

This document contains information submitted to Government as part of the Levelling Up Fund bid for Eden Project Morecambe. It was accompanied by a number of technical appendices.

Section 1: Introduction questions

## What is the legal name of the lead applicant organisation?

Lancaster City Council

[Change](#)

## Where is your bid being delivered?

England

[Change](#)

## Select your local authority

Lancaster

[Change](#)

## Enter the name of your bid

Eden Project North

[Change](#)

Does your bid contain any projects previously submitted in round 1?

No

## Bid manager contact details

**Full name**

[NAME]

**Position**

[POSITION]

**Telephone number**

[TELEPHONE NUMBER]

**Email address**

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[EMAIL ADDRESS]

---

**Postal address**

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Town Hall  
Dalton Square  
Lancaster  
Lancashire  
LA1 1PJ

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**Senior Responsible Officer contact details**

**Full name**

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[NAME]

---

**Position**

---

[POSITION]

---

**Telephone number**

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[TELEPHONE NUMBER]

---

**Email address**

---

[EMAIL ADDRESS]

---

**Chief Finance Officer contact details**

**Full name**

---

[NAME]

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**Telephone number**

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[TELEPHONE NUMBER]

---

**Email address**

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[EMAIL ADDRESS]

---

**Local Authority Leader contact details**

**Full name**

---

Caroline Jackson

---

**Position**

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Leader of Lancaster City Council

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**Telephone number**

---

01524 434549

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**Email address**

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cjackson@lancaster.gov.uk

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**Enter the name of any consultancy companies involved in the preparation of the bid**

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[CONSULTANTS]

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**Enter the total grant requested from the Levelling Up Fund**

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£50000000

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**Investment themes**

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**Regeneration and town centre**

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0%

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**Cultural**

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100%

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**Transport**

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0%

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Section 2: Eligibility and gateway criteria

## **Which bid allowance are you using?**

Full constituency allowance

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## **How many component projects are there in your bid?**

1

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## **Are you submitting a joint bid?**

No

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## **Are you submitting a large cultural bid?**

Yes

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## **Grant value declaration**

I confirm that the bid does not exceed £50 million grant value

I confirm that at least 90% of the investment is in the cultural theme with the remaining percentage invested in activity that relates to the cultural project

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## **Gateway criteria: costings, planning and defrayment**

I confirm that some LUF grant funding will be defrayed in the 2022/23 financial year

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### Section 3: Bid Summary

## Provide bid name

Eden Project North

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## Provide a short description of your bid

Eden Project North will provide a levelling up project that transforms a derelict site on Morecambe's seafront to create a world class cultural and tourism destination. Overlooking the natural beauty of Morecambe Bay, the seven spectacular, inter-connecting gardens and shell-like pavilions will be curated with horticulture, art and exhibits. Within the context of a world facing the effects of climate change it will set a global example in sustainability.

Attracting 740k new visitors per year, it will be a force for growth and regeneration, strengthening communities, engendering local pride and boosting confidence. It will directly create 274 jobs and many more in local supply chains. The wider education partnership will raise environmental awareness and provide the skills needed to deliver a low carbon future.

The project is shovel-ready and business case-ready, with all land fully secured and full planning permission granted. With LUF funding, the project can be underway before the end of 2022.

"[The project]...has my wholehearted support and will be an economic game changer not just for the immediate Morecambe area but for the North of England"

- David Morris, MP for Morecambe and Lunesdale.

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## Provide a more detailed overview of your bid proposal

A transformational, nationally important project for Morecambe and the North West

Eden Project North will regenerate and transform the historic, derelict site of Morecambe's Super Swimming Stadium, and create an incredible, unique visitor attraction. Underpinned by Eden Cornwall's reputation for beautifully designed landscape and architecture, Eden Project North will be a celebration of nature's rhythms and house stunning planted environments fused with art, performance, interactive exhibits, and digital technologies, all curated in and around a series of individual 'shell' like pavilions, whose nature-inspired design is synonymous with the ecology and natural history of Morecambe Bay.

## Eden Project North – Seven spectacular, unique spaces

Eden Project North comprises a series of seven spectacular, inter-connecting gardens and pavilions with internal and external spaces curated with horticulture, art and exhibits. These seven spaces are as follows:

1. The Energy Field – a publicly accessible, landscaped forecourt with creatively designed renewable energy installations;
2. The Visitor Centre and Rhythm Machine – a dramatic entry sequence like no other, with a giant kinetic sculpture that creates the initial threshold experience to Eden Project North;
3. Realm of the Sun - a spectacular daylit, lush-planted environment showcasing natural abundance and the rhythms of life linked to the sun;
4. Realm of the Moon - a dramatic zone containing a series of immersive theatrical experiences that bring to life the lunar rhythms and tides, and the creatures that live below the Bay;
5. The Natural Observatories - in collaboration with Lancaster University, a series of inspiring features and spaces for showcasing cutting-edge scientific research, collaboration and education, communicated in a way that is engaging to all visitors;
6. The Food Experience - places for visitors to come together around healthy food with provenance from the Bay and the region;
7. And, the Bay Gardens, a series of three unique outdoor landscapes comprising the Rhythm Garden, the Four Seasons Garden and the Tidal Garden which includes an outdoor arena designed for live music and performance.

The whole experience will transform Morecambe (and the wider North West) as a regional and nationally important destination. Specifically, the first phase of the project will deliver:

- 1 new internationally renowned Visitor Experience project (new Cultural Space)
- 1 new outdoor performance arena
- 10,000 sqm of new internal exhibition space
- 25,000 sqm of new/enhanced public realm
- 1,500 sqm of retail/exhibition/education/conference space
- Around 740,000 new visitors to Morecambe;
- 274 Full Time Equivalent direct jobs (FTE), with higher numbers in peak season
- c.500 construction jobs during the build phase
- 887 apprentice weeks during the build phase

Leading to:

- 1,083 FTE (indirect) off-site jobs derived from visitor spending;
- 12 FTE apprenticeships created
- £150m in net additional GVA over 10 years;
- £182m in off-site visitor spend per annum;
- £54.4m of Social Value generated in the construction phase and £10.5m per year in Operational phase.
- £39.9m local SME spend

- An increase in the number of people completing high-quality skills training in a place where 55.9% have NCQ3+ qualifications compared to 61.2% nationally;
- By 2030, a target 20% improvement in Morecambe's ranking on the Index of Multiple Deprivation, currently 33.3.
- Reduction in unemployment rate from 5.9%
- Improvements in Health and Wellbeing for Morecambe residents including 150 volunteering and work experience opportunities per year
- Reduction in Anti-social Behaviour and youth crime.

The project is absolutely vital to the future of Morecambe and to reverse its decline and prevent a further widening of the gap between the local area and regional and national averages. Eden Project North will bring ongoing benefits, generating £368.7m in revenue in the first 10 years and delivering a Benefit Cost Ratio of c. 3.24:1.

The Eden Project North (EPN) Partners have gained planning consent for a new Eden Project in Morecambe, the total outturn cost of which is estimated to be £125 million. In light of changes that have occurred in the macro environment in recent months, including inflationary pressures directly impacting manufacturing and material costs and potential reduction in consumer spending, the EPN Partners have agreed that it is prudent to develop the new Eden Project in two phases. Phase 1 offers a transformative project with a resilient business model, at a projected cost of £100 million. Phase 2 is the expansion phase and will be activated when Phase 1 is operationally successful. The Eden Project North Partners are therefore seeking £50M of Levelling Up Fund Round 2 investment to bring forward the first £100M phase of Eden Project North to Morecambe, Lancashire.

As an educational charity, Eden Project's mission is to connect people with each other and the natural world, with a particular focus on wonder, entertainment, and fostering health and well-being. Set against the spectacular backdrop of Morecambe Bay, Eden Project North will re-imagine the British seaside resort for the 21st century.

Eden is currently working with a number of international governments to develop a worldwide network of Global Edens. Eden Project North has the opportunity to be part of this international network, with benefits to be created through community, enterprise and academic connections.

Six value propositions underpin Eden Project North:

- i. World Class Destination – a year-round, all-season, must visit destination of international reputation;
- ii. Place of Natural Wonder – celebrating the natural rhythms of the Bay and in reverence of natural beauty and planetary sustainability;
- iii. Future-Fit Education Curriculum - inspiring new hope, opportunity and dreams for pupils and students around the Bay;
- iv. Regenerative Sustainability Leader - impact-centric design, engineering and operations that minimise use and waste, and maximise resource and capital;
- v. Connected Experience - linking-up data, digital and physical touchpoints to deliver seven modern, seamless experiences; and

vi. Integrated Community Catalyst - embedding 'the Bay' as a cultural hub, a connection to place and a regional investment asset.

Eden Project North will welcome up to 3,750 visitors per day, 363 days a year. With both daytime and evening offers, it will have a profound transformational impact on the lives of local people and recreate a sense of pride and a vibrancy that has not been seen or felt since Morecambe's heyday of the 1950s/60s.

Eden's economic impact, however, goes significantly beyond that of a visitor attraction. Eden transforms perceptions; its philosophy of regenerative sustainability acting as a catalyst not only for investment in place, but also a focus for collaboration, education, research activity and innovation across society's challenges of public health, the climate emergency, renewable energy and sustainability.

The project is perfectly aligned and timed to be a premier exemplar of Levelling Up, whilst also showcasing the delivery of the Government's policy agenda around Environment, Energy, Net Zero, Education, Health and Culture.

Eden Project North is being delivered by Commissioning Partners comprising The Eden Project (Eden), Lancaster University, Lancaster City Council, Lancashire Enterprise Partnership and Lancashire County Council, with both the strong support of David Morris, the MP for Morecambe and Lunesdale, and cross-party support from adjacent constituencies including Westmorland and Lonsdale, Rossendale and Darwen, and Lancaster and Fleetwood.

A unique collaborative project for Morecambe and the North West  
As an educational charity, learning and research has been a central tenet of the Eden Project in Cornwall since its inception. For Morecambe, a partnership has been formed between Lancaster University and Eden which brings two international brands together to create a world-class platform for research and education, building on Lancaster University's strong history of sustainability research adding an extra dimension to the visitor experience and return on investment. The University is home to the Centre for Global Eco-Innovation, leader of the £14m Eco-I North West research and innovation project; leader of two Science Innovation Audits, and is building a world leader reputation in clean and sustainable growth technologies. The new £41m Health Innovation Campus supported by Lancashire LEP also emphasises the importance of teaching, research and engagement in health and well-being. Eden Project North enables the University to expand these core priorities and to provide strategic focus on Research, Education and Engagement with impact to improve socio-economic wellbeing as part of its civic responsibility.

Eden, Lancaster University and Lancaster & Morecambe College have also partnered to create the Morecambe Bay Curriculum, which will formally launch in September of 2022. This is a place-based curriculum that will dovetail with the national curriculum but will facilitate local environmental learning for all primary and secondary schools in the region. 38 schools and colleges are already signed up and this number is growing.

A strengthened partnership underpinning the potential to develop the North



West as a Net Zero exemplar

The Lancaster University/ Eden partnership means Eden Project North will be a major catalyst for the Northern Powerhouse and N8 partners (the 8 research-intensive universities of the North), accelerating existing activity around clean technologies and Net Zero North. Eden Project North's Natural Observatories will provide an interactive laboratory to test and showcase this research to businesses and visitors and act as one of two Net Zero Skills Hubs in the north. In its construction and operation, Eden Project North will use cutting edge design approaches to energy, water and waste. The resource strategy will be a showcase for innovation and education, from Net Zero Building design to zero operational waste to landfill.

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## **Provide a short description of the area where the investment will take place**

Eden Project North will be sited directly on the seafront, on the vacant and large derelict site of the former Bubbles Leisure Park, which occupies a prominent position in the town overlooking Morecambe Bay (historically Morecambe's renowned Super Swimming Stadium 1936-1975). Morecambe's main promenade extends approximately 1km each way, north and south, from the site and the development will tie together the historic, listed Winter Gardens and Midland Hotel creating a world class centrepiece for the town, set against the stunning backdrop of the Bay and Lake District peaks.

The site enjoys excellent transport links, with direct routes now in place to junction 34 of the M6 motorway and the West Coast mainline. The site has a very large visitor catchment area, being less than 2hrs travel time from most of the North's conurbations and over 10 million inhabitants. Between the three local railway stations, (Lancaster, Morecambe, Carnforth) there are direct services to/from key urban centres including London, Glasgow, Edinburgh, Birmingham, Manchester and Leeds.

Morecambe Bay is a site of significant ecological importance, designated as a Special Protection Area of conservation (SPA), a Ramsar site and surrounded by 25 Sites of Special Scientific Interest (SSSI) on account of its coastal habitats and bird assemblages. Morecambe Bay is part of the Arnside and Silverdale Area of Outstanding Natural Beauty, recognised for its stunning views and distinctive and diverse landscape, geology, wildlife and history. Nestled between the two National Parks of the Lake District and Yorkshire Dales, Eden Project North is ideally located to welcome a new era of eco-tourism for the Bay. Its underlying theme of 'Natural Rhythms' is given greater credence due to its adjacency with the Bay which is the UK's largest intertidal area.

Equally importantly, Eden Project North is integrated into the fabric of the town. The Eden Project North site is opposite the grade II\* listed Winter Gardens, which is itself adjacent to the main shopping area. It is also a short walk from both Morecambe Bus Station and the Railway Station.

The proximity of Eden Project North to Morecambe High Street and the town's central area is fundamental to the project's contribution to the Levelling Up agenda. Morecambe town centre is characterised by under-investment, vacant sites and units and high levels of deprivation. Long-term unemployment is six times the national average and almost 9,000 of the working age resident population (one third of Morecambe's total) live in the most 10% deprived areas nationally. Average investment growth in Lancaster and the Wyre (the closest NUTS 3 geographical area) was minus 9.2% between 2015-2020 compared to plus 2.1% nationally. By bringing 740k visitors per year to the seafront at Morecambe, adjacent to the town centre, there will be major opportunities to capture additional visitor spend in the town, supporting future business investment. We envisage that the transformational impact of Eden Project North will have a catalysing effect on the regeneration and renewal of nearby underused (or derelict) sites, including the disused former Frontierland Amusement Park and the under-occupied Arndale Centre. The development will strengthen the west-east axis between the Town Centre and the seafront, and it will assist Lancaster City Council's and the private sector's work in creating the conditions for a rejuvenated business and visitor economy.

The location of Eden Project North within Morecambe is strategically placed to complement and rejuvenate its townscape and heritage. The site on the Promenade has traditionally provided space for public recreation for residents and visitors alike. It is an important interface between the town and open views towards the Bay and the Lake District beyond. As a result of previous attempts to re-use the area through the 1980s and 1990s, it is characterised by several redundant structures from earlier endeavours, legacies of Morecambe's bygone history. The project will create a new iconic seafront vista which will be visible from both the North Lancashire Moors and the Lake District.

Eden Project North will become the centrepiece of a new era for responsible and sustainable tourism around the whole Bay, from Barrow to Blackpool, and become part of a network of destinations and attractions that will add to the North West's increasing world class offer as a sustainable tourist destination.

Morecambe has several significant sites and pipeline investments which will come on-line should Eden Project North be confirmed and progress into development stage. These include a major refurbishment and expansion to the Midland Hotel, the development of the large former Frontierland site (LCC has recently acquired the land for development) just 250m away, and of course the remaining works to the Winter Gardens allowing them to open to their full capacity.

Similarly, Eden's strategy is to occupy vacant high-street and retail units to provide admin, learning and community programme spaces, further contributing to the regeneration of the town and the integration of the project into the local community.

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**Does your bid include any transport projects?**

No

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## Select the constituencies covered in the bid

### Constituency 1

#### Constituency name

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Morecambe and Lunesdale

#### Estimate the percentage of the bid invested in this constituency

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100%

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## Select the local authorities covered in the bid

### Local authority name

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Lancaster

#### Estimate the percentage of the bid invested in this local authority

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100%

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## Sub-categories that are relevant to your investment

### Select one or more regeneration sub-categories that are relevant to your investment

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Commercial  
Civic  
Other Regeneration

#### Describe other regeneration sub-category

---

Social

### Select one or more cultural sub-categories that are relevant to your investment

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Arts and Culture  
Creative Industries  
Visitor Economy  
Heritage buildings and sites  
Other Cultural

#### Describe other cultural sub-category

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Educational

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## **Provide details of any applications made to other funding schemes for this same bid that are currently pending an outcome**

N/A

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### Section 4: Equalities

## **Bidders are invited to outline how their bid will promote good community relations, help reduce disparities amongst different groups, or strengthen integration across the local community**

Eden Project North will promote good community relations, help reduce disparities amongst different groups and strengthen integration across the local community. With 21 years of operational experience in Cornwall and a well-developed and successful approach to ensuring equality, diversity and inclusivity for all staff and guests, the project will, in particular, address community integration at both local and county levels:

- Lancashire is a very diverse county but with concentrations of certain ethnic or minority groups in specific areas, e.g. high concentrations of the Asian community in the East of the county, and high concentrations of Eastern European and the Traveller community in the West. Eden will promote diversity and integration through its visitor mix to Morecambe, and market and incentivise particularly non-responsive groups and seek feedback. Eden is particularly focussed around special needs and mobility impaired groups, going beyond normal standards in terms of accessible design, incorporating a 'Changing Places' facility, and working with the Sensory Trust to ensure our destination is accessible to all.

- At local level, prosperity and deprivation are seen in adjacent pockets along the seafront. Because of road and rail infrastructure, for example, there is severance between the West End community and the central Morecambe and Bare communities, even though they are just a few hundred metres apart. Eden will promote greater integration at the street-to-street community level giving local residents of Morecambe collective pride, hope and responsibility. Eden offers a significant local members/discounts/incentives scheme to ensure that the local population are able to enjoy multiple visits and benefit from 'their Eden Project.'

