



GFirst Local Enterprise Partnership

Board Paper – 11th September 2018

Agenda Item (Title)	Hartpury ‘Agri-Tech to Plate’ Project
Paper Author & contact details	Neil Hopwood 07765 863807 Neil.hopwood@gfirstlep.com
Supporting Papers	5.ii Pipeline Business Case – commercial in confidence 5.iii Due Diligence Report – commercial in confidence 5.iv Feeding the Future Report 5.v Gloucestershire Farming Statistics Summary
Confidentiality	Pipeline business Case and Due Diligence Report are commercial in confidence
Purpose	<ol style="list-style-type: none"> 1. For the Board to decide whether or not to provide approval for £1m of Local Growth Funding for the Hartpury “Agri-Tech to Plate” Project 2. If the Board approves, for it then to instruct the accountable body to prepare a funding agreement for the transfer of funds for the “Agri-tech to Plate” project.
Summary	<p>Background</p> <p>There is a pressing need to increase the skills available and the take up of new digital technology within the farming industry in order to meet the productivity and sustainability challenges presented by a growing population and increasing pressure on land use.</p> <p>Historically livestock farming as an industry has been slow to adopt new technology and the centre aims to help address this issue within Gloucestershire, regionally and nationally.</p> <p>Hartpury College, soon to be Hartpury University, is recognised as a centre of excellence within the UK in providing higher education and training in agriculture, agricultural engineering and equine science and has invested in the region of £50m across the college in recent years to create a world class facility.</p> <p>This investment will support the development of a new Agri-Tech to Plate centre, focused on livestock husbandry, performance and productivity. The centre will provide training and education in the application of ‘smart farming’ technology in a live farm environment.</p> <p>Hartpury have already engaged a number of important partners in the scheme , particularly LANTRA, NFU and the RAU plus a number of industry partners.</p>

	<p>The project will also support the development of Hartpury as a leading Higher Education provider in the sector and its role supporting the agriculture sector in Gloucestershire.</p> <p>Business Case</p> <p>The project known as “Agri-Tech to Plate”, consists of an Agri Tech Centre aimed at using applied technology in livestock production to maximise productivity and quality through the application of precision farming techniques; in effect, using technology to improve productivity whilst also measuring impacts all the way to the consumer’s plate.</p> <p>The ‘Tech to Plate’ concept is very complementary to the Farm 491 project at the RAU which previously received £2.92m of Growth Deal funding.</p> <p>Hartpury College operates from its principal site of 360 hectares of parkland and buildings situated on the A417, 4 miles north of Gloucester. Although there are over 120 buildings on this site, many of the buildings have physical limitations which would preclude them from reaching the standards, through refurbishment, required for the sector. Consequently, the project proposes the construction of 3 new buildings:</p> <ul style="list-style-type: none">• A main hub building of 185m² containing two seminar rooms, foyer entrance, kitchen and WCs with a terraced external veranda.• A security building of 50m² providing a link from the “dirty” livestock facility to the “clean” main hub, which includes changing facilities; storage of personal protective equipment; and washing and toilet facilities to conform to DEFRA bio security protocols• A livestock handling facility¹ of 1180m² <p>Total floor area is determined at 1415m².</p> <p>The project has a forecast total cost of some £2.03m for which £1m of LGF is requested. However, due to a past history of investment in the Hartpury site and the level of gearing associated with the current loan portfolio, the College has limited capacity to fund this project itself.</p> <p>Labour market intelligence suggests that the proposed initiative supports STEM skills gaps and responds to the demand for increased productivity through innovative use of technology.</p> <p>The project is set to be delivered from October 2018 with build completion by September 2019 and completion of monitoring five years later in 2024.</p>
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<p>Due Diligence</p>	<p>The due diligence report (commercial-in-confidence) for the project is attached for information.</p> <p>In summary the due diligence report confirms that the project fits with the Strategic Objectives of the LEP and the SEP. The project appears to be viable over the longer term and sufficient funds (including the LGF grant) are available to complete the planned construction works. The project offers value for money with cost per learner similar to that identified for the earlier STEM investment at Hartpury College.</p> <p>The due diligence report raised some concerns regarding the cost per square metre to construct the Hub facility and suggested a cap of 49% of the Hub costs to be claimed from the LGF funds. However further clarification confirmed that the assessed costs had included £600k of specialist equipment that was to be provided as match by Hartpury.</p> <p>Consequently, the following conditions are recommended to approve the funding:-</p> <ul style="list-style-type: none"> • No grant should be released prior to confirmation of planning consent • Details of the contractor and professional team procurement and contract award should be provided prior to a first claim • Grant to be paid as fixed percentage contribution to the cost elements identified as follows :- <ul style="list-style-type: none"> ○ Enabling works and demolition – 100% (estimated at £45k) ○ Livestock Demonstration & Bio Security facility – 100% (estimated at £475k) ○ Hub Facility – up to 100% of the balance of the £1m grant. (estimated at £480k)
<p>Investment Panel</p>	<p>The business case was submitted to the Investment Panel for assessment and recommendation by written procedure issued 17th July 2018 with a deadline for responses of 31st July. There was a clear recommendation to approve for funding with responses as follows :-</p> <p>In favour – 12 Abstain – 1 Not in favour – 0</p>
<p>Implications, impacts or risks</p>	<p>Key risks:</p> <ul style="list-style-type: none"> • An inability to attract sufficient students/trainees to ensure the financial sustainability of the centre • Limited take up of the technology post delivery of training (and not achieving the wider benefits) • Competition between HE institutions for students reducing collaborative working <p>Opportunities</p> <ul style="list-style-type: none"> • To establish Hartpury College as leading Agri-Tech centre for the UK in Gloucestershire. • To achieve significant productivity growth in the livestock industry
<p>Decision required</p>	<p>The Board is asked to :-</p>

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	<ol style="list-style-type: none">1. To approve or not to approve the funding of up to £1m of Local Growth capital funds2. If approval is given to then instruct the preparation of a final funding agreement for the Agri-Tech to Plate project.
Recommendations	That the Board should approve the funding for the project and instruct the Accountable Body to prepare the funding agreement for this project to include the stated conditions within the funding agreement.