKCES jobs of the future
- Growing need for farm based R&D and response to climate change

**Alignment with Plumpton College Objectives**

**Plumpton College Strategy**

The College 7 year Strategy published in August 2017, endorsed by the College Corporation and previously circulated to SELEP for support during its formation, sets out the ambitious vision for the College’s contribution to a thriving rural sector (both rural businesses and those businesses which are rurally located). This is through effective training of advanced and higher level technical skills for new entrants and the existing workforce development, and to scale up the support for business start-ups and expansion of existing businesses.

**2.4. Need for intervention:**

*[Specify the current and future context and articulate the underlying issues driving the need for intervention referring to a specific market failure, need to reduce externalities, Government redistribution objectives etc.; max. 2 pages.]*

The Agri-food sector and its supply chain is a significant employment sector in the SELEP area and the food production sector in particular is an industry which is undergoing radical change, not least with the advent of new technologies and rapidly evolving production processes. There is an ongoing need to ensure that the SELEP has a competitive workforce, including in the Agri-food sector, and there is a need to ensure a ready supply of refreshed and replenished talent to the industry.

The market is not in a position to develop a co-ordinated strategy that can adequately ensure a ready supply of skills across the industry or ensure that businesses operating in the sector can access the tailored support they need, and this market failure represents a threat to the ongoing success and competitiveness of the SELEP agri-food sector and its supply chains.

This is largely due to the composition of land based businesses, which by their very nature are:

- Relatively small scale and geographically dispersed and often isolated
- Do not have the financial resources to establish such a proposal for themselves either singularly or in combination
- The current Brexit stance on European labour is placing overriding constraints on the operation of key fruit and vegetable growers, moving towards a significant reductions in scale of UK operation and concomitant increase in imports from either Europe or non-European countries

The counterfactual argument is that without the provision of tailored support, the Agri-food industry and its far-reaching supply chains may become weakened over time, not least through the advent of skilled workforce replenishment challenges which are likely to be become increasingly apparent in the absence of adequate skills and business support infrastructure.

Plumpton College is ideally positioned to deliver this infrastructure but without investment, the College would be restricted to the status quo or to a modest piecemeal development over the next 5 years. The College is currently capacity restricted and is therefore not able to increase the support for business and training of new and advanced skills to support the continued success of the sector and without LGF funding, the College would need to use its loan capability to continue to invest in its site by developing:

- the road and pedestrian access to improve ingress and egress to the site
- overdue improvements to the pig, beef and sheep production facilities because these have become obsolete.

For clarification. Plumpton College's enhanced presence to prepare businesses (AgriFood and associated) for Brexit and the post-Brexit period, including recruitment of individuals with appropriate levels of skill **is currently constrained.**

This constraint in capacity, which will be directly addressed by the creation of the centre of excellence, is currently threefold:

- a) Growth in student and business activity has saturated existing facilities. This prevents further growth of existing provision and **prevents the College responding to the rising demand for higher level skills in new areas of agrifood. An example would be the provision in bakery and butchery not being delivered elsewhere in the region.**
- b) Technology innovations/new developments mean some College facilities are outdated/**not available.**
- c) Application of Research and Innovation is hampered by **insufficient knowledge exchange facilities co-located with high quality technical demonstration facilities**, referencing national bodies, eg The Agriculture and Horticulture Development Board.

Individual rural businesses are not of a scale nor size where they can make individual investments at a capital level for this regional centre.

The 'do nothing' reference case position achieves no outputs, so all impacts are wholly additional to the funding. This is set out clearly at the front of the economic case.

LANTRA, Sector Skills Council evidenced the national need for 650,000 high level technology related jobs. At SELEP level, this is estimated to be approximately 25,000 given the rural proportion of SELEP.

The need for high level skilled job holders is equally necessary across England as it is across SELEP. Market failure is not geographically isolated.

The smaller **Reduced Option** investment would improve ingress and egress, which would be made safer and more efficient. However to do this, the College's loan capacity would be exhausted and therefore the project would **miss the opportunity to synchronously develop part A1** which provides the significant capacity expansion and the greater tangible outputs and benefits.

## 2.5. Sources of funding:

*[Promoters should provide supporting evidence to show that:*

- all reasonable private sector funding options have been exhausted; and
- no other public funding streams are available for or fit the type of scheme that is being proposed

Public funding is regarded as a last resort. Promoters are encouraged to think carefully about and provide strong evidence that the intervention they are proposing has exhausted all other potential sources of funding and there is a genuine need for intervention from the public sector; max. 1.5 pages.]

Within this proposal, the College has considered all potential sources of funding and the key match element (£4,122,644 – capital and revenue) for the public funding (£2,981,000) represents a 41.47% intervention rate by LGF and exhausts the College's loan capacity secured against College owned residential property.

## 2.6. Impact of non-intervention (do nothing):

*[Describe the expected outcome of non-intervention. Promoters should clearly establish a future reference case and articulate the impacts on environment, economy and society, if applicable. The future reference case should acknowledge that market conditions are likely to change in the future, with or without any intervention. 'Do nothing' scenarios where nothing changes are unlikely; max. 1 page.]*

Doing nothing is not an option for the College. The College remains independent and focussed on the specialist land-based sector so that it can increase the flow of skills into the sector improving business performance and productivity.

Whilst the College has provided education, training and business support to the sector for many years, the ever-changing needs in industry means that there is an ongoing need to ensure that the college has adequate facilities to deliver its services. Whilst the college will continue to pursue its investment strategy, currently available income sources means that this would likely result in piecemeal development to maintain the current offer.

In the absence of investment from the SELEP LGF, it is likely that over time this would lead to an erosion of the overall College offer and decline in its overall competitiveness. The impact of non-intervention is therefore that the College may see some downgrades in its existing offer and as well as potentially resulting in some operational FTE job losses at the College. This reduced service would inevitably impact on the ability of the College to provide a much-needed service to support the continued success of the agri-food and related sectors across the SELEP area.

## 2.7. Objectives of intervention:

*[Outline the primary objectives of the intervention in the table below, and demonstrate how these objectives align with the problems presented in the Need for Intervention section.]*

The **overall aim** of this strategic development at Plumpton College is to support SELEP's objectives for economic growth by improving business performance and productivity in the land based sector and for those businesses which are rurally located by:

1. National apprenticeship contracts bringing net money into the local economy, with new facilities required support national contracts currently being piloted.
2. Attracting more new entrants to the sector who are more innovative and entrepreneurial with very high technical and business skills
3. To align these new entrants with appropriate businesses to create a more sustainable and effective skills pipeline, directly connecting through the College the new student and the employer.
4. Providing facilities and support services to retain entrepreneurs and skilled employees within the local economy against the draw to London.
5. Continually developing the existing workforce to foster better progression of skills development so businesses can better prosper from keeping staff, but supporting them to progress to higher levels leading to greater business impact
6. Supporting businesses directly to invest more in their own training by supporting better professional development and enhanced business improvement techniques
7. Facilitating the access of business principals and employees to exploit research and innovation opportunities through facilitating more effective knowledge transfer (1: many and small group)
8. Developing a cohesive approach to coaching and mentoring within and across businesses and developing the networking opportunities for creating a better supply chain where primary producers can access a greater share of the retail value

### Project Objectives

***Objective 1:** Develop within the College's strategic plan a long term capital development programme to scale up the supply of skills which have become capacity restricted and unable to meet the demand in the new growth area of agrifood, particularly butchery, bakery and dairy processing*

***Objective 2:** Bring forward a pipeline of capital proposals to build on the on-going investment in the collaborative work between the College and the South Down National Park Authority to create an agreed development plan for the Plumpton Campus for the next phase of expansion (2018-2028)*

***Objective 3:** Construct a 2-storey centre of excellence in AgriFood knowledge transfer, business improvement and skills training, with component elements:*

- i. Gateway to the College farm and training centre, including farm demonstration and biosecurity zone*
- ii. Knowledge exchange conferencing centre*
- iii. Rural business networking facilitation space*
- iv. Butchery and meat processing demonstration and training suite*
- v. Bakery demonstration and training suite*
- vi. Offices for co-location of Account Managers and Business Relationship Support Team*

***Objective 4:** Improve pedestrian and road user access to new facilities by remodelling of Wales Lane and construction of new access road and car parking facilities*

*Objective 5: Re-siting of animal enclosures and construction of new car park*

*Objective 6: Redevelop existing, but time expired and inappropriate, animal production facilities to better meet the training needs for growers and producers who want to produce to a high standards. Then to utilise innovative processes and approaches to add value, eg butchery of lamb, beef and pork and see demonstration of the role of automation within animal systems:*

- vii. Demolition of existing facility and construction of 2 FTE capacity unit to act as a primary demonstration and skills facility in direct support of butchery unit*
- viii. Beef and sheep handling and demonstration facilities for herd and flock health checking, evaluation of animal finishing and conformation for specific market/processing options*
- ix. Remodelling of the existing dairy to split the herd to demonstrate a straw housed option that can be introduced for very high yielding cows, with automated control, including the installation of 2 robotic milking stations*

*Objective 7: Prepare through significant earthworks and planting to create an earth amphitheatre development as the first part of a 'village green' next to the Norman Church to:*

- x. Maintain a central green swathe through the campus and protect N-S views to/from the South Downs (as agreed with the South Downs National Park Authority as part of the site master plan)*
- xi. Create the first stage of a large (3,500m<sup>2</sup>) College and community outside learning spaces to foster local learning activities and engagement with village groups and societies, including schools and social welfare groups*
- xii. Sustainably utilise land spoil from the site developments*
- xiii. Provide a shared facility for the College to demonstrate to businesses its support for social corporate responsibility*

**Problems or opportunities the project is seeking to address**

For clarification, in simplistic terms, the need for this project is compelling and Plumpton College is the only South East specialist land based college with agrifood resources of a commercial scale, range and quality to provide the collocated training resources to underpin the additional training and education facilitated through the AgriFood centre of excellence.

The existing rural businesses working with the College annually (over 2000 annually with over 100 represented on Curriculum Advisory Panels) are looking to the College to take the lead in facilitating and supporting the AgriFood sector through the next 10 years.

Sector representative bodies, for example The Agriculture and Horticulture Development Board and WineGB, are constituted to collect and administer product-based levy income to support research, innovation and knowledge transfer. **They do not have a mandate for capital investment.** Indeed, much of their current knowledge transfer activity **is restricted** through shortage of existing appropriate delivery rooms and facilities, especially in the South East.

For clarity, the preferred option is articulated as a package of mutually synergistic components. Specialist training facilities and knowledge transfer spaces are required in close proximity to the technical resources. Plumpton College will have these resources established on a site adjacent to the conferencing and knowledge transfer spaces through this project. This will act as an attracter and provide education and consultation training for diversification and efficiency purposes and to ensure the College maintains a holistic approach to food and farming provision to better support the industry post Brexit.



The factors influencing the need for intervention relate largely to the current characteristics of the land-based sector meaning that such a solution is unlikely to appear without direct intervention:

**Problem / Opportunity 1:** The shortage of high skilled new entrants to the land based businesses and that land based industries being relatively small in scale and geographically dispersed and isolated are not in a position to solve this themselves.

**Problem / Opportunity 2:** Land based industries lacking the financial resources to establish such a proposal.

**Problem / Opportunity 3:** Brexit stance on European labour constrains UK operating production and increasing reliance on imports.

**Problem / Opportunity 4:** Without LGF support the College's development over the next 3 year would be limited purely to infrastructure works as a future growth enabler. This project affords direct output generating activity from the outset.

	<b>Problems / opportunities identified in Need for Intervention section</b>			
	<b>Problem / Opportunity 1</b>	<b>Problem / Opportunity 2</b>	<b>Problem / Opportunity 3</b>	<b>Problem / Opportunity 4</b>
Objective 1	✓✓✓	✓✓✓	✓✓✓	✓✓✓
Objective 2	✓✓	✓✓✓	✓✓✓	✓✓✓
Objective 3	✓✓✓	✓✓✓	✓✓✓	✓✓✓
Objective 4	✓	✓	✓	✓✓✓
Objective 5	✓	✓	✓	✓✓✓
Objective 6	✓✓✓	✓✓✓	✓✓✓	✓✓✓
Objective 7	✓✓	✓✓	✓	✓✓✓

Objectives initially planned for Phase 1 Part B but which could be brought forward are set out in Annex 2 but in brief, include:

- a) Extension of engineering facilities, including
  - i. Demolition and construction of new workshop facility
  - ii. Construction of CAD studios
  - iii. Remodelling of existing provision for hot and cold works
  - iv. Construction of accommodation for new curriculum staff and technicians
  
- b) Construction of updated and expanded Veterinary Nursing 2 storey training suite, including
  - v. Construction of VN suite at ground floor level
  - vi. Construction of flexible learning space at ground floor level
  - vii. Construction of 3 classrooms and locker storage at first floor level
  
- c) Residential accommodation to support block release training and study
  - viii. Expansion of residential facilities
  - ix. Expansion of admissions and contact/enquiries centre
  - x. Remodelling of car park and main access
  - xi. Administrative support areas



For clarity, Objective 5 is the development of car parking space adjacent to the training and knowledge transfer centre. The car parking is necessary because the training will necessarily need to take place in a rural setting where there are appropriate physical demonstration resources. Existing car parking is not sufficient nor closely located to the proposed new build. The associated road and car parking will ease delegate, student and staff ingress and egress to the site and markedly improve pedestrian and vehicle movement safety by creating wider access ways and specific pedestrian routes.

Additionally, the road way and the car park to the centre will form part of the demonstration facility for biosecurity control to ensure unauthorised visitors cannot access the farm and biosecurity cordon.

The College has a good understanding and empathy with the target audience and there is a strong need for training to be delivered face to face and this would be at the College site. As set out in the application, our car parking capacity is currently limited because of continual increased student and business growth: car parking now exceeds 100% of designated spaces on 4 out of 5 days of the week. The rural location of the training and knowledge transfer facilities and presence of only one public bus route infrequently scheduled to local villages creates an unprecedented demand for car parking spaces.

