

Appendix C – GPF Project Background Information

Name of Project	<p>Wine Innovation Centre</p> <p>East Malling Estate, New Road, East Malling, Kent</p> <p>Kent County Council</p>
Growing Places Fund allocation	£600,000
Description of what Project delivers	<p>The project will deliver a Wine Innovation Centre, which will build on the success of Kent's wine industry. The delivery of the project complements NIAB/EMR's investment in the only UK research vineyard to support Kent's wine sector to develop as global leaders in innovation.</p> <p>The project consists of:</p> <ul style="list-style-type: none"> • Construction of infrastructure (utility services, ground works and drainage) that will enable the full development of the Wine Innovation Centre; • Construction of the state-of-the-art wine research facility (500sqm) which will be capable of housing a modern fruit press and fermentation tanks.
Need for intervention	<p>East Malling is located in the heartland of the UK's emerging wine industry and provides an internationally recognised focus for independent research and innovation. However, the ability to deliver this support in the long-term is severely constrained by a lack of the infrastructure needed for the cutting-edge technologies that are being developed to increase productivity and the adoption of sustainable production methods. The implications are:</p> <ul style="list-style-type: none"> • Attracting industry investment will become increasingly difficult. It will also diminish NIAB EMR's ability to provide the research & development and Knowledge Exchange support that will allow the UK wine industry to emerge as world-class, competitive and environmentally responsible; • Capacity for other businesses to conduct Research & Development, innovation and commercialisation activities will also be limited as the sector depends on the support of centres such as NIAB EMR to successfully adopt new technologies. <p>NIAB EMR is at the innovation forefront and delivery of the Wine Innovation Centre will allow them to support the sector in the</p>

	adoption of new technologies needed to increase productivity and the adoption of sustainable production methods.								
Project benefits	<p>The project will:</p> <ul style="list-style-type: none">• create infrastructure, services and high-tech facilities which will generate upwards of £1m (over 5 years) in additional annual Research & Development spend in the region;• create 4 new knowledge based and highly skilled jobs in addition to safeguarding 5 jobs at NIAB EMR. <p>Wider benefits will include:</p> <ul style="list-style-type: none">• a de-risked environment to unlock follow-on private sector investment that is needed to deliver further Research & Development facilities (estimated at £300k by 2025);• facilitating the development of the strategy for the research agenda of NIAB EMR as a key focus for innovation in the food and drink sector in the SELEP region. <p>Accelerating investment at East Malling is a priority to ensure that NIAB EMR and its partners remain at the cutting edge of research and innovation and are able to secure future public and private sector funding.</p> <p>Access to the most advanced facilities is also essential to attract and retain high-calibre staff, provide the ‘know-how’ that is needed by industry to deliver sustainable growth and productivity gains, and ensure that Kent, and the SELEP area are established as world-class leader in wine making innovation.</p>								
Financial Information	<p>Total capital cost of project: £700,000</p> <p>Capital funding sources:</p> <p>Growing Places Fund - £600,000 (subject to Board approval)</p> <p>NIAB EMR - £100,000 (committed)</p>								
GPF spend profile	<table><tr><td>2020/21</td><td>2021/22</td><td>Total</td></tr><tr><td>£100,000</td><td>£500,000</td><td>£600,000</td></tr></table>			2020/21	2021/22	Total	£100,000	£500,000	£600,000
2020/21	2021/22	Total							
£100,000	£500,000	£600,000							
Project Timeline	<table><tr><td>Milestone</td><td>Indicative date</td></tr><tr><td>Planning approval</td><td>July 2020</td></tr><tr><td>Procurement of contractor</td><td>November 2020</td></tr></table>			Milestone	Indicative date	Planning approval	July 2020	Procurement of contractor	November 2020
Milestone	Indicative date								
Planning approval	July 2020								
Procurement of contractor	November 2020								

	Ground and foundations work undertaken	April to June 2021		
	Construction of building	August 2021		
	Completion of internal fit out	August to December 2021		
	Installation of specialist equipment	October to December 2021		
	Wine Innovation Centre open	April 2022		
Repayment schedule				
	2023/24	2024/25	2025/26	Total
	£100,000	£250,000	£250,000	£600,000
Outcome of ITE Review	The project has been assessed as offering high value for money with low/medium certainty of achieving this.			
	The project is subject to value for money exemption 1 as set out in the SELEP Assurance Framework.			
	A proportionate, GVA-based approach to the economic appraisal has been taken. The Business Case provides details of the forecast number of jobs and the value of those jobs that will be stimulated by delivery of the project. This provides a reasonable indication that, were full monetised economic appraisal undertaken the scheme would represent high value for money. The lack of a full, monetised economic appraisal reduces the certainty of the value for money categorisation of the project.			
	An overwhelming Strategic Case has been made for the project and this provides a compelling case for intervention. Assurances have been provided that the horticulture sector, and particularly viticulture, has remained very active during the COVID-19 pandemic. There is also an increased demand for innovation due to the current labour shortages and this will support realisation of the benefits set out within the Business Case.			
Evidenced compliance with Assurance Framework?	Yes, the project does meet the requirements of the SELEP Assurance Framework.			
	Requirements of the Assurance Framework	Compliance		
	A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan	The project objectives align with both national and regional policy. The objectives presented align with those identified in the Economic Strategy Statement.		

	Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account	The Business Case clearly sets out the expected outputs and outcomes of the Project. Due to the low level of GPF funding required for this Project, a full BCR assessment is not required.
	Considers deliverability and risks appropriately along with appropriate mitigating action	A comprehensive risk register has been developed which provides an itemised mitigation.
	A Benefit Cost Ratio of at least 2:1 or comply with one of the two Value for Money exemptions	A reasonable and proportionate approach has been taken to economic appraisal for a scheme seeking less than £2m, but a full BCR assessment has not been completed.
	A full monetised economic appraisal has not been undertaken; however, the project complies with value for money exemption 1 as set out in the Assurance Framework.	
Link to project page on the website, Business Case and link to prioritisation decision by Strategic Board	<p>Project page: https://www.southeastlep.com/project/wine-innovation-centre/</p> <p>Project Business Case: https://www.southeastlep.com/app/uploads/2019/09/Wine-Innovation-Centre-Business-Case-v2.pdf</p> <p>Prioritisation decision by Strategic Board: https://www.southeastlep.com/meetings/strategic-board-12th-june-2020/</p>	