

AD HOC RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

17th MARCH 2016

REPORT OF THE HEAD OF REGULATORY SERVICES

MELTON FOOD ENTERPRISE ZONE : UPDATE AND PRODUCTION OF THE 'LOCAL DEVELOPMENT ORDER'

1.0 PURPOSE OF REPORT

- 1.1 To update Members on the progress that has been made on the above project and to seek authority to pursue a 'Local Development Order' in its connection, following delegation to this Committee from Full Council at its meeting on 24th February 2016.

2.0 RECOMMENDATIONS

It is recommended that the Committee:

- 2.1 Agrees to endorse the content of this report.
- 2.2 Agrees to pursue a 'Local Development Order' in accordance with the content of Appendix A.

3.0 KEY ISSUES

- 3.1 Members will be aware that in February 2015, Melton Borough Council was successful in being selected as a pathfinder for the Food Enterprise Zone (FEZ), a flagship Government initiative for economic growth to boost food and farming businesses through benefits like simplified planning, business support and training opportunities. With only 17 FEZs in England, and being the only one in Leicestershire, the project has a wide potential for bringing benefits to the food economy of the sub-region.
- 3.2 The project's objectives are to assist the economic development of food and farming by improving the supply chain between participants, offering business support to assist expansion and new starts and simplifying the planning regime. The DEFRA initiative was founded on the third of these points and this report, in addition to providing an update on progress, addresses principally that component.
- 3.3 The FEZ will improve integration within the food supply chain and allow farms and businesses to diversify and add value to their products. It will incorporate three main areas of activity:
- **Simplified planning:** a borough-wide Local Development Order (LDO) that will grant planning permission to specific types of development. The LDO will seek to streamline the planning process by removing the need for developers to make a planning application to the local authority for certain types of development in specific circumstances. It will create certainty and save time and money for those involved in the planning process.

- **Business support:** providing new and existing businesses with a business hub of information, facilitation and advisory of all the resources and benefits that the FEZ can provide e.g. planning facilities, training opportunities and funding.
- **Productivity, innovation and up-skilling:** this will address the demand for skilled personnel in food manufacturing and business management by offering opportunities to optimise the businesses. Trainings, courses and consultancies will be available from renowned universities and colleges in different areas within the food & drink industry.

3.4 Simplified Planning

- 3.4.1 Two focus groups were created to provide insight into the needs of the food sector in Melton. Their feedback has been very valuable in designing the different elements of the Local Development Order. A farmer's focus group was created with the help of the NFU and included several Melton farmers with different types of product, and a producer/retailer focus group included businesses from diverse sizes and specialisation. These focus groups have advised on what aspects of the planning system we should focus the LDO in order to maximise its benefit.
- 3.4.2 A LDO provides us the opportunity to specify what forms of development can be developed as 'permitted development' and be exempt for the need for planning permission. It is in effect an extension of the national legislative approach to permitted development whereby a series of building(s), works and changes of use are permitted which constitute development and would need permission but for the legislation concerned (the Planning (General Permitted Development) Order 2015), which sets out the circumstances in which such developments can proceed, including limitations and differentiation in terms of location (e.g. stricter controls in Conservation Areas and other sensitive areas). The LDO process allows us to emulate this at the local level, similarly specifying limitations and conditions and types of development that can take place.
- 3.4.3 A LDO has a lengthy statutory process which includes wide ranging consultation and provision of intervention by the Secretary of State. A flowchart setting out this process is included as Appendix B to this report, and 'best practice' notes as Appendix C. This report seeks authority for the commencement of this process which comprises notification of the Draft LDO to potentially affected parties and wider publicity.
- 3.4.4 The intention of the LDO within the context of the FEZ is to focus on the development needs that may arise in conjunction with the focus of the project: development (including changes of use) associated with the food and farming sector at all stages. It is envisaged that the LDO will allow development in the following areas, with limitations and conditions as indicated in Appendix A.

3.5 Business support

- 3.5.1 A Business Hub is being developed that will work as a platform to foster a strong network of businesses, academic institutions and organisations in the Borough in order to increase the sharing of knowledge to help especially SMEs, give

presentations on business topics of current interest, and improve the overall local business dynamic of the Borough.