#### 2.8. Constraints:

*[Specify high level constraints or other factors such as social/environmental/financial/developments/schemes/legal consents and agreements which may affect the suitability of the Preferred Option; max. 0.5 page.]*

During the last 18 months our Senior Management Team have been working with the South Downs National Park Authority (SDNPA) to produce a new landscape strategy and, arising from this, a site masterplan. This work is now complete having received sign off from the SDNPA at our second and final Design Review Panel. Our masterplan and landscape strategy provides an agreed framework against which planning applications for development can be assessed and understood. As such the key risk of failing to secure planning permission for building construction is mitigated by the significant work already undertaken and the encouragement of SDNPA to now submit our detailed plans for approval. SDNPA have also agreed to grant extended planning consent in order to allow the College the timeframe required to source funding and project delivery.

**Annex 3** provides evidence of this relationship.

#### 2.9. Scheme dependencies:

*[Provide details of any related or interdependent activities that if not resolved to a satisfactory conclusion would mean that the benefits of the scheme would not be fully realised; max. 0.5 page.]*

The programme for this project has been structured to reduce the interdependencies between individual themes. It should be seen as a number of key interventions with multiple commonalities in the outputs that each supports. As such, whilst each theme faces the normal delivery risks of implementation timescales, contractor availabilities and price maintenance, any friction incurred in one theme will not affect other themes.

#### 2.10. Expected benefits:

*[This section identifies scheme benefits (which will be achieved through delivering the scheme) which may not be valued in the Economic Case. Specify the extent of the scheme benefits referring to relevant economic, social, environmental, transport or other benefits. This is where any 'GVA based' estimates of benefits should be reported together with any dependent development (e.g. commercial or residential floorspace). Please reference the relevant section of*

*the Economic Case where additional information regarding the assessment approach can be found; max. 0.5 page.]*

**The benefits which will be unique across the South East** are expected to be realised immediately upon completion of the capital build aspect in February 2021 and to be achieved not only in the first year of operation but built upon year after year. The level of activity expected is demonstrated in Annex 2 and the expected outputs for each element of the Preferred Option are outlined in detail below. This will ensure an ongoing supply of skills and business support to the agri-food technology sector, and will also generate and safeguard some 20 FTE jobs at the college.

### **A1. Construct a 2 storey centre of excellence in AgriFood knowledge transfer, business improvement and skills training**

- Gateway to the College farm and biosecurity training centre
- Knowledge exchange conferencing centre
- Rural Business networking facilitation space
- Butchery and meat processing demonstration and training suite
- Bakery demonstration and training suite
- Offices for co-location of Account Managers and Business Relationship Support Team
- Landscaping

#### **A1. Project outcomes**

- \*\* 324m<sup>2</sup> AgriFood information and knowledge transfer suite (incorporating meeting hubs) supporting high quality knowledge transfer
- \*\* 2500 employees / business engaging knowledge transfer technical update (1:many) annually
- \*\* 60 business taking up mentoring and coaching support through knowledge exchange activities
- \*\* 12 industry professional providing *Pro Bono* coaching to new entrants and those scaling up
- \*\* 150 business annually engage in business support evaluation and planning through College Account Managers
- 25 companies use the conferencing and networking centre for knowledge transfer, e.g. AHDB
- \*\* BREEAM A-rated facility for conferencing and networking
- \*\* 1200 individual uses of the atrium for ad hoc (drop in) business networking meetings
- \*\* Work experience matching service - 800 students and 150 employers annually
- \*\* 100 businesses purchase conferencing accommodation / private rooms for networking meetings
- \*\* 400 farmers regionally experience the exemplar biosecurity control system annually
- \*\* 1400 College students utilise new biosecurity measures as training in biosecurity for land based businesses
- \*\* 2500 schoolchildren benefit from use of biosecurity training - enriches National Curriculum
- \*\* 450 existing students have improved access to farm demonstration data
- \*\* Development of community based courses because of much reduced and management disease risk
- \*\* realisation of potential to showcase recent improvements to farm management, and improved productivity and environmental practices to local farmers and growers e.g. through regional AHDB and NFU hosted knowledge transfer events
- \*\*BREEAM A-rated facility for butchery and bakery training
- \*\* 12 FT students / trained in butchery (Level 2)
- \*\* 12 FT students / trained in butchery (Level 3)
- \*\*300 qualified butchers attending master classes annually
- \*\*100 adults attending butchery short courses annually
- \*\* 60 apprentices trained in butchery annually (Level 2)
- \*\* 30 apprentices trained in butchery annually (Level 3)
- \*\* 2.0 Lecturing job created (butchery)
- \*\* 1.0 technician job created (butchery)
- \*\* 0.25 cleaning role created (butchery)
- \*\* 90 Business using the facility for product development and evaluation
- \*\* 400 business / employees attending butchery research and innovation demonstrations annually
- \*\*250 students take taster courses in butchery as value added programme

- \*\* Strengthened ability to deliver against recently secured regional contract for apprentice training with improved capacity to scale up to national level (Bookers' contract)
- \*\* 25 demonstrations annually of adding value to primary material to encourage new bakery market development
- \*\* 12 FT students / trained in bakery (Level 2)
- \*\* 12 FT students / trained in bakery (Level 3)
- \*\* 144 qualified bakers attending bakery master classes annually
- \*\* 100 adults attending bakery short courses annually
- \*\* 24 apprentices trained in bakery and skills annually
- \*\* 1.0 Lecturing job created (bakery)
- \*\* 0.5 technician job created (bakery)
- \*\* 0.25 cleaning role created Bakery)
- \*\* 24 Business using the facility for bakery product development and evaluation
- \*\* 200 business / employees attending bakery research and innovation demonstrations annually
- \*\* 125 students take taster courses in bakery as value added programme
- \*\* Improved and scaled up direct support for business through Account Manager function - more timely skills evaluation, planning and proposals. Improved support to access existing and forthcoming rural support and transitions schemes arising through Brexit (Readiness to deliver against the forthcoming Agriculture Bill)

## **A2. Improved pedestrian and road user access to new facilities**

- Remodelling of Wales Lane and construction of new access road and car parking facilities. Enhancement of road entrance to allow 2 way traffic at all times and facilitate main site user access. Widening of road junction and adopted highway "Wales Lane; demolition of existing glasshouse and construction of new road way
- Re-siting of animal enclosures and construction of new car park

### **A2. Project outcomes**

- \*\* 400 staff experience 88,000 improved and safety enhanced pedestrian and traffic movements annually
- \*\* 900 students experience 130,000 improved and safety enhanced pedestrian and traffic movements annually
- \*\* 1500 Visitors to the site experience improved and safety enhanced pedestrian and traffic movement
- Improved attractiveness of site for conferencing and knowledge transfer because of improved access and greater car parking
- \*\* 600 Animal science and Veterinary Nursing student experience improved access to wider range of higher quality resources
- \*\* Visitors and staff have 60,000 improved parking experiences
- \*\* Preparatory work for development of zoo license enclosures (training facility)

## **A3. Redevelopment of pig production and beef and sheep handling facilities, including automated milking stations**

- Demolition of existing facility and construction of a 2 FTE staff capacity unit to act as a primary demonstration and skills facility in direct support of butchery unit
- Enhancement of existing BEEF facilities to install new race system and herd inspection equipment
- Enhancement of existing SHEEP facilities to install new race system and flock inspection equipment
- Remodelling of existing dairy unit to include new technologies for milking and cow welfare

### **A3. Project outcomes**

- \*\* Development safeguards the only teaching pig unit in Sussex
- \*\* 1000 visitors and schoolchildren observe pig production from biosecurity zone integrally built into the new unit, beef handling unit and sheep handling system.
- \*\* 300 members of the Small Pigs Association use the unit for technical training
- \*\* 100 FT agriculture students experience latest production techniques into within curriculum,
- \*\* 30 apprentices undertake work related experience to supplement learning where pigs are not part of employers operation
- \*\* 15 training and demonstration sessions held annually for updating technical skills
- \*\* 1.0 Lecturing job created
- \*\* 1.0 technician job created

- \*\*100 FT agriculture students experience latest production techniques into within curriculum,
- \*\* 30 apprentices undertake work related experience
- \*\* 15 training and demonstration sessions held annually for updating technical skills
- \*\* 15 groups of beef producers receive demonstration on vet delivered animal health checks using new handling facilities
- \*\*200 FT agriculture students experience latest handling systems,
- \*\* 30 apprentices undertake work related experience of the sheep handling system
- \*\* 15 training and demonstration sessions held annually for updating technical skills
- \*\* 15 groups of sheep producers receive demonstration on vet delivered animal health checks using new handling facilities
- \*\*knowledge exchange transfer technical updates - facility regionally for dairy industry, benefiting over 1000 employers
- \*\* 10 groups of dairy producers attend knowledge transfer session of automated milking and impacts on dairy business
- \*\* 500 students experience taster training in automation in agriculture, operating the robotic milking equipment
- \*\* Contingency provided by the College reduces uncertainty for LEP

#### **A4. Village green landscaping**

- Significant earthworks and planting to maintain a central green swathe through the campus and protect N-S views to/from the South Downs, creating an outdoor social / learning space for community and College use

#### **A4. Project outcomes**

- \*\* 0.375ha community engagement space
- \*\* Provides centre piece to annual careers information event for c14,000 visitors
- \*\* 6 sector showcase events with industry leads (i.e. equipment dealer shows, NFU, community engagement etc
- \*\* 867m<sup>3</sup> / 1127 tonnes land spoil reused (first year only)

#### **Policy implementation will be facilitated:**

- A clear window of engagement for SELEP to the rural sector facilitated by the College.
- Raised awareness of the opportunities to build existing businesses through the creation of a more joined-up sector network and community
- Broadens market horizons and encourages an entrepreneurial approach which links to post-Brexit aspirations and opportunities
- Strengthening business resilience and sustainability of existing jobs
- Events will be publicised through respective Growth Hubs across the SELEP area, thereby improving traction for the initiative
- Roll out of the project will encourage links to the South East Business Boost and LOCATE initiatives. Both are pan-LEP initiatives which offer business grants and support to SMEs.

#### **Business innovation will be improved:**

- Improved understanding of how new innovations in the food sector can help drive productivity and increase business efficiency
- Knowledge sharing enhances confidence and leads to new business partnerships and encourages investment in business development
- Conferences and 'Meet-the-Buyer' events create a focal point for sector development
- Builds confidence and encourages start-ups bringing new drive, creativity and energy into the sector
- Increased awareness of the opportunities for producer/retailers to do business across the LEP
- Provides direct access to sector professionals to support business development
- Improved opportunities to create new jobs as a result of business expansion
- Raised awareness of export opportunities and potential market development post-Brexit

- Consultancy review of post-Brexit rural priorities will ensure SELEP maintains strategic direction regarding the issues emerging and ensure resources and focus remain targeted to support positive outcomes

**As a result the project will contribute significantly to employer value but in ways which are not easy to quantify, for example through:**

- Benchmarking against best practice will highlight skills gaps and training needs. Where major gaps are identified easy win solutions can be highlighted if available or developed if not
- Increased success of business ventures with consequent positive impact on proprietors and ability to take risks
- Enhancement of the qualifications and human capital of the working population
- Strengthening employability, resilience and progression through more advanced training thus reducing recruitment costs and time. An engaged workforce is less likely to move on and will be more productive
- Enhancement to working populations through better trained and more resilient new entrants specifically targeted at the right businesses / employers
- Improved understanding of the value of the positive use of Apprenticeship Levy funding to maximise business gain
- Better facilitation for SELEP to influence Government and facilitate more coherent steps between business training needs and government support programmes

**The opportunities that will be realised by removing the barriers of insufficient training space, insufficient access to learning through residential block release programmes and insufficient capacity to accommodate training and knowledge transfer for rural businesses start-ups and scale ups will be:**

- Significantly increased supply of well trained and educated new entrants to the engineering, metalsmithing and veterinary nursing / animal technician industries
- Increased accessibility to training through creation of additional residential study bedrooms for adults to attend intensive block release training programmes
- Increased use of employees utilising on line learning resources for their professional development
- Improved site access points and on campus movements by pedestrians and car user to alleviate the congestion currently experienced by the continually increasing user of the site as a result of the College's successful growth strategies delivering to meet the needs of more businesses
- Gaining best value from the previous investments in partnership with SELEP by exemplar land and water management by developing increased structured access to those facilities through a knowledge transfer centre
- Increased training in food processing in both meat and bakery to complement the existing processing training in dairy and viticulture
- Increased engagement with employees and employers to stimulate coaching and mentoring to develop a more supportive / coaching environment to foster new business start-ups and those looking to scale up.
- Increased capacity of higher skills and progression within the larger food related businesses linked with horticulture

The project is based over the main College site. There will be a significant positive economic effect over all College activities, particularly in the economic activity of the College as the leading employer in the Plumpton catchment (350 employees).

Initially all the projects will positively impact on employment for a range of businesses. The College engages with over 2000 local businesses to provide a trained new entrant workforce and upskill existing employees, largely with competency-based qualifications.

All of the components of this work will enhance and improve the efficiency of the specific rural businesses. It will improve food production and ensure better use of the resources and more efficient use of non-renewables). This will lead to more local production hence increased focus on local food processing technology.

The work on business development and support for start-ups and scale ups will be crucial to support rural businesses through the forthcoming Brexit environment which will have significant impact.

**The project will improve the employability of students by:**

- Improving access and engagement with education and training in land based subjects
- Producing more students with higher levels of skills and qualifications
- Improving student resilience and general capability to engage with the work environment
- Developing specific skills in engineering, veterinary nursing and animal technology, food processing and horticultural food production
- Developing specific skills in butchery and bakery
- Developing specific skills in amenity horticulture (greenspace management)
- Training existing employees to develop higher skills levels through locally delivered CPD
- Providing important business start-up and development support to young proprietors
- Intensive modular programmes with residential provision will significantly impact on employers' willingness to release staff: block release aids planning of staff cover and business continuity

**2.11. Key risks:**

*[Specify the key risks affecting delivery of the scheme and benefit realisation e.g. project dependencies, stakeholder issues, funding etc. Information on risk mitigation is included later in the template. This section should be kept brief and refer to the main risk register in the Management Case; max. 0.5 page.]*

The risk that this project presents to the delivery body is the interruption and displacement of existing students whose learning experience may be affected by onsite delivery works. This work has been sequenced to eliminate disruption for the learning environment, e.g. through the timing of infrastructure works during holiday periods.

Plumpton College has extensive experience in managing complex capital projects alongside the maintenance of core activities during the academic year. We have a clear and tested management structure for the programme and confidence that our stated match funding is in place.

