

BREAKFAST ROUNDTABLE BRIEFING

Thursday 9 November 2023

How do we deliver affordable workspace? What does affordable workspace look like? Where is affordable workspace most useful? Just some of the questions our expert panellists tackled at the breakfast discussion hosted by Resident and Planning Potential.

The London economy is diverse economically and culturally, and affordable workspace needs to reflect that. In Camden, they have the highest number of start-up businesses in London, juxtaposed with global company headquarters. The key here is how to help the former benefit from the proximity to the latter.

Redefining affordable workspace

The best place to start is to define your terms, but as those who work in the planning and property sector know, that is not as easy as it sounds, especially where policy is concerned.

Representing the City of London, Camden, Southwark, and affordable workspace providers, our panellists demonstrated that there is a broad consensus on what affordable workspace means, but this can vary greatly. Providing 20% of floorspace at a reduced rate, anything from 25% - 50% of market rent, is the broadly accepted definition. But, as all our panellists agreed, viewing it as a percentage is too limiting. There are other ways to deliver affordable workspace.

Changing workspace needs

Workspace is changing. As Shравan Joshi noted, in the Square Mile *'there are more T-shirts than bowler hats and suits these days'* as digital media, art and technology businesses grow. The needs of the end-users are not what they used to be; offices now need to entice people.

Councillor
City of London
Shравan Joshi, MBE



Head of Inclusive Economy
Camden Council
Kate Gibbs



Dir. of Planning and Growth
Southwark Council
Stephen Platts



Director Redo
Co-Founder 3 Space
Harry Owen-Jones



Flexibility in approach

A key theme from the lively discussion was the need for flexibility. Affordable workspace can be a dedicated office space, desks in existing or new space, or funding a sponsorship programme for end-users.

The mechanism for securing affordable workspace tends to be the S106, securing space against policy. But it is important not to be too prescriptive. Yes, the S106 can ensure that space is delivered through conditions, but the interpretation of the policy that informs that condition should be viewed on a case-by-case basis. All our panellists agreed that there is nothing to be gained from a blanket approach.

Last week, Camden published its affordable workspace strategy, designed to grapple with these questions and provide guidance for all parties involved. Southwark is currently preparing its own.

Ensuring the right space is delivered

The end space needs to be right. It is a false economy to provide a stripped-back space because it is the affordable provision.

The space should be indistinguishable as affordable, ultimately the end-goal is to help these fledgling businesses to succeed, allowing them to move on and a new business benefit from the space. Creating segregated spaces and facilities will not achieve this.

Developers, and other providers of affordable workspace, need to consider the overall package. It is not just the rent, it is the space itself, the facilities, and ultimately a management plan. The earlier this is considered, the better.

Who benefits from affordable workspace?

Ultimately, everyone can. As Harry Owen-Jones, noted, affordable workspace can often be viewed as another policy obligation. But this misses the point. Affordable workspace and the different businesses it can support can bring vibrancy to a new development.

For Camden and Southwark, it's a chance for local residents, particularly from BAME communities, to benefit from wider economic investment.

With no definitive answer on who qualifies for affordable workspace, there is the chance to work collaboratively to understand the need of local businesses and adapt developments accordingly.

Where should affordable workspace go?

For Stephen Platts and Southwark, without the intervention of local authorities' certain communities would miss out. There is a need for on-site affordable workspace, but without off-site contributions areas outside the Central Activities Zone would suffer. There therefore needs to be a mixed approach.

For Kate Gibbs, at Camden, off-site contributions are driven by the Council so that affordable workspace is not concentrated in one place. This approach can also work well for developers.

New development vs. existing assets

For Harry Owen-Jones, the retro-fit of existing assets (many local authority-owned) can create better outcomes than accommodating affordable workspace in new developments. There are also sustainability and social value benefits from this approach, as well as strategic and economic ones for the local authority.

New space can be limiting, both in terms of size and the depth of discount offered. Accommodating affordable workspace in existing assets can mitigate this.

Ensuring longevity

Churn is key to ensuring the long-term benefits of affordable workspace, but writing the policy is always easier than seeing it in practise. The optics of asking a meanwhile use to leave for example, or for asking a well-liked successful business to move to new premises to free-up affordable space, is never going to be easy.

These are issues that local authorities still need to grapple with.

Collaborative Working

Affordable workspace in policy terms is relatively new, there is still more to learn, but there is also a lot to gain. The takeaway message from the discussion was that collaboration is key. All parties, developers, established businesses, local communities, local authorities and specialist providers, need to work together to identify the need and the best way to deliver, often on a case-by-case basis.