- Lancaster sees rich and diverse groups particularly around the large University student population but there is little evidence that many visit or stay in Morecambe itself. Eden Project North is a particularly engaging proposition for this demographic and will, with Lancaster University and the Lancaster & Morecambe College as our key partners, promote visits and possibly the

potential of future living/working.

- With its promotion of active and sustainable travel, Eden Project North will improve accessibility for the local community by reducing interactions with traffic, street clutter and providing continuous footways and cycle routes, clear wayfinding and improved amenity space, public realm, seating and places to rest. The project will make walking and cycling more attractive for all with benefits for people with limited mobility, including some older people, people with a disability and people during pregnancy. These groups will be consulted in the design of any new highway infrastructure and public realm to ensure their needs are represented and balanced.

- The project also aims to improve connections with existing walking and cycling infrastructure and will therefore improve wider connectivity and also between key origins and destinations within the intervention area increasing accessibility for all residents to current and future opportunities for employment, education and leisure.

The proposals for new and improved public realm include interventions to make the environment feel safer, with passive crime-prevention, such as low-level planting and responsive lighting. By widening pedestrian spaces, improving lighting and creating attractive streets and walking/cycling routes, the scheme will create areas that all users feel comfortable to move around in. Additionally, creating popular routes for commuting, leisure and other uses will encourage greater footfall, increasing natural surveillance that is important for making these routes and wider streetscape feel safer. Detailed design will be a key stage to engage with disability groups and people with protected characteristics to confirm the most specific needs in the context of local streets. An Equality Impact Assessment shall also be completed as part of the detailed design of both projects.

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Section 5: Subsidy control and state aid analysis

**Is the support provided by a ‘public authority’ and does the support constitute a financial (or in kind) contribution such as a grant, loan or guarantee?**

Yes

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**Does the support measure confer an economic advantage on one or more economic actors?**

Yes

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**Provide further information supporting your answer**

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Yes – although the funding is to be directed to a heritage and culture-based visitor attraction, this is considered to be economic activities and the beneficiary Eden Project International Limited ("EPI") an enterprise receiving an advantage via the proposed grant funding.

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**Is the support measure specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services?**

Yes

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**Provide further information supporting your answer**

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Yes – the support measure will be made by way of substantial funding being directed to EPI which will then be utilised to fund the development of Eden Project North in Morecambe. The significant size of the funding confers a benefit over any other economic actors who may have interests in visitor attractions in the area.

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# Does the support measure have the potential to cause a distortion in or harm to competition, trade or investment?

Yes

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## Provide further information supporting your answer

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Yes – the proposed funding will deliver a transformational visitor attraction.

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## Public policy objective principle

### Demonstrate below how your bid meets this principle

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The broader public policy objective served by delivering Eden Project North is not only to regenerate a large vacant site on Morecambe's seafront and catalyse economic regeneration, but to also improve public realm, address anti-social behaviour, improve health & wellbeing and environmental literacy and encourage sustainable and active travel. The seafront site location is within 250m of Morecambe town centre, where the benefits of footfall to Eden Project North will also be realised.

The town of Morecambe faces very considerable regional disadvantages, manifested in low job (0.6) and business density, very high levels of deprivation and low earnings, low educational attainment, poor health and a variety of other social issues which blight significant parts of the community. Additionally, the town faces significant challenges in nurturing and retaining young talent, replacing c700 high-skilled jobs that will be lost at Heysham Power Station in 2024 and 2028, and securing the future of the local business base and supply chain. The town has not recovered as well as other places following the Covid pandemic, with higher numbers of claimants still unable to find work.

The specific public policy objective is to, therefore, redress the problems noted above through the development of Eden Project North, seeking £50m from LUF2 to bring forward the first £100M phase of the scheme in Morecambe, which will comprise a series of seven spectacular inter-connecting gardens and pavilions with internal and external spaces curated with horticulture, art and exhibits. Eden Project North is intended to be a world-class cultural destination: a 'living time machine' that reveals the wonder and rhythms of the natural world.

As a leading global exemplar in sustainability and a world-class tourist destination offering new life-opportunities for an entire generation, Eden Project North will help to level-up the region, rebuild communities and restore hope for the North of England and beyond. It will create c.275 FTE jobs on site, attract new investment and usher in a new era of environmental awareness and benefit to Lancashire, attracting around 740k visitors per year to Morecambe, and will

commit to >80% spend in the local supply chain for goods and services including food, drink and horticulture. With Eden Cornwall generating over £2.2bn to the local economy over the last 20yrs, Lancaster City Council (LCC) believes that Eden Project North has the potential not only to reverse, but to positively transform Morecambe's fortunes.

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## **Proportionate and limited principle**

### **Demonstrate below how your bid meets this principle**

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Based on legal advice, this principle is normally evidenced by a viability gap appraisal and reasonable due diligence from the funder to corroborate that the funding is no more than necessary to allow the Project to go ahead on the intended timescale and to the intended specification. Exactly how this is to be evidenced is not prescribed, therefore it is assumed that any reasonable method may suffice.

From the option funding scenarios prepared by the Council's economic advisers using the Eden Project North Financial Model, the Project has a viability gap in excess of the £50M subsidy sought and will make up the balance through a mix of borrowing (commercial debt), contributions from the Eden Trust, and various forms of fundraising from corporate sponsors and philanthropic sources.

The level of the grant has been arrived at as a consequence of the maximum that is likely to be available from these sources. This left a funding gap on the total phase 1 costs of £50M which is also the maximum amount of LUF 2 available for a Culture and Heritage bid.

Financial analysis has also tested lesser amounts than the £50M LUF subsidy proposed. As an example, the financial model suggests that whilst operating with £40M government grant and an increased commercial loan is technically/financially possible, it will materially increase financial risk. Whilst the operational cashflows will not be impacted, the loan will increase the capital repayments that the operational cashflows will need to service (as well as interest being charged on a higher loan balance). Current macro-economic conditions are driving commercial lenders to a more risk-averse position – the availability of supply in the market is significantly reduced as a result and priced accordingly.

This financial option analysis can be presented as part of a request for further



information should the bid be successful and LCC notes the need to secure robust evidence that the amount of subsidy to be provided to Eden is the minimum necessary to allow the project to commence.

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## **Change of economic behaviour principle**

**Demonstrate below how your bid meets this principle**

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The sole subsidy beneficiary (economic actor/enterprise) here is Eden Project International Ltd (EPI) and/or its SPV set up to deliver the project. As noted above, a substantial viability gap has been assessed which if not filled means the Project will not go ahead. LCC is satisfied of this following the negotiations with Eden (especially that the making available of the LUF funding will be the difference between the Project happening or not).

The viability gap shows that without the subsidy there would be no commercial rationale for the Project as the investment cannot be sustained through the eventual projected income. This demonstrates that "the specific public policy objective" (i.e. the Project, and getting it delivered now as specified) would not be achieved without the subsidy, and therefore the proposed measure has a critical behaviour-changing effect.

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## **Compensation of costs otherwise funded by beneficiary principle**

**Demonstrate below how your bid meets this principle**

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As noted above, without the subsidy intervention, the Project will not happen. We also interpret this criterion (as distinct from 2.2.3) to require checks that the costs to be supported are not already committed, i.e. substantive work has not already started. In this case LCC has verified that only preparatory work has been undertaken to date and no substantive work has commenced.

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## **Appropriate policy instrument principle**

**Demonstrate below how your bid meets this principle**

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LCC and other public authority partners in the region have been considering how the Project might be facilitated for a number of years. Financial subsidy of at least £50M from the public sector has been consistently sought for Eden Project North, given this is viewed as the only realistic approach that will enable the project to go forward. Similarly, given the very large viability gap presented, commercial lending would not close the viability gap in the required manner to

allow the Project to proceed. The subsidy is 50% of the proposed Project cost, the balance being covered by philanthropic and corporate sponsorship activities and commercial senior debt, and these sources need the confidence that will be provided by significant public sector grant. Further lending would only serve to increase the viability gap further to unacceptable levels. LCC has concluded there is no prospect of delivering the specific public policy objective here (delivering Eden Project North) without public subsidy intervention

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## **Competition and investment principle**

**Demonstrate below how your bid meets this principle**

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LCC has previously commissioned studies on likely effects on the market in advance of the new law requiring this principle to be considered. This preliminary work suggests that the Project is expected to deliver new and incremental visitor traffic rather than disrupt other attractions within anything approaching a realistic nearby radius (e.g. Blackpool).

As such, the Project is most likely to be complementary to local and sub-regional attractions adding to the Lancashire and South Lakes visitor offer rather than detracting from anyone else. It is noted in this respect that the Project (by its nature) will deliver a unique proposition outside Cornwall (which is too far away to be in effective competition anyway) but which could create its own market from people who have visited Cornwall also wanting to visit the 'sister project' at Morecambe.

As such, LCC's preliminary expectations are that any negative effects on competition such as they may be ascertained at all, are likely to be negligible and/or too remote to be measurable. It is also likely that any impact will be readily outweighed by the scale of the positive economic impact that significant increased footfall will drive, and the uplifts this will give to Morecambe. Further work can be undertaken on this if it is considered that this will be helpful as part of monitoring and evaluation processes.

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## **Net positive effects principle**

**Demonstrate below how your bid meets this principle**

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As above, the negative effects on competition of the project are considered

negligible (and could be further evidenced) and will be readily outweighed by the scale of the positive economic and social impact that Eden Project North will deliver. As evidence of the change in fortunes Eden Project North can leverage, local property agents JDG, in their January 2022 Morecambe Property Market Update, have noted demand and excitement building, but have noted investment decisions being held in abeyance ahead of positive news on the project's funding. As noted, further work can be undertaken on this if it is considered that this will be helpful as part of monitoring and evaluation processes.

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**Will you be disbursing the funds as a potential subsidy to third parties?**

Yes

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Section 6: Strategic Fit

## Check your answers for this section

### Has an MP given formal priority support for this bid?

Yes

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**Full name of MP**

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David Morris

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**MP's constituency**

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Morecambe and Lunesdale

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### Describe what engagement you have undertaken with local relevant stakeholders. How has this informed your bid and what support do you have from them?

Grounding Eden Project North in its local community

From the inception of the project, the Eden Team were clear that they wanted the Morecambe community to share a sense of ownership and pride in Eden Project North. Engaging with the local community throughout all the development phases and grounding the project within its place was fundamental to achieving this.

Public communication throughout the entire planning and development process has centred on being two-way, robust, creative and fun, going above and beyond normal statutory consultation.

Eden has carried out numerous, informal conversations with over 200 community groups and organisations in the area since 2017. The early identification of local stakeholders and community groups was crucial to

developing an understanding of key issues, concerns and opportunities. These included the local business community, youth groups and private sector interests, including local supply chains and civic organisations and local council representatives. The feedback received informed the detailed design process, in particular the boundary location of the development and the preservation of unhindered public access to the full promenade was important to the community.

A major community consultation event was held in July 2019 over 4 days, this was attended by over 2,000 people from a broad demographic range across Morecambe and Lancaster. 99% of attendees were in favour of Eden Project North, statistically the highest support for any project in 20 years of Eden community engagement. Just as importantly, 99% said that Eden Project North made them feel more confident about the local area.

In-depth and regular consultations have been held with neighbouring owners/operators who are all supportive of the project, including the Midland Hotel, RNLI, Morecambe Winter Gardens Trust, and all of the adjacent private owners of the commercial premises opposite the site. In addition, a 'Blue Light' coordination session has been held to inform access and security provisions in the design. All other statutory stakeholders have been consulted as part of the planning process which has now concluded with 'no objection' received from all parties.

During Covid restrictions – online format

Public consultation switched to a fully online format to respond to Covid restrictions. The team continued its community engagement drive with monthly, virtual 'Community Conversations', with over 2,000 people engaged to date, and covering a wide range of topics to gauge as broad a spectrum of feedback as possible to influence the project proposals. Each event was hosted on Zoom by Eden International's Chief Executive, David Harland, inviting speakers from partner and other connected organisations. A recording of each session was posted on-line on the Eden Project website.

Community engagement intensified further during the Summer of 2021 as the proposals evolved and progressed towards the planning application submission. A comprehensive, interactive website/virtual consultation room was created which allowed visitors to review the emerging designs and learn about the various aspects of the scheme. The interactive 'room' was designed to let people experience a taste of the Eden Project brand and the Rainforest Biome at Eden Cornwall. The room was designed as all Eden engagement is - to be robust; to provide detailed information but also to be creative and fun. The online platform was designed to be accessible by both computer and smartphone. To ensure access for those without recourse to digital means, the team also held two 'face to face' sessions in Morecambe venues once restrictions were lifted.

In addition to the series of interactive boards and features in the virtual consultation room, an online community feedback questionnaire was embedded

for the community to provide feedback. Over 4,000 visits to the website were made with a significant level of feedback given. Again, this has helped with the planning proposals, particularly concerning traffic volume and managing visitor parking.

Looking to establish a permanent community engagement hub

To create and maintain a physical presence within Morecambe, from Autumn 2022, the intention is for the Eden team to operate from a new, permanent base in Morecambe which will become their community engagement hub (the Eden Exchange) during the next phase of the development. The intention is to use / refurbish an existing, vacant retail unit on the town's high street, within 250m of the proposed main venue.

Overwhelmingly positive support from the local community

97% of responders from the local community have expressed their support for the development, recognising the transformational potential Eden Project North holds for the local area. Support was voiced throughout the engagement exercise and formally during the determination of the planning application in January 2022. Letters of support were received from the local community alongside other key stakeholders and conveyed to Government. Further letters of support have been collected regarding the bid.

The feedback received demonstrates there is widespread, sustained, and indeed overwhelming support for the project, across both the businesses and residents of Morecambe.

Extract from Morecambe Business Improvement District (BID) Business Plan 2021-2026

"Morecambe BID has been incredibly supportive of the Eden Project North since the very beginning. We have been working with them closely through the early stages of design to ensure the future benefits of the project will be felt in Morecambe and the surrounding area. They have passionately represented the voice of local businesses to us and have in turn acted as our staunch advocates in their conversations with government and politicians, both local and national"  
Martyn Butlin, EDF Energy on behalf of Morecambe BID.

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## Has your proposal faced any opposition?

Public and stakeholder feedback has been overwhelmingly positive and supportive. Comprehensive engagement has allowed the design team to address comments early in the design process.

The site has been publicly accessible for many years, incorporating a perimeter walking and cycling route as an extension to the promenade. Initial concept plans showed the development projecting north beyond the shoreline, with the loss of continuous public access to the northern promenade. Eden quickly realised through its engagement how important this access was to the local community. The buildings were brought inland, ensuring that public access was retained. Similarly, the substantial area of public realm proposed to the south

and west will now be fully accessible to the public at all times.

There were initial concerns over traffic generation and visitor parking in the early stages of Eden Project North's operation, and potential conflict with the City Council's climate change aspirations. The Eden team has prepared detailed transport and parking strategies to demonstrate how the project will utilise existing parking infrastructure through a dynamic booking system, resulting in little impact on the local highway network. A Net-Zero Transport Strategy and Travel Plan sets ambitious but credible targets to achieve a modal shift over the first few years of operation. The scheme will also make significant improvements to the walking and cycling environment outside the site boundary. The parking strategy has been Approved in Principle (AIP) by both City and County Councils. It is noted that Eden's maximum peak-day visitor numbers are predicted to be 3,750, whereas the annual Morecambe Vintage festival typically attracts 55,000 visitors over a weekend. The City and Town councils are experienced in handling event-related traffic. However, Eden's impact is more modest and consequently requires no special traffic management arrangements.

Eden has engaged in detailed discussions with landscape and heritage officers and Historic England to ensure the contemporary architecture will sit comfortably within the sensitive built environment and surrounding landscape, particularly given the proximity of Grade II\* Listed heritage assets. The proposed landscaping, dunescape roof and raised coastal edge helps break the massing and scale of the buildings. Close liaison resulted in support from Historic England with officers concluding the proposed development will make a positive contribution to the Conservation Area adding drama and interest back into what is currently a bleak and uninviting part of the town.

Only one letter of objection was received during the planning consultation, from a resident of Lytham St. Annes (approximately 41 miles away). All planning documents are available on the Lancaster City Council Planning Portal.

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## **Do you have statutory responsibility for the delivery of all aspects of the bid?**

No

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## **Which parts of the project do you not have statutory responsibility for?**

Lancaster City Council (the Applicant) is the statutory local planning authority, and Lancashire County Council is the statutory Highways Authority.

The Environment Agency has responsibility for reviewing flooding issues along with the Local Flood Authority (Lancashire County Council).

All were statutory consultees as part of the planning application process. Statements of 'No Objection' were confirmed from all statutory consultees as

part of the planning consultation process.

Some highway works are required in order to satisfy planning conditions and these have been agreed by Lancashire County Council.

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## **Who is the relevant responsible authority?**

Lancashire County Council

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## **Support/consent of the relevant responsible authority**

**Do you have the support/consent of the relevant responsible authority?**

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Yes

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## **Provide evidence of the local challenges / barriers to growth and context that the bid is seeking to respond to**

Morecambe, in common with the UK's many seaside resorts, has faced considerable challenges over the last 40-50 years, which now manifest into multiple socio-economic problems. Once one of England's most popular seaside resorts, attracting more than a million visitors per year through the 1930s and post war period, it began a slow but steady decline from the late 1960s onwards, suffering a calamitous fall in visitor spending (estimated at around 85%) between the early 1970s and 1990s and, despite numerous attempts, has never managed to fully arrest this. Eden Project North is the once-in-a-generation chance to turn this around. It will be located in one of the 1% most deprived neighbourhoods nationally, home to almost 2,000 residents.

The case for LUF investment in Eden project North lies in its ability to directly help Morecambe tackle its following challenges:

Insufficient jobs for the resident population

The town has fewer than one third of the jobs it should have, when compared to the national average. The Morecambe and Lunesdale Parliamentary Constituency area has 49 jobs per 100 of the working age population, compared to 76 for England, and 71 for Lancashire. This is a shortfall of some 2,528 jobs compared to the England average and 3,700 against the County-wide average.