The Risk register is in **Annex 5**



### 3. ECONOMIC CASE

*The economic case determines whether the scheme demonstrates value for money. It presents evidence of the expected impact of the scheme on the economy as well as its environmental, social and spatial impacts.*

*In addition to this application form, promoters will need to provide a supporting Appraisal Summary Table (AST). This should provide:*

- *a calculation of Benefit-Cost Ratio (BCR) according to the DCLG Appraisal Guidance, with clearly identified, justified and sensitivity-tested assumptions and costs*
- *inclusion of optimism bias and contingency linked to a quantified risk assessment*
- *inclusion of deadweight, leakages, displacement and multipliers*

*Smaller schemes (less than £2 million) are not required to provide a supporting AST, and do not have to calculate a BCR.*

#### 3.1. Options assessment:

*[Outline all options that have been considered, the option assessment process, and specify the rationale for discounting alternatives.*

*Promoters are expected to present a sufficiently broad range of options which avoid variations (scaled-up or scaled-down version) of the main options. The key to a well scoped and planned scheme is the identification of the right range of options, or choices, in the first instance. If the wrong options are appraised the scheme will be sub-optimal from the onset.*

*Long list of options considered:*

*Description of all options which have been considered to address the problem(s) identified in the **Need for Intervention** section above, including options which were considered at an early stage, but not taken forward.*

*Options assessment:*

*Describe how the long list of options has been assessed (assessment approach), rationale behind shortlisting/discarding each option.*

*Short list of options:*

*The 'Options Assessment' section is an opportunity to demonstrate how learning from other projects and experience has been used to optimise the proposal, and the Preferred Option is expected to emerge logically from this process; max. 2 pages.*

*Smaller schemes (less than £2 million) are required to complete an Options assessment which is proportionate to the size of the scheme; max. 1 page.]*

The basis to the alternative options has been to consider the components individually and collectively in groups to demonstrate their synergistic relationships.

An option might have been to consider locating the centre off the plumpton site at an employer's premises but this was discounted in favour co-location at Plumpton College because:

- The College site is freehold and assures the long term future of the project is not at the whim external decision making, providing project security.
- Given the lack of new build premises in the region, the option to rent facilities elsewhere was discounted at early stage because of concern of how future rents and durations might suddenly change through external reviews.



- There is no suitable long term rental space available within 5 miles of the Plumpton site
- Rural businesses look to Plumpton College as the main source of rural training and this project will consolidate this reputation rather than disperse this reputation of using venues further afield away from the physical training resources.
- Potential location of a proposed development with other non-complementary organisations, generates the risk that the intended beneficiaries would misunderstand the relationship and perceive a dilution and fragmentation of delivery location and expertise.
- Risk of leakage is much reduced where the College has a building located at its premises where all users will be part of the beneficiary groups
- The College has 90 years of reputation and core business function won't change whereas location of the development with a private business creates the risk of repurposing should the organisation change its core business. Put simply, based at the College, there is government oversight over the use and purpose of capital investments.

The Village Green is an essential component of this project package because

- It represents a small part of the College's investment of match not of direct LGF money – hence this brings LGF spend forward as the village green would be the final part of the build
- It is integral to the environment surrounding the centre and has a strong aesthetic and functional bearing of beneficiary engagement and return visits
- It forms a large scale demonstrating area for training and demonstration sessions for example rural machinery manufacturers to hold a machinery expo
- It provides a wider engagement space for community events, demonstrating that the College and SELEP are investing jointly in Corporate Social Responsibility
- The design of the grass tiered amphitheatre will utilise the land spoil from the centre build process and therefore positively use waste soil rather than transport to land fill
- The availability of other external spaces available for this type of function are not easily developed because the site is adjacent to the South Downs National Park

When the project opens, activity will be increased and the key pedestrian facilities must be improved to prevent individuals being deterred from using the new facilities because they are wither inconvenient or pose an increased to users

**Outline options analysis – see later detail for BCR evaluation of specific options**

Option Name:	Description:	Total cost:	Amount requested:	Core outputs
<b>Do nothing, minimum or status quo</b>	Development activity undertaken through sole Plumpton College annual capital funding	£250,000 p.a through normal capital allocations	£0	<ul style="list-style-type: none"> <li>a) Reduces the strategic positioning ability of the College as endorsed through strategic planning.</li> <li>b) Fails to assist beneficiaries from key growth areas.</li> <li>c) Severely limits College support to key food production and commercial growing sectors.</li> <li>d) Severely limits apprenticeship numbers and FT employment opportunities for graduating students</li> <li>e) Opportunity to match College funding is lost</li> <li>f) Post Brexit support requirements unable to be met by the College</li> </ul>

<b>Proposed option</b>	As set out in the executive summary	£7,247,000	£2,918,000	Please see outputs and outcomes section and also attached spreadsheet for detailed breakdown. This would delivery A1, A2, A3 and A4 outputs.
<b>Reduced option:</b>	Reduced scale of activity to focus solely on site infrastructure enhancements	£3,617,000	£793,000	This would delivery A2, A3 and A4 outputs.

### 3.2. Preferred option:

*[Describe the Preferred Option and identify how the scheme aligns with the objectives. Include evidence of stakeholder support for the Preferred Option either through consultation on the scheme itself or on the strategy the scheme forms part of; max. 1 page.]*

#### ***The proposed option is the preferred option.***

It best positions the College to provide significant business support both within the project period and, significantly, for the post Brexit period. Local businesses need a consistent supply of well-trained and educated new entrants. Works within this option represent excellent value for money both at a per square metre development appraisal and unit output appraisal. Activity within this option supports facilities improvement and in turn allow best practice modelling and skills development so that students enter the workplace equipped with both knowledge and appropriate professional expectations.

Careful planning has ensured that project phases and parts bear strong relations rather than dependencies on each other. Whilst this measure has been employed to reduce project delivery risks it should be noted that the withdrawal of individual themes impacts upon the collective benefit to students and employers.

The College is the second major employer in the local area (350 Full Time Equivalent staff in 2017/18) with a widening catchment area that spans all key growth centres. Our own growth is fundamental in the currently changing education landscape and the proposed option creates the conditions to maintain our year-on-year growth underpinned by our own prudent financial management which would continue to provide a capital investment and maintenance fund of c£250,000 - £500,000 per year beyond the project period. This cannot be maintained without growth, which the reduced scale options would not provide.

We have already addressed the key delivery issue of project cash flow by structuring an agreement with our long-term bank – Lloyds.

This project and the support it will bring to the AgriFood and allied businesses are supported by the two key sector representative bodies:

Farming and Rural Issues Group South East (Regional) and  
The Agriculture and Horticulture Development Board (National).

(Please see Annexes 7 and 8)

The College strategy focuses on filling the skills gap and providing forward looking approaches to predicted and pre-empting future skills needs. The College strategy underpins this proposal and has undergone substantial consultation with stakeholders listed below.

The stakeholder groups that will benefit from the investment in the preferred option are:

Stakeholder	Interest area
Food and Drink Qualifications	Food Processing
AHDB	Agriculture and Horticulture
Farming and Rural Issues Group South East	Forward planning and business lobby
Veterinary surgeons	Veterinary nursing
Institute of Agricultural Engineers	Agricultural engineers
Environment Agency	Farming, land & water management
National Farmers Union	Farming and countryside
South Downs National Park	Rural activities within the park and adjacent boundaries
Farm and associated businesses (80)	Farming businesses
Horticulture businesses (40)	Food production
DEFRA	Farming and water catchments
Local LEADER groups	Rural development and diversification

The College loan capacity must be used to leverage the maximum of additional funding in order to use this finite resource effectively.

The preferred option underpins the summary view from Government which is...

Through Government consultation, it is clear that the rural sectors, especially in agriculture and horticulture, are likely to experience skills shortages as a result of uncertainties through BREXIT and shrinking migrant workforce. This can only be offset through better training of more UK citizens to provide continuity of high quality workforce. In most horticulture food production systems across the south east, the migrant workers have, in general, a much higher level of generic business and employment training and work acumen than their equivalent aged British counterparts.

**The preferred option directly underpins the *Agriculture and Horticulture Development Board - Skills Strategy 2016 – 2021***

The overarching objective of the AHDB is to work with industry and relevant stakeholders to develop a framework which will recognise and secure a professional, confident workforce for the agricultural and horticultural industry which is constantly learning and adapting, acquiring new skills, taking up new technologies and innovating. This is underpinned through five corporate objectives:

- a) Deliver value for money for levy payers
- b) Improve efficiency and productivity in the industry to help levy payers have thriving businesses
- c) Improve marketing in the industry to help profitability and customer awareness
- d) Improve services that the industry provides to the community
- e) Improve ways in which the industry contributes to sustainable development.

This project will directly support all the above, and provide a mechanism to enhance and increase the interaction between the levy body and the rural businesses across the southeast.

The preferred option provides the capacity to increase the delivery of those elements which The Agriculture and Horticulture Development Board set out as essential for the technical updating of an increasingly ageing, rural workforce:

- Feeding Britain’s Future
- Development Schemes
- Certificates of Competence

- Knowledge Transfer Workshops/Conferences
- Training advisors/Vets/Allied Industry
- Discussion/Benchmarking Groups HR Support
- Business Groups
- Nuffield Scholarships
- Monitor/Demonstration Farms
- Professional Management Development Scheme
- Leadership and Management Professional Development
- On-line programmes
- Progressive Groups Study Tours

We have conducted and committed to on-going extensive staff and stakeholder consultation on our site masterplan to ensure that agent expenditure is focused on fully informed design and access schemes. These consultations support the preferred option

### 3.3. Assessment approach:

*[Describe the approach used to assess the impacts of the scheme, describing both the quantitative and qualitative methods used, and specify the Do Minimum and Do Something scenarios. The assessment approach should be a proportionate application of the DCLG guidance; max. 1.5 pages.]*

A primary impact from both Preferred and Reduced project Options will be in the projects potential to support the continued success of Plumpton College. The preferred option to deliver specialist facilities and a new and unique asset for the SELEP will also help to ensure the future competitiveness of the Agri-food sector, which has recognised strengths across the SELEP.

Whilst the project is designed to deliver targeted business support and a skilled future workforce to the Agri-food sector, consideration has been given to quantifying the economic impacts of both the Preferred and Reduced project Options in line with current MHCLG guidelines (2017).

This has first sought to estimate the current (base) and future (residual) land values that could be achieved on the 0.5ha parcel of development land on the Plumpton College Estate by drawing on ready reckoner benchmarks for agricultural (current) and industrial (future) land values across the South East, which are derived from VOA data.

This has enabled an estimate of gross Land Value Uplift (LVU) to be made in the Preferred Option and in line with MHCLG Guidelines (December 2016), adjustments have then been made to consider the levels of displacement to derive estimates of net LVU in the Preferred Option. In the Reduced Option, it is likely that the land would stay within its current use and therefore no significant impacts on land values are expected.

In practice, the new asset will be delivered adjacent to existing College buildings within the College estate, which is itself in College ownership and entirely within the South Downs National Park. It is therefore highly likely that no land transactions for the 0.5ha site would occur with or without the proposed project, as it is highly unlikely that any alternative commercial use of the site would (a) be acceptable to the College or (b) permissible through planning. Instead, the new asset delivered through the project will be a specialist building designed for a specialist user sector that will serve a long term role in supporting positive outcomes within the economy.

The theoretical MHCLG LVU approach is therefore considered less suitable for assessing the economic benefits of a project such as this, but LVU estimates have nevertheless helped an 'initial' BCR position to be reached, through comparisons between net LVU and the LGF funding sought from the SELEP. Alongside the assessment of LVUs, the delivery of the project will bring a number of wider supporting monetised and non-monetised benefits. These include the potential direct employment-related effects arising from safeguarding and generating college jobs, the amenity-related impacts arising from delivering new greenspace, targeted support to businesses within the Agri-food sector and the effects of upskilling achieved through the new training and teaching provision.

These impacts have been monetised in terms of welfare impacts and the principles of monetising these impacts are based on those established through the HM Treasury Green Book (2018). The approach to quantifying gross welfare impacts is based on assumptions developed regarding the impacts of upskilling on labour supply and improved wage rates, expressed in Gross Domestic Product (GDP) terms.

Alongside these wage-related welfare impacts arising from upskilling, the welfare value from wider improved business support activities delivered through the new asset has also been assessed. Profiling of businesses supported and prudent assumptions regarding business efficiencies / improved turnover have then been converted into jobs and GDP returns, accepting that improved turnover may not always translate directly into employment effects. Nevertheless, to avoid double counting, a prudent deduction has then been made to consider a proportion of these jobs that may be filled by College qualifiers, the impacts of which are captured within the wage-related welfare impact analysis. In line with the assessment of direct wage-related impacts the likely gross welfare returns have then been assessed.

Prudent adjustments for deadweight and displacement effects in line with MHCLG guidance has then enabled net welfare-related GDP impacts arising through upskilling and wider business support activities to be monetised and profiling of annual GDP gains over 30 years and application of a 3.5% HM Treasury Green Book annual discount factor has enabled the cumulative costs and benefits to be expressed in Net Present Value (NPV) terms. This has enabled an 'adjusted' BCR to be established for the Preferred and Reduced project Options.

In addition and for clarification, Sector representative bodies, for example The Agriculture and Horticulture Development Board and WineGB, are constituted to collect and administer product-based levy income to support research, innovation and knowledge transfer. **They do not have a mandate for capital investment.** Indeed much of their current knowledge transfer activity is restricted through shortage of existing appropriate delivery rooms and facilities, especially in the South East.

Private business do not have the size and scale to fund this type of development themselves. The common failure points for new venues are location and access. In terms of managing risk, this project has been developed to ensure location and access positively enhance the project delivery

#### **3.4. Economic appraisal assumptions:**

*[Provide details of the key appraisal assumptions by filling in the table in Appendix E, expand if necessary. Key appraisal assumptions as set out in Appendix providing justification for the figures used and any local evidence, where appropriate (different from the standard assumptions or the ones with the greatest influence on the estimation of benefits). Explain the rationale behind displacement and deadweight assumptions.*

*Smaller schemes (less than £2 million) are not required to complete this section].*

Key economic appraisal assumptions are provided in **Appendix E** (at end of this document). The assumptions regarding deadweight and displacement in both the assessment of land value uplifts and wider welfare-related upskills and business support impacts has drawn from evidence from HM Treasury Green Book (2018) and in accordance with the framework set out in the MCHLG Guidance for non-residential projects.

