MAYOR OF LONDON

CREATING OPEN WORKSPACES

REGENERATION GUIDE #2

This guide was produced in collaboration with Capital Enterprise. Capital Enterprise enables entrepreneurship in the Capital by supporting member organisations to initiate, develop, promote and deliver services that directly help business formation and small business growth in London.

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WHAT ARE OPEN WORKSPACES?

There are over 800,000 small and medium-sized enterprises (SMEs), including micro-businesses, in London. Together they make up over 99 per cent of all businesses and account for around half of London's jobs. In addition, artists and creative professionals, who tend to work independently, also have a big role to play in London's economy and growth with links to many sectors. Small businesses, entrepreneurs, and creatives hold London's future growth and innovation potential.

However, it's becoming increasingly hard to find business premises at affordable rates. Open workspaces can provide the affordability, flexibility and support that small and early stage businesses need. Making sure such spaces are available alongside more traditional employment space, will help boost London's economic diversity and support local regeneration. and build the capacity for future growth.

This guide is intended to help councils set up new open workspaces. They may be secured indirectly via planning policy and obligations, or directly using council-owned property and/or public funding. Open workspaces are places where businesses and professionals share space, facilities, and/or specialist equipment, in order to reduce costs. Examples include co-working spaces, incubators, artists' studios and maker-spaces. Open workspaces are managed and run by 'workspace providers' which can come in a variety of sizes, with a range of social to commercial aims, and specialisms in various sectors.

Open workspaces will typically offer a variety of different payment structures to their users. These structures define what resources and services the user will be able to access. The diagram overleaf sets out the most common payment structures used in open workspaces.

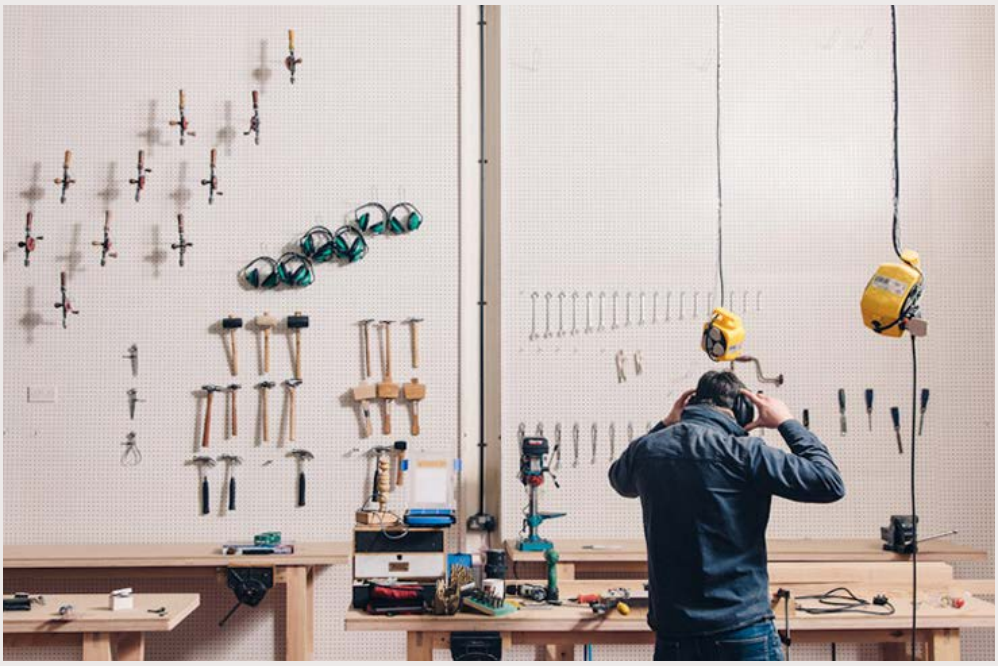
← Co-working area within Club Workspace London Bridge. Image courtesy of Jill Tate for Studio Tilt, 2013

Flexible co-working	Full time co-working	Hot desking or day rental	Fixed desk or workbench	Office, studio or workshop
Shared workspace	Shared workspace	Allocated workspace	Allocated workspace	Private workspace
Time-limited access to shared desks or workbench	Unlimited access to shared desks or workbench	Day access to dedicated desks or workbench	Unlimited access to dedicated desks or workbench	Unlimited access to dedicated office studio or workshop
£/month	£/month	£/hour	£/month	£/ sq ft
1 month minimum	1 month minimum	Pay by the hour	1 month minimum	3-6 month minimum
Limited storage	Limited storage	No storage	Allocated storage	Private storage
Limited access to communal facilities	Access to communal facilities	Limited access to communal facilities	Full access to communal facilities	Full access to communal facilities

IMPACT HUB WESTMINSTER

Hub Westminster is one of the largest workspaces run by Impact Hub, a global network of locally-owned co-working spaces. The space was set up in partnership with Westminster Council, who helped to secure a short term lease with a commercial landlord on a previously empty premises in central London. Impact Hub offers shared co-working desks from £395/month, as well as free business support via structured weekly programmes and one-to-one mentoring. Advice and support covers areas including accounting, recruitment and marketing. In order to become a member, businesses have to demonstrate that they have a positive social or environmental impact. As well as ensuring a community of like-minded businesses, Hub Westminster encourages collaboration between members via networking events and an online platform connecting businesses to Hub business associates worldwide.