Poor job quality and low-skilled jobs



Compounding the lack of jobs is the lack of good quality jobs. Workplace earnings, i.e. the wages of those who work in Morecambe and Lunesdale, is £26,916 (gross, annual Full Time), approximately 15% lower than the £31,791 national equivalent, a shortfall of £4,875 per annum. Over a 40-year working life, this gap equates to a loss of around £200,000 in gross earnings. Even these figures include a small number of uncharacteristically (for the area) highly paid, highly skilled jobs in Heysham nuclear power station.

Skills levels are lower amongst the resident population, where 55.9% have NVQ Level 3+ compared to 61.2% nationally. Many of those more highly skilled workers leave the area for enhanced employment opportunities, meaning Morecambe and Lunesdale has fewer than two thirds of the average proportion with higher level qualifications. Just 27.3% have a degree or equivalent, compared to 42.3% nationally.

#### Insufficient businesses and investment

Business density is considerably below the national and regional averages, lacking c.1,000 businesses. Business density rate is 302.1 per 10,000 of the local population, compared to 422.8 for England and 430.4 for Lancashire. Investment (Gross Fixed Capital Formation) was 38% lower in 2020 compared to 2015, with -15% growth rate in the locally important Accommodation and Food Services and Arts, Entertainment and Recreation sectors.

#### Deteriorating urban and social fabric

Low levels of investment have led to a poor urban fabric in Morecambe town centre. The Coastal and Communities Team Economic Plan for 2018-2022 identifies: fewer specialist shops for larger retailers; less visitor spend, fewer quality eateries and fewer evening venues; more derelict and underused buildings; and a central area exhibiting deep deprivation. In turn, this has led to wider social problems, including rising crime (particularly anti-social behaviour, violent crime and county lines) health problems and low wages/skills. 40% of the neighbourhoods in Morecambe are in the most deprived 10% nationally for crime; one of them is ranked 295th for crime out of 32,000 neighbourhoods nationally – the most deprived percentile of all.

There are lower levels of life expectancy (-11.6yrs for males and -8.5yrs for females) higher obesity rates and lower happiness and wellbeing scores amongst Morecambe residents compared to national averages.

...And the gaps are widening

Against all the key indicators mentioned above, the gap has widened in recent years. In relative terms, the shortfall in businesses, jobs and skills increased between 2015 and 2020 (pre-pandemic). This is on top of what were already worsening indicators, including rising Town Centre vacancy rates. A weak under-performing local economy resulting in reduced levels of investment and a continued cycle of decline. More than a third of the resident working age

population are in the most 10% deprived nationally, and long-term unemployment is six times the national average. The COVID-19 pandemic has only served to exacerbate an already parlous situation. Pre-pandemic, the proportion of claimants claiming Universal Credit (UC) for unemployment in Morecambe for 5 years or more was 0%, compared to 0.2% nationally. By March 2022, this figure had risen to 12% of claimants have been claiming UC for more than 5 years in Morecambe, compared to 2.6% nationally.

The pending decommissioning of Heysham Nuclear Power Station (reactor 1 will be decommissioned in March 2024 and reactor 2 decommissioning has been brought forward to 2028) will potentially result in the loss of c.700 high-skilled, high wage jobs from the area. Eden Project North can help soften the loss for the area and help with the structural economic change that will be needed.

Since 2019, during and post-pandemic, anti-social behaviour and incidents of alcohol-related violent crime have also increased in and around Morecambe Town Centre as confirmed by the local policing team.

Eden Project North as a catalyst for permanent change

Eden Project North will bring new and better-quality jobs, directly on-site and indirectly off-site via massively increased visitor footfall and spend, in turn generating new jobs, new businesses, increased business growth, investment, raising the aspiration for both the residents and the business community. Better connections into the town centre will help draw this spend beyond the promenade, and over time will transform the fortunes of Morecambe town and its residents, bringing new life opportunities and drawing visitors to the world-class attraction of Eden and its environs.

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## **Explain why Government investment is needed (what is the market failure)**

The Scale of Project Investment Required

Government investment is needed to help make the project happen so that Eden Project North can reverse the fortunes of Morecambe and Lunesdale, in turn acting as a catalyst of change for the wider area whilst being a beacon to show how forgotten seaside towns can transform.

The scale of the challenge required to reverse what has been many decades of decline is substantial. The LUF2 funding will help deliver Eden Project North as the transformative project needed to achieve this, attracting further investment and operating as a catalyst for growth. It takes a project of visionary but realistic scale and impact to deliver genuine and sustainable transformational change. Eden Project North, with its unique and internationally recognised brand, ethos and connections into R&D research, the Net Zero agenda, communities and social value benefits, will not only attract visitors, new investment and spend, but it will bring hope, excitement and opportunities that will raise the aspirations

of the local resident population, particularly young people to consider that they do not need to move away to have a future life.

The ambition, scale and breadth of Eden Project North's outputs and outcomes straddle both public and private sector agendas. This is why Eden is such a unique and collaborative venture, combining regional visitor destination with research institute and public showcase with local and sub-regional economic regeneration driver. The project is very substantial, and at £100M for the first phase, this is not an investment that can be borne entirely by any one party. Despite its success and scale, the Eden Project Trust (parent company) is operated as a social enterprise and educational charity, and there are therefore limits on its ability to raise capital.

Substantial Government support is core to enable the collaborative partnership to deliver the project, alongside private sector investment, and the wider support to date of Lancashire Enterprise Partnership, Lancaster University, City and County Councils. The Local Partners have so far invested around £3.5m over the last 5 years supporting the development of a robust Green Book compliant business case (Sept 2020), the project designs and, in January 2022, securing full planning permission, but without clear Growth Fund type programmes are limited in their ability to contribute more

The market failures are multiple and outlined below.

### Efficiency Failures

#### 1. Externalities:

The current lack of high-quality visitor attractions and low levels of private sector investment and R&D are reducing the ability of Morecambe and the surrounding area to attract people and businesses, and to retain them locally. There is an ongoing cycle of decline in Morecambe that is leading to a widening gap between the area and regional and national averages. The neighbouring city of Lancaster, the County capital, is less than five miles from Morecambe and a full 10 points ahead of Morecambe in the Indices of Multiple Deprivation and is, in some senses, a different world. Investment in Eden Project North will create an internationally renowned visitor attraction and research nexus in Morecambe generating positive externalities via increased revenue from tourism and higher quality jobs for people living in the area. It has the ability to re-connect Morecambe to Lancaster, the wider county and region, bringing new life opportunities for an entire generation.

#### 2. Information Failures:

Imperfect and asymmetric information exist whereby businesses are not able to take advantages of the opportunities afforded by a project such as Eden Project North. The project provides tangible supply chain opportunities for local businesses and entrepreneurs, both on-site and off-site.

#### 3. Efficiency:

The local economy in Morecambe faces market imperfections in the form of low productivity that can only be resolved with public sector intervention in facilities, creating new high-quality jobs. New R&D and associated spin-out activity is a feature of Eden's ethos, and Eden Project North's collaborative work with Lancaster University and Lancaster & Morecambe College will create new, high-quality jobs.

#### Equity failures:

Morecambe and the surrounding area have suffered, over many years, from the inability to attract visitors and visitor spend against competitor locations. These equity failures are widening over time. Yet growth projections in UK tourism and the growth in 'staycations' easily demonstrates the additionality Eden Project North will bring.

#### Environment:

The project is founded on environmental and sustainability practices including environmental education regarding the natural world and Net Zero. Eden Project North, as an exemplar, will be a major contributor to overcoming environmental market failures and improving consumer behaviour. Sustainability and beyond Net Zero philosophies are at the heart of Eden Project as an organisation, fully embedded in its practices throughout.

#### Wider Reasons for Intervention:

The collective investment delivered through this project benefits the whole of the local economy (coordination benefits) rather than a single enterprise in isolation. For example, the whole Bay Gateway 'corridor' from the M6 to Morecambe includes areas of high deprivation, particularly in the Skerton wards of Lancaster. IMD data demonstrates considerable areas of need beyond the immediate vicinity of the project in Morecambe town centre.

Eden Project North will benefit the whole Morecambe community, supporting health and wellbeing, education, and other lifestyle/participation activities. These are not inconsiderable benefits: the whole town and surrounding area needs long-term investment, help and support, and Eden Project North has the potential to truly transform the lives and future prospects of the wider area's whole-resident population. Eden Project North will bring real increases in social value and secure the long-term future of businesses in the local economy.

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## **Explain what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers**

The Government's LUF2 investment is critical for delivering the first £100M phase of Eden Project North comprising the full package of design, construction and fit-out of the indoor and outdoor zones that together create this truly unique,

world-class destination: a spectacular 'living time machine' that reveals and explains the wonderous rhythms of the natural world.

Set against the stunning backdrop of Morecambe Bay, the UK's biggest intertidal ecosystem, Eden Project North will harness Eden Project's two decades of public engagement to create a sustainable cultural destination that is universally recognisable but rooted in its place and community and will attract 740k new visitors per year to Morecambe, the spending power of whom will be transformative to the local economy.

The rationale for choosing Morecambe for the UK's second Eden Project is clear and is set out in the 'Why Morecambe?' chapter of our Delivery Plan.

In Summary:

1. Natural Wonder: One of the UK's most precious ecosystems, set against the spectacular backdrop of the Lake District
2. Catchment and connectivity – a market size some 5 times larger than that of Eden Cornwall, with extensive and effective road and rail links
3. Transformation: A town that has been in decline and a population suffering from lack of investment and limited life chances. Morecambe's recovery lies in bringing back its long-lost visitors
4. Land: a vacant, derelict site, ripe for regeneration, nestled between important built heritage assets, fully in the control of the local authority and aligned with local planning policy.

The multiple barriers and challenges facing Morecambe, the town and its environs identified in previous answers will be addressed through:

- The scale, quality and ambition of Eden Project North and its generating of £150M net additional GVA over the first 10 years.
- The international status and profile of Eden Project North– attracting 740k visitors per year – this will support and sustain new additional jobs to address the jobs deficit (projected at 274 direct FTEs on site and c.1,100 in the local supply chain) and help to reduce the unemployment rate. The partners have committed to prioritising local people when recruiting with a target of 80% local employment.
- The £182M per year off site visitor spend and the £39.9M spend in the local supply chain will also boost business confidence in the area and encourage the creation of new businesses which will address the business density gap, from retail and catering, to building and Eden estate servicing, to new R&D spin-outs from the research activity spawned by the partnership between Eden Project North, Lancaster University and the wider N8 Research Partnership of the eight most research-intensive Universities in the North of England
- The new jobs, as well as the 12 FTE apprenticeships, the 150 volunteering and work experience opportunities, and the enhanced educational curriculum delivered by the Morecambe Bay Curriculum partnership will raise the aspirations of local people and encourage the retention of those of working age, attracting more people to the town to help sustain local services. There is already speculation that property prices are beginning to rise simply on the hope

of Eden Project North's arrival (number of house sales reported up by 42% during 2021). Local estate agents JDG commented in January 2022, in their Morecambe Property Market Update, that "real change is expected to happen in Morecambe" when "funding for the project is finally approved"

It is the long-term nature of the Eden Project North investment that will raise aspirations, skill levels and health and wellbeing of the resident population and deliver the Levelling Up agenda for Morecambe and the wider Morecambe Bay Area.

Eden Project North will house stunning planted environments fused with art, performance, interactive exhibits, and digital technologies, all curated in and around a series of individual 'shell' like pavilions, whose nature-inspired design is synonymous with the ecology and natural history of Morecambe Bay. With its overarching theme of 'Rhythms' Eden Project North will focus on health and well-being, referencing historic benefits of workers escaping the cities, and reimagining Morecambe as a healthy seaside resort for the 21st Century. The attraction is designed to attract visitors throughout the year and will help reduce reliance on a short summer season.

Even the ticketing and travel arrangements are designed to maximise the benefit of the project to the local economy and to ensure it addresses the challenges Morecambe currently experiences. Central to the design for Eden Project North, is the principle of an attraction capable of achieving a dwell time of c.4hrs, creating the opportunity for visitors to spend the remainder of the day enjoying Morecambe Town Centre or the Promenade, which can also provide much-needed support for evening economy activities. This local dwell time will be maximised by a timed ticketed entry system and the extraordinary place-setting, compelling visitors to stay for longer in the surrounding space, exploring the town and enhancing local visitor spend.

Eden Project North's strategy is also to ensure visitors exit the main venue with the time and confidence to explore Morecambe's promenade and town centre, sharing the positive economic impact as widely as possible, we will therefore offer multiple pick-up points along the promenade and high street for the return journey back to the Park and Ride.

A great deal of work has been carried out in the Transport Assessment as part of the Eden Project North's planning application to re-enforce our promotion of sustainable travel. Integrated transport ticketing will be employed as part of the booking process, providing seamless and efficient use of public transport and contributing to the Net Zero Strategy.

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## **How will you deliver the outputs and confirm how results are likely to flow from the interventions?**

The outputs are arranged under the three headings of the project: 1) Building a New Eden in the North of England; 2) the Education and Outreach Programme; and 3) the Integrated Natural Observatories.

### 1. Build a New Eden in the North of England

The direct outputs from the project are the build-up of the respective components of the Eden Project North attraction, from the Energy Field, to the Rhythm Machine, to the Realms of the Sun and Moon to the Bay Gardens. This provides the new visitor exhibition spaces, the new observatories to showcase R&D and new food experiences. It also delivers the outdoor arena area.

In delivering the first phase of the attraction, the outputs are therefore 740,000 visitors per year. These will drive both direct and indirect job impacts on the local economy, estimated at 274 FTE direct on-site jobs across the year and a further 1,083 indirect jobs supported in the surrounding economy by wider visitor expenditure. These would not occur without Eden Project North.

### 2. Education and Outreach Programme

As an Educational Charity, learning is a cornerstone of Eden's ethos, and for the venue itself, it is firmly expected the build of Eden Project North will result in very many local visits (inbound and outbound), engaging a very large number of learners. Some 427 primary and secondary schools are within a 25-mile radius (source: .gov.uk) and it is expected many more learners will be attracted from further afield with a potential for over 60,000 pupil visits per annum (Eden Cornwall has 50,000 per annum).

The outputs from this Programme are targeted to the young, vulnerable and those with the least environmental literacy and include Green and Blue prescribing schemes, and also collaborations with local education and nature organisations, from Lancaster & Morecambe college to the RSPB at Leighton Moss. Eden Cornwall has demonstrated the value of social prescribing on the health of local people and, given the baseline of the local population in Morecambe and its surrounding area, the health benefits of social prescribing from Eden Project North are likely to be even higher.

Underpinning the learning experience in the main Eden North venue, is the Morecambe Bay Curriculum, which will formally launch in September of 2022. This is a place-based curriculum that will dovetail with the national curriculum but will facilitate local learning for all primary and secondary schools in the region. 38 schools and colleges are already signed up and the number is growing. This is a copyrighted curriculum partnered by Eden, Lancaster University and Lancaster & Morecambe FE College.

### 3. Integrated Natural Observatories

The investment in Eden Project North will result in the construction of a series of natural observatories as the public-facing part of the R&D activities between Eden Project and Lancaster University. However, the very presence of Eden Project North and its genesis will directly lead to increased R&D activities.

The objectives of the Natural Observatories are to:

- Integrate the EPN concept with the local population providing early 'ownership'

of the project. It is 'their' space within EPN that lets them showcase Lancaster and Morecambe to the world. A place of pride – or even a pride of place. EPN working with the community will be stronger. A home for the Morecambe Bay Curriculum (MBC) and a space to showcase EPN's outreach educational activities;

- A show space for new technology. An active exhibition space that allows northern businesses to demonstrate their new clean and sustainable technologies/products, maybe even try them out as a test bed with the public so that we promote genuine citizen involvement with research, design and development; and
- A potential base for Lancaster's Centre for Global Eco Innovation and the N8 Net Zero North project, where the universities and business come together to develop the Northern leaders of the Green Recovery, to co-create solutions for environmental issues and develop collaborative projects and programmes. The aim is for EPN to become an iconic test bed that grows to become synonymous with the latest in sustainability focussed technology/products, green growth and health and wellbeing, and a show space for the N8 partners to bring their overseas partners and campuses to the space allowing Morecambe to link around the world.

The Observatories are very much a part of the visitor experience, and whilst Lancaster University would want strong brand presence, it will be a collaborative space that requires strong curatorial leadership to remain focussed and complementary to the rest of the venue, and have income generating potential. Research grants and R&D budgets should include appropriate costings to help to support the activities within the observatories. Lancaster University has just approved the investment of £150,000 per annum going forwards from its Higher Education Innovation Fund income to establish a cross-institutional Public and Community Engagement Team. This will co-ordinate across all of their work with EPN at the heart of this activity.

In terms of University/EPN collaborative outputs, the University projects (all per annum and additional to the current baseline):

- £1-2m research income
- £1m economic development funding
- 100 R&D projects with regional businesses
- 50 student placements

These outputs will then lead to a wide range of outcomes. For example, visitors attracted (output) leads to visitor spend (outcome) supporting new jobs on and off-site (outcomes).

Local education organisation collaborations (output) will bring educational benefits for local learners in the form of attainment and progression (outcomes).

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**Explain how your bid aligns to and supports relevant local strategies and local objectives for investment, improving infrastructure and levelling up**



Eden Project North is deeply embedded in local and regional policy, highlighted by its prominence in the emerging Vision for the Morecambe Neighbourhood Plan – “The town will capture and facilitate increased tourism from the arrival of Eden Project North”.

