

Template for additional funding ask for Getting Building Fund (GBF) projects

Project name	Discovery Park Incubator Project
Responsible Upper Tier Local Authority	Kent County Council
Organisation responsible for project delivery	Discovery Park Ltd
Federated Board	Kent & Medway
Project description	Delivery of new incubator, self contained laboratory units, informal break out area and shared lab support facilities
Existing GBF allocation	£2,500,000
GBF spent to date	£891,000 paid. £543,000 invoiced. £1,066,000 pending
GBF committed to date	£2,500,000
Additional GBF sought	£250,000
Why is additional GBF investment required? <i>This should clearly explain how the COVID-19 pandemic, Brexit or current high inflation levels have impacted on the project.</i>	Following the initial cost appraisal for the project inflation has impacted on both materials and labour rates. This has increased the project spend from £5.5m to around £6m
What are the implications for the project, and its' ability to deliver in accordance with the Business Case, if additional funding is not awarded? <i>This should set out whether the project will be able to proceed without additional GBF investment. It should also be clear as to whether elements of the project scope set out within the Business Case will not be able to proceed and the associated impact on forecast project benefits</i>	<p>Since the project inception both labour and material costs have increased significantly. The project and design team have worked closely to identify potential savings and to mitigate against cost overruns. A number of savings have already been achieved by utilising existing infrastructure and sourcing alternative materials where there is no impact on the overall quality of the project. The team have managed to keep costs close to the original budget, however, there are areas of the project where compromises are being considered. The team have also had to revise plans given recent energy price increases to ensure the scheme operates at maximum efficiency.</p> <p>If additional funding is not awarded it may result in some of the break-out and shared laboratory facilities associated with the incubator facility not being completed.</p> <p>A specialist CAT3 facility designed for hazardous microbiological research has also been omitted due to the pressure on project costs.</p>

What are the main project risks impacting the ability of the project to proceed?	Labour and material cost inflation has impacted the original project budget. Additional funding is sought to help offset the projected additional costs to deliver the scheme to the original design specification and offer the full suite of facilities to early stage companies. This will include access to laboratory equipment that early stage companies are not able to fund.
If additional funding is awarded to the project, are there any remaining barriers to project delivery?	No
If additional funding is awarded to the project, will it be possible for the GBF funding to be spent in full by 31 March 2023?	Yes
Please provide the most up to date delivery programme for the project, ensuring that this covers all elements of the project as set out in the Business Case.	
Milestone/Activity	Expected Completion date
RIBA Stage 3 and 4	September 2021
Works package tenders	November – December 2021
Enabling works / strip out	December 2021 – January 2022
Principal contractor / works package appointments	March / April 2022
Construction	March 2022
Incubator complete	August 2022
Commissioning	September / October 2022
Tenant occupation	October / November 2022
Shared and common areas	December 2022
What was the value of the Benefit Cost Ratio included in the original Business Case approved by SELEP?	4.74
What is the expected impact on the Benefit Cost Ratio of the additional GBF funding sought? <i>This should also take into account the impact of any other public sector funding which has been added to the project budget since Business Case approval.</i>	4.49

<p>Summary of project benefits</p>	<p>Delivery of 50,000 sq.ft. (24) high quality incubator laboratory, secure write-up and shared facilities for early-stage and scale-up life sciences businesses.</p>
<p>Have the project benefits changed since the original Business Case was approved by the Accountability Board? <i>If yes, please state the nature of these changes and the likely impact on the Value for Money offered by the project</i></p>	<p>No</p>
<p>Please detail the additionality which will be achieved through the award of additional GBF funding. <i>This should include reference to any elements of the original project scope which it will not be possible to deliver without additional GBF funding or any additional work that needs to be completed to facilitate realisation of the forecast project benefits outlined in the Business Case.</i></p>	<p>Budgetary pressures as a result of material and labour inflation has necessitated project changes and rationalisation. Part of the original scope of works envisaged refurbishment of break-out areas and shared laboratory equipment which are now at risk without additional funding.</p> <p>A former redundant specialist Containment Level 3 laboratory facility for hazardous microbiological research activities will be recommissioned and brought online for potential occupiers. This is a highly specialised facility and the costs of refurbishment and complexity of engineering are prohibitive for prospective occupiers.</p>



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

Funding source	2019/20	2020/21	2021/22	2022/23	2023/24	2024 onwards	Total
Getting Building Fund		500,000	2,000,000				2,500,000
Discovery Park Ltd.		1,300,000	1,700,000				3,000,000
Total		1,800,000	3,700,000				5,500,000

Updated funding breakdown (including additional GBF funding request) (£m)

Funding source	2019/20	2020/21	2021/22	2022/23	2023/24	2024 onwards	Total
Getting Building Fund			210,397	2,539,603			2,750,000
Discovery Park Ltd.				3,250,000			3,250,000
Total			210,397	5,789,603			6,000,000



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

Dear Colleague,

In submitting this project application for additional GBF, I confirm on behalf of Kent County Council that:

- The information presented in this application is accurate and complete as at the time of writing.
- 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 GBF 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 (for County/Unitary authority)

Name	John Betts
Signature	
Date	26/8/22

Senior Responsible Officer

Name	Lee Burchill
Signature	
Date	26/8/22