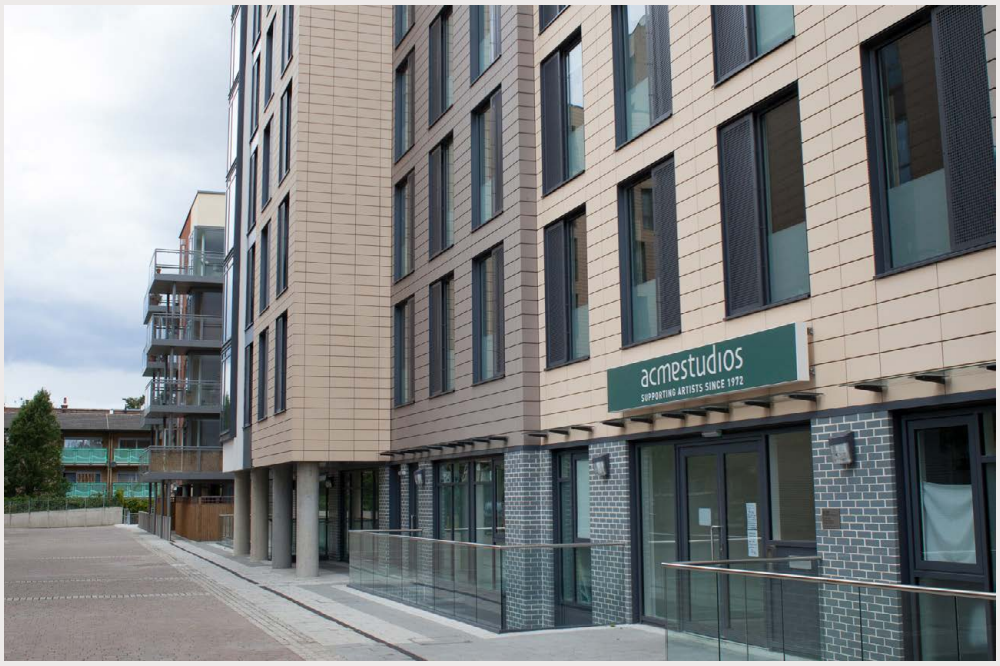
↑ Co-working area with Impact Hub Westminster. Image courtesy of Project00, 2014



BLACKHORSE WORKSHOP

Blackhorse Workshop in Walthamstow is an open access makerspace established in 2013. The project received startup funding of £90,000 from the Mayor's Outer London Fund, as well as a further £80,000 from the London Borough of Waltham Forest and £50,000 from Create London. The space offers both permanent workshop space for small maker businesses, as well as shared workbenches to paying members. Membership packages vary from 1/2 day access (£10) through to 1 year (£900). Members have shared access to hand held tools, specialist woodworking and metal working equipment, and a spray booth. Blackhorse Workshop currently hires 2 full time technicians who help manage the space, and ensure that members are properly trained to use the more dangerous tools.

↑ Shared workbenches and woodworking tools in Blackhorse Workshop. Image courtesy of Ben Quinton for Assemble, 2013



THE GLASS YARD, ACME STUDIOS

Glass Yard Studios is a joint development venture between a private developer, Spiritbond, The University of the Arts London and Acme. Acme was approached by Spiritbond, while University of the Arts emerged later on as a partner. Opened in 2013, this mixed-use new build contains 24 studios, 258 student rooms and 70 private flats. The studios are housed on the ground and lower ground floors and are currently occupied by 32 artists. A large shared studio on the ground floor hosts the Associate Student Programme managed by University of the Arts college Central Saint Martins. Glass Yard Studios is rented on agreement with University of the Arts London. Acme did not invest upfront in the project. A 35 year lease was agreed in 2013 on fixed terms of an increase of 3 per cent per annum. Only the lettable floor area is covered in the lease payment which equates to 60 per cent of the total area in use by Acme tenants.

↑ Ground floor entrance to the the Glass Yard Studios. Philipp Ebeling, 2014

SUPPORTING THE CREATION OF OPEN WORKSPACES

UNDERSTAND WHAT'S THERE

Planning policy has a role in recognising the value of what has been termed 'Low Threshold' Enterprise Space, often likely to be found in the older, scruffier stock in and around town centres. Their relatively low value, and flexibility in terms of the age and condition, and previous fit-out, make them ideal for small businesses, from car mechanics to dance studios, from market traders to web-designers, from printers to tuition centres. On closer inspection, 'derelict', 'under-utilised', 'redundant' or 'obsolete' spaces may make perfectly good operational commercial space.

