

Open Report on behalf of Richard Wills, Executive Director for Environment and Economy

Report to:	Economic Scrutiny Committee
Date:	18 October 2016
Subject:	South Lincolnshire Food Enterprise Zone (FEZ) – Consideration of delivery options and update on land assembly negotiations

Summary:

This report provides a further, detailed, update on plans to bring forward the South Lincolnshire Food Enterprise Zone (FEZ) in Holbeach. It considers the relationship with a number of interlinked projects at Peppermint Junction and seeks confirmation from members that officers should continue to progress the programme of works described.

Without the intervention of the public sector, it is highly unlikely that the private sector would take the lead role in the delivery of the FEZ as land values and the relatively high cost of construction would not create a suitable return on investment. Furthermore, without direct involvement in this scheme, the Council's interests as land owner could be detrimentally affected.

By taking a lead delivery role, Lincolnshire County Council will be able to ensure that the South Lincolnshire FEZ comes forward as soon as possible and the Council's land interests will be protected.

Actions Required:

The Economic Scrutiny Committee is asked to confirm its continued support for this project and in particular to:

- Support in principle, the disposal of up to three and a half acres of Lincolnshire County Council (LCC) owned land to the University of Lincoln on the terms summarised in Exempt Appendix A.
- Recommend that detailed negotiations continue with the current landowner and other stakeholders, including South Holland District Council (SHDC), regarding the purchase of land required for the FEZ.
- In parallel with the above, support a phased delivery approach to the FEZ as described in Exempt Appendix A.

1. Background

Lincolnshire County Council (LCC) and South Holland District Council (SHDC) have been working together to facilitate the delivery of the South Lincolnshire FEZ which will be located on land extending to circa 14.7 hectares (36 acres) adjacent to the A17 and A151 to the north west of Holbeach.

The FEZ is one of three developments proposed across the Greater Lincolnshire area and will support the agri-food sector in South Lincolnshire with a particular emphasis on the food technology sector.

Delivery of the South Lincolnshire FEZ will be facilitated by the completion of a programme of inter-related projects, including highway improvements, and LCC is taking a lead role to engage with relevant stakeholders to oversee these projects and to ensure that all risks and interdependencies are identified and effectively managed.

The completion of the South Lincolnshire FEZ (the development of both LCC and private owned land) will lead to the creation of approximately 59,000sq m of new business space which will in turn accommodate over 2,000 jobs.

A detailed summary of outputs for the FEZ are included at Appendix B.

An update on the key elements of the programme is as follows:

- Access to the FEZ land will be via a new four arm roundabout to be built on the A151 which has been granted planning consent. Work on the road scheme is due to commence in Spring 2017 and will also include the construction of a three arm roundabout at the junction of the A151 and A17. The detailed design for these improvements is progressing on schedule at the current time.
- The road scheme will unlock the delivery of residential development land to the east of the A151 which can accommodate circa 900 dwellings. LCC has submitted an outline planning application for 650 dwellings on part of this site.
- SHDC have been awarded funding from DEFRA which is to be used for the creation of a Local Development Order (LDO) which will create a simplified planning regime for future development within the FEZ and lead to greater planning certainty for prospective developers and occupiers. SHDC has now commissioned a raft of technical studies needed to inform the LDO which will be drafted in October 2016. Formal adoption of the LDO is expected in early 2017.
- The University of Lincoln are planning to relocate part of their existing Holbeach campus (Minerva House) to a new, purpose built facility within the FEZ. The University has submitted a planning application for a new building on a 3.5 acres site and the outcome of the planning consent is expected in November 2016. The building will be located on land owned by LCC and the

main principle heads of terms have now been agreed between LCC and the University. A summary of the heads of terms agreed with the University is included at Exempt Appendix A.

A detailed description of the main issues and options, including initial viability considerations, concerning the FEZ delivery are included within Exempt Appendix A.

2. Conclusion

LCC is continuing to bring forward the delivery of the South Lincolnshire FEZ and proactively manage risks and interdependencies with other related projects which must come forward in a co-ordinated way in order to ensure that the FEZ is developed as soon as possible.

Negotiations are ongoing with private sector and public sector partners to ensure timely completion of the FEZ and officers are considering the most appropriate delivery model as described in greater detail within Exempt Appendix A.

3. Consultation

a) Policy Proofing Actions Required

n/a

4. Appendices

These are listed below and attached at the back of the report	
Appendix A Exempt	Consideration of delivery options and update on land assembly negotiations
Appendix B	Output Calculations provided by Focus Consultants
Appendix C	Plan showing the proposed location of the University of Lincoln's new building
Appendix D	Plan, showing edged red, the FEZ site and the two separate land ownerships

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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