The Eden Project North development has also been subject to rigorous assessment during the pre-planning application and detailed planning application processes, amounting to almost 3 years of collaborative working with local stakeholders and statutory bodies. This process has examined the project’s compliance with the District’s Development Plan, Transport Plans, Economic and Social Strategies and the District’s Climate Emergency response. The securing of planning permission and the necessary land ownership consents means that Eden Project North development is a genuine, shovel-ready project that benefits from policy support and overwhelming community backing.

Eden Project North objectives will help achieve local and regional policy objectives.

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## **Explain how the bid aligns to and supports the UK Government policy objectives**

In addition to the broader Levelling Up White Paper Missions addressed in section 3.6 and earlier in Section 6, EPN aligns and supports many additional UK Government policy objectives, the key areas of which are summarised below:

In accordance with UK’s National Net Zero Strategy – Build back Greener (2021), Eden Project North will be a cutting-edge facility in terms of clean and renewable energy, which, through its design and operation, will contribute to meeting the UK’s net zero by 2050 emissions pledge.

Eden has committed to the site being ‘fossil-fuel-free’ and Eden has also officially signed up to the UN/BEIS ‘Race to Zero’ initiative.

Eden Project North will be based on principles of ‘regenerative sustainability’ to ensure a net positive impact on the environment and zero-carbon operations including ground source heat pumps, harvested rainwater and waste minimisation as well as working with a renewable energy provider for a small district network.

Eden as one of Britain’s best-known environmental brands will help demonstrate the UK’s commitment to clean growth and driving change in agricultural techniques, food production and productivity in line with the Clean Growth Strategy.

In addition to the broader Levelling Up White Paper Missions addressed in section 3.6 and 4.4.5, EPN aligns and supports many additional UK Government policy objectives, the key areas of which are summarised below:

## Net Zero

In accordance with UK's National Net Zero Strategy – Build back Greener (2021), Eden Project North will be a cutting-edge facility in terms of clean and renewable energy, which, through its design and operation, will contribute to meeting the UK's net zero by 2050 emissions pledge.

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Eden Project North will be based on principles of 'regenerative sustainability' to ensure a net positive impact on the environment and zero-carbon operations including ground source heat pumps, harvested rainwater and waste minimisation as well as working with a renewable energy provider for a small district network.

Eden as one of Britain's best-known environmental brands will help demonstrate the UK's commitment to clean growth and driving change in agricultural techniques, food production and productivity in line with the Clean Growth Strategy.

## Innovation and R&D

The collaboration of Eden Project and Lancaster University will capitalise on the five opportunities identified in the North West Coastal Arc's Science and Innovation Audit (SIA) bringing a brand that helps galvanise investment, mobilise effort and co-ordinate activity for the development of technologies for clean and sustainable growth. This will include a clean energy and sustainable communities' observatory at the heart of Eden Project North. This work will be spearheaded by a Director of Research (already in place) in a shared role between Eden and Lancaster University, working closely with the N8 Research Partnership.

This will contribute to government ambitions to increase economy-wide investment in R&D to 2.4% of GDP by 2027 including 70% of Net Zero R&D outside the Greater South East and £2 private investment for every £1 public. The project will further the priorities of the UK R&D Roadmap by raising research ambitions, inspiring and enabling talented people, levelling up R&D and being at the forefront of global collaboration, as well as Pillars 3 & 4 of the UK Innovation Strategy.

## Global Britain

Eden Project Cornwall is now much more than one of the UK's top tourism attractions. It works with a variety of international partners to shape and establish a network of place based, culturally distinct projects across the world - each linked to the other, making the sum more powerful than the parts. It has genuinely become a national treasure, winning numerous awards.

The Eden Project's role as a global convener for sustainability and environmental discourse, highlighted by international conferences such as hosting the G7 and our participation in COP26, helps ensure Britain's global leadership in combatting climate change as well as supporting the Tourism Recovery Plan priority of supporting business events. This is now an

unprecedented brand and export opportunity for the UK aligned with the Global Britain priorities of the Build Back Better Plan for Growth.

## Skills

The Eden Project and Lancaster University's 25-year education agreement will transform the education system across Morecambe Bay. The Morecambe Bay Curriculum is a place-based curriculum based on the United Nations' sustainability goals. It will support learning across primary, special, secondary, FE and HE levels to break education poverty by developing a clear plan and pathway to ensure benefit to residents and will establish a single line-of-sight into green employment opportunities. It is intended to provide the skills, knowledge and behaviours required by local employers including Eden Project North, aligning with the Skills For Jobs priority of putting employers at the heart of post-16 skills.

## Social Value

The Eden Project North will generate tangible local economic benefits for the local people and businesses in the shape of educational, training, employment, and procurement opportunities. These opportunities will be delivered over both the works and operational phase of the project to leave a lasting impact and legacy from the public sector investment delivered through the Levelling Up Fund. It will generate £54.4m of added social value on the completion of the construction phase, and £10.5m per annum during the operational phase, through the ambitious Eden Project North social value programme, including;

- 80% local labour during the construction phase of the project
- 274 FTE 'Green Collar' jobs created in the operational phase of which 219 will be filled by local people with a local social value of £6.4M annually
- 887 weeks of apprenticeships during the construction phase at Level 2,3 or 4+ with a social value of £198,077
- 12 FTE Apprenticeship opportunities per annum created in the operational phase with a value of £139,819 per annum
- 27 weeks of work placements for local students during construction with a social value of £4,555.44
- A total of circa £39.9m spent with local suppliers/subcontractors during the construction phase and beyond

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## Alignment and support for existing investments

**Where applicable explain how the bid complements or aligns to and supports existing and/or planned investments in the same locality**

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### Complementary Economic Development investment

- The £140m Bay Gateway project has provided the catalyst to make Morecambe more accessible linking the town centre directly with the M6 and provided the Park & Ride at junction 34 which will assist Eden Project North to meet its travel plan targets, parking strategy and visitor movement / timed entry

strategy.

- The Bay Gateway has also provided more direct access to Heysham and the area Lancaster City Council are promoting for the Heysham Gateway Business Park development. The imminent arrival of Eden Project North has already produced anecdotal evidence of increased numbers of enquiries for the Business Park and for other land interests the City Council own in and around Morecambe.
- The City Council is in the process of preparing its Morecambe Town Centre Regeneration Strategy and this is anticipating that Eden Project North will act as a catalyst for significant investment which will assist in boosting the confidence in the area that will help address the viability gaps on residential and commercial development that currently exist in Morecambe.
- The major investments in the area that align directly with the investment proposed for Eden Project North are as follows:
  - Opening in 2017, the £140M Bay Gateway link to junction 34 of the M6. This has created a step-change in Morecambe's accessibility for business, visitors, and residents.
  - £140M from the Housing Infrastructure Fund will deliver infrastructure upgrades to roads and public transport enabling delivery of Bailrigg Garden Village (4,000-5,000 new homes), and more direct access off the motorway to Lancaster University's campus from the remodelled J33 of the M6.
  - Central Morecambe has seen significant investment in the past decade with refurbishment of the iconic Midland Hotel; revamped sea defences; town centre public realm improvements, alongside major West End housing improvements. The Midland Hotel owners are in the pre-application phase of an extension and refresh programme on the back of Eden Project North.
  - Through the acquisition of the vacant former Frontierland site, the city council has taken control of a strategic land asset that has languished in private ownership for over 22 years. This control is critical to the successful regeneration of Morecambe and for supporting Eden Project North.
  - Two phases of Townscape Heritage Investment have capitalised on Morecambe's heritage assets, making a positive difference to the look and feel of the town. The project delivered public realm improvements to Euston Road and Victoria Street, as well as better connecting the promenade to the town centre; and
  - £1.2m investment in grade 2\* listed Winter Gardens to conserve and restore heritage and enhance facilities have started the transformation of this venue. Investment-ready proposals are in place to increase the venue capacity towards the original 2,600.

#### Complementary University Research and wider investment

- Completion of initial phases of the Health Innovation Campus at Lancaster University totalling more than £40m of investment from a combination of Lancashire LEP Growth Deal, ERDF and University funding. The Campus will act as a focal point, allowing researchers, healthcare professionals, businesses, local authorities and policy-makers, to focus on a systems approach to improving health, in line with the aims of the UK's Industrial Strategy and the NHS long-term plan.
- Following on from the 2019 publication of the Science and Innovation Audit

(SIA), sponsored by BEIS, Lancaster University has recently been awarded over £7M of European Regional Development Funds for the Eco-I Northwest project, that will deliver a three-year innovation programme to support 100s of Northwest SMEs to develop new products, processes and services for global clean and sustainable growth markets. The project sits under Lancaster's award-winning Centre for Global Eco Innovation (CGE) that focuses on increasing 'environmental' R&D collaborations between the region's universities and businesses.

- Further aligned to the SIA, Lancaster University is continuing to play a leading role in the development of a significant Northern proposal called Net Zero North (NZN). NZN is being developed by the N8 partnership of the eight Northern research-intensive universities, of which Lancaster is a member alongside the universities of Liverpool, Manchester, Leeds, Sheffield, York, Durham and Newcastle. This aims to establish a £300m+ research, innovation and skills programme to drive R&D collaborations between the region's leading universities and industry to drive the Green Recovery from the North, in full alignment to the Government's 'levelling-up' and 2.4% agendas.
- North West Route to Net Zero – A consortium, of the 5 LEP areas of the North West, come together to deliver a COP26 legacy programme. Lancashire LEP, who is also one of our partner organisations and funders, leads the space for Lancashire. The consortium will deliver a series of events and interventions over the next 2 years, to bring together leaders from, industry, public, academia, community and the youth sectors, to progress change activity to tackle the climate emergency – Eden Project North aligns and will contribute to the delivery of this agenda.

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## **Confirm which Levelling Up White Paper Missions your project contributes to**

### **Select Levelling Up White Paper Missions (p.120-21)**

Living Standards  
Research and Development (R&D)  
Transport Infrastructure  
Digital Connectivity  
Education  
Skills  
Health  
Wellbeing  
Pride in Place  
Local Leadership

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### **Write a short sentence to demonstrate how your bid contributes to the Mission(s)**

- 1 Living Standards – Eden Project North will directly support 274 well-paid FTE jobs in peak periods helping reduce unemployment in a place with 8.4% unemployment and median earnings of £26,961.
- 2 Research and Development (R&D) - Through its partnership with Lancaster

University, Eden Project North will galvanise investment and mobilise R&D activity in clean technologies and sustainable growth in Lancashire which has seen Business R&D investment drop from €1.1bn in 2007 to €301m in 2008.

3 Transport Infrastructure – innovative solutions to visitor management and travel strategies are being designed for the safe and efficient management and movement to and from the Eden site and encouraging footfall into adjacent Morecambe town centre

4 Digital Connectivity – As with the site at Cornwall, which has just rolled out a 5G project with DCMS, the Morecambe site will have full wifi coverage for anyone in the location. This may develop into a collaborative ‘cluster’ with the surrounding neighbourhood (e.g. Midland Hotel/Winter Gardens etc).

5 Education – inspired by plans for Eden Project North, the Morecambe Bay Curriculum was designed jointly through a partnership comprising Lancaster University, Lancaster and Morecambe College and experts from Eden targeting early years settings, local schools and colleges to promote green, practical pathways to learning in the natural environment of the Bay to benefit education, health, and social needs. This will be launched in September 2022.

6 Skills – Through its place-based content, the Eden Project North and the Morecambe Bay Curriculum will increase the number of people successfully completing high-quality skills training in a region where 55.9% of people have NVQ3+ qualifications compared with 61.2% nationally.

7 Health and Wellbeing – Eden Project North will improve wellbeing through outreach, provision of volunteering and work experience activities and connecting people with the natural environment in an area where mean happiness levels are 0.08 point lower than the England average and average Indices of Multiple Deprivation scorings are 33.3 compared with 21.8 in England. Typically, Eden Cornwall offers 100-150 volunteer/work experience opportunities per annum.

8 Pride in Place – Eden Project North will transform the ‘struggling seaside resort town’ identity of Morecambe and create pride in place within a constituency that currently ranks in the lowest 20% nationally of the Demos Negative Place Satisfaction Index.

9 Local Leadership - Eden transforms perceptions and consumer behaviour. It is already drawing organisations together by setting up partnerships that facilitate environmental literacy. Eden will become a focus for collaboration and innovation across the key challenges of public health, the climate emergency, renewable energy and sustainability. This will focus, boost and inspire local leadership capability, providing a regional / national platform for promoting the area.

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## **Provide up to date evidence to demonstrate the scale and significance of local problems and issues**

ONS and IMD data sources evidence the serious challenges facing the area relating to the area's weakening economy and the lack of investment that there has been in Morecambe and Lunesdale PCA over the last 30 to 40 years. Since 2015, ONS figures show a loss of 3,000 jobs. Eden Project North is aimed squarely at the potential to address this directly. The table below shows a summary of the key social and economic indicators, highlighting deficits relative to the Lancashire LEP and national figures.

The table shows very stark deficit positions around skills, employment, business density and earnings. However, the data also shows a population that is very willing to work, with activity rates above the benchmarks.

In terms of deprivation indices, over half (51%) of the LSOAs in Morecambe and Lunesdale PCA are in the bottom 40% for relative deprivation. Health, employment and living environment sub-domains highlight the areas in critical need of support. One third of the Morecambe's resident working age population are amongst the 10% most deprived nationally; in some neighbourhoods deprivation is severe.

Levels of personal wellbeing and place satisfaction are poor. 3-year average happiness scores in Lancaster are 22 points below levels in Lancashire and generally below national averages. According to the Demos Everyday Places survey Morecambe and Lunesdale is in the bottom 20% of places in the country for place satisfaction with 27% of people having a negative place satisfaction. Quality of high streets and local shops, quality of transport and access to good local jobs were the top three priorities given for improving the local area.

Morecambe suffers from high levels of overall crime at a rate of 106 crimes per 1,000 residents compared with the Lancashire rate of 77. Anti-social behaviour is a particular challenge with 70 reports of antisocial behaviour per 1,000 residents per year, 31% higher than Lancashire.

As noted, the Morecambe and Lunesdale Parliamentary Constituency Area (PCA) does show comparatively good employment and economic activity rates. Despite this, there is a higher unemployment rate (5.9% vs 4.6% nationally) and high-level skills and occupations are significantly lower compared to wider regions. This suggests shortfalls in provision or access to education and training as well as shortfalls in adequate employment opportunities for the local population.

The area has experienced slow business growth and has low business density, hinting at a low average number of jobs per business. Additionally, there is a difference between resident and workplace-based annual earnings (£305, compared to £110 for Lancashire LEP and just £11 England). This suggests that the jobs available in the local Morecambe area are lower paying, encouraging people to travel outside the constituency for work and exacerbating challenges in employment and growth alongside the already comparatively low working age

population and earnings well below the Lancashire and England benchmarks.

There is also low job density and since 2015, a very high level of job losses (-10.5%) with the constituency experiencing a loss of 3,000 jobs over the past five years. This includes substantial drops in key sectors such as business administration and support services (-1,000 jobs), health (-1,000 jobs) and education (-750 jobs). Whilst there was marginal growth in motor trades (+250 jobs) and professional services (+100 jobs), these figures are negligible in comparison to the losses. However, tourism and retail still remain amongst the largest sectors, showing strength in the potential to develop the area's visitor economy directly via Eden Project North.

Overall though, the analysis shows insufficient job availability and quality, and poor investment in businesses driving these challenges. The statistics do however point to a hard-working local population, but in lower level skills and occupations. Coupled with low jobs and business density, these are characteristics that Eden Project North's presence, profile and activity will help turn around. Eden Project North has the potential to create new and better paid jobs and increase visitors and spend in the area. Estimates show the potential for overall spending of £182 M per year by 740k new visitors to EPN could support around 1,083 longer term gross FTE jobs in the wider visitor economy, with EPN will directly support an estimated 274 longer term gross FTE jobs once operational

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## **Demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues**

All evidence used to inform the projects and the overall bid has been collected and analysed using a standard calculation toolkit developed by the appointed consultants. The inputs have been collected from Office for National Statistics (ONS), NOMIS and Indices of Multiple Deprivation (IMD).

Specifically, the following ONS surveys have been used:

- Economic Activity, Employment and Unemployment Rates and Resident Qualifications – ONS Annual Population Survey (Year End December 2021)
- Jobs and Business Density - ONS Business Register and Employment Survey (2020), ONS UK Business Counts (2020) and ONS Mid-Year Population Estimates (2020)
- Workplace and Resident-based earnings – ONS Annual Survey of Hours and Earnings (2020)
- Claimants – ONS Claimant Counts (March 2022)

All data and information gathered uses the latest data available where possible, majority of data sets report on 2020 findings and comparisons go back to 2015. Claimant count data reports on the most recent month at the time of analysis.

Shortfall metrics have been calculated as the proportion of the relevant PCA



population base, for example the percentage point difference in economic activity rates is multiplied by the proportion of those aged 16-64, to work out the shortfall or surplus in relation to national and Lancashire LEP averages.

Wider Morecambe and Lunesdale PCA challenges described are based on well-understood and longstanding challenges in the UK's seaside resort towns, including deep deprivation analysis highlighted within Professor Whitty's Chief Medical Officer's Annual Report 2021: Health in Coastal Communities which has highlighted the "overlooked" issues in coastal towns, resulting in higher rates of poor health and lower life expectancies

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## **Demonstrate that the data and evidence supplied is appropriate to the area of influence of the interventions**

Comparator data has been used to demonstrate and highlight the economic and social shortfalls of Morecambe and Lunesdale PCA compared to the Lancashire LEP and England averages, these geographies have been chosen to identify how Morecambe & Lunesdale PCA performs in relation to neighbouring towns of similar economic climate. The benchmarks will inform the bid and how the projects align with the identified challenges and opportunities.

The geography chosen represents where the projects will be developed and will have the most impact. Given the scale of impact that Eden Project North is anticipated to have, wider geographies of Lancaster District and Lancashire have been used in some instances. Where it has been useful to drill down to smaller areas, Middle Super Output Area (MSOA) and Lower Super Output Areas (LSOAS) have been used.