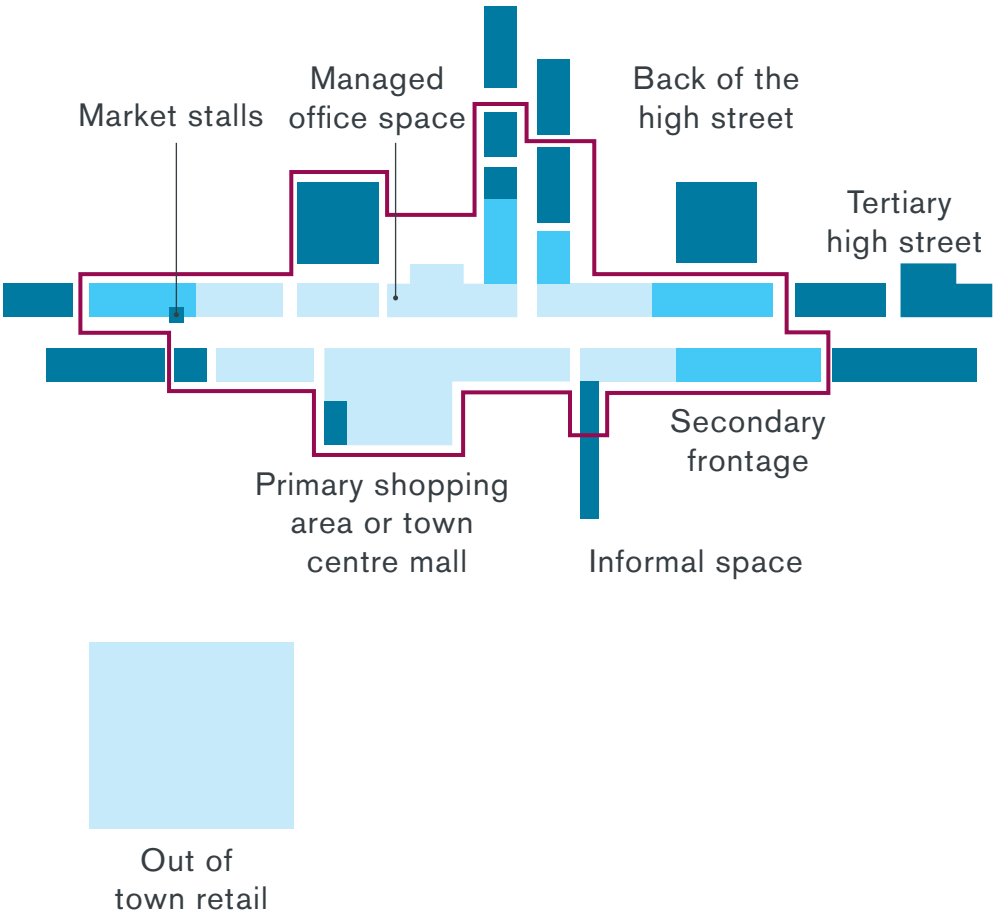
The first step is to understand the businesses, and their needs and demands. This can be undertaken via detailed surveys such as those undertaken by the GLA and Southwark on the Old Kent Road and Park Royal. Alternatively you could begin by looking at the waiting lists of nearby open workspaces, or interviewing people working in local cafes and libraries.

There may be a case for retaining some Low Threshold Enterprise Space because it is very difficult to re-provide such spaces. Where redevelopment is required it is possible to ensure spaces are provided with some equivalent characteristics, such as price and size of units, to allow similar businesses to operate in the area. However, councils are encouraged to explore Article 4 directions to gain exemptions from permitted development change of use to residential.

← Detail from map showing business sectors within the the Old Kent Road. Initially perceived to have high vacancy rates, a study undertaken by the GLA and Southwark revealed a wealth of well occupied low threshold enterprise spaces, including 9 artists' studios providing space for more than 400 artists

‘LOW THRESHOLD’ ENTERPRISE SPACE IN TOWN CENTRES

- Town centre boundary
- Likely to be LTES
- May be LTES
- Not likely to be LTES



Premises type	Premises characteristics		
	Location	Specification	Occupiers
Grade A office	Central London, Canary Wharf, other business parks, within some larger town centres	Institutional and high quality, gorwing influence of BREEAM ratings	Corporate businesses, often operating internationally
Primary shopping area or mall	Highly accessible High Street location	Larger units, with higher spec, air conditioned, often shopping centres	Predominantly multiple retailers, comparison goods
Out of town retail	Out-of-town, often with highway access	Large units, with high specification, either self contained site, or retail park	National multiple convienience and comparison retailers
Managed office space	Town centre often close to rail stations and public transport	Reasonable spec with good quality third party service provision	Predominantly SMEs and micro businesses more reliant on non-local trade
Secondary frontage and small units	High streets and streets radiating from high streets, outside PSAs	Non-air conditioned and basic spec, normally ageing brick stock	Independent and local retailers, SME's, local professional services
Tertiary high street	Between designated town centres, with reasonable footfall often served by bus	Basic, sometimes poor stock, tending towards obsolescence often large storage areas	Local retailers, builders merchants, car dealers, petrol stations, other local services
Market stalls and kiosks	Kiosks, stalls, pitches, and niches in areas of high footfall	Basic compact trading opportunities, sometimes on a timeshare basis	Small traders, retail and retail services
Back of high street	Backland and edge of town centre sites, limited footfall, but close to public transport	More basic, providing for a mix of uses with flexibility for upgrades	SMEs with a blend of office, service, support activities, suppliers, 'trade' retailers, artists
Informal spaces	Niches in the urban fabric such as railway arches, shacks	Very basic, normally with external storage / trade area	Typically small businesses in "dirty" trades - car repair, builders scaffolders

ADOPT EFFECTIVE PLANNING POLICY

Where new housing–led development is appropriate, planning policy has a role in ensuring appropriate non-residential space forms part of the mix. London Plan Policy 4.1 identifies the need to ensure the 'availability of sufficient and suitable workspaces in terms of type, size and cost, supporting infrastructure and suitable environments for larger employers and small and medium enterprises, including the voluntary and community sectors'.

