



Template for additional funding ask for Local Growth Fund (LGF) projects

1. Project title

NIAB EMR - East Malling Advanced Technology Horticultural Zone

2. Federated Board

Kent and Medway Economic Partnership

3. Project description

NIAB EMR in partnership with the East Malling Trust proposes to develop an Advanced Technology Horticultural Zone at East Malling, which will be the first step towards delivering the vision of a cutting-edge Innovation Campus for horticulture in Kent. The campus will secure the long-term delivery of world-class research, innovation and knowledge exchange for the UK horticultural industry.

The LGF funding will be used to provide the new infrastructure that is required for the Advanced Technology Horticultural Zone (utility services, drainage, groundworks) and will see the construction of a new energy centre that meets the needs of the Zone. It will also provide the first state-of-the-art glasshouse. The project will use advanced greenhouse designs which will host high-tech imaging, robotics, precision irrigation rigs, LED lighting and CO₂ systems with the purpose of advancing horticultural agronomy in the region. This facility will allow an increased level of innovative research projects and best practice demonstrations to be delivered in a commercially relevant setting.

Accelerating investment at East Malling will ensure that NIAB EMR and its partners remain at the cutting edge of research and innovation. Access to the most advanced facilities is essential to attract and retain high-calibre staff, provide the 'knowhow' that is needed by industry to deliver sustainable growth and productivity gains, and ensure that Kent and Medway remains a world-class leader in horticultural innovation and drives the sector to enhance the provision of fresh produce.

4. What was the value of the Benefit Cost Ratio included in the original Business Case approved by SELEP?

2.61:1

5. Summary of project benefits

The project will generate upwards of £570,000 per annum in additional research and development spend in the region, creating 14 new knowledge-based and highly skilled jobs in addition to safeguarding 40 jobs at NIAB EMR.



6. Existing LGF allocation

£1,683,600

7. LGF spent to date

£0 - the project funding was awarded recently

8. Additional LGF sought

£315,000

9. Why is additional LGF investment required?

The Covid-19 outbreak has had a substantial impact on the construction and material costs that we could not foresee at the time of the submission of the proposal. Since the first restrictions were introduced in March 2020, the construction sector has made good progress in adapting to operate effectively in a Covid secure fashion. This, however, has meant that we need now to consider additional costs to deliver the building of the glasshouse and energy facilities. Some of these additional costs are associated with the implementation of required hygiene protocols such as the demand for more regular cleaning of the facilities used by the contractors. For our project, this is exacerbated by the fact that there are spaces that will be shared by both NIAB EMR staff and the contractors requiring a larger footprint for the common facilities than previously planned. We also expect an increase in the cost of the material for the specialised equipment that will be fitted in the controlled environment glasshouse.

10. Can the project proceed without the additional LGF allocation?

The project can proceed without the additional funding. There is, however, the financial impact of the additional costs that will impact on the delivery of the project. The allocation of this extra LGF funds would help to mitigate these challenges and ensure we can deliver the outputs and implement the benefits of the project as expected originally.

On a related note, NIAB EMR original request for the LGF was £1.84m back in summer 2018. This was subsequently reduced to £1.75m following a request from KMEP in February 2019 and finally the LGF award in July 2020 could only cover £1.6m, as we were informed SELEP had no more LGF funding. The extra requested funding would also cover this shortfall.

11. What are the main project risks impacting the ability of the project to proceed?

There are no major project risks. We are confident we can deliver the project successfully.



12. Have the project benefits changed since the original Business Case was approved by the Accountability Board?

If yes, please state the nature of these changes and the likely impact on the value for money case.

The project benefits have not changed but since the original announcement of the LGF award early this year we have seen a renewed interest from horticulture, food and drink industries to work with NIAB EMR.

13. How can the project support the economic recovery?

The development of the East Malling Advanced Technology Horticultural Zone offers a unique opportunity to support a sector that is key to the economic growth of the SELEP geography. The horticulture, food and drink sectors are important source of employment for the region with more than 2,300 business in Kent alone. The Covid-19 pandemic and the challenges of the post-Brexit transition, however, pose serious risks to this sector that can be address by the development of research and innovation.

14. If additional funding is awarded to the project, are there any remaining barriers to project delivery (for example: outstanding planning approvals, other Governance requirements, other funding sources awaiting confirmation)?

The master plan for the development of the site at East Malling already includes the required space for this new development. Planning consent was given in early November 2020.

Original funding breakdown (as per the original Business Case) (£m)

Funding source	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024 onwards	Total
<i>LGF</i>	0	0	0	0	0	1.684	0	0	0	0	1.684
EMT & NIAB EMR	0	0	0	0	0.236	3.023	0.100	0	0	0	3.359
Total	0	0	0	0	0.236	4.707	0.1	0	0	0	5.043

Revised funding breakdown (£m)

Funding source	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024 onwards	Total
<i>LGF</i>	0	0	0	0	0	1.999	0	0	0	0	1.999
EMT & NIAB EMR	0	0	0	0	0.236	3.023	0.100	0	0	0	3.359
Total	0	0	0	0	0.236	5.022	0.100	0	0	0	5.358



Sign off of additional funding ask – required from lead County/Unitary Authority

Dear Colleague,

In submitting this project application for additional LGF, I confirm on behalf of *[Insert name of County or Unitary Authority]* that:

- The information presented in this application is accurate.
- The application states all substantial project risks known at the time of submission.
- The delivery body has considered the public sector equality duty and has had regard to the requirements under s.149 of the Equality Act 2010 throughout their decision making process. This should include the development of an Equality Impact Assessment which will remain as a live document through the projects development and delivery stages.
- The delivery body has access to the skills, expertise and resource to support the delivery of the project.
- Adequate revenue budget has been or will be allocated to support the post scheme completion monitoring and benefit realisation reporting.
- The project will be delivered under the conditions in the signed LGF Service Level Agreement with the SELEP Accountable Body and SELEP Ltd.

I note that the information presented in this application will be presented in the public domain as part of the Strategic Board's prioritisation of projects. Any information presented in this application which is considered commercially sensitive and confidential, has been highlighted as such within this application.

Yours Faithfully,

S151 Officer

Name

Signature

Date

Senior Responsible Officer

Name

Signature

Date