In terms of supporting economic appraisal modelling, alongside 'direct' impacts assessed on the LUF intervention sites, a series of wider 'indirect' and 'spillover' zones have been defined, depending on the impact assessed. These are outlined in more detail in the BCR Calculation Technical Note.

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## **Provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems**

The logic model contained in a separate Annex shows how Eden Project North offers a unique opportunity for capitalising on the natural assets of Morecambe Bay as a mechanism for extending Lancashire's visitor economy. The role of new destination assets nationally is well understood, demonstrated by a 30+ year UK economic development focus on delivering new attractions as a driver for regeneration, place transformation and 'levelling up'.

Eden Project North offers a major opportunity for a county-wide acceleration of the visitor economy and a catalyst for regional environmental R&D and innovation. At a local level EPN presents a real opportunity for improved socio-

economic outcomes, driven by new opportunities for learning via the Morecambe Bay Curriculum, volunteering and new job prospects. The prestige, image value and civic pride that will be instilled by repositioning Morecambe away from its 'traditional historic seaside town' identity will have a transformative effect on the town's waterfront, high street and local communities.

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## **Describe the robustness of the analysis and evidence supplied such as the forecasting assumptions, methodology and model outputs**

A robust Impact Model estimates national and local-scale gross and net impacts, following well-understood national guidance. All forecasts are well-evidenced and up-to-date.

Those impacts assessed and evidence to demonstrate robustness comprise:

Strand 1: Direct LVU - The one-off uplift in value achieved through EPN construction

Underlying Evidence - Current land values based on independent evaluation of the site. Estimates for the GDV on completion of EPN are based on cashflow of projected revenues and EBITDA assessment with a year's purchase multiplier averaged at 7.75. This multiplier has been derived from a judgement on appropriate investment yield.

Strand 2: Indirect LVU - Increased value of local and regional accelerated development that is achieved through the impact of EPN

Underlying evidence - Appraisals based on assessment of commercial site opportunities located within 10 miles of the EPN site using a 1.6% uplift in value based on observed trends in commercial values uplift for development within a 10-mile radius of Eden Cornwall Project pre and post its delivery

Strand 3 - Commercial Spillover LVU - Value of increased rents and improved yields of Morecambe Town Centre commercial property, particularly hotel and retail brought about through the increased visitor and confidence impact of EPN as well as a small improvement in production and warehousing space due to supply chain benefits

Underlying evidence - Analysis of observed experience of impact on commercial rents and yields of Eden Cornwall estimate a 20% improvement in Retail (A1-A5) rental value, 33% in Hotels (C1) and 2% in Manufacturing and Distribution (B2 / B8). Yield adjustments of -0.25% Retail, -2% Hotels and no change for manufacturing and distribution.

Overall impact on Morecambe Town Centre commercial property is drawn from current and future values assessed across the town centre's commercial stock.

Strand 4 - Spillover Residential LVU - The effects of improved attractiveness and profile of the Morecambe Town Centre and the wider town on residential values of existing properties.

Underlying evidence - Census 2011 dwelling estimates by type and household growth estimates have been used to establish current stock and typologies. ONS current median house prices have been up-rated to reflect a small shift in house prices induced by Eden Project North.

Strand 5 - Labour Supply Impacts (LSI) - The role of EPN to induce workforce re/entrants with subsequent welfare returns.

Underlying evidence - Direct employment at EPN combined with modelling of FTE jobs supported through domestic and overseas spending at EPN and within the wider economy and a proportion that would be re/entrants. ONS GDP per FTE job estimates locally and TAG LSI principles used to define 10-year welfare impacts.

Strand 6 - Amenity Impacts - 2.1 ha of public realm and green infrastructure improvements brought through the development

Underlying evidence - Value uplift drawn from the methodology and value estimates reported in the MHCLG Appraisal Guide achieved over a 30-year period.

Strand 7 - Distributional Impacts - The marginal utility of economic benefits given Morecambe's low levels of wealth

Underlying evidence - A value for the elasticity of marginal utility of income applied to the total economic benefits. Value derived from the ratio of GDHI per head of population (ONS, 2019) for Lancaster compared to England raised to the power 1.3 as per Green Book guidance.

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## **Explain how the economic costs of the bid have been calculated, including the whole life costs**

The overall gross financial cost of this initial, transformational phase of Eden Project North is £100M, with LUF funding of £50m and £50m of private/third party contributions. This capital cost includes appropriate allowances for risks and contingencies, inflation and all fees, and verified to account for current market conditions.

With regards whole life costs, a detailed financial model has been prepared projecting revenues and operating costs over 15 years of operating Eden Project North. This shows the attraction as financially sustainable, which is critical for the commercial debt proposals structures that are part of the project's funding structure. Asset value for the attraction is built into the economic benefits assessment driven from a profits method of valuation approach (i.e. after all costs), and therefore highlights that no further public sector operating

costs need to be incorporated into the economic modelling.

For the purposes of the BCR analysis, the economic costs are presented in 'net' terms, reflecting the fact that repayments of any public loan funding will mean that the longer-term position is that no costs would be incurred to the relevant public funder and that there would only be holding / opportunity costs which would otherwise be accrued through retention.

As such, based on the latest Public Works Loan Board (PWLB) 25-year Fixed Loan Maturity Rate (3rd September 2020), an interest rate allowance of 2.78% per annum has been modelled against a projection of Central Government loan drawdown and repayments to reflect the opportunity cost among the public loan elements. A further 5% per annum Costs of Capital has also been included within the opportunity cost estimate for the public loan. Whilst private loan funding is also expected, for the purposes of the BCRs private costs are reflected in 'gross' terms.

As per HM Treasury Green Book principles, net economic case costs exclude inflation and are also presented in 'real terms'. The net real term costs are then discounted at HMT's social time preference discount rate (3.5% pa) to enable Value for Money analysis.

Whilst 'central case' costs have been carried forward into the BCR tests, the appraisal also includes an allowance for Optimism Bias (OB), reflecting the systematic tendency for over-optimistic estimates of cost, benefit and deliverability. HMT Green Book (2018) suggests that an optimism bias adjustment is made to costs.

In assessing the level of OB adjustment appropriate for the EPN, reference has been made to HMT Green Book Annex A5 (2018) and Supplementary Guidance (2013), which outline categories of types of project and generic OB adjustment percentages. The upper bound for capital expenditure for 'non-standard buildings' is 51%.

The upper bound adjustment is then reduced to the extent that risk has been mitigated through costing and project development. The Supplementary Guidance (HMT, 2013) identifies the main mechanisms for the mitigation of OB as:

1. full identification of stakeholder requirements;
2. accurate costing; and
3. project and risk management.

OB itself has been mitigated downwards from upper bound OB of 51% and based on these adjustments, the 'central case' OB is 26.7% applied.

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## **Describe how the economic benefits have been estimated**

### Direct LVU Impact

An estimated land is based on an independent valuation of the site completed in advance of the EPN Heads of Terms, agreed between Eden Project International Limited and Lancaster City Council. A £34,700,000 estimate for the Gross Development Value (GDV) achieved on completion of the EPN is based on a Profits Method valuation, which takes a cashflow of projected revenues and EBITDA assessment of £4.4m pa (averaged over first 10 years and after deduction for Gift Aid) and applies a Year's Purchase multiplier assumed at 7.75. This multiplier has been derived from a judgement on the appropriate investment yield which they have assessed for EPN at between 16.66% and 13.33%. AY's assessment originally prepared in 2020 was based on a detailed review of transactional evidence on other leisure attractions and market capitalisation of major leisure industries within the UK, but prepared at the height of the Covid pandemic. For the purposes of this LUF bid, AY have updated their assessment concluding that "it would not be unreasonable to apply a capitalisation rate at the top end, or slightly above, the range we previously provided ....". For the purposes of this bid, the top end would be a multiplier of 7.5, hence slightly above assumed at 7.75.

The EBITDA Financial Modelling for EPN includes the potential for Gift declarations to Government from donations estimated at c.£1.99m pa (averaged over the 10 years). This has been deducted from EBITDA for the purpose of the Economic LVU assessment.

### Indirect Commercial LVU Impact

AY have completed high level appraisals for 7 commercial site opportunities located within 10-miles of the EPN site. Each of the sites are expected to come forward for development post-2025, with each site being promoted through local planning with a total value of £382,070,629. The expectation is that with EPN, the GDV of the development on completion will be around 1.6% higher than without EPN. The uplift in value is based on observed trends in commercial values of between +1.3% for new office and +1.8% for new commercial space delivered within 10-miles of Eden Cornwall Project pre and post its delivery.

### Spillover Commercial LVU Impact

Estimates for current land and property values are based on current rents in

comparable hotel (C1), Retail (A1-A5) and Manufacturing and Distribution (B2/B8) properties in Morecambe Town Centre. Adjustments have been made to reflect AY's view on likely EPN induced improved rents and yields following the delivery of the With EPN scenario and adjusted for projections of 740,000 visitors. Future LV analysis has itself drawn on the comparison method of valuation, based on the observed experience on commercial values within 10-miles of the Eden Cornwall project following its delivery. This includes 20% increase in retail rents and 0.25% yield improvement, 33% increase in per bed hotel values and 2% yield improvement, and a small 2% impact on manufacturing and distribution with no yield impact.

#### Indirect Residential LVU Impact

AY has completed an assessment of indirect impacts that could be achieved on 30 residential sites, based on the known impact of the Eden Cornwall project on new build house price performance within 10-miles. This models a 21% increase in sales prices achieved during the latter stages of EPN construction and a 6% per annum increase over the first 5 years following opening of EPN across the 30 Lancaster opportunities.

Analysis of improved absorption rates of 18% achieved after the completion of Eden Cornwall suggest that 12 of the 30 could be brought forward by around 1 year earlier.

#### Spillover Residential LVU Impact

Mapping of Census 2011 evidence, updated with locally collected Council housing completions data has been used to assess current town housing stocks with ONS Household Projection evidence used to suggest 2025 stocks. Based on a breakdown of existing dwellings by type (Census 2011) and ONS HPSSA 11 local median house prices for each typology, it is estimated that the total value of 2025 residential assets is £4.75bn at current prices. A prudent expectation of a 2% town-wide uplift in value, and an additional 2% uplift within the town core due to EPN has been applied, lower than the 6% experienced in Cornwall.

To determine the net additionality of the gross uplift in residential land values, a prudent adjustment to account for displacement (-41%) has been made reflecting local housing market conditions and in line with the suggested DCLG Appraisal Guide approach

#### Labour Supply Impact

Modelling of FTE jobs supported through domestic and overseas visitor spending at EPN and within the wider economy has estimated that around 1,083 gross FTEs could be supported. In addition 274 longer term FTE jobs would be based at EPN. An assumption, based on current shortfalls in the Morecambe and Lancaster TTWA labour market performance deficits, it is estimated that 123 of these jobs will be re-entrants to the labour market.

In line with HMT Green Book principles (and associated WebTAG guidance), 40% of the GDP generated from these job re/entrants, based on Lancaster and Wyre ONS GDP per job estimates, can be claimed either as a result of increased tax returns (local or national) or as an avoidance cost in welfare benefit payments over the first 10 years.

### Amenity Impacts

The approach to monetising non-market amenity impacts arising from EPN have drawn from the methodology and value estimates reported in the MHCLG Appraisal Guide, applied to the 2.07ha of new and improved public realm delivered within the proposed scheme.

### Active Travel Impacts

The Department for Transport's (DfT) Active Model Appraisal Toolkit (AMAT) tool has been used to monetise the benefits associated with an increase in cycling and walking. WSP estimate that the delivery of the Active Travel Strategy will initially encourage 68 new bicycle users and 244 additional walkers directly, or 35% of 1,167 total EPN employees and volunteers. The long-term aspiration is that all staff (100%), particularly those who live in the Lancaster and Morecambe urban areas, will travel to the site by active or public transport modes, and WSP have therefore taken a mid-point estimate of 68% (i.e.  $35\% + ((100\% - 35\%) / 2)$ ) as the basis for calculating AMAT impacts over 20 years from opening.

In line with the DfT's WebTAG principles, impacts are calculated in 2010 prices and reported in PV terms from a 2010 forecast year. To align with other impacts, conversions to 2022 prices and 2022 forecast year have then been made to enable the alignment of impacts to be carried forward into the BCR tests. This has been completed through the HMT GDP Deflator.

### Distributional Impacts

In line with Green Book guidance on the value for the elasticity of marginal utility of income, a multiplier of 1.35 has been applied to the total economic benefits. This value has been derived from the ratio of GDHI per head of population (ONS, 2019) for Lancaster (£17,433) compared to England (£21,978) raised to the power 1.3 as per Green Book guidance.

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## **Provide a summary of the overall Value for Money of the proposal**

Net present value national scale-impacts have been assessed against net present value economic costs to derive the BCR, as per the HMT Green Book, MHCLG-AG and LUF FAQ's suggested approach.

The Appraisal Summary Table below reports on the headline BCR position, which reflects all public and private costs including Optimism Bias, assessed against all national-scale monetised benefits.

For clarity, the BCR is assessed as ‘total discounted benefits minus total discounted private sector costs divided by total discounted social costs’.

On this basis, the Preferred Option project has an initial BCR of 3.24 : 1 and an Overall BCR of 4.70 : 1 reflecting excellent Value for Money and notwithstanding the potential for the project to directly support further local level employment and associated GVA returns.

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## Have you estimated a Benefit Cost Ratio (BCR)?

Yes

[Change](#)

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## Estimated Benefit Cost Ratios

### Initial BCR

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3.24

### Adjusted BCR

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4.70

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## Describe the non-monetised impacts the bid will have and provide a summary of how these have been assessed

Increased Visits, Town Centre Footfall, Dwell Times and Spending Locally – Attracting 740k new visitors annually, bringing renewed vibrancy and greater profitability to Morecambe Town Centre, with visitor-related spending impacts extending across the Lancashire’s visitor economy, and beyond and supporting the year-round day and evening economy.

Ensuring UK Labour Market Success – Based on a composite benchmark of £145,599 turnover per FTE job for the North West (ONS Business Population Estimates 2021), Grant Thornton (2020 projections) estimated offsite spending of £192m per year (adjusted for 740,000 visitors to EPN) which could support around 1,083 longer term gross FTE jobs, this is in addition to the 274 supported directly on site. Accepting that at a national level the majority of gross FTE jobs will be ‘displaced’, around 100 of EPN gross FTE jobs will be supported by the spending of overseas visitors and these FTE’s can therefore be claimed as net additional to the UK. More widely, Grant Thornton estimates for wider overseas spending by visitors to the UK could support an additional 740 gross FTEs. Assuming 75% of overseas visitors would travel to the UK irrespective of EPN, this gives an estimate of 185 further net additional UK FTE jobs within the visitor economy, totalling 285 net FTEs.



As such an estimated total of 285 net FTEs would be supported nationally through additional UK spending by overseas visitors, with the majority of net UK FTE's forming in Lancashire.

Whilst domestic visitor spending would be considered to be wholly 'displaced' nationally, in practice the new asset could encourage some visitors to holiday within the UK, thus diminishing 'leaked' visitor spending each year at a national level.

Inducing UK Productivity Improvements – Based on a composite benchmark of £38,950 GVA per FTE job for Lancashire (ONS Sub-National GVA Estimates, 2019, Balanced Approach) 10 years of 289 net FTEs supported by overseas visitor spending alone could support an overall cumulative national GVA impact of around £168m by 2034, or £122m at NPV.

Providing Image Value – demonstrated in the contribution that EPN will make to Morecambe, Lancashire and the UK's identity, prestige, vision and reputation nationally and internationally.

Promoting Seaside Town and County Competitiveness – evident in the future appeal of Morecambe, Lancaster district and Lancashire county to occupiers, with potential contribution to improved productivity and profitability.

Promoting sustainable tourism and Net Zero clean growth - Demonstrated by a commitment to meeting the UK's net zero by 2050 emissions pledge and the delivery of the exemplar pioneering hub that can promote a model for sustainable long-term regeneration that can be shared widely.

Delivering Social Value and Promoting Health Outcomes – reflecting the extent to which EPN investment can reinforce civic pride and encourage social inclusion and volunteering, supporting improved mental and physical health and wellbeing outcomes. Lancashire LEP has undertaken a Social Value assessment of the impact of Eden Project North, and have monetised a range of Social Value outcomes including £54m during the construction phase of Eden Project North, and £10m per annum once open and operating.

Supporting education, research and skills development - including the creation of an internationally significant research platform and 'living laboratory' focused on health and wellbeing, regenerative sustainability, clean energy and the natural environment development and contributing to a 25-year Morecambe Bay Curriculum education plan, spanning primary, special, secondary, FE and HE delivery.

Promoting private and public collaboration – evident to a long-term commitment by partners to ensure local success, including efforts to ensure economic recovery from the current Covid-19 induced public health emergency.

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## Provide an assessment of the risks and uncertainties that could affect the overall Value for Money of the bid

A number of sensitivity tests have been applied to the With EPN scenario to reflect key risks. The main risks to the delivery of the new asset are (a) the potential for delivery delays and therefore a delay in economic outcomes being achieved, (b) reduced outputs achieved in terms of future land and property values, reduced effects on local labour supply and lower than expected amenity impacts and (c) the potential for higher than anticipated displacement.

Based on these main economic and delivery risks, three potential scenarios have been considered within the modelling as follows:

- Scenario 1: Three-year delay in the delivery of outcomes;
- Scenario 2: 20% reduced LVU, LSI, Amenity and Active Travel Impacts achieved; and,
- Scenario 3: 10% higher levels of displacement among LVUs.

A further test has been included which considers the potential for further cost overruns. This test includes an allowance for OB at 51%, reflecting the upper bound 'maximum' OB for Non-standard buildings in HMT Green Book Supplementary Guidance. In practice, an increase of 51% on public costs is very unlikely but OB has nevertheless been included at a maximum level to reflect a 'worst case' scenario in each funding option.