Affordable workspace in new mixed-use developments tends to be negotiated on a case by case basis. However some councils have developed broader policies for creating workspace. Examples from Hackney and Wandsworth in the appendix to this guide include the policy justification and refer to evidence in support of their policies.

Planning policies that seek the on-site replacement of former industrial floor space with new office space can lead to the provision of offices in unsuitable inaccessible locations resulting in poor take-up. Instead you may consider pooling contributions for off-site affordable workspace provision. Likewise applying percentage based quantum may result in small, inefficient and disconnected workspaces. Pooling contributions could create a critical mass, where different sectors want to be located, for example around high streets or other hubs.

Similarly, some planning policies have unintentionally resulted in the production of ground floor units that are too large for small businesses or inefficient for workspace providers. Basic fit-out should be provided to a level beyond shell and core. However over-specifying space to BREAM standards for example, can increase costs for small businesses and workspace providers.

Light industrial or maker spaces, which cater for businesses that carry out prototyping and production, have physical needs for greater floor-to-ceiling heights and service access to accommodate larger equipment and deliveries. Planning policy should be more explicit where this space is required as part of new development.

THE GALLERIA, ACME STUDIOS

The Galleria is a purpose built stand-alone artist studio building run by Acme Studios that forms part of a mixed-use development alongside 149 private and affordable residential flats. The project was the first affordable studio building secured through planning gain in London, after Southwark Council insisted that the developed re-provide employment space lost by the demolition of a former printworks. The site is a 155 year lease from Barratt Homes, purchased at approximately 60 per cent of the actual build cost. The site contains more than 16,000 sq ft of new workspace, which has been subdivided into 50 individual studios and is rented out at approximately £11.50 / sq ft per annum.

↑ Rebecca Stevenson is a sculptor based at the Galleria. She currently occupies a 309 sq ft studio which costs £297 / month. Philipp Ebeling, 2014

BROKER PARTNERSHIPS WITH DEVELOPERS

Getting a workspace provider involved in a mixed-use development early on can help to shape the workspace so it meets business needs, and is an important part of the overall development.

A workspace provider can be a named partner in the development, and refine designs to their particular needs. However, larger schemes may take many years to build, by which time spatial needs may have changed in faster moving sectors. Where a provider is not signed up to occupy space in a new development, workspace providers may have a lot to offer as consultants to developers, so that others can benefit from well considered space. This will help developers provide a similar level of design detail to that of housing units.

Some councils have set-up lists of 'approved' workspace providers. We have a draft Directory of all Open Workspace Providers[1] operating in London, which can be useful for both planning officers and developers seeking to get workspace providers involved in a scheme. You may also get in contact with Capital Enterprise[2], to learn more about particular providers, their specialisms, and what they would be looking for in a partnership.

It is also important to seek to ensure reasonable lease agreements between developers and workspace providers. This includes sufficient length, rent levels and review periods that allow workspace providers to invest and run a worthwhile operation. The appendix includes some examples of planning obligations and conditions.

1 www.london.gov.uk/priorities/regeneration/places-of-work
2 www.capitalenterprise.org/contact-us

CONSIDER BUSINESS RATES

Business rates are a consideration for both new and existing workspaces. Although small businesses might be eligible for business rate relief in certain circumstances, the workspace provider who runs a large space may not be automatically eligible for such relief. That means it may have to be passed on to business users. Councils may wish to grant discretionary rate relief for workspace providers after carefully considering the level of affordability and other benefits they bring to the local area.

Developers and owners of buildings are liable to pay business rates if their commercial spaces are left empty for more than three months. There may be opportunities for a meanwhile workspace to save the landlord money in these situations. However, workspace providers and councils should be careful about investing into projects that may come to an end with very little notice, unless they have a clear legacy strategy in place.

CREATING OPEN WORKSPACES DIRECTLY

USE YOUR ASSETS

Where boroughs own property assets there is a great opportunity to create affordable workspace directly. The workspaces that provide the greatest social value have tended to emerge from public sector partnerships. However public sector assets can be under competing demands, and it is important to make the case for Open Workspaces internally. There are a number of reports that have researched and evaluated the economic and social benefits of such spaces (listed under further reading).