For land values, it is known that development on the 0.5ha site will support a specialist use and that there is no known other specialist provision targeting agri-food growth being provided elsewhere in the SELEP. The project will therefore not displace any activities within the LEP, and the delivery of new activities will therefore represent an overall increase in demand for commercial development land. Nevertheless, for prudent 25% displacement deduction has been made to land value uplift estimates to reflect 75% LVU additionality.

In considering the additionality of welfare-related impacts, the skills and business support provision could in theory displace alternative skills and business support activities delivered elsewhere in SELEP and some upskilling and business support activities are likely to be achieved irrespective of the project, accepting that the impacts of less targeted and tailored provision to the agri-food sector is likely to result in reduced outcomes. Nevertheless prudent 25% deductions for deadweight and 50% deductions for displacement have been applied to reflect the additionality of the net impacts claimed in both the Preferred and Reduced Options carried forward for economic appraisal.

### 3.5. Costs:

*[Provide details of the costs of the scheme. All public-sector costs should be included:*

- *Public sector grant or loan*
- *[Public sector loan repayments] (negative value)*
- *Other public sector costs*
- *[Other public sector revenues] (negative value)*

*If the land is owned by the public sector, then the public sector will be incurring holding costs assumed to be 2% of the existing value of the land per year. Should the land be used for non-residential development these holding costs will be avoided. This needs to be reflected in the appraisal as a negative cost.*

*Please note that any private costs associated with the development should be included in the appraisal as a dis-benefit and therefore feature in the numerator of the BCR calculation rather than the denominator.*

*Additional details regarding the consideration of costs as well as standard assumptions that can be used in the absence of local data can be found in the [DCLG appraisal data book](#).]*

An overview of project costs in the Preferred and Reduced Options is provided below. See **Annex 2** for full detail on all cost elements in both Options. The overall gross cost of the Preferred Option is estimated at £7.0m, of which £2.9m is requested from the SELEP LGF and the gross cost of the Reduced Option is estimated at £3.6m, of which £0.8m of LGF investment would be sought.



	Preferred Option (A1, A2, A3, A4)	Reduced Option (A2, A3, A4)
LGF	£2,918,000	£793,000
College Capital	£3,624,000	£2,569,000
College Revenue	£495,020	£255,000
<b>Total</b>	<b>£7,037,020</b>	<b>£3,617,000</b>

### 3.6. Benefits:

*[Provide details of the benefits of the scheme identifying the 'initial' and adjusted benefits that were used to calculate the 'initial' and 'adjusted' BCR. The DCLG Appraisal Guidance provides additional details regarding the initial and adjusted benefit calculations on page 17.]*

#### 'Initial' Benefits

*All impacts quantified based on the Green Book Guidance and Green Book Supplementary and Departmental Guidance should feature in the 'initial' BCR calculation. These impacts currently include:*

- Air quality
- Crime
- Private Finance Initiatives
- Environmental
- Transport (see WebTAG guidance)
- Public Service Transformation
- Asset valuation
- Competition
- Energy use and greenhouse gas emissions
- Private benefits e.g. land value uplift
- Private sector costs if not captured in land value
- Public sector grant or loan if not captured in land value
- Public sector loan repayments if not captured in land value

#### 'Adjusted' Benefits

*There are several external impacts to the users or entities already present in a development area or to the society that are additional to the impacts included in the Green Book Supplementary and Departmental Guidance.*

*Such external impacts include potential agglomeration impacts on third parties, health impacts of additional affordable housing and brownfield land clean-up, educational impacts of additional housing, transport externalities, public realm impacts, environmental impacts, and cultural and amenity impacts of development. Such externalities should still form part of the appraisal and included in the 'adjusted' BCR.*

*Promoter should present here additional estimates of impacts based on their own evidence. These estimates might be based on tentative assumptions where the evidence base is not well established. Additional guidance regarding the identification of externalities and ways of estimating the 'adjusted' impacts are available in Annex F of the DCLG Appraisal Guidance.]*

Two project Options are carried forward for the economic appraisal in line with the principles established through the HM Treasury Green Book (2018) and MCHLG Appraisal Guide (2016). The appraisal of both the Preferred and Reduced Options are considered against the likely counterfactual position, in which no



economic impacts are achieved. As such, the impacts described below are considered to be wholly additional to each project Option under review.

The **two project Options** considered are each within the scope of **Phase 1 Part A, as follows:**

1. **Reduced Option (A2, A3, A4)** - College to invest in the infrastructure to remodel Wales Lane and construction of new access road and car parking facilities. Enhancement of road entrance to allow 2 way traffic at all times and facilitate main site user access. Widening of road junction and adopted highway "Wales Lane; demolition of existing glasshouse and construction of new road way. This work would also include the preliminary work to develop a village green concept for community based activates and to support the improvement of the environmental impact of spoil removal whilst enhancing the local views of the site and historic church (do initial infrastructures to prepare the site for possible later investment).
2. **Preferred Option (A1, A2, A3 and A4)** - Use the College investment in the Reduced Option to lever in LGF funding to extend the project to maximise the return for the College investment by creating a 2-storey centre of excellence in Agri-Food knowledge transfer, business improvement and skills training.

There is also a potential **Enhanced Option** if the SELEP Board has the appetite to increase the intervention rate on the Preferred Option for the project from 41.5% up to the scheme maximum of 50%, that would create a further spend for the project of **an additional £600,500 of project spend** which would allow the college to bring forward the much needed and industry supported technical training suite as part of the proposed development of the veterinary nursing extension (Phase 1 Part B (2)). In effect this would the first half of the Part B (2) development but a scheme for this could be brought through at Final Business Case. Given inevitable limits to available funding, the Preferred Option at this stage is to deliver the Agri-Food Centre of Excellence and continue to forward an enhanced project as a pipeline project for future consideration.

The following sections set out the assessment of impacts achieved in the Preferred and Reduced Options.

## **Preferred Option**

### ***Initial BCR Position – Land Value Uplifts***

The proposals will result in the creation of around 1,500m<sup>2</sup> GIA of new specialist education and business support space on the Plumpton College Estate, located on a parcel of land that extends to around 0.5ha. Whilst the site currently supports no activities, base land value estimates have been derived from VOA benchmark evidence contained within the Land Value Estimates for Policy Appraisal Guidance (MCHLG, 2017), and through the application of an average agricultural land values (£22,500 per ha) for the South East, it is estimated that the current base value of the site is £0.01m.

The assessment of residual gross land value that could be achieved on completion of the project is also based on VOA estimates, and whilst the specialist facilities already have a specialist end user, an average industrial land value for the South East (£1.8m per ha) has been used to estimate the residual value of the land. By this estimate the residual land value would be in the order of £0.9m, £0.8m at Net Present Values (NPV).

On this basis, the overall gross uplift in land values would be in the order of £0.89m (£0.8m at NPV).

To determine the net additionality of the gross uplift in land values, an adjustment to account for displacement (-25%) has been made, reflecting the 'low' displacement threshold set out in the MCHLG Appraisal Guide. This adjustment for displacement reflects the fact that the project is being designed to create

capacity to meet unmet demand for specialist targeted education and business support provision in the local area and with adjustments for displacement, it is estimated that the project has potential to deliver a net land value uplift of £0.67m (£0.6m at NPV).

The table below presents current base and residual land values following the delivery of the project, the overall land value uplift, adjustments for displacement and overall net land value uplift estimates.

<b>Land Value Estimates and Initial BCR Position</b>	
Current Base Land Value (agricultural land)	£11,250
Residual Land Values (industrial land)	£900,000
Total Gross Land Value Uplift	£888,750
Gross Land Value Uplift at Net Present Values (NPV)	£800,500
Displacement effects	-25%
Total Net Land Value Uplift	£666,550
Total Net Land Value Uplift (NPV)	£600,375

On this basis, against a SELEP funding requirement of £2.92m the initial BCR position would be 0.21 : 1 and against the full project cost of £7.0m, the initial BCR position would be 0.09 : 1.

#### **Adjusted BCR Position – Welfare Impacts**

The delivery of the project is clearly focused on the achievement of wider benefits beyond land value uplift, notably, the benefits of upskilling and targeted business support achieved through the new asset and the resultant effects of enhanced skills and business support activities on (a) labour supply, (b) wage rates and wider (c) operational business efficiencies. To support an adjusted BCR these effects have been monetised in terms of welfare-related GDP impacts.

Profiling of new formal annual learner intakes to the College over the first 10 years has been undertaken and following prudent deductions to account for non-completions and qualifier failure rates (-20%), it is estimated that around 1,300 formal qualifications could be delivered over the first 10 years. A further 336 businesses in the agri-food sector will also receive formal business support activities through the College each year, totalling 3,360 businesses supported over the first 10 years.

Alongside these formal qualifications and business support activities, the new facilities will also deliver a package of promotion, demonstration and masterclass functions which will promote careers in the agri-foods sector widely and ensure that existing skills are maintained and refreshed and that improved practices are transferred across the sector.

#### **(a) Labour Supply Impacts**

A proportion of those achieving a qualification are likely to otherwise remain outside / dis-engaged from the labour force. For the assessment of labour supply impacts, it is assumed that 20% (around 260 qualifiers) of those achieving a qualification would otherwise be unemployed or not engage in the labour market.

This assumption has been informed by labour market evidence which suggests high levels of workforce non-engagement in East Sussex, particularly among 16-24 year olds (c.41%, note this includes those studying). Nationally, Department for Education (DfE) analysis (January 2018) suggests that unemployment rates among those with an NVQ Level 3 are similar to the current national unemployment rate (4%) and more locally, around 25% of people aged 16-64 in East Sussex are currently either unemployed or not participating in the labour market (ONS Annual Population Survey, 2018, note this excludes 15,100 residents studying).

Application of a GDP per job benchmark for Surrey, East Sussex and West Sussex (£68,467, ONS) has then been applied to estimate the overall GDP contribution of workforce entrants, it is estimated that the 260

qualifiers entering the workforce could generate around £177.5m in GDP towards the UK economy through 10 years in employment.

In line with HM Treasury 'Green Book' principles (and associated Web`TAG guidance), 40% of the GDP generated can be claimed either as a result of increased tax returns (local or national) or as an avoidance cost in welfare benefit payments and on this basis a total of £71.9m of gross GDP welfare impacts (£45.8m at NPV) could be generated through the first 10 years of participation in the labour force by College qualifiers.

In line with the MHCLG Additionality Guide, deductions for deadweight and displacement have then been made to determine the net additionality of the welfare impacts as follows:

- For deadweight effects, a proportion of the intake may otherwise enrol in alternative college provision, accepting that there are a limited number of alternative providers locally other than Plumpton College itself, which is already operating close to capacity and that the new specialist provision will target a sector where there are known shortfalls in the supply of skills and specialist business support. As such a low level deduction (-25%) has been made to account for deadweight effects nationally.
- For displacement effects, a proportion of the jobs filled by qualifiers may otherwise be filled from elsewhere in the labour market and for prudence, a medium level deduction (-50%) has been made to account for displacement effects. In practice, the College will be aligned to a sector which has high levels of replacement demand nationally over the coming years and the project has in part been designed to help ensure a future supply of skilled workers that can meet this demand.

With the application of these adjustments it is estimated that the project has potential to generate £26.4m of net additional GDP welfare impacts (£17.1m at NPV) generated through labour supply effects.

The table below shows the summary of labour supply impacts assumptions.

<b>Summary of Labour Supply Impacts</b>	
Number of qualifiers (10%) over ten years	259
Total GDP Impact over 10 years	£177.5m
Welfare contribution	40%
Gross GDP Impact over 10 years	£71.0m
Gross GDP Impact at NPV	£45.8m
Deadweight	-25%
Displacement	-50%
Net GDP Impact	£26.4m
Net GDP Impact at NPV	£17.1m

#### **(b) Wage Premiums - Move to More Productive Jobs**

It is anticipated that the remaining 80% of qualifiers would otherwise enter the workforce irrespective of the qualification attained. Nevertheless, it is likely that higher levels of attainment will bring improved business productivity (higher GDP) and this 'move to more productive jobs' achieved through upskilling by the College will also bring increases to individual wages.

National evidence (Demonstrating the Value of HCG, 2013) suggests a range of 'wage-premiums' are achieved through upskilling, depending of the shift in skills levels. For example, a shift from NVQ Level 2 (GCSE equivalent) to NVQ Level 3 (A-level equivalent) typically results in an uplift of around £2,600 in an individual's annual earnings.

The table below shows the overall number of qualifiers by NVQ level and estimates of wage premiums that could be achieved by qualifiers through first 10 years in employment.

<b>Qualifiers and Wage Premiums by NVQ Level</b>			
Qualification	Qualifiers over 10 years	Annual Wage Premium	Total 10 year Wage Premium
Apprenticeship (NVQ L2)	538	+£1,921	+£10.3m
Apprenticeship (NVQ L3)	192	+£2,609	+£5.0m
FT Students (NVQ L2)	154	+£1,921	+£3.0m
FT Students (NVQ L3)	154	+£2,609	+£4.0m
<b>Total</b>	<b>1,037</b>		<b>+£22.3m</b>

Through this analysis it is estimated that a total of around 1,040 qualifiers from the College could generate wage premiums in the order of £22.3m over the ten years following the completion of the qualification. In line with HM Treasury 'Green Book' principles (and WebTag), 30% of the additional wage premiums may be collected through local or national taxation generating £6.6m of gross GDP impacts, £4.3m of GDP at NPV.

As per the assessment of Labour Supply Impacts, adjustments for deadweight and displacement have informed the assessment of net additionality and, through these adjustments, it is estimated that a total of £2.5m of net additional GDP welfare impacts could be generated through the project (£1.6m of GDP at NPV) arising through a move to more productive jobs.

A summary of these adjustments is provided in the table below.

