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Professor Frank Peck

The changing role of business premises in facilitating new business start ups and enterprise development has been the topic of recent research in Cumbria

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Investment in business premises has long been a key component of interventions designed to stimulate enterprise development in local economies. Despite the pandemic and its impact on business use of premises, there still appears to be considerable interest in “business incubation” – the provision of physical premises that are designed to nurture new firms in the early stages of development often co-located with more mature businesses.

Approaches to business incubation have changed over time. In the 1980s, first generation incubators focused on providing affordable space and hard infrastructure with minimal site services. During the 1990s, it became more common for the supply of premises to include a wider range of on-site business services and business advice.

Since 2001, however, a ‘third generation’ provision has tended to focus on network development. Initiatives of this type have reflected an increased awareness of the significance of social interaction and collective learning for business success and growth. Network-based interventions are many and varied, but examples include hosting events, formation of cluster groups, meet the buyer, buy local schemes and other supply chain initiatives as well as more individual services such as facilitation of mentoring, peer-to-peer introduction and use of role models.

These formal schemes can, of course, be delivered independent of the supply of premises, but linking these services to a particular physical space has another important advantage – it creates an environment where informal interaction can take place. It is widely recognised that business managers acquire useful knowledge informally through daily interactions where learning takes place by observing, listening to conversations and interacting with others. This is recognised as a vital approach to fostering a business ecosystem.

What this has meant in practice is attention not only to individual workspaces but also the incorporation of social space into the design of premises. Business interaction is encouraged through common spaces in reception areas, foyers, kitchens and cafés alongside bookable meeting rooms. In many recent cases, business and social spaces have become completely intertwined via shared space for co-working and hot-desking.

This has been the subject of research recently conducted for Copeland Borough Council by the Centre for Regional Economic Development at the University of Cumbria. Interest focused on the way in which buildings of different types and in various locations had been redeveloped to create these types of interaction spaces for new enterprises.



The Bus Station in Whitehaven was named as a place which encouraged start-up businesses



During May 2022, an on-line search was conducted to identify examples of premises across the North of England and South of Scotland that aim to provide an environment to stimulate enterprise start-up and growth of established firms. Examples identified are many and varied in terms of location and building type. Some are parts of schemes to reuse properties within towns and on high streets (FYCreatives, Blackpool; Midsteeple Quarter, Dumfries; the Bus Station, Whitehaven), while others are developments located within renovated industrial sites and buildings (Adapt North East, Hexham; Staveley Mill Yard; Frazer House, Lancaster).

Some are private-sector led investments (The Guild, Carlisle; The Vicky, Cockermouth; Warwick Mill Business Village), while others are initiatives supported by public funding that co-locate small businesses in premises often alongside voluntary and community organisations (The Stove, Dumfries; Cheviot Centre, Wooler; Hexham Enterprise Hub).

The types of business occupants can also create a distinctive environment. A few are sector specific (creative industries, retailing, IT, marketing) while others provide spaces suitable for office users in both the private and public sectors. Opportunities also exist to provide shared spaces for public services (libraries, tourism information) alongside social enterprises and charities.

Further insights were obtained through interviews with a sample of site managers. These cases show that reliable and fast internet connection and affordable fees are fundamental requirements. The shared services provided are important, but their use varies depending on the requirements of different businesses. What seems to be more common across cases is the importance of creating a supportive environment facilitated by the way in which workspaces and other facilities are arranged and the effectiveness of site managers in fostering business interaction.

The way in which new businesses access services is highly flexible. The length of lease for office or desk space is just six months for most, with one month's notice to leave. Hot desking, however, can be booked by the day or half-day. Several developments also offer 'virtual tenancies' offering clients an online presence linked to a postal address with the option for occasional use of hot desking on a day basis. Far from challenging the concept of business interaction, virtual tenancies seem to expand the model by: a) providing an easy way in for potential new occupants; and b) extending the networking opportunities of in-house tenants.

As regards the transferability of this approach to other places, there are important caveats that need to be considered. Site managers play a key role in

Staveley Mill Yard was highlighted as a place of enterprise



providing a supportive environment for early-stage entrepreneurs. Identifying individuals that understand the local economy and have knowledge of local businesses can make a real difference.

Geography also clearly matters, as the catchment areas of these schemes are usually very localised. Even so, these examples demonstrate that creative re-use of older industrial properties and high street premises can be very effective in facilitating enterprise development.