You may need to think creatively about how to make better use of underused assets, such as underground car parks, or property before it is redeveloped, or expanding the role of libraries and community centres. It may be possible to integrate and cross-subsidise workspace with any housing-led developments the council has a stake in. The location of workspace is important, and it will be much harder to get a successful space going if it is not accessible, or has complicated or restricted access arrangements. Businesses expect to be able to use their own space at any time, so opening hours can be just as important as physical access. Well connected town centre locations are good for the business users, and can help engagement with surrounding communities, and benefit the town centre as a whole with increased footfall and activity.

Sources of grant funding for business support can be used to secure property, and fund refurbishment and fit out works, making the argument to bring assets into use as workspaces easier.

← Shared workbenches and woodworking tools in Blackhorse Workshop. Image courtesy of Ben Quinton for Assemble, 2013

WORK WITH A WORKSPACE PROVIDER

There is no need to go it alone, or reinvent the wheel. Workspace providers operate workspace as their core activity. They understand the market and the kind of space and services their occupiers want.

Even the fit out and preparation of a space should be led by a workspace provider so they can manage and easily adapt the working environment to suit the desires of users in a flexible way. The character of a space is very important in creating the right atmosphere and encouraging peer to peer learning and informal business support.

Members of the Open Workspace Providers Group are happy to be consulted by councils on scoping and conceiving the nature of projects. The GLA's Specialist Assistance Team also has a number of experts on workspace[1].

Some councils have procured framework panels of workspace providers, or set up registered provider lists. We have a draft Directory of all Open Workspace Providers[2] operating in London. It's a good place to start exploring project ideas with different providers and get a sense of what might work in a particular context. This could be considered soft market testing for a tender process. You may even wish to commission a feasibility study to look at what might be possible with a particular asset.

1 Get in touch via RegenAdmin@london.gov.uk if you are interested in accessing these resources

2 www.london.gov.uk/priorities/regeneration/places-of-work

PROCURE A WORKSPACE PROVIDER

When preparing a brief to procure a workspace provider be clear about what you expect them to deliver, whether that be job creation, business support such as formal accounting, legal and marketing training, affordability for businesses, or wider community engagement. Place these in an outline 'service level agreement', and ask them to describe how they would deliver or deviate from this. Don't forget these will need to be balanced against potential rent and rates payments. Workspace providers run a tight ship, but can't be expected to perform miracles within their operational realities. You may want to produce a feasibility study which can be used to test scenarios and set target rents and outputs as a guide to assess proposals against. While small businesses seek flexibility, workspace providers benefit from longer leases and certainty, as this allows them to plan and manage change over time.

Don't forget many providers are small and/or charitable organisations, and may not be able to provide extensive accounts, or high levels of insurance often demanded by procurement teams. They may also lack the cash flow or risk appetite to take on very large spaces or commit to unrealistic outputs.

Understand the providers out there and their specialisms and business models. Be sure to get the right provider for the job. There is no point asking an artists' studio provider to run a digital incubator. You can get in contact with Capital Enterprise[3], to learn more about particular providers.

3 www.capitalenterprise.org/contact-us

MAKE SPACE THAT WORKS

Defining the 'affordability' of workspace can be difficult as it varies for different businesses in different sectors including artists and other low income professions or low growth businesses.

It may be sensible to charge different rates for different businesses, at different stages in their development. Mature businesses should be encouraged to find space on the open market, and a gradual transition of rents can be useful for this. Business sectors may also influence rents, artists and social enterprises may always require sub-market rents, some may require a lot of space for prototyping and physical work, while others can occupy a single desk.

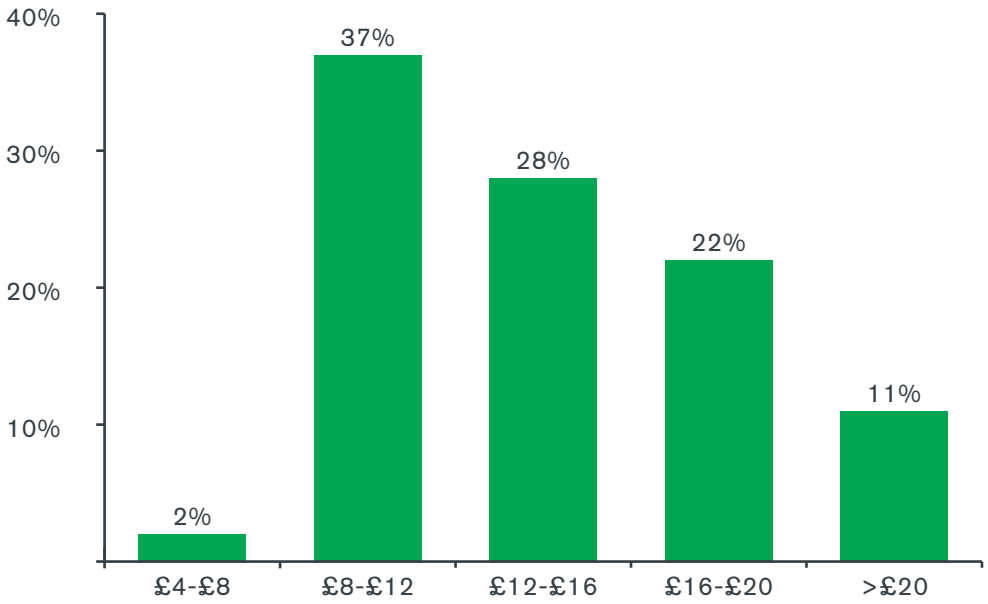
A mix of businesses or occupiers on different payment structures can promote a cross-subsidy that workspace providers can manage to achieve a target rent, set at a percentage below market rates.