The table below presents a summary of each funding options BCR positions with these sensitivity adjustments made, including with OB adjustments at 26.7% and 51% to reflect uncertainties on costs.

The 3 scenarios result in adjusted Initial and Overall BCRs as follows:

- Scenario 1: Three-year delay in the delivery of Investment Fund outcomes - Initial BCR 2.71 - Overall BCR 3.99
- Scenario 2: 20% reduced LVU, LSI, Amenity and Active Travel Impacts achieved; - Initial BCR 2.40 - Overall BCR 3.57
- Scenario 3: 10% higher levels of displacement among LVUs - Initial BCR 2.90 - Overall BCR 4.23

Even after applying these sensitivities, it is anticipated that all EPN funding options still have potential to bring very good returns even in the event of reduced 'worst case' scenarios.

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## Section 8: Deliverability

### **Confirm the total value of your bid**

Total value of bid

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£100000000

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### **Confirm the value of the capital grant you are requesting from LUF**

Value of capital grant

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£50000000

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### **Confirm the value of match funding secured**

£50000000

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### **Describe what benchmarking or research activity you have undertaken to help you determine the costs you have proposed in your budget**

The scheme submitted for planning is at RIBA workstage 2+ information and therefore Formal Cost Plan 1 has been produced in line with the RICS NRM1. Where possible, the design has been measured or used approximate quantities to create an elemental estimate but, where the measurement detail is not available, costs are based on GIA, as per NRM1 guidance. As this is a unique building generally, 'bottom up' benchmarking has been applied. Unit rates or system rate costs, adjusted to a common base date are more readily available and deemed most suitable to the project to ensure an accurate cost. These rates have been sourced through a combination of specific project market testing, general market testing or historic data and assessed and compiled into ranges. In compiling a bottom-up benchmark these rate ranges have been applied to the quantification work done for the Single Point Estimate produced. The following are some examples of key elements of the project. Where any data used has been taken from our current or historic projects it cannot be named in this report for confidentiality reasons:

Substructure – As this building has a unique design the substructure has been benchmarked on a m2 basis. Consequently, the cost has been built up using market rates of the various components, the main being concrete and steel reinforcement. The cost rates are based on a range of market returns for these materials across the UK, including a mid-range rate for concrete; the reinforcement is towards the lower end of the benchmark which is to reflect the northern location of the project with the higher end of the range being more reflective of London and the South.

Frame – A glulam frame is utilised for both the internal floors and the roof. The rate range is currently showing large fluctuations due to the current market conditions. Therefore, a rate towards the high end of the range has been applied but this is a key element of the works that will need to be monitored with the market.

Upper Floors – Due to the environmental and sustainable targets of the project CLT upper floor slabs are specified. The market rate shown below is for a range of slab thickness, from 140mm minimum. The thickness specified by the engineers in the concept design is for 260mm thick slabs and our rate is, therefore, towards the top of the range to reflect this.

Roof Covering – The roof covering to the ‘shell’ elements of the building is ETFE. The market data shown below is a range of £440/m2 - £570/m2. The rate applied is in the middle of this range, at £500/m2. However, within the estimate, there is a 25% allowance on top of this to allow for specialist contractor design and site costs in line with cost advice from the market.

Services – As the concept services design is still at a very high-level, allowances have been made for the various systems based on m2 of GIA. As this building is fairly specialist, this has then backchecked against the cost per m2 of other similar use and design projects that have been previously estimated and adjusted for location and time. The estimate total equates to £958/m2, which falls within the middle of the range.

The key rates for the building services use the same approach, with generally a mid to high market rate applied to the project to account for the current market conditions.

[Change](#)

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## **Provide information on margins and contingencies that have been allowed for and the rationale behind them**

Robust and realistic allowances, margins and contingencies have been made in the current cost report compiled by Eden’s Cost Management Consultant.

The capital cost for the core project is calculated as £100M with an option for a c£25M expansion in the future. The initial £100M sum includes a category of 'additional project costs' that allows for all wider enabling costs such as highways, utilities, flood mitigation, FF&E and financing and start-up costs. These additional project costs also have their own allowances for risk and inflation applied. In short, the venue is fully open and operational in its initial phase with no 'undeveloped' area that would blight the site.

The main contractor's preliminaries and OH/P have been assessed against the current market and project typology. A 5% margin is used for main contractor's profit based on current market conditions and considering the nature and location of the project. This percentage reflects the unique and high-profile nature of the project and is based on an assessment of other major projects constructed within the last 10 years in the UK.

Consultant fees are included at 11% but are subject to competitive tender/negotiation. They do however reflect that the project requires high design standards and a specialist team.

A Design Development Risk Contingency of £15M is allowed within the cost plan at this stage. This is based on the consultant's experience and the stage of design development and design maturity that the project is currently at (RIBA stage 2+). Despite the unique nature of the project, the construction methodology, including the high degree of modular construction, is well understood in the market with built examples both in the UK and overseas (e.g. Canary Wharf Station Rooftop Garden). However, additional allowances have been made for scaffolding and temporary works in the context of the construction of the 'shell' pavilions.

Project-specific contingencies and risk allowances are considered as part of the Project Risk Register and Quantified Risk Analysis (QRA) contained in a separate Annex. It is considered that items such as client change will be managed and controlled in this risk register as it develops and follows the project lifecycle.

An 8.4% allowance for inflation has been added in line with current RICS guidance and taken at the mid-point of construction (Oct-24). The market is currently volatile but has a high probability of settling in the medium-term.

The design is still subject to optimisation and value-engineering, as well as competitive tendering which are all mechanisms where cost can be controlled. There is significant appetite among tier-1 contractors to bid for this project particularly given the economic outlook on the construction sector and the need to focus on sustainable projects.

In operation, the financial model allows for a robust £1m annual programme refresh budget to ensure that the venue is in top working order and can attract repeat visitors with enhanced experiential content.

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## Describe the main financial risks and how they will be mitigated

The overriding risk to any project of this type is around achieving projected visitor numbers and thus revenues and the ability to service debt, create jobs and get return on investment. To this end, Eden Project North has undergone three separate assessments from leisure consultants. The first informed site selection, proving Morecambe was the optimum location in the North West; the second (commissioned in 2020) established the market and visitor projection through detailed penetration analysis and benchmarking, including admission fees; and the third, commissioned in May 2022, verified the methodologies and previous findings in a post-pandemic context.

In addition, Eden has sought expert review from the DMOs of Cumbria and Lancashire. The visitor catchment is absolutely compelling, with 10.3M people living within 120mins drive time of the site, making the residential market over five times that of Cornwall. Furthermore, the North West tourism market is the second highest in the UK (after Cornwall) and growing. As a final piece of assurance, Eden's adoption of a more resilient business model and its phased approach, now uses an annual visitor forecast that is c20% down on the leisure consultant market predictions (740k per annum, down from 950k per annum). We believe these measures will ensure Eden Project North has the best chance of success from the outset and has the room to expand and refresh its offer after a period of successful operation. Eden also has a huge amount of experience and data from 21 years of operating its Cornwall site and has many strategies to incentivise visits through discounting and seasonal programming.

In terms of financial and commercial risks to the capital project, the key ones to be considered are items related to the current financial market and the impacts from UK and world events such as Brexit, Coronavirus and the Ukraine conflict. These items are:

- ♣ Hyper inflation
- ♣ Materials cost, shortages and availability
- ♣ Labour cost, shortages and availability
- ♣ Availability and suitability of suitable main and subcontractors
- ♣ Commercial approach to risk of Contractors

The above are items out of the control of the design team and so are things that the Eden team must be aware of and track as the project progresses. Mitigation strategies such as early contractor engagement and design development adjustments to address materials' availability will be approaches that need to be considered and utilized as the market dictates.

Other risk categories that the design team are more able to control are funding, legal, governance, planning, programme, design, transport, procurement, operations and ecology. These categories are looked at in detail and their proposed mitigation and actions detailed in the risk register and QRA. Whilst

interest rates are rising, dialogue with private lenders and interest allowances within the financial model are viewed as robust and adequate.

Prior to the grant of any funding, a legal agreement will be entered into between the Eden Trust (as the Delivery Body) and Lancaster City Council (as Applicant) to address and mitigate the financial risks which could arise out of cost overruns, failed third party funding etc. Both parties have agreed that Eden will accept full responsibility for meeting any costs over and above the UK Government contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties. The agreement is to provide such warranties, indemnities or securities as are reasonably required and acceptable to both parties.

Eden is currently in discussions with a number of tier one contractors regarding procurement and form of contract whereby mitigation of cost increase could be achieved through a 2-stage tender approach and possibly through the use of a Guaranteed Maximum Price (GMP) form of contract. It is also preferred that Eden will contract through a nationally recognised, public works approved Framework. Eden may also look to specific, bespoke arrangements, possibly an extended defects period or larger retention presented as a contractor loan, to provide greater assurance around the early years of operation.

Beyond completion of the build and opening, the Commissioning Partners group fully intends to continue through the early years of Eden Project's North's operation to maximise success and to ensure Eden project North fully embeds as a key asset and economic driver within the local economy. The Partners are very conscious that the success of Eden Project North will also depend on the first years of operation, and controlling of operational costs. Our high sustainability credentials and intent around energy, water and waste strategies mean our running costs will be lower, with renewable energy providing around 30% of our power needs. The site is fossil-fuel-free, with no gas, and is designed with passive systems to regulate the indoor environment for most of the year.

As mentioned in the previous section, the financial model allows for a £1m annual programme refresh budget to ensure the venue is on top working order and can attract repeat visits through updating experiential content. This will not be required until at least yr3 and can be redeployed to address any unforeseen costs.

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## **If you are intending to award a share of your LUF grant to a partner via a contract or sub-grant, please advise below**

It is the intention of Lancaster City Council to award 100% of the LUF investment to the Eden Project North Special Purpose Vehicle (SPV) which will deliver the project. The City Council will also transfer the site to the SPV, initially under licence, and on practical completion will transfer the site's ownership. The SPV will undertake all the necessary surveys and permissions to ensure that the site is ready for development and as part of information gathering to strengthen

the evidence needed to finalise designs as part of the tender process to procure a main contractor. The specific application of the grant will be as capital funding to support the development of the Eden Project North visitor attraction. A designated senior officer of Lancaster City Council will however remain directly accountable for the LUF investment which will be dispersed in accordance with subsidy controls and public procurement rules.

Whilst Lancaster City Council has the necessary expertise and experience to be the Accountable Body for the LUF investment, it intends to call upon the further experience of Lancashire County Council to assist in the delivery of the project. Lancashire County Council has delivered numerous high value projects, and the two councils are already working very closely together on the delivery of the £140m South Lancaster Housing Infrastructure Fund programme. Lancaster City Council will make use of these skills by way of a shared services contract between the two authorities.

The form of the shared services contract will be such that it mirrors the terms and conditions of any Grant Funding Agreement that LUF2 will require Lancaster City Council to enter into. This will ensure the seamless transition of responsibility to Lancashire County in respect of those aspects of the project management allocated to it by Lancaster City Council. Any shared services contract will be subject to rigorous monitoring and reporting requirements in respect of all financial matters to ensure the protection of public money. Internal and/or external (where necessary), legal advice regarding procurement and the application of the subsidy control scheme will be sought prior to entering into any agreement to ensure compliance with both the public procurement rules and subsidy control.

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## **What legal / governance structure do you intend to put in place with any bid partners who have a financial interest in the project?**

Grant Agreement between Lancaster City Council and Eden Project North Ltd  
As both Applicant and Accountable Body, Lancaster City Council will enter into a grant fund agreement with the Eden Project North SPV. It is anticipated that LUF funding will be drawn down by LCC quarterly in advance but following rigorous reporting and monitoring of progress on the previous period's activity and current project position against budget and programme, and informed by reports prepared by a professional cost management team working to LCC's instruction. All reports on progress will be required as part of the grant funding agreement and will be made available to DLUHC if required as part of the draw-down process.

This reporting process will also be governed by regular meetings of the project's Commissioning and Steering Groups which are already established and outlined below.

In addition, a sub-grant/shared services contract will be put in place between Lancaster City Council and Lancashire County Council for the delivery of any project management responsibilities allocated to the latter by the City Council and reflecting the agreed project deliverables in any grant funding award



between Government and Lancaster City Council.

#### Project Commissioning and Steering Groups

The progress of the Project will be subject to regular reviews and participation of the project's Commissioning Group (CG) and under the project's existing governance structure. The governance group includes Lancashire County Council, Lancaster City Council, Lancashire Enterprise Partnership, Lancaster University, and Eden.

This group will provide financial governance, ensuring that there is effective stewardship of public funds through robust financial procedures, appropriate and effective management structures and financial systems established at the Steering and Delivery Group levels. As the project has a number of strategic outcomes for the wider region the Commissioning Group will also have a level of oversight to ensure that the project progresses in such a way that the wider impacts of Eden North are successfully implemented and delivered. The Commissioning Group will also have a key role with regards to stakeholder management and public engagement as the project progresses.

Below the Commissioning Group, day to day progress - both physical and financial - will be overseen by the Steering Group. This will be the main strategic decision-making body and will play a vital role in planning and directing the project. The Steering Group will comprise members from the Eden leadership team, the Accountable Body, as well as senior Directors from primary project consultants. The group will monitor the overall progress and strategic direction of the project, receiving regular reports from the Project Delivery Group and providing direction where required. It will make decisions of a strategic and/or material nature, with reference back to the over-arching strategic ambitions of the project. The Steering Group will be the forum where escalated issues are first tabled, and the group will decide which critical and/or material decisions or issues should be further escalated to the Commissioning Group for review and input.

The Project Delivery Group and Integrated Design Group will be responsible for the day-to-day delivery of the project and will report into the Project Steering Group. This includes responsibility for achieving the Project Brief and ensuring the project can be delivered to programme and budget. The group will be equally responsible for maintaining project momentum and managing the Project's risks, issues and opportunities as they develop.

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## **Summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted**

### Accountable Body responsibility

Lancaster City Council (LCC) as Accountable Body will manage the drawdown of the £50M LUF2 funds and will ensure that the funding is made available to the Eden Project North SPV, as Delivery Organisation, for the main works to progress. It is anticipated that public funds will be made available to the City Council quarterly and in advance of the funds being required. LCC will

subsequently transfer funds to Eden at least one month in advance of funds being required for contractor payment. It is also anticipated that private sector loans will be drawn down in parallel and that public and private contributions will share an equal split of each payment, whilst ensuring full draw-down of LUF2 investment by March 2025.

All spend and drawdowns will be subject to certification and validation throughout the delivery of the project by the quantity surveyor and evidence will be made available to all funders throughout the process via regular reporting and project audits.

### Commercial Structure

The project organisational structure is shown in a separate Annex, and shows the three trading entities as wholly owned trading subsidiaries under The Eden Project Trust as the educational charity:

1. Eden Project Ltd – the trading entity for Eden Project Cornwall (established);
2. Eden Project International Ltd – the trading entity set up to progress 'new Edens' nationally and internationally (established); and
3. Eden Project North Ltd – the SPV/trading entity to build out and then operate Eden Project North (to be established).

### EPN organisation and legal structure

The Eden Project Trust is the company's ultimate 100% shareholder.

As well as providing the best risk protection, this structure allows a trading cashflow advantage, allowing EPN a longer period to calculate its taxable profits in any period, to determine the gift required to the Eden Trust to maximise tax efficiencies in the way that operating financing is managed between The Eden Trust and Eden Project North Ltd.

### Procurement of consultants and the principal contractor

The procurement of consultants and the principal contractor will follow the rules and procedures required under the UK's new procurement legislation now that the UK is no longer part bound by OJEU legislation. The overarching procurement strategy for Eden Project North has been developed by Eden and is a framework which is simple to understand and will ensure a consistent approach with other Eden projects.

The Procurement Strategy integrates the existing Eden Project procurement policy and procedures and provides the framework for the appointment of professional service teams and principal contractors. This is fully aligned with public sector procurement regulations and will ensure the correct use of private or public funds.

Given the value of the proposed procurement, the speed at which decisions may need to be made, and the potential volume of approval requests once construction commences, Eden will implement a scheme of delegated approval authorities. This will include reviews and evaluations with the Projects

Commissioning and Steering Groups where appointments exceed OJEU thresholds. Eden will work alongside Lancaster City Council as the responsible body for the public funding during procurement to remain compliant with OJEU regulations.

#### Professional Design Team and Two-stage Design & Build

Eden will be responsible for the procurement of the design team and the main contractor and will use appropriate and proven methods of contractual engagement for all services. An incumbent professional team is already engaged under professional service agreements, and each member was appointed via a fully compliant tender process. The main construction contract will use tried and tested forms of appointment such as NEC or JCT contracts. These contracts have been widely used and developed over many years and tested on projects of a similar scale and complexity. All contracts will be established by professional legal teams with a specialist construction background in favour of the project which will provide security for funding and delivery partners.

Whilst the final procurement methodology for the appointment of the main contractor will be subject to review with the Steering and Commissioning Groups, the strategy will be based on a Two-Stage Design & Build (D&B) approach. Whilst the strategy will need to remain flexible to suit market conditions a D&B approach of this type has been successfully used in both public and private sectors in recent years. This approach is favoured as it will allow Eden as the contracting authority to transfer a level of defined risk to the contractor, and generally accepted as better than alternative contracts. Equally the approach facilitates the early engagement of a contractor (at Stage 2) which can provide a greater degree of cost certainty, as the pricing exercise undertaken at the second stage is more likely to reflect the actual construction costs, creating greater certainty for Eden and their project partners, and a lower probability of 'claims when entering the main works contract.

#### Risk Allocation

Eden has also considered the current and future allocation of risk within the development of the preferred procurement methodology. The project will be accountable to partners and funders and has sought to ensure that a structured allocation process has been carried out which considers the practical and financial capability of the risk owners to both manage and absorb a risk should it occur during the project's delivery.

