

## Agenda Item 7: Norfolk Food Hall

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### Summary

The Royal Norfolk Agricultural Association has applied to Norfolk County Council for £240,000 in grant funding towards the construction of the new Norfolk Food Hall. The Norfolk Food Hall will be situated at the Royal Norfolk Showground, by the entrance. It will include a large farm shop and restaurant, acting as a 'flagship project' for the county, showcasing food production and processing in Norfolk and creating sales opportunities for local SME businesses.

The building that will house the Norfolk Food Hall will be built from scratch on a clean site, on land owned by the Royal Norfolk Agricultural Association. The farm shop will stock a wide variety of local products, including butchery, pre-packed meat, fresh produce, delicatessen, frozen items, dairy, sundries, beverages, confectionery, everyday essentials, hampers, and gifts. The restaurant will focus on farm-to-table dining with fresh seasonal produced sourced from local farmers.

### Background

The Royal Norfolk Agricultural Association (RNAA) is a charitable organisation established in 1847 with a mission to advance education, bring together the local community, enhance appreciation, and foster prosperity in agriculture and the countryside.

The RNAA are based at the Royal Norfolk Showground on the outskirts of Norwich, where the Norfolk Show is held annually as well as a range of other major events throughout the year. Their location and range of facilities include a 150-acre site and a 3000 sqm indoor arena, which operates as a nationally recognised venue for events, such as concerts and conferences.

This purpose of this paper is to summarise the findings of the project appraisal, which recommends that Norfolk County Council financially supports the Norfolk Food Hall. Funds from the New Anglia Local Enterprise Partnership (LEP) which have been transferred to Norfolk County Council as part of the transfer of functions are available to support this project.

The LEP has also previously agreed a £750k loan towards the project, which has also been transferred to Norfolk County Council.

### Proposal

The proposal is for Norfolk County Council to support the RNAA with a grant request of £240,000 which equates to 11.29% of total capital project costs. The capital cost of the build is £2,125,000 (excluding VAT). Capital project costs of the build are fixed, as per the contract between the RNAA and Smith of Honingham.

Overall project costs total £2,979,623 (excluding VAT), which includes final fit-out and consultancy fees.

A tender process has been carried out by the applicant and a building contractor has been selected, Smith of Honingham, to carry out the build. Groundbreaking took place in September 2024.

The RNAA is also utilising a contractor, Appetite Me, to support with the execution of the project. Appetite Me specialise in farm diversification projects and have experience with similar large farm shop projects.

### **Benefits**

The project is projected to create 21 full time equivalent roles, including 3 full-time management positions, 6 full-time kitchen positions, and a minimum of 31 part-time flexible positions from EPOS administration to pot washing. The part-time roles will exceed the 'real living wage'. Training and skills development opportunities, including apprenticeships and work experience, will be available.

The RNAA intends to link up with schools and the wider community to continue their established learning programmes, exploring the science and practice of food production and processing. A flexible space will be available for school and group work.

A wider project is planned to implement a 5km nature walk around the showground site, starting and ending at the Norfolk Food Hall. This will further showcase the surrounding landscape and wildlife, whilst also promoting healthy wellbeing and exercise.

A wide range of stakeholders have given their support of the project, including businesses, educational institutions, and government officials. A document listing supportive comments from a selection of these stakeholders was provided alongside the application form to demonstrate the positive impacts the Norfolk Food Hall is believed to create.

The project will create a new destination for Norfolk residents and tourists, whilst also signposting to other businesses in the region. As a result, displacement as a result of this project is believed to be minimal.

Assessment of Equality, Diversity and Inclusion related to this project have been made throughout the appraisal. RNAA have supplied relevant documents that demonstrate policies in place. No issues have been raised. Environmental and Net Zero considerations were also assessed. As part of this project, the RNAA will be linking with the University of East Anglia's Norwich Institute for Sustainable Development and School of Environmental Studies. The applicant will also be to pursue a 'sustainability agenda' by installing a large-scale PV array and installing a borehole water supply.

### **Strategic alignment**

The project aligns with the ambitions of the Norfolk and Suffolk Agri-tech Industry Council and the draft Norfolk Economic Strategy.

Agri-food is a key sector, and the strategy has highlighted the potential to strengthen local food production and processing. One of the industry barriers is a lack of retail opportunities for smaller food producers to trial their products.

### **Need for Funding**

If Norfolk County Council were to reject the request for grant funding, the applicant will see cashflow squeezed, with a need to divert vital start up revenue to capital, threatening early phase viability.

The funding package secured so far includes £1m of the RNAA's own resources, 2x £750k loans (including the LEP/NCC loan), £550k of philanthropic donations, and £90k from the UK Shared Prosperity Fund.

The £240k grant from Norfolk County Council is the critical last piece of funding, completing the capital fund raising and enabling the RNAA to maintain sufficient cashflow to manage the project and allow it to achieve profitability more quickly.

In the event that funding is not approved and simultaneously wider project costs increased, the applicant has said that they would need to scale back the project which would impact the generation of surplus to deliver wider public and economic benefit. Additional commercial borrowing and further use of their own reserves would need to be considered.

### **Conclusion**

Following an appraisal process carried out by the Programmes Team in Growth and Investment, funding of the Norfolk Food Hall project is recommended for approval. It is recommended that the maximum grant ask of £240,000 is awarded.

It should also be noted that this project and its appraisal have been considered in line with the Government's preferred five Business Case Model at a detail level proportionate to the request, and not specifically against any overarching or specific programme criteria. As such, the recommendation for approval is made in line with a view of what is strategically important for Norfolk.

### **Recommendation**

The Business Board is asked to

1. Receive the application from the RNAA
2. Recommend the approval of the award of £240k to the RNAA.