The cost of space may not be the only factor in the appeal of open workspaces to small and early stage businesses. Flexibility can be just as important, and the environment and the ability to access information and network with others, may also be very valuable for some businesses. It is important to run programmes and events to attract people, such as networking evenings, classes or talks.

Compared to other property providers, the co-working business model depends on having a relatively high volume of paying users. The operational and staff costs of running a co-working space are much higher than a serviced office and although the set-up costs and capital build costs can be lower, the number of users required to achieve break-even is usually much higher. The space must be big enough to accommodate the high volume of users. Viable and financially self-sufficient co-working spaces are typically 5,000 sq ft or more. Smaller spaces can work in great locations, or when mixed with provision that needs less management.

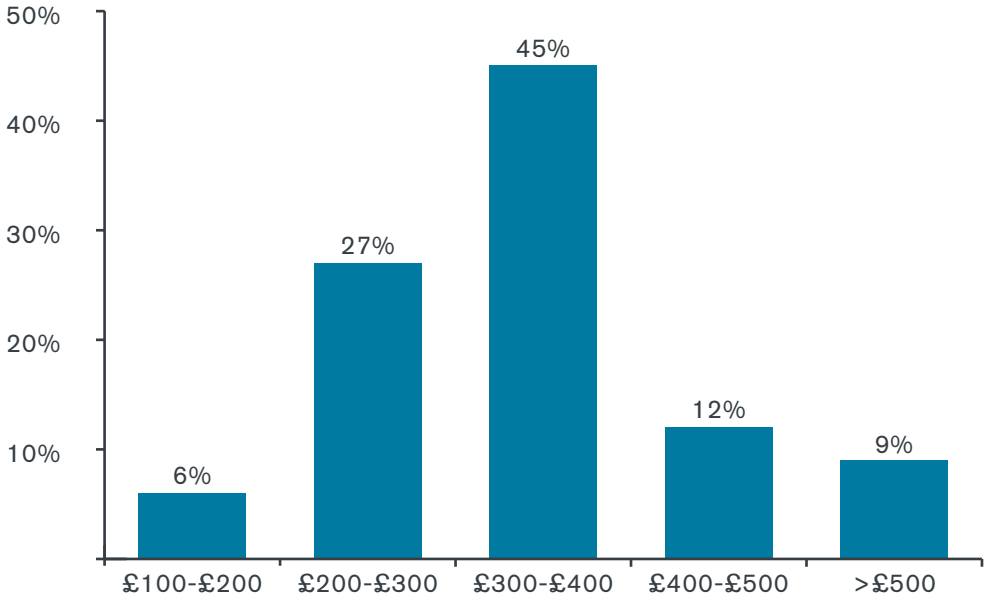
LONDON ARTISTS' STUDIO RENTS

Arranged by £ per sq ft per annum



FIXED CO-WORKING DESK COSTS

Arranged by £ per month



Another concern is the predictability of demand in outer London or in more unusual locations, where there may not be the pent up demand of central London. In these areas, property owners or councils may need to offer discounted rents, 6 to 12 month rent free periods, or financial help with fit-out costs to attract a workspace provider that can make the space work and add value. Continuing subsidy may be required until an entrepreneurial community can be created. This will then attract other businesses to co-locate, due to the networking possibilities on offer.

Subsidy may also be required if specific economic, social or cultural outcomes are required that reduce the capacity of the operator to maximise the commercial return. In these cases choosing to work with a workspace provider that shares a not-for-profit mission is advisable. Councils and workspace providers are encouraged to develop additional output based measures of success. Business support activity can often be the first part of a workspace offer to be squeezed if rents increase.

Finally remember to ask workspace providers to check building regulations, for example whether the use of the space will meet fire regulations. And don't forget that a fast Wi-Fi connection is essential for a space that works. Even if Wi-Fi appears fast with a few users in the space, the speed may drop when the demand is close to capacity.

639 ENTERPRISE CENTRE

Funded by the Mayor's Regeneration Fund and run by local charity London Youth Support Trust, the 639 Enterprise Centre uses a GLA owned building to help local people get started in business and gain employment skills. Driving for strong social as well as economic outputs, 639 offers support, training and mentoring, and hosts affordable office units, an exhibition gallery, shared workspace and conference and board rooms. The centre also enables residents to get involved in volunteering as part of the Mayor's Team London programme. Businesses already benefitting include Supamums, a group helping teenage and young parents find training and employment, and Made in Tottenham, a fashion company that creates up-cycled clothing.