The Two-stage D&B procurement approach enables the team and contractor to work collaboratively to reduce perceived construction risks, and to allocate risk to the party that has the appropriate, practical, and financial capability to both manage and absorb a risk item should it occur during delivery.

#### Pre-construction services agreement (PCSA)

It is likely that the first stage appointment will be made based on a pre-

construction services agreement (PCSA), with an appendix setting out all tender items to be applied to the construction contract, including a clause that makes it clear there is no obligation to proceed to the construction contract and in such circumstances, the pre-construction fee would be a full and final settlement of the contractor's costs reflective of the first stage.

#### First stage of the D&B procurement

The first stage will facilitate a commercial and competitive tender to select a contractor with the experience and ability to assist the team and to move forward to a second stage. This approach will aim to improve the buildability and cost certainty of the design as well as aiming to create a more integrated project team to reduce the likelihood of future contractual disputes and reduce risk.

During the first stage, the procurement will also ensure that social value is built into the tender process and that marks can be gained by those contractors that evidence a clear methodology for creating additional and wider benefits through tangible and measurable activities. When developing the tender documents for the project the professional team will take reference from the Social Value and the Public Services Act 2012 to ensure that the main contractor will assist in delivering local economic and social growth through local employment or apprenticeships and activities that promote cohesive communities.

#### Second stage of the D&B procurement

The second stage will focus on negotiating the main works contract in full. There are likely to have been some developments since the first stage with a more developed design. However, the project team will have made significant efforts at the first stage to ensure provisional costs have been captured and reduce the potential for the final contract becoming inflated. The project team will also be tendering the first stage based on a detailed design which will further de-risk cost inflation at the second stage.

#### Sustainability strategy, selection of the main contractor and other procurement options

Throughout the tender process and all physical works, the contractor and professional teams will be required to comply with the sustainability strategy of both Eden and the project. A clear framework of sustainability requirements and outcomes has been established within the project's early design work. The main contractors' approach to the strategies will also be a key part of the evaluation process in awarding the main works contract.

When tendering each stage of the main works contract, Eden will use an incumbent quantity surveyor and assess tenders using metrics including the approach to social value, health and safety, sustainability and environmental credentials, proposed team, supply chain, and the strength of balance sheet and final price.

Whilst a D&B approach has been chosen and developed as the project's

preferred methodology, other forms and methods of procurement have also been explored by the project team during earlier stages. Approaches include single-stage D&B, Contract Management and Traditional both two-stage and single. However, based on experience, appropriateness, required outcomes and the soft market engagement undertaken to date, a two-stage D&B methodology has been considered the route that will provide the project with the greatest cost and delivery certainty.

#### Works packages and early enabling works

The project will split works into two key work packages - enabling and main construction. This approach saves overall programme duration but also de-risks the main works. The approach to market for the enabling works will differ from the main works and will be procured via a single-stage tender after the completion of a pre-qualification process to seek out those contractors who may be best placed/suited to deliver the enabling contract. The approach to separating an enabling package from the main works has clear advantages such as programme efficiencies, engagement of specialists early and scope to deliver on potential social value opportunities over a longer-term. The approach will be open book, where a minimum of three contractor tenders will be sought and assessed by the quantity surveyor, Eden and project partners to ensure value for money and cost control against the allocated budget.

Although a full market health check has been undertaken at the time of developing a baseline for both packages it will be updated before commencing an official approach to the market. The project's key focus is to remain flexible to suit the nature of the works still in design and evolving market conditions. The procurement programme for both enabling and main work packages has been developed to assume that all works are procured through a competitive process with realistic timescales allowed.

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## **Who will lead on the procurement and contractor management on this bid and explain what expertise and skills do they have in managing procurements and contracts of this nature?**

The Eden Commissioning Group

As explained in previous answers, Lancaster City Council, as Accountable Body, will award 100% of the LUF investment to Eden Project North SPV, which will be the contracting organisation and will have the responsibility of entering a main works contract with the preferred contractor.

Whilst Eden has the ultimate responsibility to manage the procurement process and appointment, it will be subject to regular reviews and participation of the project's Commissioning Group (CG) and under the project's existing governance structure. The governance group includes Lancaster City Council, Lancashire County Council, Lancashire Enterprise Partnership, Lancaster University and Eden. The group will also include the private funding bodies once agreements are finalised and funds in place.

The group will provide input into and monitor the procurement process. The final decisions regarding contract awards will also be taken to the CG for approval. The Group's role on the project is to provide strategic and financial governance, ensuring that there is effective stewardship of public funds through robust financial procedures, and appropriate and effective management structures and financial systems. The Group will therefore play a key role in the process of procuring a main contractor and then their subsequent monitoring.

#### Eden's role and their appointed professional Project Manager and Quantity Surveying teams

Eden will be accountable for the day-to-day management of the contractual agreement for the main works. In addition to internal capability, Eden have already appointed experienced project management and quantity surveying organisations who will assist the day-to-day progression of the procurement process and subsequent management of the main contract. Either the PM or QS will act as Eden's employer's agent (EA) or contract administrator (CA) depending on the form of contract chosen. They will act on Eden's behalf both prior to and post award of the contract.

Before entering contract, the project's project management and quantity surveying organisations will co-ordinate the tender process, novation of consultants (if applicable), collation of contract documents for approval and execution and the implementation of change control procedures. All these activities will be undertaken under the supervision and oversight of Eden as the contracting body and client for the professional team. Where there are key decisions that have financial or contractual implications such as agreeing the final contract sum and appointment, these will be taken to the CG for sign-off and approval.

Once in contract, the EA or CA will monitor progress, issue instructions, consider change requests and track spend and drawdown against the agreed budget. All these activities will once again be subject to Eden and CG oversight. The project will seek to continue the appointments of both organisations throughout its delivery life-cycle. The continued employment of the professional team will further provide experienced and effective management of the contract and procurement process.

Alongside the existing governance structure, this approach will help ensure the delivery of a successful project, through consistent and objective advice and ensuring the best interests of the project are honoured.

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# Are you intending to outsource or sub-contract any other work on this bid to third parties?

## Eden and sub-contract appointments

Beyond the overall sub-contracting of the delivery of the project to the Eden Project North SPV there will also be a need for Eden to subcontract several pre-construction activities to a professional and experienced supply chain. Sub-contracts will include the appointment of an architect, cost consultant, engineering team and other specialist designers to continue the development of the project's detailed design and content.

Given the complexity of the project, Eden will require the continued and specialist assistance of its supply chain to deliver the design of the project and preparation of detailed procurement information. Eden and its governing partners are not specialists in all fields relating to project delivery and cannot, therefore, produce all necessary construction design, information, and detail without the involvement of a specialist supply chain.

The engagement of the supply chain has so far been made via a compliant and open processes in accordance with Eden's Procurement Strategy. The Procurement Strategy integrates the existing Eden Project's procurement policy and procedures and provides the framework for the appointment of professional service teams and principal contractors. The strategy is fully aligned with public sector procurement regulations and has been established to ensure the correct use of private or public funds.

Each supplier has been and will continue to be assessed in line with Eden's procurement policy which places ethical sourcing and sustainability alongside cost, time, and quality considerations to determine the best value and the most appropriate supplier for the role.

The evaluation criteria are both objective and subjective and will continue to balance quantitative measures such as cost, time, performance, quality, and experience with qualitative measures such as the approach to H&S, inclusivity, sustainability, organisational fit, knowledge, social value, and value-add behaviours. The evaluation will (where relevant) take account of the previous performance of suppliers on Eden projects, or project phases, and this will form a material part of the tender evaluation process.

## Performance monitoring against deliverables

Upon appointment, sub-contractors are then managed against an agreed scope and set of deliverables. This will include a contractual set of Key Performance Indicators (KPIs) that can be used to manage and assess progress. KPIs will consist of indicators such as design quality, programme delivery, cost, value add, variations or change. The KPIs will be used to monitor progression but more so, to drive quality across each appointment and the project.

As the project funders and governance partners will have no contractual relationship with suppliers or sub-contractors, Eden will seek to ensure that future contracts and appointments also include collateral warranties and if necessary, step-in rights in the worst-case event that the supplier or suppliers become insolvent. Agreements will also continue to be inclusive of an appropriate level of indemnity insurance expected of a project of this size and scale.

The capacity and capability of the supply chain will also be key considerations for the delivery of the project. Where gaps in capability or capacity have been identified, Eden has worked with the supply chain to find the appropriate level of input to cover a lack of knowledge, experience, or ability. Emphasis will be placed on developing and managing constructive and transparent relationships with current and future suppliers. This approach will allow Eden and the project to respond to issues within the supply chain more quickly than projects with a constrained and limited approach.

#### Main contract sub-contractors

In the case of the main contract, it will be the Contractor that will be responsible for the appointment of the supply chain which is why their early engagement is critical. Early engagement will allow Eden the opportunity to assess the capability of its preferred contractor's supply chain during initial negotiations. As part of the tender process, the main contractor will be asked to outline their preferred suppliers which will be taken under consideration by the team during evaluation.

In a similar fashion to pre-construction activities, the contractor will also need to put in place collateral warranties with their supply chain which will be transferred to Eden upon completion of the project. During the second stage, the Contractor will also be asked to hold several meet-the-buyer events within the locality of the project so that local suppliers, sub-contractors, and specialists can learn about the potential supply chain opportunities of the project. These events will also help demonstrate that the supply chain is open to local suppliers and to assist in meeting both the project's and Eden's wider social value targets.

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## **How will you engage with key suppliers to effectively manage their contracts so that they deliver your desired outcomes**

#### Robust supply chain management process

Eden, as the Delivery Body will work closely and collaboratively with suppliers to establish strong working relationships to maximise supplier, consultant and contractor outputs when delivering the project. The implementation of a robust supply chain management process will be required to manage a wide range of suppliers and successfully navigate potential supplier risks during the delivery of Eden Project North. During the management of appointments and contracts, Eden will work closely with suppliers to put in place measures to navigate and



mitigate future and possible supply chain issues. This will include, in collaboration with Lancaster City Council, a bespoke policy of responsible and sustainable procurement, built into contracts and ensuring that Net-Zero and Social Value goals are realised.

An integrated approach will ensure that all partners, consultants and contractors have a full understanding of the resource, logistics and people involved to ensure the project and programme are both delivered on time and within budget. The supply of both people and goods continues to be unpredictable due to ongoing national and world events such as Brexit, Covid-19, and the war in Ukraine. Eden will therefore work closely with current and potential supply chain partners to receive and issue the earliest possible notice of requirements during the project, working proactively and collaboratively to understand and mitigate supplier risk.

Mitigation of potential supply chain issues have already been factored into the early stages of the project through the development of a delivery programme which allows sufficient time in both the pre-construction and construction stages to review and understand potential issues. The project is aware that for the main contractor to efficiently procure materials, sequence trades and meet the overall project schedule, they must be afforded a realistic timeline.

Eden Project North's programme – sufficient time for a robust procurement process

Eden Project North's current programme includes allowances for a robust procurement process and timeframes agreed with the construction market to ensure that the lead-in of materials is factored into the programme. A robust procurement allowance also affords Eden and the main contractor time to navigate and assess the wider supplier market and establish relationships with sub-contractors that have strong financial standing and the capability to deliver goods or work.

The programme also includes contingency in the construction schedule to mitigate any potential issues with shipping or transport delays which could be possible for materials such as steel or timber that may be purchased from other countries. Equally the two-stage approach to procurement will allow the financial and economic standing of the main contractor and their supply chain to be assessed ensuring that eventual appointment takes into consideration the organisation's financial capability to navigate potential supplier issues.

Early contractor engagement is also favoured by the project as it will enable greater supply chain involvement in solution and design development. This approach allows greater design coordination prior to construction and reduces the likelihood of design change and variation in construction which can be disruptive to the supply chain and cause cost implications later in the programme.

Forward looking approach to market engagement

Eden will also ensure that when engaging the market, the project will do so via an informed commercial management process and through clear governance structures as defined in the project's management case and execution plan. This is a forward-looking approach to market engagement that will ensure there is a proactive identification of delays and risks from the outset. The commercial focus during the early stages of engagement ensures the correct level of due diligence has been undertaken prior to any commitment.

To ensure the project is not financially exposed and to mitigate the potential failure of a contractor or key supplier the project team will seek to develop a thorough grasp of both the capability and financial status. Initial credit checks will be undertaken as part of the pre-qualification process alongside reviews of other financial and business standing information. At this stage, the project will also review the organisation's approach to diversity, environment, health & safety, and their sustainability credentials.

This process will initially narrow down the organisations that have the right capability to deliver the project. As the procurement process moves forward, more detailed due diligence will be undertaken to understand where a potential organisation might be exposed to risk through commitments to, or reliance on third parties. The process will also assess how secure and well-resourced they are given the scale of the proposed contract and their other commitments.

During this stage of review, the following areas will be evaluated against the proposed scope and value of the works being procured - track record, audited accounts, staff resources, pipeline, proposed suppliers, ownership, insurance, current & future workbook, competency, reputation, and any litigation, claims or other disputes in progress.

The reviews undertaken at this stage will further evidence a contractor's ability to deliver the project to the required quality and cost standards. These checks will also allow Eden to make an informed decision and avoid appointing an organisation in poor financial health. The process will be guided by the project's incumbent quantity surveyor who has the experience and knowledge required to undertake these checks on behalf of the project.

Open book pricing strategy as part of the second stage D&B procurement  
As the project moves past its due-diligence stage and in advance of an appointment Eden will work with the main contractor and their supply chain to seek realistic pricing from the outset of the project. Under-pricing by the market can have a significant impact on the supply chain's ability to deliver the project to agreed quality levels and it is, therefore, important to get a realistic and agreeable price from the outset.

An open book pricing strategy will be requested during the tender process to facilitate a collaborative approach to the development of the final contract sum. As the project moves into the contract phase, the project will also ensure agreed payment structures are established for both the overall delivery and the contractor's own supply chain drawdown. Specific payment terms are likely to be 30 days to ensure payment is received on time for services and goods and

equally that the supply chain continues to have a robust financial position. This process will be monitored and audited throughout the project and main works drawdown will follow a contractual payment mechanism and reviewed and approved by the project team.

As the project moves into construction

Eden will continue to manage and review supplier and contractor risks through collaborative communication and forecasting. The project will work with the appointed contractor to periodically review potential issues. To significantly de-risk supplier issues the project will emphasise the importance of planning and sourcing of materials and resource from the outset and be proactive in the continuous management of this.

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## **Set out how you plan to deliver the bid**

A 'shovel-ready' project of transformative potential and an exemplar in sustainability

Eden Project North is a 'shovel-ready' major project, which will have a significant impact on the local community and the wider Lancashire and North West region.

The project has had considerable positive stakeholder support both locally and nationally and was granted planning permission in January 2022. The Project will be a transformative, sustainable, ticketed visitor attraction and will drive the regeneration of Morecambe and transform the local and regional economy. It will deliver benefits across tourism, health and wellbeing, education, environment, world-leading research, skills, employment, and social enterprise agendas.

The venue will draw around 740,000 visitors per year and will be situated within 2 hours of more than 10 million people, and a growing international tourism market. The project will be an exemplar in sustainability and will be delivered against a defined and regenerative framework. Uniquely, this project will deliver economic, social, and environmental sustainability goals, contributing to a broader Northern Green Economy and national Net-Zero carbon targets through its physical infrastructure, supply chain, education, and involvement in research programmes such as N8 Net Zero North.

The project will be delivered in two phases, an initial, transformational phase of £100M, which seeks a £50M LUF contribution, and a second £25M expansion phase, to be implemented after a period of successful operation.

Site acquisition, planning permission in place, strong local partnership group  
Heads of Terms for the land have been agreed between Eden (Delivery Body) and Lancaster City Council (Applicant and Landowner) and the Duchy of Lancaster (Subterranean Mineral Rights) for the purchase of the land which will take place once all project funding has been secured. The project also benefits from having all relevant planning consents and legal obligations (S111/S106) in place (for the full phases 1&2) to allow it to progress to construction after a further period of design. As part of the Planning Application, a full Environmental

Statement was produced, and this has included an extensive Transport and Environmental assessment and a Construction Management Plan.

EPN is led by the same team responsible for the development and operation of the successful Eden Project Cornwall and Eden under their trading entity Eden are working in partnership with, Lancaster University, Lancashire Enterprise Partnership, Lancashire County Council and Lancaster City Council to deliver the project.

A project governance structure has been implemented to enable project partners and stakeholders to deliver the scheme with clarity that all relevant levels of assurance, accountability and authority are in place and to allow for efficient and balanced decision-making to take place through delivery. Eden will be the project promoter, operator and contracting authority, via a special purpose vehicle (SPV) for the works and will be supported by the partnership group throughout delivery. The project pledges to achieve a minimum of 80% local labour, goods and services during both construction and operation.

The partners have a key role to play as part of the project's governance structure. They will as a collective form the project commissioning group which will provide financial guidance and effective stewardship of public funds, whilst also assisting Eden in delivering the project's overarching and strategic outcomes.

Eden and Lancaster City Council are collaborating on a 'Responsible Procurement' policy which will see Social Value obligations baked into construction and supplier contracts.

Supported by a multi-disciplinary team of experienced consultants

Eden will also continue to be supported by an external and multidisciplinary team of project delivery, design and engineering professionals which includes specialist project and commercial organisations with the experience of delivering large-scale and complex projects, including Eden Cornwall.

The focus of these organisations has thus far been to work with the Eden team to develop the design concepts, capital cost model and detailed evidence needed for the planning submission made during 2021. Alongside Eden, the professional team has, to date, guided the project through its early design and planning stages. It is the intention of the project, and its partners to continue to work with an experienced professional services team to move the project into construction and to maintain specialist and experienced input to successfully deliver EPN.