- 3.5.2 Discussions have been held with Loughborough University (LU) who have been very enthusiastic about creating placement programmes of their graduate students for small businesses in the Borough for professional services. There have been discussions about the possibility of placement programmes, partly be sponsored by the University's financial partners in order to pay for part of the salaries and expenses of the graduates. This area is currently being developed. The University has also have participated in our Business Forums.
- 3.5.3 Brooksby Melton College (BMC) have invested recently in outstanding premises. They have expressed interest in being part of the FEZ to put these facilities to good use. Ideas range from making their unused kitchens available for micro businesses to access and increase production (without taking the hit of a large investment for expansion), hosting a food conference to showcase the wide variety of products that the borough has to offer, using their new building for training, etc. BMC is also in the process of designing an academic degree with a focus on food enterprises, and we currently discussing the possibility to make it the academic face of the Melton FEZ by incorporating courses that reinforce the strategy of the project and bring benefits to the region by strengthening local supply chains.
- 3.5.4 With LU's and BMC's involvement, it is hoped we can develop formal partnerships to create a solid package for workforce up-skilling that covers business development and technical expertise. In addition, several of the Council's own services are of great importance to businesses in this sector and can be combined to produce an enhanced package of support, including the licencing, food safety, planning and building control disciplines, and can extend to advice on business rates, exemptions and discounts. It is envisaged that our Economic Development team will have key role in linking enterprises to the dynamic environment of development grants and loan programmes and assist in accessing such programmes and submitting quality applications.
- 3.5.5 Part of the feedback received from the focus groups commented on the difficulties around online presence and trading capability of our businesses, especially amongst small and micro enterprises. It is intended to develop a hosted online facility connected to the FEZ for local producers, including showcasing capacity and full transactional capabilities. This will allow an easy route to online market presence and also a virtual 'hub' for interaction between local enterprises, helping towards connecting the supply chain at the local level. Advice is currently being sought from our procurement advisors with regard to the development of a sustainable model and the use of the Melton FEZ 'brand' as an endorsement of local provenance and quality.

3.6 Productivity, innovation and upskilling

- 3.6.1 Discussions have been held with professional individuals with specialisations in the food industry i.e. butchery, that are keen to be part of the FEZ by getting involved with our partners to deliver courses and other forms of training. In addition, the LDO is intended to make very strong incentives for the creation of training facilities.

3.7 Other matters

3.7.1 The FEZ launch event was hosted by the Melton Borough Council (MBC) on the 4th of November 2015 as part of the Leicester Business Festival (LBF) organised by the LLEP. The event aimed at informing the attendees of the progress and vision of the FEZ, as well as having a consultation activity that will help shape the policies of the project. Two sessions were held where we discussed the three key elements of the Melton FEZ. The activity was a success and it not only gave us many important points for the design of the LDO/FEZ, but it also gave the attendees a sense of ownership and got them strongly engaged. The FEZ was also promoted in two more LBF events: MBC Business Event (2nd of November) and East Leicestershire LEADER Launch (27th of October).

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 The Food Enterprise zone has a strong resonance with both our People and Place priorities, helping to develop the economy and improve jobs and skills.

4.2 The LDO itself is a keystone on which the project was founded and attracted support and funding from DEFRA. It is understood that our approach to the LDO is unique and represents an innovative approach to the opportunity, reflective of the dispersed and diverse nature of the food and farming sector of the economy within the Borough.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 Activity to date has been met fully from the grant awarded by DEFRA as part of the project approval in March 2015. This payment includes the funding of the Project Manager which extends to July 2016.

5.2 The only direct cost associated with the LDO is the requirement to advertise in local publications.

5.3 In the longer term, it is hoped that the LDO/FEZ project will stimulate economic growth and result in revenues from increased commercial floorspace etc e.g business rates revenue. However it should be noted that planning fee income will not be received for certain development within the LDO area as of course planning applications will not be required for qualifying schemes.

5.4 Whilst the online facility initiative referred to at para. 3.4.5 is intended for the purposes described, has potential to develop into a public-facing commercially orientated facility which could generate income through advertising space and subscriptions.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 Under sections 61A-61D of the Town and Country Planning Act 1990 a Local Development Order (LDO) can be created to grant planning permission for certain types of development in specified areas.

6.2 Articles 38 and 41 of the Town and Country Planning (Development Management Procedure) (England) Order 2015 establishes the procedure to be followed and recently the Growth and Infrastructure Act 2013 simplified the Local Development Order process by removing the requirement for the Local Planning Authority to

submit the order to the Secretary of State before adoption for consideration of whether to intervene.

7.0 COMMUNITY SAFETY

7.1 There are no direct community safety implications arising from this report

8.0 EQUALITIES

8.1 An Equalities Impact Assessment is required for the proposal. This will be carried out alongside the detailed consideration by REEA Committee.

9.0 RISKS

9.1 Probability

	↓ Very			
High A				
High B				
Significant C	2			
Low D				
Very Low E	1, 3			
Almost Impossible F				
		IV Neg- ligible	III Marg- inal	II Critical
			I Catast- rophic	
		→ Impact		

Risk No.	Description
1	LDO does not provide sufficient incentive to stimulate investment
2	LDO meets with opposition
3	Secretary of State intervention

10.0 CLIMATE CHANGE

10.1 There are no Climate Change implications relating to this report.

11.0 CONSULTATION

11.1 The process of establishing and LDO makes statutory provision for consultation of the affected parties and the wider public (please refer to Appendices B and C for details). The results of the consultation will be reported back to the Committee for determination as to whether the LDO should proceed in the form presented in the Draft, or with adaption.

12.0 WARDS AFFECTED

12.1 All wards are potentially affected by this proposal

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Date: 8th March 2016

Appendices : A: Proposed Local Development Order
B: LDO process
C: PAS good practice notes