



Report to Place Scrutiny Panel

Meeting Date – 28 February 2024

Key Decision – No

Public/Private – Public

Portfolio – Leader’s Portfolio

Directorate – Place, Sustainable Growth and Transport

Report Author – Andrew Sproat, Programme Manager

Title – iSH Enterprise Campus Development

Brief Summary:

This report provides an overview and update in relation to the Leconfield Regeneration Project.

Recommendations:

It is recommended that the committee note the contents of the report.

Tracking

Executive:	
Scrutiny:	
Council:	

1. Background

- 1.1. The Leconfield Industrial Estate was acquired in January 2020 by the former Copeland Borough Council to help deliver the Industrial Solutions Hub (iSH) mission, and to support the development of an Enterprise Campus at Cleator Moor (iEC).
- 1.2. There are two funded phases to iEC being:
 - Phase I 'Enterprising Town' (ET) which delivers the construction of a Central Hub building.
 - Phase II 'Levelling Up Fund' (LUF) which delivers the construction of new light industrial/R&D units, the 'Town Spine' (an active travel walking and cycle route connecting the site to adjacent communities), the installation of ducting for digital fibre roll out to the site, and the creation of a temporary 'Meanwhile Hub.'
- 1.3. The iEC involves funding support from the Government's Towns Fund (£7.5m) and Levelling Up Fund (£20m), alongside support from Sellafield (£3.6m), the Nuclear Decommissioning Agency (£7m), a minimum of 5 years ringfenced revenue income from the site and up to £8m Cumberland Council facilitated by Public Works Loan Board borrowing (the borrowing cost to be met from rental income from the Leconfield site).
- 1.4. The Industrial Solutions Hub (iSH) is a company wholly owned by Cumberland Council, with the objective of creating a diverse and sustainable economy for West Cumbria, by providing a new, more outward-looking and export-oriented economic model for the region. The current model has evolved from decades of regional reliance on one major employer, and customer for the region's businesses, but it is not fit for purpose in the long term.
- 1.5. The iSH objective is to create a 'West Cumbria Advantage' to incentivise supply chain organisations to locate, grow, export and diversify from the region, with a particular focus on creating an ecosystem that becomes renowned for solving engineering and industrial challenges, through its effective business collaboration.
- 1.6. The intervention strategy is a combination of 'cluster-building' activities to deliver a competitive advantage to regionally located firms (existing and new) and a dramatic increase in commercialisation of experience and capability on the Sellafield site, triggered by the Sellafield Ltd strategy to increase its engagement of the supply chain.

- 1.7. iSH is currently engaging with the business community, partners and potential tenants for the hub building to finalise the hub operating model, iSH Business Plan and revenue funding requirements. The Council will also commission a project gateway review as part of the ongoing due diligence process prior to key investment decisions.
- 1.8. DLUHC Town deal funding must be spent by March 2026 with the following outputs to be delivered:
 - 78 Temporary FT jobs supported
 - 130 Full-time equivalent (FTE) permanent jobs created through the project
 - 2,490sqm increased floorspace for skills development and employability and shared workspace supporting innovation and entrepreneurship
 - 1,970sqm refurbished commercial floorspace

2. Project Outline and Update

Phase I Cleator Moor Town Deal - Enterprising Town

- 2.1. The Phase 1 Enterprising Town (ET) project is part of the wider Government funded Cleator Moor Town Deal and focuses upon the construction of a central hub building providing 2,490sqm workspace incorporating three wings providing flexible workshops/innovation spaces together with informal meeting/collaboration areas, dedicated offices and classrooms alongside bookable meeting rooms.
- 2.2. The hub will act as a catalyst to support the remaining redevelopment of the site, attracting to the site a range of tenants from small, medium and large-scale enterprises who operate on a local, national and international level. iSH, will take a lease of the hub at a commercial rent with an associated management agreement with the Council.
- 2.3. The Hub building has completed RIBA 4 technical design stage and work is ongoing to finalise a construction contract sum with the procured contractor Morgan Sindall (procured via the Procure North West Regional Framework). Subject to conclusion of the tender process and council approval of a refreshed business case, it is expected that construction of the hub will commence October 2024 with completion autumn 2025.