<b>Summary of Move to More Productive Jobs Impact</b>	
Total qualifiers over ten years	1,037
Total gross wage premiums	£22.3m
Welfare contribution	30%
Total gross GDP impact	£6.6m
Total GDP impacts at NPV	£4.3m
Deadweight	-25%
Displacement	-50%
Total net GDP impact	£2.5m
Total GDP impact at NPV	£1.6m

### **(c) Business Efficiencies - Business Support Impacts**

Alongside the welfare-related effects associated with upskilling, a range of formal and less formal business support activities delivered through the College will also bring about improved business performance and over the first 10 years it is estimated that around 3,360 businesses will be engaged by the College for formal coaching, mentoring and tailored support.

Accepting that it is challenging to quantify the impacts of the support provided, a highly prudent view would be that the support provided would lead to a 1% improvement in business performance and, based on evidence for persistence developed to inform the BIS/PWC evaluation of the Regional Development Agencies (2009), it is considered that the impacts of the support would be observed over the first three years among supported businesses. Through the application of an average turnover per business estimate in the agri-foods sector (£2,686,567 per business, ONS, 2016), it is estimated the effects of the business support activities delivered over 10 years could support a total of around £271m in turnover and through in applying a turnover per job metric for the sector (£150,000 per job, ONS, 2016), it is estimated that the scale of improved business performance could support around 181 gross FTE jobs, accepting that improved turnover performance does not necessarily directly translate into job outcomes.

Nevertheless, to avoid double counting in the assessment of impacts, a prudent deduction (-50%) has then been made to account for a proportion of potential job outcomes which may be filled by College qualifiers, the impacts of which have been claimed within other welfare-related impact strands. On this basis, a total of 90 further gross FTE jobs could be supported through business support activities delivered by the College over the first 10 years and a total of £61.8m in GDP could be derived through three years of improved business performance.

The effects of this stimulus in labour demands is estimated to have potential to both re-engage some people into the workforce and improve wage rates among others, and similar to the assessment of upskilling, it is considered that 30% of GDP impacts could be accrued in tax returns / welfare impacts, either through the creation of jobs that may be filled through those re-engaging in the workforce or through improved turnover resulting in improved wages and a move to more productive jobs.

On this basis it is estimated that the delivery of business support activities through the College has the potential to support £18.5m of gross welfare-related GDP impacts (£13.4m at NPV) and in adjusting for deadweight (-25%) and displacement (-50%), it is estimated that the Preferred Option has potential to generate £7.0m in net welfare-related GDP impacts, £5.0m at NPV.

The table below presents the analysis of welfare-related GDP impacts associated with formal business support activities delivered through the College.

<b>Summary of Business Support Impact</b>	
Businesses receiving formal support over ten years	3,360
Turnover supported (1% per businesses over 3 years)	£270.8m
Total jobs supported (incl. 50% deduction for impacts captured elsewhere)	90 FTEs
Total GDP supported	£61.8m
Welfare contribution	30%
Total gross welfare-related GDP impact	£18.5m
Total GDP impacts at NPV	£13.4m
Deadweight	-25%
Displacement	-50%
Total net GDP impact	£7.0m
Total GDP impact at NPV	£5.0m

### **Overall BCR Position – Preferred Option**

A summary of the initial (Land Value Uplift-based) and adjusted (Welfare Impacts-based) BCR position is provided in the table below, set against both the SELEP LGF investment and the overall project cost.

This also includes an allowance for Optimism Bias to reflect uncertainties in the project cost estimates. Optimism bias has been set at 51%, reflecting upper end OB in non-standard building in accordance with HM Treasury Green Book supplementary guidance (2018). In practice, some OB can be mitigated through the College’s experience of delivering similar projects and because some of the proposed development will be reasonably standard.

<b>Overall BCR Position – Preferred Option</b>		
Net Land Value Uplift (NPV)	£0.6m	
Net Labour Supply Impacts (NPV)	£17.1m	
Net Move to More Productive Jobs Impacts (NPV)	£1.6m	
Net Business Support Impact (NPV)	£5.0m	
Total Net Impact (LVU and Welfare)	£24.3m	
Project Funding Requirement	£2.9m LGF	£7.0m Full Project
<b>Initial BCR</b>	<b>0.21 : 1</b>	<b>0.09 : 1</b>
<b>Adjusted / Overall BCR</b>	<b>8.33 : 1</b>	<b>3.45 : 1</b>
<b>BCR including Optimism Bias (+51%)</b>	<b>5.52 : 1</b>	<b>2.29 : 1</b>

On this basis, **when compared to the SELEP LGF investment the project delivers an overall BCR of 8.33:1, suggesting excellent value for money prospects, notwithstanding other project benefits in terms of the operational jobs supported by the new College, a range of less formal education and targeted business support to ensure the ongoing success of the Agri-food sector and supporting accessibility and amenity improvements across the Plumpton College estate.**

For clarification – sensitivity testing, the project financing is predicated upon realistic and timely construction costings, reviewed in January 2019 as set out in the full business case.

This project represents the significant single, project for the college. It is not one of a number and is central to the needs of Government and the support required for the AgriFood sector in the post Brexit period as identified by the recently established Government driven Food and Drink Sector Council (**Appendix 2**).

To counter against unforeseen increases in build costs and further delays, the College has identified within project costs a £317,000 contingency to cover this.

The control over build costs will be through the use of formal and detailed contracts (NEC3 contracts). The tendering process allows for ensuring that all elements are cost clarified.

Brexit or not, the impact of political uncertainty is impacting current business performance and future planning. The Agriculture Bill will be implemented with or without Brexit and this will in itself bring significant challenge.

If costs rose above the control measures in place and the college related contingency, then the control would be to postpone the village green element to later date

## **Reduced Option**

In a Reduced Project Option, whereby investment in enabling infrastructure works improves accessibility to the proposed 0.5ha parcel of development land, it is likely that the levels of Land Value Uplift achieved in the Preferred Option could still be achieved. This would see a shift in a currently estimated land value of around £0.01m to a residual land value of around £0.90m, with a gross uplift of around £0.89m (0.80m in NPV). Adjustments to reflect displacement would give an overall land value uplift of £0.67m (£0.60m in NPV) achieved in the Reduced Option.

In practice, it is unlikely that any commercial development would be achieved on the site without investment by Plumpton College, given its location on the College owned estate and position adjacent to



existing college buildings. There is an aspiration by the College to develop the site, in part to ensure its future productive use, but this will wholly depend on the availability of sufficient funds.

Nevertheless, based on the theoretical land value uplift methodology, **set against a Reduced Option investment of £3.6m, the BCR position would be 0.17:1, or 0.76:1 when compared to the £0.8m of SELEP LGF investment.**

In the absence of any development on the site, none of the remaining welfare-related monetised impacts could be achieved, but the Reduced Option would help ensure that some of the non-monetised accessibility and amenity improvements could be achieved.

### 3.7. Local impact:

*[If the scheme has a significant level of local impacts these should be set out in this section.]*

All benefits will be relevant to a SELEP-wide catchment as well as at local level. The Preferred Option for the Project will not only generate additional activities on the College estate, but it will also help to ensure the future competitiveness of Plumpton College, thereby generating 7 new FTE jobs and safeguarding a further 13 existing FTE jobs already located at the College within the Lewes and East Sussex labour markets – totalling 20 gross FTE jobs.

Clearly, the take up of shorter duration training will be more attractive to businesses operating locally (accessibility) and the uptake of formal learning opportunities is also likely to attract a student population which is largely concentrated in the Lewes District and wider East Sussex area.

More formal longer term business support activities will however be attractive to businesses operating across the whole of the SELEP area and there is already a significant presence of agri-sector target businesses operating in each of the three Counties directly and these business also have far-reaching supply chains as follows:

- Kent is home to almost 500 food related companies employing over 18,000 people. The total Kent food chain is worth circa £2.6 billion, equal to about 12.4% of the total GVA of Kent. In addition to this, the food chain provides around 85,000 jobs accounting for over 15% of Kent's total workforce. There are over 120 food manufacturing companies and 200 food wholesalers in the County
- Essex also has a large network of food businesses with over 4,000 people employed across almost 200 companies. The majority of employees work in the manufacture of food products (90%) with the remaining 10% working in the manufacture of beverages
- In East Sussex 16% of all jobs in the County are involved in the production or sale of food and beverages with over 6,000 people employed in food production, manufacture and specialist sales. There are circa 400 local businesses in the food and drink sector employing some 27,000 people. 40% work in the sector (10,600) work in food and beverage service activities and a further 41% (11,000) work in food and drink retail.

The delivery of skills and business support activities to the Agri-food sector will therefore also have a role in supporting not only the agri-food sector directly, but also within its supply chain and a conservative estimate would be that if the food related elements of this project increases the value of food chain related activities across the LEP by 1%, then this could generate an annual productivity return of approximately £3.9m.

### 3.8. Economic appraisal results:

*[Please provide details of the key appraisal results (BCR and sensitivity tests) by completing the table below. Please note, not all sections of the table may require completion.]*

*Promoters should also include a statement which identifies other schemes which may have potentially contributed to the same benefits/impacts.*

*Smaller schemes (less than £2 million) are not required to complete a quantified economic appraisal but are required to include a Value for Money rationale.]*

The table below demonstrates the potential of the Preferred and Reduced Options towards achieving Value for Money when compared to whole project costs. When compared to the SELEP LGF investment alone, both options would achieve an improved Value for Money position.

	<b>SELEP Appraisal Sections</b>	<b>Reduced Option (A2, A3, A4)</b>	<b>Preferred Option (A1, A2, A3, A4)</b>
<b>A</b>	Present Value Benefits (Net Land Value Uplift, £m)	£0.6m	£0.6m
<b>B</b>	Present Value Costs (SELEP LGF, £m)	£3.6m	£7.0m
<b>C</b>	Present Value of other quantified impacts (Welfare-related GDP, £m)	None.	£24.3m
<b>D</b>	Net Present Public Value (£m) [A-B] or [A-B+C]	£-3.0m	£17.9m
<b>E</b>	'Initial' Benefit-Cost Ratio [A/B]	0.17 : 1	0.21 : 1
<b>F</b>	'Adjusted' Benefit Cost Ratio [(A+C)/B]	0.17 : 1	3.45 : 1
<b>G</b>	Significant Non-monetised Impacts	<ul style="list-style-type: none"> <li>• 278,000 improved vehicular movements annually</li> <li>• 60,000 improved parking movements annually</li> <li>• Safeguards only pig teaching facility in region</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of a new economic asset</li> <li>• Generation and safeguarding of 20 FTE College jobs</li> <li>• 278,000 improved vehicular movements annually</li> <li>• 60,000 improved parking movements annually</li> <li>• Safeguards only pig teaching facility in region</li> <li>• Knowledge transfer events delivered to 1,000 SELEP businesses</li> </ul>
<b>H</b>	Value for Money (VfM) Category	Value for Money is very good for the Preferred Option – BCR of 3.45 against the threshold of 2.0 for Projects demonstrating very good Value for Money	
<b>I</b>	Switching Values & Rationale for VfM Category	NA – the Preferred Option already demonstrates very good VfM	
<b>J</b>	DCLG Financial Cost (£m)	NA	NA
<b>K</b>	Risks	Uses maximum College loan facility for modest investment and poorer return than the Preferred Option	
<b>L</b>	Other Issues	NA	NA

Through this analysis **the Preferred Option achieves a Very Good Value for Money rationale when compared to the whole project costs.**

When compared to the SELEP investment of £2.9m alone, the Preferred Option achieves even greater investment returns with a BCR of 8.33, inferring that **every £1 of SELEP investment would help to generate around £8.30 towards the economy.**

For clarity, the price base for this project is summer 2018, and accommodates the price structure up to an autumn 2019 start. The phasing of the LGF spend has been specifically tailored to support the objectives of SELEP to distribute funding in a timely manner before 31 March 2021. This has been achieved by allocating the majority of the LGF grant spend within the first two thirds of the project timeframe with the majority of the College match in the final two thirds of the project timeframe.

For clarity, inflation at 1.5% was built into the initial project costings but was not shown separately as an inflation figure. Inflationary costs due to delay to the start of the project are accommodated within the original pricing structure provided that work starts in summer 2019. The College is in a position to identify elements of spend already incurred (at the College's own risk) which are being incurred now but will be invoiced upon issue of project contract, also supporting SELP to disburse funding quickly.

For clarity, in the Economic Case, each of the underlying modelling assumptions / metrics have been presented in summary tables for each benefit stream and makes it clear how each impact stream has been quantified. All sources of benchmark evidence from various Government sources are also drafted into the text and included at Annex E.

More specifically,

- The estimation of the original BCR, including their assumptions and benchmarking evidence is set out in pages 35 and 36
- The estimation of the adjusted BCR, including assumptions and benchmarking are set out in pages 36 to 40 and in the completed Annex E
- The assumptions within the estimation of the business impacts from the upskilling ie the economic impacts from qualification achievement is set out in pages 36 to 38
- The arguments to support the approach used to estimate the land value uplift is set out in pages 33, 35 and 36

The FBC sets out the assumptions used to estimate the **adjusted BCR position**. In summary, this includes:

**(a) Labour Supply Impacts**

Application of a GDP per job benchmark for Surrey, East Sussex and West Sussex (£68,467, ONS) has then been applied to estimate the overall GDP contribution of workforce entrants, it is estimated that the 260 qualifiers entering the workforce could generate around £177.5m in GDP towards the UK economy through 10 years in employment.

**(b) Wage Premiums - Move to More Productive Jobs**

Through this analysis it is estimated that a total of around 1,040 qualifiers from the College could generate wage premiums in the order of £22.3m over the ten years following the completion of the qualification. In line with HM Treasury 'Green Book' principles (and WebTag), 30% of the additional wage premiums may be collected through local or national taxation generating £6.6m of gross GDP impacts, £4.3m of GDP at NPV.

**(c) Business Efficiencies - Business Support Impacts**

It is estimated that the Preferred Option has potential to generate £7.0m in net welfare-related GDP impacts, £5.0m at NPV.

**Annex 2** of the Full Business Case provides a full breakdown of the financial modelling of potential college income returns associated with the Preferred Option. Whilst further additional incomes may be accrued, the primary sources of future additional college incomes will be through course fee leverage and business

support activities and modelling of unit costs / financial returns across these activities suggests that the College could accrue an additional sustainable £2.2m in income returns annually (Annex 4) when the new facilities are fully operational.

Over an assumed minimum fifteen-year operational lifecycle of the new facilities the additional income generated through the increased capacity creates a sustainable income source to maintain investment in the delivery staff and the specialist delivery resources.

