

Eden Enterprise Hub Project (Update Meeting) 18.12.23.

Report by Michael Hanley.

Gareth Candlin (GC, Director of Green Growth): EDC put a bid to the Rural Enterprise Fund (part of the Levelling Up Fund) for £7.1 million in July 2022. There were three priorities. Barrow was Priority 1 and initially Eden was put in Priority 3 but was then changed to Priority 2. A site near Junction 41 of the M6 motorway was identified. Match funding was required: the landowner agreed to pay £600k and the council £200k. The site received outline planning consent. However in October 2022 the bid was deemed unsuccessful. Then in the recent Autumn statement of 2023, the government asked the council to proceed. However, there was no increase in the grant and there has been a big increase in potential costs over the preceding year.

The project aims to create 3390 square metres of business space for 740 businesses (mainly small ones) with short leases. The desire is to encourage private small to medium businesses to move to the Penrith area. The government wrote to ask the council if it still wanted to proceed with the project. The project would have to be delivered by March 2026.

Next steps: Review and update costs. Discuss the project with the landowner. Appraisal of the site options. The project (in present form) could cost up to £16 million.

Councillor Questions and Comments:

J Derbyshire (JD, LD): Have we looked at demand for the site? (demand for units)

GC: We need to have further conversations with the government to draw down the funding.

P Dew (PD, C): I am not convinced this was well thought out from the beginning. There has been talk that it should have been in Penrith.

GC: We are waiting for feasibility. A site at Junction 41 will be difficult to deliver with that budget. As long as we can show the spirit, we can deliver. The government is more focused on the outcomes.

V Taylor (VT, LD): This was an ambitious project to try and bring new people to the area. This isn't just something for Penrith. Penrith has huge parking problems.

GC: Any development would have to be in the area of Penrith. That is a green field site. We have to make sure it works for the whole of the WAFC area. We will be working with the locality board. A green field site has more costs with services etc than other types of sites.

J Murray (JM, LD): Having half the money, we will have to be careful. At least we have some money to develop things in Eden.

CG: By February I would like us to have a list of opportunities.

PD: Inflation (in building costs) is 30% not 100%. Asked why there is the difference.

GC: I wouldn't want to be critical of EDC. When you are Priority 3 the chances of you getting the money is very slim. You want to have a rough idea of the costs.

PD: That's another good reason to look at alternative sites.

M Robinson (MR, I): With the first application, Virginia (Taylor) and I wanted to submit the application to the government to purchase Newton Rigg but the MP would not support this as he didn't believe we should use public money to bail out the university. He did support this second bid which had planning permission and could be completed in the timescales. The application was developed with the help of consultants. Neil Hudson (local MP) was very supportive. It failed at the first round. We were very careful with our money management. We were the only council (EDC) without debt (when we joined South Lakes and Barrow Councils to form WAFC). We shouldn't give up on Junction 41. If there is more development at Mile Lane (Penrith), there will be chaos. It is important that we work with Matt Williams and the Enterprise Team. Business after business, like Amazon, is going to Carlisle.

CG: Discussed SHENA (Strategic Housing and Economic Needs Assessment).

VT: Is there supply chain stuff that could be used for BAE (in Barrow)?

GC: We are keen to explore opportunities. The further away you are from BAE (Barrow), the more difficult it is to attract opportunities.

VT: In Eden we have the space for people to live.

GC: Junction 41 is difficult for the council to sell. We have had businesses ask about Junction 36 (Kendal turn off). It's access to labour may be a problem. Access to universities with the right expertise is also important.

JM: Thanks for that.