

Programme Management Group

9 May 2019

Capital projects – Animal Health Research Centre, Sparsholt College – Item 6a

Programme Management Group members are asked to:

CONSIDER the details of the Animal Health Research Centre Project, the issues raised by the AECOM due diligence report and the response to these

AGREE that expenditure from the Local Growth Fund (LGF) of £1,150,000 is approved for this project

1. Background

- 1.1 A funding call was issued in March 2018 by Enterprise M3 for new projects that will help secure economic growth using the recycled funding from projects supported in the past through the Growing Enterprise Fund and some of the unallocated Local Growth Fund.
- 1.2 The Animal Health Research Centre project was marked as an A category project and was approved to progress to due diligence by the Programme Management Group on 17th January 2019.
- 1.3 Since this time, due diligence has been undertaken by Steve White of AECOM and a report received.

2. Details of the project

- 2.1 The project will repurpose 971 sqm of existing space and build 825 sqm of new facility, at least doubling the area in which the college currently delivers and undertakes Animal Health and Welfare education and applied research.
- 2.2 Over a five-year period, the project will provide for a minimum of 250 apprentices and 600 Level 4 – Level 7 learners as well facilitating a new agreement with the University of Surrey to provide practical experience for over 350 of their students
- 2.3 This project has attracted match funding of £809,000 and is made up of the following:
 - University of Surrey - £84,000
 - Employer contributions to the Apprenticeship programme – £75,000
 - Sparsholt College (from sale of two residential properties) - £650,000
- 2.4 Improved content and in particular access to digital learning opportunities in conjunction with the University of Surrey and their 'big data' hive Centre and the University of Surrey School of Veterinary medicine will occur through many learning programmes which the college provides. The links with both Pirbright Institute <https://www.pirbright.ac.uk/> and the further extension of their existing work at Sparsholt on Animal Housing airflows and animal disease epidemiology will provide further highly motivating and relevant applied

research opportunities which are planned to improve college learner success outcomes by a minimum of 5%. These new and improved facilities will provide the practical learning opportunities that will allow support to 70 Level 4 and Level 5 Surrey University Learners that the University would like to send to Sparsholt on key dates to undertake workshops and put in to practice the theories that they have been taught.

3. Independent Scrutiny and Assurance

3.1 AECOM has carried out due diligence to consider the efficacy of the project and to review its outputs. This work has concluded that the project should be supported, subject to a number of recommendations and risks being considered by Enterprise M3. This paper summarises these, identifying proposed responses.

- i) AECOM recommend that prior to the grant being provided that Sparsholt provide confirmation of the funding of £84,000 from University of Surrey. Sparsholt have confirmed that the contract with the University of Surrey is an annual contract and whilst it is unlikely, it is possible that it could not be renewed in 2020. In this event Sparsholt College would meet any shortfall in match funding directly and Enterprise M3 will ensure that this is reflected in any legal agreement for this project.
- ii) AECOM have suggested that there is some uncertainty of costs. In response to this potential risk, Enterprise M3 has asked Sparsholt College to give written confirmation that they will meet any cost over-runs and still deliver this project. This confirmation has been received and will be reflected in the legal agreement for this project.
- iii) AECOM have recommended that Enterprise M3 obtain a statement from Sparsholt setting out how this project will be managed and outlining the key roles and responsibilities. Information has been provided by Sparsholt College and this confirms that a suitably qualified team is in place.
- iv) AECOM have recommended that that Enterprise M3 obtain a detailed programme to demonstrate that the programme is achievable. This timeline has been provided and shows an expected start on site date of October 2019 and a completion date for the works of March 2020. The College expect to drawdown the full amount of funding in 2019/20.
- v) AECOM have recommended that Enterprise M3 obtain written confirmation that a Consultant team have been appointed. Since the due diligence work was completed, Sparsholt College have confirmed to us that they will be using Small Associates and Hyphen to support this project.

4. Conclusion

- 4.1 AECOM's due diligence report concluded that once Enterprise M3 have implemented the recommendations in section 3, and have considered viability and risk in the way that we would do for all projects, then their recommendation is that the grant is approved. Since receiving the due diligence report, the Enterprise M3 team has worked with Sparsholt to obtain further information to address the recommendations made by AECOM in advance of the project being presented to PMG and we are now confident that these have been satisfactorily addressed. We will also ensure that the position in relation to match funding, cost over-runs and timescales are reflected in the legal agreement for the project.
- 4.2 The recommendation is therefore that PMG approve this project and release the funding to support the Animal Health and Research Facility, subject to legal contract.

Jeannie Satchell
12th April 2019