

Planning, Transportation and Economic Development

Briefing note for Economic Development Scrutiny

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LEICESTER FOOD PARK UPDATE

1. Purpose

This paper provides a progress update on Leicester Food Park. The proposed Food Park will be a new workspace providing high quality, bespoke food grade units designed to encourage start-up and smaller grow-on units for businesses in the Food and Drink Manufacturing sector in Leicester.

2. Background

- 2.1 Leicester Food Park contributes towards a key theme and priority in the Economic Action Plan which is to achieve an *Enterprising Leicester* and *Accelerating business growth in priority sectors*, including Food and Drink manufacturing. It will contribute towards the Economic Action Plan's priorities to *establish a Food and Drink Manufacturing Business Investment Area* in the city and as part of this will specifically work towards Priority 4.2 of the Action Plan which is to *provide food grade workspace*.
- 2.2 Delivering the Food Park requires the development of a vacant site at Lewisher Road currently owned by the City Council and zoned for employment use. See Appendix A for a Site Layout and Appendix B for Location Plan.
- 2.3 Developing and delivering the project on site will also require careful integration with a parallel proposal to sell the remainder of the Lewisher Road site to a private sector business that is also developing a much larger footprint food manufacturing business.
- 2.4 Discussions on the sale of the remainder of the site are ongoing between property services and the private sector business. Discussions are focussed on the costs for developing road access to the site.

2.5 The total costs to deliver Leicester Food Park are £5,644,000. Leicester City Council has allocated £2,200,000 towards the project, including £200,000 development funding. Leicester City Council funding is allocated provisionally through the Economic Action Plan, subject to final approval for inclusion in the councils capital programme. Match funding is being sought from the European Regional Development Fund.

3. Current Developments / Next Steps

3.1 Development funding is currently enabling a range of feasibility works to be undertaken to develop the project to RIBA Stage D in order to support a planning application for the new Food Park facility.

3.2 Architects to support the development of the project to RIBA Stage D are currently being procured through Source Leicestershire. Planning permission is programmed to be granted in July 2013. See Appendix C for images of a comparator food park in Nottingham.

3.3 A final stage ERDF PA2 project bid was submitted in November 2012 in order to secure the necessary match funding. The bid included findings from a Demand Study which involved consultation with a range of Food and Drink Manufacturing businesses. The Study established a clear demand from businesses.

3.4 The ERDF bid is currently in appraisal with DCLG. Leicester City Council is currently preparing a legal response to DCLG on the project's State Aid position in light of the recent EU ruling on State Aid.