↑ New entrance to the refurbished 639 building. Angus Leadley Brown, 2013

FURTHER READING AND GUIDANCE

OPEN WORKSPACE RESEARCH

Artists' studios: a guide to securing, supporting and creating affordable studios in London
Acme and Capital Studios, March 2007

Artists' studios and the housing sector: a guide for local authorities, planning and regeneration professionals
National Federation of Artist Studio Providers, 2013

Artists' Workspace Study
We Made That / Greater London Authority, July 2014

Co-Making: research into London's open access makerspaces and shared workshops
Workshop East / LLDC / Greater London Authority, 2014

Creating Artists' Workspace
Greater London Authority, September 2014

Evaluation of SEEDA Business Investments in the South East
South East of England Development Agency / Regeneris, 2007
www.s3.amazonaws.com/zanran_storage/www.seeda.co.uk/ContentPages/48256517.pdf

National Business Incubation Association Resources
http://www.nbia.org/resources

Supporting Places of Work: Incubators, Accelerators and Co-working spaces
URS / Gort Scott / Greater London Authority, September 2014

OTHER READING

Accommodating Growth in Town Centres
MaccreanorLavington / Peter Brett Associates /
Graham Harrington / Greater London Authority, July 2014

Future Workstyles and Future Workplaces in the City of London
City of London Corporation / CIty Property Association, 2015

Old Kent Road Employment Study
Greater London Authority / Southwark, 2015

Park Royal Atlas: an employment study of London's largest industrial area
Greater London Authority, 2014

Regeneration Guide #1: Funding Bids
Greater London Authority, August 2015

APPENDIX

LB HACKNEY - POLICY DM16 AFFORDABLE WORKSPACE

The Council will seek 10% of the new floorspace within major commercial development schemes in the Borough, and within new major mixed-use schemes in the Borough's designated employment areas, to be affordable workspace, subject to scheme viability.

The applicant should submit evidence of agreement to lease the workspace preferably on a sliding scale compared to the local market rate for at least 10 years to a Council registered Workspace Provider. This must include confirmation from the Workspace Provider of willingness to manage the shell and core, to an agreed specification, on concessionary lease terms which will allow the space to be let to end users at affordable rents. Details of the potential management arrangements and rents to be charged for a minimum of 10 years must be submitted with the proposal for assessment by the Council.

The Council's preferred sliding scale is 60% of markets rents from years 1 to 3; 80% from years 4 to 6; and 90% from years 7 to 10, subject to negotiation. If on-site provision is not possible, financial contributions for equivalent off-site provision will be sought in accordance with the Council's Planning Contributions SPD.

In addition, proposals for the redevelopment of existing low value employment floorspace reliant on less than market- level rent should re-provide such floorspace suitable, in terms of design, rents and service charges, for these existing uses, subject to scheme viability, current lease arrangements and the desire of existing businesses to remain on site.

"The Hackney Employment Growth Options Study (2006) (updated in 2010) suggests that suitable and affordable workspaces need to be provided and preserved given that there is market failure in this area and that they are essential to Hackney's economic vitality and a catalyst for regeneration. The findings also show that businesses seek affordable small offices, studios or workspace with favourable lease or license conditions, and many SMEs and start-ups with the potential for financial self-sufficiency have particular needs that often cannot be met by market rent levels.

London Plan Policy 4.1 identifies the need to ensure a good supply of workspace in terms of type, size and cost, supporting infrastructure and suitable environments for larger employers and small and medium enterprises, including the voluntary and community sectors. In light of this the Borough's Core Strategy sets out the need for smaller employment space that is affordable and easily sub-divided for different uses to meet the needs of a rapid expansion of micro and small businesses in certain parts of the Borough.

There is a need, therefore, for the provision of affordable employment floorspace within the Borough. This can partly be secured through development and through planning agreements as part of mixed use development. The following proposed policy, therefore, sets out that the Borough will seek the inclusion of a proportion of affordable workspace, or the re-provision of such floorspace, within major commercial development schemes (generally B1 and B2 development), and within major mixed-use schemes in the Borough's designated employment areas. In applying the policy, small/micro workspace will be for the full range of any of the Class B use floorspace of around 90m^2 or less (gross). Generally, the Borough will consider affordable workspace to be where rent and service charges, excluding business support services, are on average at least 20% less than comparable local market rates for the duration of a lease (although it is noted that, for some sectors and locations, much reduced rents may be needed to render them affordable to target occupiers such as locations in the Shoreditch and Wenlock PEAs). While a level of 80% of market

rents may be acceptable in some cases, the Borough's preference is for a sliding scale of 60% of markets rents from years 1 to 3; 80% from years 4 to 6; and 90% from years 7 to 10. A sliding scale is preferred as it will allow a larger rent relief during the initial stages of a company's development which will reduce as a company matures and is likely to be able to pay higher rents. This will also enable a more seamless transition to market level rent at the end of the 10 year period.

A 'significant element' of affordable workspace will depend on the site of the development scheme and the type of occupier (for instance, if the proposal is for one main occupier), and the viability of providing affordable workspace. As a guide, major developments should provide at 10% of total gross commercial floorspace as affordable workspace for a minimum of 10 years. This is in addition to ensuring existing businesses are also re-provided for, where appropriate in any redevelopment of sites, given it is the Borough's ambition to allow existing business to remain and grow in size as well as attract new businesses to the Borough.