Eden has equally worked closely and more specifically with the appointed project manager to develop a full delivery programme that identifies realistic timescales to meet the schemes delivery requirements and critical tasks including all stages of design, procurement, construction, and approvals needed to deliver the project by its anticipated delivery date of Q3 2025/26 as per the master programme appended. In concurrence with the project programme, a stage gate process has been implemented throughout the project with each

stage having its own independent gateway where information developed at the conclusion of that stage is reviewed and approval to move through the gate is achieved through sign-off and review by Eden and the projects commissioning group.

The project has tendered the Ground Investigation (GI) package which will commence in Autumn 2022, and already benefits from historic GI data obtained in around 2010.

Two Stage D&B approach for increased cost-certainty and to transfer risk to the main contractor

Procurement of consultants and the principal contractor has and will continue to follow the rules associated and procedures required under the OJEU (or equivalent) legislation with regards to procurement that includes public funding. The project's preferred approach to market engagement will be via a Two Stage Design & Build methodology as previously outlined. A D&B approach of this type has been widely used by the public sector in recent years due to the ability of the client to transfer risk to the contractor but equally that the early engagement of a contractor will provide the project with a greater degree of cost certainty than other procurement methods. The process will be managed by the project Quantity Surveyor on behalf of Eden.

The project will also continue to approach cost management and budget control proactively. Regular cost planning and reviews will be undertaken throughout the project's life-cycle and will be an iterative process that runs concurrently alongside the design to mitigate and manage the project's capital position. Budget and cost control will work closely with the project's risk management strategy which has been established to identify all the key risks throughout the project's duration. It is the responsibility of all team members to adopt and input into the risk register, but the process will be managed by the project manager on behalf of Eden. Eden Project North's risk profile will be managed using the existing Risk Register and its subsequent and regular review process.

Eden's delivery team is also exploring the use of a Guaranteed Maximum Price (GMP) type contract for further assurances around capital costs.

Advanced concept and content design

The project already benefits from a detailed concept design that has been developed by experts who have proposed a venue that will, through a number of environments and exhibits, connect visitors to the natural world around them. The Visitor Journey Mapping has been completed and the main Exhibit Designer will be procured upon confirmation of funding. The venue's content has been split across several zones, each of which is an intensive and immersive experience offering the visitor choice to develop their own journey through the venue. The immersive and fixed experiences will be supported by seasonal programming, visiting shows and concerts and a high-quality, bespoke F&B offer. The venue itself has been inspired by its unique coastal setting. The architectural, functional, and environmental concepts for the building are all

highly contextual and the proposed design has been created through careful consideration of how it can positively enhance the existing townscape and seascape of Morecambe.

### Phasing as a Risk Mitigation Strategy

During 2022, world events and economic outlook have shifted considerably, with notable impact on Eden's previous thinking on funding sources, namely commercial borrowing from the large banks. Our dialogue with the banks, and the due diligence they carried out, has nevertheless been very helpful and in response to their challenges, the delivery of Eden Project North has now shifted to delivering a more resilient, 2-phase business plan that has the best chance of success. It is therefore proposed that the first phase of approximately £100M capex, including the primary spaces, exhibits and content, will be fully operational and generating revenue, and, once established with stabilised visitor numbers and ready for growth, a second £25M phase will follow - but this 2nd phase is outwith this bid application.

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## **Demonstrate that some bid activity can be delivered in 2022-23**

In line with the project programme, several activities can be delivered in FY22/23, namely advanced works and enabling works, including works forming part of the project's S106 obligations. This would include modest but hugely impactful improvements to Morecambe's Shrimp Roundabout which will greatly benefit local residents and road users alike. Furthermore, it is Eden's intention to move forward with self-funded design and pre-procurement activities whilst all relevant mechanisms and contractual agreements for the project's funding are put in place. However, public funding must be confirmed before the advanced/enabling works can commence.

Also, as soon as funding is confirmed, Eden will open a permanent local project and community outreach office in Morecambe Town centre, ideally taking on a disused retail unit within walking distance of the site.

The design and procurement work funded by Eden will largely take place between August 2022 and March 2023. During the progression of this work it is anticipated that initial project funding will be agreed and made available to Eden to enable early progress to be made. Once the funds are available, they will be used during 2023 to procure both the enabling and main works contracts with the enabling package due to commence on site during January 2023 and completed by the end of November 2023.

The advanced/enabling package will include all remaining site surveys, the full site strip, utility diversions, permanent earthworks and some project-related highways and environmental enhancements. Early funding will also be used to undertake the full main contract procurement process as a two-stage D&B approach. This will see the contractor appointed under a pre-construction services agreement (PCSA) to complete the project's full technical design. This

work is anticipated to commence in March 2023 and complete during July 2023, at which time the second stage tender for the final contract sum will take place. The main construction works for the venue and wider public realm are anticipated to immediately follow the conclusion of the enabling package and second stage procurement during November 2023.

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## **Risk Management: Set out your detailed risk assessment**

Comprehensive Risk management Strategy in place

From inception, Eden Project North has implemented a Risk Management Strategy to identify and manage all the key risks that have the potential to negatively impact the project through its entire life-cycle. At its core, the process consists of the preparation and regular review of a project Risk Register which allows the project team to continuously record, report and manage risk.

Risk items identified within the register are discussed as an agenda item as part of all regular and project level meetings. Likewise, the priority risks, which are those of immediate concern to the project's delivery or those with potentially significant and negative outcomes will also be flagged at the project's steering and commissioning group levels. The project's emerging risk profile will then also be reflected in the project's cost planning, programme, and procurement strategy.

The management strategy implemented so far has and will continue to have a structured approach to addressing those issues that have the potential to affect the project adversely across all areas. The process includes a detailed risk assessment via the register covering all types of project risk such as governance, funding, design, legal, planning, environmental, construction, reputational and operations.

Risk Register – the responsibility of all Team members, but managed by the Project Manager

It is the responsibility of all team members to adopt and input into the risk register, but the process has and will continue to be managed by the project manager on behalf of Eden. Alongside the full team and key stakeholders, the project manager will identify possible risks, summarise the implication of such a risk happening, rank risks based on likelihood and impact (so that we concentrate on key issues), and most importantly identify mitigation plans and action owners – so that there is clear responsibility for each risk.

The allocation of each risk has also been an important aspect of the

management process and risk allocations have been captured in the risk register. The allocation defines which party or parties will assume the responsibility and ownership of each identified risk. The process has also been linked back to the delivery programme and strategic project outcomes to ensure that the project continuously seeks to monitor, reduce, and mitigate risk. In doing so, the allocation of risk is constantly reviewed and updated as the project evolves, and risks are managed.

The project's current and live register has already outlined several risks that have and continue to need careful consideration. Risks such as unforeseen ground conditions, level of design maturity, rising material costs, and materials availability have all been assessed, responsibility assigned, and mitigation strategies outlined to ensure that an appropriate and effective arrangement for managing and mitigating each is understood and evidenced. Many other risks and their individual profiles can be found within the appended register.

#### Priced Risk Register as basis for the Project Contingency

In addition to risk allocation, each risk, where applicable, has also been priced by the project's commercial manager to ensure the project carries the correct level of contingency should it need to financially mitigate, manage or accept a risk. Ultimately, not all risks can be negated, but with early identification, mitigation measures can be implemented efficiently so that they can be minimised, or alternative options considered. The ongoing management of risk during the project will continue to be a cyclical process in which newly identified, current and ongoing risks are continually assessed, monitored, managed and where possible mitigated.

Note: The unfactored priced risks in the QRA should not be considered as a cumulative total as it is not anticipated that all risks will occur or to the full extent. Many of the risk items considered are related to similar issues or have overlapping risk items that cannot be considered separately in isolation and may be concurrent. Items are included to ensure that they can be monitored and allow for a management plan to avoid project risk.

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## **Provide details of your core project team and provide evidence of their track record and experience of delivering schemes of this nature**

As explained in earlier answers, Lancaster City Council, as Accountable Body, will award 100% of the LUF investment to Eden Project North SPV, which will be the delivery organisation and will have the responsibility of entering a main works contract with the preferred contractor and managing the delivery of the build and fit out, within the governance structures set out earlier.

The project team established for EPN consists of all the required members and various professional disciplines needed to execute the tasks required during the delivery of the project to its agreed budget and programme.



The project team will evolve during the project's life cycle and will vary dependent on the specific needs and outputs required at each defined stage of delivery. The current team includes several core members with the experience and professional knowledge to carry out the day-to-day technical work of the project in support of Eden and their project partners.

All team members are responsible under a defined scope of services for carrying out the tasks and deliverables assigned to them and report regularly throughout delivery to the appointed project manager and through the project's defined governance structure as set out in more detail within the delivery plan. All third-party engagement is conducted via a compliant procurement process and managed under a set of individual professional service agreements. The following roles outline the responsibilities, skill level and experience of each core member in support of the project's delivery.

Client / Project Lead – Eden Project is the main client for the professional services team and will be the contracting authority for the main construction contract. The organisation benefits from the inclusion of key personnel that delivered the original Eden Project and the most recent Eden in Qingdao, China. The organisation also employs several technically proficient professionals with a vast experience delivering major venue and infrastructure projects around the world.

Eden Project has engaged experienced and capable organisations to support the following aspects of delivery:

- Project Management
- Quantity Surveying
- Landscape Architecture
- Planning, Environment & Transport
- Engineering
- Sustainability

## **Set out what governance procedures will be put in place to manage the grant and project**

Our earlier answer outlined the safeguards that will be put in place around the Grant Agreement between Lancaster City Council and Eden Project North SPV for the management and stewardship of the LUF investment.

The delivery of Eden Project North will be a collaborative and co-creative effort, underpinned by the values of Eden. The working project is organised at four key levels with the objective of maintaining control and authority whilst delegating decision-making to the appropriate level. At its highest level, the Commissioning Group makes up the top tier of the project's governance structure; this is the partner level and will include Lancaster City Council, who will be the accountable body responsible for the project funding and the direct link back to central Government.

- The Commissioning Group includes key project partners that have a vested interest in the project's successful delivery. The partners include Eden,

Lancaster City Council, Lancashire County Council, Lancashire Enterprise Partnership, and Lancaster University.

The group's role is to provide strategic and financial governance, ensuring that there is effective stewardship of public funds through robust financial procedures, appropriate and effective management structures and financial systems established at the Steering and Delivery Group levels. As the project has a number of strategic outcomes for the wider region, the commissioning group will have a level of oversight to ensure that the project progresses in such a way that the wider impacts of Eden North are successfully implemented and delivered. The Commissioning Group will also have a key role with regards to stakeholder management and public engagement as the project progresses. The group will meet on a quarterly basis.

- The Steering Group is the main strategic decision-making body and it will play a vital role in planning and directing the project. It is the group with responsibility for ensuring that the Vision, Philosophy and Principles of the project continue to be achieved as it progresses. The Steering Group will comprise members of the Eden leadership team and the Applicant/Accountable Body Lancaster City Council, as well as senior Directors from project consultants. The group will monitor the overall progress and strategic direction of the project, receiving regular reports from the Project Delivery Group and providing direction where required. It will make decisions of a strategic and/or material nature, with reference back to the over-arching strategic ambitions of the project. The Steering Group will be the forum where escalated issues are first tabled, and the group will decide which critical and/or material decisions or issues should be further escalated to the Commissioning Group for review and input. This group will meet monthly.

- Project Delivery Group (PDG) will be responsible for the day-to-day delivery of the project. This includes responsibility for achieving the Project Brief and ensuring the project can be delivered to programme and budget. The group will be equally responsible for maintaining project momentum and managing the Project's risks, issues and opportunities as they develop. The project approach will be regularly reviewed and adapted at this level to ensure objectives and outcomes remain achievable. The membership of the PDG will include the Eden project team, the project management team and leads from each of the core project consultants. The group will report into the Steering Group, where the general project progression and development will be reviewed and any items that require escalation will be captured and discussed. The group will meet on a weekly basis.

- Integrated Design Group will have a design focus. It will be responsible for developing the project design in accordance with the Brief. It will also ensure that the venue design is coordinated with all other aspects including the experiential design, landscaping/planting and all fit out elements. The group will be led by the lead consultant (Architect) who will be responsible for coordinating the design of Eden Project North. The group will also include the Eden creative team and other design/technical consultants and education and research experts as appropriate. The group's main focus will be to develop the project in line with the various RIBA design stages and once the project moves to the

construction stage, monitor the contractor's progress in terms of quality, engineering, and materials against the specifications set out in the contract Employer's Requirements.

The Project Brief will be a key baseline document and will capture all the necessary design and operational information required to develop the project and, alongside this, the Project Execution Plan, the Employer's Requirements, the Project Cost Plan and Operational Business Plan will be used as the project's baseline. Design and progress on site will be tracked against these documents, further ensuring delivery against the key drivers and requirements.

Prior to opening an ORAT (Operational Readiness Activation and Transition) period is identified in the programme as a final assurance stage before general public admission.

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## **If applicable, explain how you will cover the operational costs for the day-to-day management of the new asset / facility once it is complete to ensure project benefits are realised**

The Eden Project has been running in Cornwall since 2001. Over that time, it has been financially self-sustaining and covers all its own operating and maintenance costs. Furthermore, it has proved its resilience during the pandemic and maintains a strong fiscal performance. With Eden's unique approach to horticulture and 'living environments', as a visitor attraction, it improves with age and has hard-wired longevity.

The business plan for Eden Project North assumes the same management team structure and protocols, however, also includes efficiencies that have not been possible in Cornwall – i.e. the site will benefit from the operational learnings in Cornwall, particularly visitor services, reduced utility costs, maintenance regimes and increased secondary revenue.

Whilst the Government grant fund is essential to deliver the full range of outcomes for Eden Project North, once open, it will be a fully sustainable and profitable social enterprise, with those profits only furthering Eden's mission as an educational charity, including ongoing funding for the Morecambe Bay Curriculum and payment of a Social Dividend as agreed with Lancaster City Council.

As expected of a world class venue that has been operating for 21 years, the operational and management protocols are highly developed at Eden Cornwall, be they for staff, services or assets, and the majority will apply consistently to Morecambe. The backbone of sustainable management of an Eden Project is provided via two directorates: 'Activate' and 'Operate'. Activate ensures that the design and construction brief is correctly executed and leads the commissioning and ORAT work before handing over to Operate. Operate runs the day-to-day

operations. Each directorate has an executive position on Eden's Board with associated budgets and reporting.

Unlike Cornwall, a particular feature of Eden Project North is the larger residential market (over 5x that of Cornwall) and the potential for repeat visitors. To this end, the financial model shows a programme refresh budget of £1m per annum which is generated for maintenance and visitor experience renewal, commencing from yr3, which is a robust number to ensure the venue is always fresh and in top condition.

Put simply, the site will attract paying visitors (740,000 per year) which will generate revenue via ticket sales alongside, other revenue streams (concerts, restaurants, retail, venue hire, etc). These will generate adequate margin, over and above capital repayments, that will cover the operational expenditure, including all maintenance (and in fact lead to cash surplus for reinvestment into the site).

Our detailed business plan and financial modelling work has looked at several scenarios, both upside and downside. In summary, Eden Project North will be a self-sustaining enterprise, and no ongoing public revenue support will be required for the venue to operate.

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## **Set out proportionate plans for monitoring and evaluation**

### Monitoring Delivery

During programme delivery, responsibility for monitoring and evaluation will be held by the Eden Project North Steering Group and reported into the Commissioning Group.

The theory of change model that outlines the intended outputs and outcomes from Eden Project North will allow the operational team of Eden Project North to test the effectiveness of delivery, benefits achieved and the overall impact of the programme. These metrics are linked to the challenges facing Morecambe and the surrounding area (4.3.1) as well as the metrics of the Levelling Up Missions.

### Measurable Outputs

#### 1. Build a New Eden in the North of England

- Completion of the first £100M phase of the Eden Project North attraction including the Energy Field, Rhythm Machine, the Realms of the Sun and Moon and the Bay Gardens. (10,000m<sup>2</sup> new internal exhibition space, 25,000m<sup>2</sup> new/enhanced public realm, 1,500m<sup>2</sup> retail/exhibition/education/conference space)
- Up to 740,000 annual visitors
- Up to 274 FTE on site jobs
- 887 apprentice weeks during build phase

## 2. Education and Outreach Programme

- 15 targeted prescribing schemes
- Over 50 long term collaborations with local education organisations.
- 150 volunteering and work experience opportunities per annum
- 12 FTE apprenticeships

## 3. Integrated Natural Observatory

In terms of University/EPN collaborative outputs, the University projects (all per annum):

- £1-2m research income
- £1m economic development funding
- 100 R&D projects with regional businesses
- 50 student placements

## Other Legal Obligations and Commitments

The project will deliver a variety of other outputs via its obligations discharged under the S111 / S106 Agreements, including an outreach programme advised by Natural England. In addition, Eden has signed a Unilateral Undertaking with Lancaster City Council pledging further outputs and outcomes including the Social Dividend and the creation of a local sustainability accreditation for local organisations.

## Resourcing Monitoring and Evaluation

Given the nature of the benefits outlined in the strategic and economic case, the majority of the benefits will be delivered post implementation with the full scale of benefits unlikely to be realised or evidenced for a number of years after.

Under the directive of the Eden North COO, the operational team for Eden Project North will be responsible for the on-going monitoring and evaluation with a dedicated resource function to address this over the first 5 years of operations.

This resource will be responsible for:

- Collecting data and preparing management information reports to both Eden and relevant funding bodies;
- Engaging appropriate internal and external stakeholders and developing an appropriate evaluation strategy considering the need for process, interim and final evaluations (the requirements of which will depend in part on the needs and requirements of individual funding bodies alongside those of Eden); and
- Commissioning an appropriately skilled third-party, where required, to undertake the evaluation and provide an independent assessment

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## Publishing

**URL of website where this bid will be published**

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