Using CHA (2014) multipliers, the economic impact from the interventions would be scaled by a further 1.8 for education related activity, or conservatively 1.36 if considered a people and skills project. Conservatively, the Net present Public Value (£17.9m) of the project would attract a multiplier for supply chain impacts of between £14.3m and £6.4m depending on the multiplier used: an average of £10.35m.

## 4. COMMERCIAL CASE

*The commercial case determines whether the scheme is commercially viable and will result in a viable procurement and well-structured deal. It sets out the planning and management of the procurement process, contractual arrangements, and the allocation of risk in each of the design, build, funding, and operational phases.*

### 4.1. Procurement options:

*[Present the results of your assessment of procurement and contracting route options and the supplier market, and describe lessons learned from others or experience; max. 1 page.]*

Plumpton College will lead and manage the procurement for this project and will use its existing Procurement Policy to make appointments for all contractors. This is compliant with EU procurement rules and will demonstrate best value for the private and public sector investment.

The College has a successful record of managing capital builds over a 20 year period c£40m, including SELEP, C2C and LSC funded developments, including a £4m educational development at the College's site at Stanmer Park, just outside Brighton

The bid runs over three financial years. Some of the expenditure has already been incurred within the current project year 1.

A full breakdown of individual cost themes is shown in **Annex 2**.

Overruns and time delays will be at the College's expense and a contingency is included within the costing to provide for this eventuality.

Forecasted costs have been benchmarked against national QS data published in July 2018. We have applied a regional variance factor of 1.05 and have a clear value engineering strategy.

### 4.2. Preferred procurement and contracting strategy:

*[Define the procurement strategy and contracting strategy (e.g. traditional, (design and build, early contractor involvement) and justify, ensuring this aligns with the spend programme in the Financial Case and the project programme defined in the Management Case; max. 2 pages.]*

The procurement and contracting strategy is straightforward in that it will form a traditional contract awarded through a formal tendering process. This will also include our value engineering strategy and as Annex 2 demonstrates we have applied a realistic contingency to all elements.

The College has experience of formal tendering for major construction works and currently have a live procurement exercise with Brighton and Hove County Council for the regeneration of our Stanmer Park facilities. This project equates to £4.7m and having shortlisted to 7 contractors following the PQQ stage we are set to review and appoint in early December. We are used to managing such workflows alongside normal business and have apportioned time in our management calendar to take this forward.

The College financial regulations require capital projects to be approved by Corporation, the governing body of the College.

Corporation provides governance oversight through regular updates by the project team and approval delivery of phases of delivery.

#### 4.3. Procurement experience:

*[Describe promoter (and advisor) experience of the proposed approach including any lessons learnt from previous procurement exercises of a similar scale and scope; max. 0.5 pages.]*

The comments above in 4.2 refer.

The College has significant experience of procurement – in addition to the capital projects referenced in 4.1 above, the College procures goods and services to the value annually of £9m (half its current turnover). Policies are in place to monitor and guide procurement practices and Senior Management Team have sign off on all purchases exceeding £5000.

#### 4.4. Competition issues:

*[Describe any competition issues within the supply chain; max. 0.5 page.]*

Recent experience of tendering and awarding similar contract values for a project commensurate in scope and complexity would indicate that we would expect to attract at least 7 contractors within the region who would be in a position to mobilise within a 9-week period.

The existing layout of our site allows multiple options for phasing which would further allow the project to manage time constraints associated with supply chain capacity. We also recognise that the project scope provides three main areas of delivery:

1. General construction (steel framed)
2. Road, parking and landscaping
3. Agricultural building construction

In different political times the supply chain considerations of agricultural building contractors would be significant. However, the current Brexit uncertainty (a factor that this project aims to address at its core) has led to a slow-down within the sector and in view of the funding approval and procurement timeframes associated with this project we believe that this aspect would be the most competitive to secure. Recent experience of undertaking infrastructure works on our existing farm has indicated a 6 week lead-in time.

We have also begun to consider the various options for building insulation which at present is a major factor in building completion dates due to a low supply across the EU. We expect to utilise products such as 'Tri-Iso 10' as an alternative to more traditional forms of insulation in order to ensure that fit out stages are not delayed.

#### 4.5. Human resources issues:

*[Where possible, describe what you have done to identify and mitigate against any human resource issues; max. 0.5 pages.]*

Our response to 6.2 and 6.3 refers.

Our aim is to recruit a Project Manager to act as client for the main architect and in doing so to follow the main principles set out by the RIBA report in 2015. The Project Manager will report directly to the college Senior Management Team who possess experience of delivering other projects of a similar scope and complexity.

The college operates a 7-year strategic plan and over the last three years we have built the capacity of our College Management Team to enable such projects to have direct reports on either a part time or full time basis. Should we be unsuccessful in recruiting a Project Manager within the right timeframe then our Deputy Principal, James Hibbert (12 years current experience) will assume this role.

Our strategic plan also ensures the focus by all staff of major priorities to avoid mission drift. We are clear in our investment planning and have tailored our support staff structure to handle this by ensuring that human resources are not pulled elsewhere.



The college Senior Management Team will form the internal steering group for this project and due to the contract management process that will be adopted we are able to overcome problems normally associated with staff absence.

#### 4.6. Risks and mitigation:

*Specify the allocation of commercial risks (e.g. delivery body, federated area, scheme promoters) and describe how risk is transferred between parties, ensuring this is consistent with the cost estimate and Risk Management Strategy in the Management Case; max. 1 page.]*

The programme for this project has been structured to reduce the interdependencies between individual elements. It should be seen as a number of key interventions with multiple commonalities in the outputs that each supports. As such, whilst each element faces the normal delivery risks of implementation timescales, contractor availabilities and price maintenance, any friction incurred in one element will not affect other elements.

The risk that this project presents to the delivery body is the interruption and displacement of existing students whose learning experience may be affected by onsite delivery works. This work has been sequenced to eliminate disruption for the learning environment, eg through the use of out-centre support to facilitate the developments.

Plumpton College has extensive experience in managing complex capital projects alongside the maintenance of core activities during the academic year. We have a clear management structure for the programme and confidence that all stated match funding is in place.

The risk register attached at **Annex 5** gives full details.

As taken from the risk register):

- Contractor availability and suitability (early procurement and robust contracting)
- Cash flow (project financial management is controlled through Finance Director, reporting to SMT)
- Potential future educational funding changes (future income will be dependent upon qualification funding and this changes from time to time but is exceptionally unlikely to reduce significantly (eg apprenticeship and 16-18 funding is cornerstone of the Government's educational policy)
- Changes in key delivery staff (continuity through project team and overall SMT oversight reduces dependency on single individual(s))
- Brexit-related price inflation (Contingency and regional variation included within the budget).

#### 4.7. Maximising social value:

*[Where possible, provide a description of how the procurement for the scheme increases social value in accordance with the Social Value Act 2012 (e.g. how in conducting the procurement process it will act with a view of improving the economic, social and environmental well-being of the local area and particularly local businesses); max. 0.5 page.]*

**Plumpton College is an Ofsted rated "Good" College (skills and learning, Feb 2018) and "Outstanding" (welfare, Sep 2018) and the wider social value aspects of College activity are well reported on. The project constitutes a major step in the future development of the College and has the potential to significantly enhance and further widen our contribution towards social value through:**

- Increased success of business ventures with consequent positive impact on proprietors

- Enhancement of the student population
- Strengthening employability resilience and progression through more advanced training
- Enhancement to working populations through better trained and more resilient new entrants
- Improved understanding of the value of the positive use of digital media
- Improved social awareness of the value of health and wellbeing through earning outdoors

In general, the students, employees and business principals will have better learning facilities, more up to date technology and an improved environment. The project will support skills development and enhance the technical level of skills thus enabling progression either in education or in finding employment. The project will raise aspiration in young people to engage more fully in their education with clear sightlines into well-paid and productive jobs. It will enhance the link with local employers improving the network through which students develop higher-level skills and can secure employment. Reduced traffic movements on campus will help all students learn in a safe and secure environment. We do not anticipate that there will be any significant negative social effects of the project.

**Environmental impacts will be positive:**

- Refurbishment of aged buildings will improve comfort and reduce heating and lighting costs
- New buildings will be built to meet the required building regulations, reducing use of renewables
- The training delivered will improve the new entrant awareness of environmental impacts and hence influence future business practice
- All work will be managed to minimise ground and noise impact
- All surface areas will be reinstated to create a pleasant and attractive surrounding, further enhancing the College estate
- Site master planning jointly with the South Downs National Park Authority will ensure congruity of new developments with the overall campus 'look and feel'
- There will be a general improvement in the working environment as a result of the project
- Enhancement of the park environment and therefore making it attractive for the general public
- Improved facilities and learning environment for learners and staff, especially in pedestrian and vehicle movements around the campus
- Procurement and waste disposal will be through environmentally positive routes to minimise disposal to landfill. Sequencing of activity to reduce whole scale disruptions and assist in compartmentalising capital works

The College Equality and Diversity policy is imbedded within all areas of College life, from marketing/promotional material through to every lesson plan - being ever mindful of minority groups within specific subject specialisms/faculties.

This project will consult with its Steering Group partners on understanding bias and influencing factors within the specific sectors; building on best practice, and consequently be proactive in carrying out equality impact assessments between groups of service users/delegates in terms of:

- Referral source i.e. promotional material, referral organisation etc.
- Student achievement rates by demographic groups
- Delegate/student feedback forms - at both the registration & post training stages <sup>[1]</sup><sub>SEP</sub> The outcome of this assessment will assist the project in addressing any short-comings and positively attracting minority groups into the sectors.

## 5. FINANCIAL CASE

The Financial Case determines whether the scheme will result in a fundable and affordable Deal. It presents the funding sources and capital requirement by year, together with a Quantitative Risk Assessment (QRA), project and funding risks and constraints. All costs in the Financial Case should be in nominal values<sup>1</sup>. The profile of funding availability detailed in the Financial Case needs to align with the profile of delivery in the Commercial Case.

### 5.1. Total project value and funding sources:

[Specify the total project value and how this is split by funding sources by year, as per the table below (expand as appropriate). This should align with the total funding requirement described within the Project Overview section. Please include details of other sources of funding, and any conditions associated with the release of that funding. LGF can only be sought to 2020/21.]

A breakdown of project costs in the Preferred Option by source and year is provided in the table below.

Source	Prior to 2018/19	2018/19	2019/20	2020/21	2021/22 onwards	Total
LGF 3B		-	£2,133,900	£784,100		£2,918,000
Plumpton College		-	£1,772,000	£2,347,020		£4,119,020
Total		-	£2,860,900	£3,881,120		£7,037,020

The College is an exempt charity and whilst registered for VAT, input VAT is not totally recoverable. This is because the provision of education is exempt. We operate a partial exemption basis but the amount recoverable is negligible.

### 5.2. SELEP funding request, including type (LGF, GPF, etc.):

[Specify the amount and type of SELEP funding sought to deliver the project. This should align with the SELEP funding requirement described within the Project Overview section.]

A breakdown of the SELEP LGF funding request by year is provided in the table below:

Source	Prior to 2018/19	2018/19	2019/20	2020/21	2021/22 onwards	Total
LGF 3B		-	£2,133,900	£784,100		£2,918,000

### 5.3. Costs by type:

Detail the cost estimates for the project by year as per the table below (expand as appropriate) and specify how the inclusion of the Quantitative Risk Assessment (QRA) and other overheads aggregate to the total funding requirement. Where conversion has been made between nominal and real cost estimates (and vice versa) please provide details of any inflation assumptions applied. The Financial Case should not include Optimism Bias. Please confirm that optimism bias has not been applied in the Financial Case. Also, include details of the agreed budget set aside

<sup>1</sup> Nominal values are expressed in terms of current prices or figures, without making allowance for changes over time and the effects of inflation.

*for Monitoring and Evaluation, and ensure this aligns with the relevant section in the Management Case. Please note, not all sections of the table may require completion.]*

For clarity, inflation at 1.5% was built into the initial project costings but was not shown separately as an inflation figure. Inflationary costs due to delay to the start of the project are accommodated within the original pricing structure provided that work starts in summer 2019. The College is in a position to identify elements of spend already incurred (at the College’s own risk) which are being incurred now but will be invoiced upon issue of project contract, also supporting SELEP to disburse funding quickly.

The table below provides an expenditure forecast by funding source for the Preferred Option. The underlying cost estimates include appropriate allowances for contingency, to mitigate against some inevitable risks associated with unknown construction requirements. The costs also include an allowance for inflation, set at 3%. **All costs exclude any allowances for Optimism Bias.**

Cost type	Expenditure Forecast			
	17/18 £000	18/19 £000	19/20 £000	20/21 £000
Capital LGF3b			£2,133,900	£784,100
Capital Plumpton			£1,477,000	£2,147,020
Revenue Plumpton			£245,000	£150,000
Monitoring and Evaluation (Revenue)			£50,000	£50,000
<b>Total funding requirement</b>			£3,905,900	£3,131,120

**5.4. Quantitative risk assessment (QRA):**

*[Provide justification for the unit costs and a Quantitative Risk Assessment (QRA) provisions (detailed in the capital and non-capital tables above); max. 2 pages. Please provide supporting documents if appropriate.]*

See annex 5.4

**5.5. Funding profile (capital and non-capital):**

*[Where possible, explain the assumed capital and non-capital funding profile, summarise the total funding requirement by year, and funding source (add rows / columns as appropriate). Please note, not all sections of the table may require completion. Also, explain the external factors which influence/determine the funding profile, describe the extent of any flexibility associated with the funding profile, and describe non-capital liabilities generated by the scheme; max. 1 page.]*

The capital and non-capital funding profile is provided in the table below. This reflects expected expenditure by source and year, but there is some flexibility surrounding the timing of drawing down of funds and resource commitments. Ongoing financial monitoring throughout project delivery will

determine the true cost of the project and the college will respond to changing project cost requirements as needed.

Funding source	Expenditure Forecast					
	17/18 £000	18/19 £000	19/20 £000	20/21 £000	21/22 £000	22/23 £000
Capital LGF3b			£2,133,900	£784,100		
Capital Plumpton			£1,462,000	£2,162,000		
Non-capital Plumpton Revenue			£245,000	£150,000		
Non-capital Plumpton Revenue (management and Monitoring)			£50,000	£50,000		
<b>Total funding requirement</b>			£3,890,990	£3,146,100		

With respect to the availability of funds, the comments on funding requirements also refers but we have banked with Lloyds for the last 10 years and have a clear professional relationship.