- 2.4. Enabling work to relocate BOC from Plot 11 (the site on which the new hub building is to be constructed) in advance of the hub construction commencing is required. BOC have agreed, in principle, to relocate to an alternative site at Discovery Park Lillyhall near Workington. Process to secure relevant planning and building control approval, agree costs and contracts for the relocation is underway with external legal advisors Gelards acting for the Council.
- 2.5. Some refurbishment of existing smaller units within the site (units 15A-H and 20A-B) has also been undertaken and is continuing.

Phase II 'Levelling Up Fund' (LUF)

- 2.6. Phase 2 of the iEC development is funded from the Government's Levelling Up Fund to the sum of £20m, with a spend deadline of Q4 2026 for the construction of:
- Light industrial/R&D workspace aimed toward start-up businesses. 20 units will be available on easy-in/easy-out flexible terms or longer term lets to meet individual requirements. It is proposed that each unit will measure circa 137sqm NIA (Ground floor 109sqm & Mezzanine 28sqm).
 - Grow on space workspace units. 6 units will each measure circa 634sqm NIA (Ground Floor 481sqm & Mezzanine 153sqm). The space can be divided into varying sized units and made available on flexible terms to meet individual requirements. RIBA 2 design proposals have been completed and outline planning application prepared for the workspace units.
 - An active travel walking and cycling route "town spine" connecting the site to the Cycle path, adjacent communities and Cleator Moor town centre.
 - Installation of ducting and fibre infrastructure to the Leconfield site. ICT Specialists AH Connections have prepared an initial feasibility study for this element of the project to deliver improved bandwidth/connectivity to current and new tenants.
 - Refurbishment of redundant industrial unit to form a temporary 'Meanwhile Hub' providing a base for iSH during construction of the main hub building.

2.7. Outputs to be delivered include:

- FTE permanent jobs created directly or indirectly through the projects – 181
- Total length of new cycleways 1.5Km
- New parking spaces -102
- Amount of rehabilitated land – 30,000sqm
- Number of sites cleared -1
- Additional commercial units with broadband access of at least 1Gbps – 26
- New industrial floorspace created – 5,139 sqm
- New office floorspace space created – 1278 sqm
- New trees planted – 100
- Existing industrial floorspace improved – 232sqm
- Alternative fuel (EV) charging points installed – 10

2.8. Contractor Morgan Sindall has been engaged through the Scape procurement framework to provide an initial viability assessment (by 16 February 2024) for delivery of the above projects. Subject to Council approval and progression into the next phase of design development, construction of the industrial units is expected to commence February 2025 with completion January 2026.

3. Alternative options considered

3.1. Not applicable

4. Conclusion and reasons for recommendations

4.1. The iEC regeneration scheme at Leconfield is designed to deliver the iSH mission and is the start of a 15 year regeneration project designed to house the nucleus of a business cluster which will produce significant positive regeneration outputs for West Cumbria and Cleator Moor in particular.

4.2. Phase 1 Enterprising Town RIBA 4 technical design and cost for the Hub building is currently being agreed. Contract award will require Executive approval. This will require the finalisation of the financial business case for the project supported by the iSH business plan.

4.3. Phase 2 Levelling Up Fund proposals are currently at RIBA 2 outline design stage with a procurement process underway through the Scape framework to progress the design and construction.

4.4. The Place Overview and Scrutiny Committee are asked to note this report.

Implications:

Contribution to the Cumberland Plan Priorities - The delivery of the project contributes to Council plan priorities in particular “Local economies that work for local people.”

Relevant Risks and explain how risks can be mitigated - The risks associated with this project are being closely monitored and mitigated through the Programme Management Office and the Council’s Governance arrangements.

Consultation / Engagement - Consultation with key stakeholders was undertaken prior to Town Deal and LUF bid submission. Ongoing stakeholder engagement is delivered through the Council’s Head of Town’s Fund and coordinated with iSH. Tenant liaison sessions are also held.

Legal – Legal support to the project is provided by both internal and external legal advisors including Womble Bond Dickinson and Geldards.

Finance – The iEC regeneration scheme is funded through two separate Government funding schemes with match funding secured from strategic partners. Funding is included within the agreed capital programme.

Information Governance – N/A

Impact Assessments – Not required. Report for information only.

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Background papers:

None

Appendices attached to report:

- Leconfield Industrial Estate Site Plan
- Indicative Images of Hub Building and Light Industrial Units