The design of workspace for small or micro enterprises will vary, depending on the end occupier or sector. In general; however, applicants should demonstrate that workspace is flexible in compliance with Policy DM15. Applicants will also be required to demonstrate likely lease terms for target sectors, and where appropriate make provision for short-term, flexible 'all-in' or 'meanwhile' leases, and/or letting space on a per-desk rather than per-square-foot basis. If not possible to provide such floorspace on site, financial contributions will be sought to secure equivalent provision off-site. Where affordable workspace is to be provided, it is important that developers initiate dialogue with a Borough registered workspace provider early on in the pre-application stage and that at the planning application stage a workspace provider is identified. A list of the Borough's registered workspace providers can be found on the Borough's web site under the Regeneration pages."

HACKNEY PLANNING OBLIGATION EXAMPLE

145 City Road EC1/37 East Road N1 (2012/3259) (03-12-13).

39-storey residential tower (302 homes) flexible A1/A3 space and 10-storey B1 building.

- Affordable Workspace = 1 floor of the B1 Use Area (to be agreed prior to implementation (760sqm in total).

- Affordable Workspace provider to be agreed by LPA.

- Not more than 50% of the B1 Area can be occupied until a lease has been entered into for the Affordable Workspace with the Affordable Workspace provider for a minimum of 10 years at a rent not exceeding £20 psf ('reasonable endeavours' clauses provide safeguards against lack of demand).

- Not to occupy more than 75% of the Residential Units unless and until the Affordable Workspace has been constructed to a specification agreed under Condition 22 " The specification/ fit-out of the Class B1 use space hereby approved shall be submitted to and approved by the LPA before the works are commenced and the space shall be provided to the agreed specification within 6 months of first occupation of any part of the development."

CAMDEN BOROUGH-WIDE POLICY DP13

"Where premises or sites are suitable for continued business use, the Council will consider redevelopment proposals for mixed use schemes provided that:

c) the level of employment floorspace is maintained or increased;
d) include other priority uses, such as (affordable) housing;
e) premises suitable for new, SMEs are provided;
f) floorspace suitable for either light industrial, industry or warehousing uses is re-provided where the site has been used for these uses or for offices in premises that are suitable for other business uses; and
g) the proposed non-employment uses will not prejudice continued industrial use in the surrounding area."

CAMDEN PLANNING OBLIGATION EXAMPLE

Hawley Wharf redevelopment, Camden Town (2012/4628/P)

- Use 'reasonable endeavours' to implement an agreed Employment Space Marketing Strategy (which shall target/ prioritise creative industries and B1(c) occupiers.
- Provide, fit out and maintain in perpetuity the Incubator Space in accordance with the Incubator Space Requirements (this includes hot-desking for no less than 50 people, at least 10 small separate offices, at least two bookable meeting rooms, a kitchen and WC, printing facilities, lockable storage, mail service/phone and broadband, disabled access, 24 hour access and security).
- Incubator Space to be leased/licensed to Qualifying Small Businesses (a business who at the point of letting has traded for less than 3 years and is not subsidiary of a larger company).
- Unless otherwise agreed, the Small Business Space must be provided as such (minimum of 500sqm in addition to Incubator Space) for use by no less than 5 Qualifying Small Businesses).
- Within 24 months following Implementation the owner shall offer units in the Employment Space to any tenants who occupied the employment premises at the property on the date that planning permission was granted and shall use 'reasonable endeavours' to agree terms with such tenants.

WANDSWORTH PLANNING OBLIGATION EXAMPLE
77-83 Upper Richmond Road, SW15 and Carlton Court, 26 Carlton Drive, SW15 (2011/0054) (13-06-11)

Erection of new building comprising 3 blocks 12-13 storeys, 4-9 storeys and 1-2 storeys to provide 104 residential flats, offices, retail and cafe/restaurant.

- Complete the Employment Floorspace (241sq m GIA) to Shell and Core prior to occupation of the first Residential Unit.
- Appoint a manager of the Affordable Business Floorspace to be responsible for letting and managing the space at least three months prior to its completion to shell and core.
- Submit a management plan for the borough's approval at least two months prior to completion of the Affordable Business Floorspace to Shell and Core (to include how the space is to be used, lease terms including termination clauses, marketing, and fitting out).
- Not to first occupy the Affordable Business Space until the management plan has been approved.
- Rental value of the Affordable Business Space unit or units shall be no more than 50% of the market value (capped at £10psf) of the units or units within the Office Floorspace for a period of 5 years commencing from First occupation of the Affordable Business Space.
- Review with the Borough the management and use of the Affordable Business Floorspace within 12 months of the appointment of the manager.
- Agree to review with the borough the rent after the initial 5 year period having regard to the AIR Price Index Compounded Basis.
- If less than 60% of the Affordable Business Floorspace has been occupied within the first 2 years from its competition to Shell and Core, pay the borough the Affordable Housing Commuted Sum (£184,300) and after this is paid be entitled to let part or parts of the Affordable Business Floorspace which are not occupied at full market value.