The banking provision to the sector irrespective of the bank or the specific organisation has increasingly sought security for loans and the College has completed a deed separation process for 12 College owned houses to provide this security.

For clarification with respect to the funding requirement, the proposed LGF intervention rate for this project is 41%, representing a significant match contribution from the College which is secured through a bank loan against college owned housing stock. The loan is therefore secure and available at the point post approval when work starts.

For the avoidance of any doubt, this project can only be delivered through a genuine co-funded match. Without the LGF contribution, the College is not able to fully fund the programme.

We are mindful that there is a wide range in the proportion of LGF to match across the range of proposed projects and whilst it is accepted that some other schemes might have a higher match contribution, there is the counter argument that match reaches a tipping point where the project would proceed without LGF intervention. The College is not of the size, turnover, where borrowing could be increased to reach this point without endangering the financial stability of the college (the planned loan would represent college 'gearing' at just over 40%, prudent for colleges operating in the post Area Based Review environment).

Additional contributions within the development of this project to this stage **but not** included in the Strategic Outline Business case include:

The creation of the site masterplan for this strategic development, including detailed locations and outlines of potential future developments for next 10 years (**see Appendix 1**) has involved planning and architect costs of approximately **£90k** plus **£40k** of associated staff time facilitating and developing the site master plan:

- Extensive consultation with South Downs National Park Authority on approaches to planning development has contributed approximately £9k of external professional in-kind support through two Design Review Panels led by the SDNPA.
- The value of the land is a further contribution by the college and represents approximately **£100k** of investment in the dedicated utilisation of a prime but as yet undeveloped aspect of the campus.

Sector representative bodies, for example The Agriculture and Horticulture Development Board and WineGB, are constituted to collect and administer product-based levy income to support research, innovation and knowledge transfer. **They do not have a mandate for capital investment.** Indeed much of their current knowledge transfer activity is restricted through shortage of existing appropriate delivery rooms and facilities, especially in the South East.

Private businesses do not have the size and scale to fund this type of development themselves.

One of the common characteristics of failing colleges are those which significantly exceed 40% gearing. This project has been developed to ensure that college borrowing does not exceed 40%.

The College has a long term relationship with Lloyds bank and this represents the level of security of the loan. A Deed separation exercise for loan purposes has been conducted to identify 12 college properties with a combined security value of circa £3 to 3.5m.

Whilst in the Preferred Option around 41% of the project costs will be met through LGF, College investment will provide the remaining 59% of funding needs. Over the long term, the college expects to recover much of its investment through additional revenue sources which will be created through the project, including additional student incomes and some revenue returns from business support activities.

**Annex 2** provides a full breakdown of financial modelling of potential college income returns associated with the Preferred Option. Whilst further additional incomes may be accrued, the primary sources of future additional college incomes will be through course fee leverage and business support activities and modelling of unit costs / financial returns across these activities suggests that the College could accrue an additional £2.2m in income returns annually (**Annex 4**) when the new facilities are fully operational. Over an assumed minimum fifteen-year operational lifecycle of the new facilities in the Preferred Option, it is estimated that around £33m of additional College incomes could be accrued, accepting that much of the gross income generated will be spent on resourcing the Centre of Excellence and delivering learning and business support activities. The securing of ongoing central government funding resulting from the increase in delivery capacity ensures the sustainability of the proposed investment.

There are inevitable external factors which may influence the delivery of future additional College incomes and these largely relate to the uptake of learning opportunities and business engagements. It is considered that any fluctuations in take up / incomes accrued will in part be mitigated through the Colleges wider financial budgeting arrangements and that this will not impact on the targeted agri-food offer enabled through the project and delivered through the new facilities.

#### **5.6. Funding commitment:**

*[Provide signed assurance from the Section 151 officer to confirm the lead applicant will cover any cost overruns relating to expenditure and programme delivery, as per the template in Appendix A. Please also confirm whether the funding is assured or subject to future decision making.]*

All costs including any overruns will be the responsibility of Plumpton College and not SELEP or East Sussex County Council.

The college has recently paid off a small existing loan with Lloyds– and this has been used in the revision to College cash flow.



Security for the bank loan has been agreed through 12 College owned houses with separate deed entitlements.

**5.7. Risk and constraints:**

*[Specify project and funding risks and constraints. Describe how these risks have, where appropriate, been quantified within the QRA/contingency provisions; max 0.5 pages.]*

The main strategic risk is the failure to attract the additional funding from SELEP to provide the developments described in this project. Mitigation - project would proceed but on a piecemeal and over a significantly extended timeframe which would fail to react to key Brexit milestones. The scale and scope of the project would also reduce putting the College more at risk of failing to reach the standards for advanced and technical training.

Once funded the risks will be minimal, as strategic discussions have been held with planners and the South Downs National Park Authority to agree a development plan for the future development of the campus at Plumpton. Should there be unforeseen delays, the themes of the project would be realigned but it is not envisaged that any activity would be delayed later than the planned project end. Architects and contractors and workers are known and outline work plans are in place.

The College has a very successful track record of bringing developments to completion on time and within cost. The project team would comprise the SMT and co-opted members.

## 6. MANAGEMENT CASE

*The management case determines whether the scheme is achievable and capable of being delivered successfully in accordance with recognised best practice. It demonstrates that the spending proposal is being implemented in accordance with a recognised Programme and Project Management methodology, and provides evidence of governance structure, stakeholder management, risk management, project planning and benefits realisation and assurance. It also specifies the arrangements for monitoring and evaluation in terms of inputs, outputs, outcomes and impacts.*

### 6.1. Governance:

*[Nominate the project sponsor and Senior Responsible Officer, explain the project governance structure (ideally as a diagram with accompanying text) and describe responsibilities, project accountability, meeting schedules etc.; max. 1 page.]*

This project will be managed within a PRINCE2 framework.

The project sponsor is Plumpton College. The Deputy Principal of Plumpton College will be the Senior Responsible Officer for delivering this scheme. Plumpton College will be the recipient of the grant funding and the Deputy Principal and Principal will, on behalf of the Board of Governors, be ultimately responsible for the project, for securing its delivery, for managing all partners within this project and for achieving outputs. Project governance will be provided through the Corporation's Finance and General Purposes Committee and be subject to external audit through Masars.

An experienced Project Management Team of staff within the College, led by the Deputy Principal, supported by project management consultants and representatives from all partners will undertake by day-to-day project management responsibility for all aspects of the site survey, design, planning, procurement, construction and cost management and project implementation. This project team will be responsible for the contract management and for monitoring progress against key milestones.

Financial monitoring and management will be undertaken by the Plumpton College Director of Finance and his team of accountancy staff.

All change requests will be presented to SMT through a fortnightly reporting schedule.

The strategies will be used to monitor the progress of your programme of work will include:

- The Project Board will be the SMT (members of which are PRINCE2 trained).
- This support project will be managed within a PRINCE2 framework.
- A project manager will be appointed as an integral part of the project team.
- The interdependencies between elements of the programme are minimal so that each element can proceed within the relevant timeframes.
- All change requests will be requested through the Senior Management Team through a monthly reporting schedule.
- The College has successfully managed numerous multi-strand projects of multi-aspect nature and is familiar with the SELEP delivery expectations

**6.2. Approvals and escalation procedures:**  
*[Specify the reporting and approval process; max. 0.5 pages.]*

Our response to 6.3 refers.

The tendering process will preclude contractors from making unqualified bids/assessments and in itself will from the baseline specification approval from the outset in the form of a bill of quantities. One of the most important management tools within our contractual framework is the provision for Early Warning procedures which will facilitate the most appropriate method for handling in-delivery issues, change, escalation and approvals. Such matters will be handled as Compensation Events and this process will inform and be supported by a live risk register.

The composition and mobilisation timeframe of the steering group will not preclude the Project Manager from responding to Early Warnings and Compensation Events within agreed timeframes. As a contingency arrangement the contractor will copy all such notifications directly to the Senior Management Team Administrator to ensure that they are picked up weekly.

**6.3. Contract management:**  
*[Explain your approach to ensuring that outputs are delivered in line with contract scope, timescale and quality; max. 0.5 pages.]*

Our response to 6.2 refers.

Our preference would be to adopt the NEC3 contract template to set out the relationship between the contractor and the college. Whilst there is a plethora of contract templates in existence we believe that the NEC3 provides clarity, simplicity and flexibility of use. It is clearly written and generally avoids the use of subjective terminology such as “reasonable” and “fair”. This subsequently allows greater confidence in the delivery of outputs.

We recognise that such a contract template requires much more proactive project management from all those involved, which in turn leads to greater site administration. Our response to 4.5 demonstrates that we have factored in the required capacity to administrate the contract.

We do not yet have experience of working within a NEC4 framework and do not have a local partner from whom we can observe the benefits. As such, we would elect to remain with NEC3.

**6.4. Key stakeholders:**  
*[Describe key stakeholders, including any past or planned public engagement activities. The stakeholder management and engagement plan should be provided alongside the Business Case; max. 0.5 pages.]*

**Communication and stakeholder management strategy**

<b>Stakeholder group</b>	<b>Communications method</b>	<b>Involvement with project</b>	<b>Attitude towards the project</b>
Board of Governors	Status report, financial summary, newsletter monthly	Accountable, decision making, reporting	Champions
Steering group	Status report, financial summary, newsletter monthly	Accountable, decision making, reporting	Champions / evaluators
Plumpton employees	Update bulletin monthly	Interest group	Consultation
Local employer groups	Update bulletin monthly	Interest group	Consultation

#### 6.5. Equality Impact:

*[Provide a summary of the findings of the Equality Impact Assessment (EqIA) and attach as an Appendix to the Business Case submission. If an EqIA has not yet been undertaken, please state when this will be undertaken and how the findings of this assessment will be considered as part of the project's development and implementation. The EqIA should be part of the final submission of the Business Case, in advance of final approval from the accountability board; max. 0.5 pages.]*

No Equalities Impact Assessment has yet been carried out for the construction phase. However, the design of the building and its external features will ensure best practice in providing access for people with impairments within the context of planning policy.

Tendering contractors will be required to submit equality and diversity policies and practices, which will form part of the assessment matrix.

Finalisation of the curriculum offer, through discussion with employers, will also involve an Equalities Impact Assessment for teaching, learning and assessment.

The College ensures the requirements of relevant legislation related to age, disability, race, gender, religion or belief, sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil partnership are fully complied with.

The College actively advance a culture of celebrating diversity and will maintain an inclusive learning environment of mutual tolerance for all. This includes raising the awareness of what is expected of learners, employees and users of the College whilst they study or work at the College and also provides the opportunity for learners to discuss issues and concerns if they feel that their expectations are not being fully met.

The project will contribute significantly to social value through:

- Increased success of business ventures with consequent positive impact on proprietors
- Challenging stereotypes in specific sectors across the agrifood industry, for example males in agriculture and females in horticultural protected crops
- Enhancement of the student population
- Strengthening employability resilience and progression through more advanced training
- Enhancement to working populations through better trained and more resilient new entrants
- Improved understanding of the value of entrepreneurial approaches
- Improved social awareness of the value of health and wellbeing through earning outdoors

#### 6.6. Risk management strategy:

*[Define the Risk Management Strategy referring to the example provided in Appendix B (expand as appropriate), ensuring this aligns with the relevant sections in the Financial and Commercial Case. Please provide supporting commentary here; max. 0.5 pages.]*

Please see **Annex 5** – we have focused on top-level risks with clear ownership across our Senior Management Team.

This risk strategy has been composed using experience obtained from our live project work at Stanmer Park. As such we are very confident on the management of risks surrounding the price, cashflow and contractor suitability that could affect the project.

As an organisation we are structured to react quickly and effectively to changing circumstances. Having led the College through multiple changes of Government, regional funding schemes and changing calculations surrounding student fees and awards we feel comfortable that our strategic plan aligns the College well to forecasted wider change.

#### 6.7. Work programme:

Please see **Annex 6 (Revised 18 April 2019)**.

Project update reports will be circulated to key stakeholders on a quarterly basis. This will provide the opportunity for further individual or group consultation directly with SMT if required. The management and buy-in of stakeholder groups is set as clear project milestones.

#### 6.8. Previous project experience:

Plumpton College has extensive experience in managing complex capital projects alongside the maintenance of core activities during the academic year. We have a clear management structure for the programme and confidence that all stated match funding is in place.

The College has experience of formal tendering for major construction works and currently have a live procurement exercise with Brighton and Hove County Council for the regeneration of our Stanmer Park facilities. This project equates to £4.7m and having shortlisted to 7 contractors following the PQQ stage we are set to review and appoint in early December. We are used to managing such workflows alongside normal business and have apportioned time in our management calendar to take this forward.

Capital developments at the college, including those funding from own resources, SELEP, C2C and LSC have totalled £40m over the last 20 years. All projects have been brought in on time and to budget.

#### 6.9. Monitoring and evaluation:

*[SELEP are required to submit detailed quarterly project monitoring reports to the Department for Business, Energy and Industrial Strategy for schemes that have been funded through the LGF to enable ongoing monitoring and evaluation of individual projects. Monitoring and evaluation metrics should be aligned to these reporting requirements (South East Local Enterprise Partnership Assurance Framework 2017, Section 5.8 – see SELEP Business Case Resources document). A proportionate approach to Monitoring and Evaluation should be followed ensuring evaluation objectives relate back to the business case and build on assumptions used in the appraisal process.*

*Specify the following:*

##### Inputs

- *Describe what is being invested in terms of resources, equipment, skills and activities undertaken to deliver the scheme*

##### Outputs (delivering the scheme/project)

- *Identify what will be delivered and how it will be used*

##### Outcomes (monitoring)

- *Identify and describe how the relevant performance indicators (KPIs) will be used to monitor the outcomes, including high-level outcomes, transport (outputs), land, property and flood*

*protection (outputs) and business, support, innovation and broadband (outputs) (as per the table in Appendix D)*

*Impacts (evaluation)*

- *Describe how the impacts will be evaluated 2 and/or 5 years post implementation depending on the size of the project. Consider the impact of the intervention on the following Growth Deal outcomes (if relevant):*
  - o *Housing unit completion*
  - o *Jobs created or safeguarded*
  - o *Commercial/employment floor space completed*
  - o *Number of new learners assisted*
  - o *Area of new or improved learning/training floor space*
  - o *Apprenticeships*

*Promoters should also include a statement which identifies other schemes which may have potentially contributed to the same benefits/impacts.*

*Max. 1 page excluding table.*

*Smaller schemes (less than £2 million) are required to complete Monitoring and Evaluation which is proportionate to the size of the scheme; max. 0.5 page.]*

Benefits will be tracked on a variety of platforms base on the nature of the activity funded:

- Skills and employment transition outputs will be recorded and tracked on the ILR.
- Refurbishment and construction work, waste management, site efficiencies and building category changes will be recorded and tracked on our E-Mandate.
- Project expenditure and receipt of match funding will be recorded on ABW.

The College Director of Finance and his staff will undertake financial monitoring and management. This will be reported to the funding partners, along with the achievement of key milestones, in line with contractual agreements, to the Board of Governors of the College, and through the College's annual accounts to the Department of Business, Industry and Skills.

Delivery of the scheme will be coordinated by the College's Deputy Principal who has over 15 years' experience in the sector of developing, managing and delivering complex property and construction schemes in the private, higher and further education sectors. He is supported by an internal head of projects together with external advisors led by the College's appointed external project management company.

Learner enrolments and achievements will be monitored by the College in line with its Learning and Teaching Strategy which will set rigorous key performance indicators to monitor and evaluate the quality of learning, learner recruitment, retention and success.

The Evaluation Plan will comprise two elements:

- The achievement of the key objectives and key milestones of the project. The project will be evaluated against the stated aim, objectives and outputs will be the key performance indicators for the scheme. Progress against key milestones will be reported to the partners funding the scheme in accordance with Funding Agreements. Evaluation will involve partners and stakeholders
- A continuous self-assessment of the teaching, learning and assessment carried out in the centre. All learner outcomes, quantitative and qualitative will be reported annually in the College Self- Assessment Report, which is shared with funding bodies and Ofsted.



Dissemination of information will take place in two main phases:

- During the project; to inform employer, schools, partners and other stakeholders of the construction of the centre, its location and the curriculum it will deliver and of its strategic link to employers, Apprenticeships and employment opportunities at the Airport. This will be to build up a constituency of support for the new centre.
- Post project completion; to provide information to a wider audience of future end-users of the centre, to decision/policy-makers and to supporters and interested parties, including teaching professionals, to the wider automotive, process engineering industries and employer representatives.
- Dissemination activities will include: The media – print, television, radio using the marketing teams of all immediate partners Social media, SEP Conferences and seminars e.g. the Association of Colleges

**6.10. Benefits realisation plan:**

*[A Benefits Realisation Plan provides details of the process that will be followed to ensure that benefits are sustained and that returns on investment are maximised where possible. The Benefits Realisation Plan identifies the potential benefits and how these will be tracked and measured, the risks that may prevent benefits being realised and the critical success factors that need to be in place to ensure that benefits are realised. In many cases, benefits realisation management should be carried out as a duty separate from day to day project management. Describe the proposal for developing a Benefits Realisation Plan which should involve continuous public engagement to ensure the anticipated benefits are realised. The Benefits realisation plan should be consistent with the Strategic and Economic Case; max. 0.5 page.]*

**The benefits management plan**

<b>A1. Construct a 2 storey centre of excellence in AgriFood knowledge transfer, business improvement and skills training</b>	<b>Outputs monitored by</b>	<b>Risk level (L, M, H)</b>	<b>Planning</b>
** 324m <sup>2</sup> AgriFood information and knowledge transfer suite (incorporating meeting hubs) supporting high quality knowledge transfer	College inventory	L	Implement project management procedures
** 2500 employees / business engaging knowledge transfer technical update (1:many) annually	ILR and CRM	M	Work with sector representative bodies to effectively engage industry
** 60 business taking up mentoring and coaching support through knowledge exchange activities	ILR and CRM	L	Work with sector representative bodies to effectively engage industry
** 12 industry professional providing <i>Pro Bono</i> coaching to new entrants and those scaling up	ILR and CRM	L	Use sector contacts to identify specialists willing to deliver <i>pro bono</i>
** 150 business annually engage in business support evaluation and planning through College Account Managers	ILR and CRM	L	Work with sector representative bodies to effectively engage industry
** 25 companies use the conferencing and networking centre for knowledge transfer, e.g. AHDB	Conference bookings	L	Work with sector representative bodies to effectively engage industry
** 1200 individual uses of the atrium for ad hoc (drop in) business networking meetings	CRM		Develop links with IoD to promote rural business networking space
** Work experience matching service - 800 students and 150 employers annually	CRM	L	Develop increased links through college based 'job shop' innovation
** 100 businesses purchase conferencing accommodation / private rooms for networking meetings	Conference bookings	M	Work with sector representative bodies to effectively engage industry
** 400 farmers regionally experience the exemplar biosecurity control system annually	ILR and CRM	L	Work with sector representative bodies to effectively engage industry
** 1400 college students utilise new biosecurity measures as training in biosecurity for land based businesses	ILR and CRM	L	Ensure effective timetabling to create industry training opportunity
** 2500 schoolchildren benefit from use of biosecurity training - enriches National Curriculum	ILR and CRM	L	Continue to expand links with schools and wider community
** 450 existing students have improved access to farm demonstration data	ILR and CRM	L	Ensure effective timetabling to create industry training opportunity
** Development of community based courses because of much reduced and management disease risk	Curriculum planning	L	Increase adult access to government community funded programmes

** 12 FT students / trained in butchery (Level 2)	ILR	L	Extend recruitment approaches to meet rising demand
** 12 FT students / trained in butchery (Level 3)	ILR	L	Extend recruitment approaches to meet rising demand
**300 qualified butchers attending master classes annually	ILR and CRM	M	Work with sector representative bodies to effectively engage industry
**100 adults attending butchery short courses annually	ILR and CRM	L	Increase adult access to government community funded programmes
** 60 apprentices trained in butchery annually (Level 2)	ILR	L	Extend recruitment approaches to meet rising demand
** 30 apprentices trained in butchery annually (Level 3)	ILR	L	Extend recruitment approaches to meet rising demand
** 2.0 Lecturing job created	College HR	L	Recruit to post as business support and education volume increases
** 1.0 technician job created	College HR	L	Recruit to post as business support and education volume increases
** 0.25 cleaning role created	College HR	L	Recruit to post as business support and education volume increases
** 90 Business using the facility for product development and evaluation	CRM	M	Work with sector representative bodies to effectively engage industry
** 400 business / employees attending R&I demonstrations annually	CRM	M	Work with sector representative bodies to effectively engage industry
**250 students take taster courses in butchery as value added programme	ILR	L	Ensure effective timetabling to create industry training opportunity
** 25 demonstrations annually of adding value to primary material to encourage new market development	CRM	L	Work with sector representative bodies to effectively engage industry
** 12 FT students / trained in bakery (Level 2)	ILR	L	Extend recruitment approaches to meet rising demand
** 12 FT students / trained in bakery (Level 3)	ILR	L	Extend recruitment approaches to meet rising demand
**144 qualified bakers attending master classes annually	ILR and CRM	M	Work with sector representative bodies to effectively engage industry
**100 adults attending bakery short courses annually	ILR	L	Increase adult access to government community funded programmes
** 24 apprentices trained in bakery and skills annually	ILR	L	Extend recruitment approaches to meet rising demand
** 1.0 Lecturing job created	College HR	L	Recruit to post as business support and education volume increases
** 0.5 technician job created	College HR	L	Recruit to post as business support and education volume increases
** 0.25 cleaning role created	College HR	L	Recruit to post as business support and education volume increases
** 24 Business using the facility for product development and evaluation	CRM	L	Work with sector representative bodies to effectively engage industry
** 200 business / employees attending R&I demonstrations annually	CRM	M	Work with sector representative bodies to effectively engage industry
**125 students take taster courses in butchery as value added programme	ILR	L	Ensure effective timetabling to create industry training opportunity
<b>A2. Improved pedestrian and road user access to new facilities</b>			
** 400 staff experience 88,000 improved and safety enhanced pedestrian and traffic movements annually	Traffic monitoring	L	Implement project management procedures
** 900 students experience 130,000 improved and safety enhanced pedestrian and traffic movements annually	Traffic monitoring	L	Implement project management procedures
** 1500 Visitors to the site experience improved and safety enhanced pedestrian and traffic movement	Traffic monitoring	L	Implement project management procedures
** Improved attractiveness of site for conferencing and knowledge transfer because of improved access and greater car parking	Conference bookings	L	Implement project management procedures
** 600 Animal science and Veterinary Nursing student experience improved access to wider range of higher quality resources	Timetables	L	Implement project management procedures
** Visitors and staff have 60,000 improved parking experiences	Traffic monitoring	L	Implement project management procedures

** Preparatory work for development of zoo license enclosures (training facility)	Site development plan	L	Implement project management procedures
<b>A3. Redevelopment of pig production and beef and sheep handling facilities, including automated milking stations</b>			
** 1000 visitors and schoolchildren observe pig production from biosecurity zone integrally built into the new unit	CRM	M	Continue to liaise with schools and wider community
** 300 members of the Small Pigs Association use the unit for technical training	CRM	M	Work with sector representative bodies to effectively engage industry
** 100 FT agriculture students experience latest production techniques into within curriculum,	ILR	M	Ensure effective timetabling to create industry training opportunity
** 30 apprentices undertake work related experience to supplement learning where pigs are not part of employers operation	ILR	L	Extend recruitment approaches to meet rising demand
** 15 training and demonstration sessions held annually for updating technical skills in beef handling	ILR	L	Work with sector representative bodies to effectively engage industry
** 1.0 Lecturing job created	College HR	L	Recruit to post as business support and education volume increases
** 1.0 technician job created	College HR	L	Recruit to post as business support and education volume increases
** 1000 visitors and schoolchildren observe beef handling system	College HR	L	Continue to liaise with schools and wider community
** 100 FT agriculture students experience latest production techniques into within curriculum,	ILR	L	Ensure effective timetabling to create industry training opportunity
** 30 apprentices undertake work related experience	ILR	L	Ensure effective timetabling to create industry training opportunity
** 15 training and demonstration sessions held annually for updating technical skills in sheep handling	CRM	L	Extend recruitment approaches to meet rising demand
** 15 groups of beef producers receive demonstration on vet delivered animal health checks using new handling facilities	CRM	L	Work with sector representative bodies to effectively engage industry
** 1000 visitors and schoolchildren observe sheep handling system	CRM	L	Continue to liaise with schools and wider community
** 200 FT agriculture students experience latest sheep handling systems,	ILR	L	Ensure effective timetabling to create industry training opportunity
** 30 apprentices undertake work related experience of the sheep handling system	ILR	L	Extend recruitment approaches to meet rising demand
** 15 training and demonstration sessions held annually for updating technical skills	CRM	L	Work with sector representative bodies to effectively engage industry
** 15 groups of sheep producers receive demonstration on vet delivered animal health checks using new handling facilities	CRM	L	Work with sector representative bodies to effectively engage industry
** Knowledge exchange transfer technical updates - facility regionally for dairy industry, benefiting over 1000 employers	CRM	M	Work with sector representative bodies to effectively engage industry
** 10 groups of dairy producers attend knowledge transfer session of automated milking and impacts on dairy business	CRM	M	Work with sector representative bodies to effectively engage industry
** 500 students experience taster training in automation in agriculture, using the milkers	ILR	L	Ensure effective timetabling to create industry training opportunity
<b>A4. Village green landscaping</b>			
** 0.375ha community engagement space	College inventory	L	Implement project management procedures
** Provides centre piece to annual careers information event for c14,000 visitors	Conference bookings	L	Implement project management procedures
** 6 sector showcase events with industry leads (i.e. equipment dealer shows, NFU, community engagement etc	Conference bookings	L	Work with sector representative bodies to effectively engage industry
** 867m <sup>3</sup> / 1127 tonnes land spoil reused (first year only)	Site development plan	L	Implement project management procedures

## 7. DECLARATIONS

<i>Has any director/partner ever been disqualified from being a company director under the Company Directors Disqualification Act (1986) or ever been the proprietor, partner or director of a business that has been subject to an investigation (completed, current or pending) undertaken under the Companies, Financial Services or Banking Acts?</i>	No
<i>Has any director/partner ever been bankrupt or subject to an arrangement with creditors or ever been the proprietor, partner or director of a business subject to any formal insolvency procedure such as receivership, liquidation, or administration, or subject to an arrangement with its creditors</i>	No
<i>Has any director/partner ever been the proprietor, partner or director of a business that has been requested to repay a grant under any government scheme?</i>	No

*\*If the answer is “yes” to any of these questions please give details on a separate sheet of paper of the person(s) and business(es) and details of the circumstances. This does not necessarily affect your chances of being awarded SELEP funding.*

I am content for information supplied here to be stored electronically, shared with the South East Local Enterprise Partnerships Independent Technical Evaluator, Steer Davies Gleave, and other public sector bodies who may be involved in considering the business case.

I understand that a copy of the main Business Case document will be made available on the South East Local Enterprise Partnership website one month in advance of the funding decision by SELEP Accountability Board. The Business Case supporting appendices will not be uploaded onto the website. Redactions to the main Business Case document will only be acceptable where they fall within a category for exemption, as stated in Appendix E.

Where scheme promoters consider information to fall within the categories for exemption (stated in Appendix E) they should provide a separate version of the main Business Case document to SELEP 6 weeks in advance of the SELEP Accountability Board meeting at which the funding decision is being taken, which highlights the proposed Business Case redactions.

I understand that if I give information that is incorrect or incomplete, funding may be withheld or reclaimed and action taken against me. I declare that the information I have given on this form is correct and complete. Any expenditure defrayed in advance of project approval is at risk of not being reimbursed and all spend of Local Growth Fund must be compliant with the Grant Conditions.

I understand that any offer may be publicised by means of a press release giving brief details of the project and the grant amount.

<i>Signature of applicant</i>	
<i>Print full name</i>	<i>Mr James Hibbert</i>
<i>Designation</i>	<i>Deputy Principal</i>