

A City for All Londoners Response from Workspace Group Plc

Overview

Workspace Group (“Workspace”) is a FTSE 250 company, operating solely in London to provide a Home to New and Growing Companies across the Capital. With over 65 properties within its portfolio, Workspace accommodates around 4,000 businesses including some of London’s most innovative and fast growing organisations.

Workspace welcomes the publication of ‘A City For All Londoners’, recognising the positive steps that the document takes in setting out the future direction of economic policy, housing policy and infrastructure growth for London.

Our comments on the document are set out below. We have focused on three areas covering housing provision, digital policy and the provision of workspace.

Housing Provision

Workspace strongly supports the GLA’s focus on a diversification of the types of residential accommodation and tenure available to those who wish to live and work in London. We also support the aim to protect land for employment at the same time as intensifying housing and employment development in London.

We agree that there are many sites within London, currently designated for employment, which could be optimised through a more consistently applied mixed-use development approach – an approach we refer to internally as “new for old”. We have successfully completed three such mixed-use redevelopments in Ladbroke Grove, Islington and Wandsworth. Taking the latter as an example, the Wandsworth Business Village in Wandsworth Town Centre was previously a redundant Gas Mantle factory before Workspace and its partners transformed the site to provide 209 homes including 53 affordable homes and a brand new 50,000 sq. ft. business centre now accommodating over 120 businesses. As part of the development, major public realm improvements have been undertaken and the entire scheme has contributed to the revitalisation of the town centre as a whole. This has led, in part, to the reassessment of policy by Wandsworth Council who have now established a new planning designation to facilitate the intensification of space called a MUFIA (Multi Use Former Industrial Area).

The Wandsworth example clearly demonstrates the potential value in optimising town centre sites and those sites which can offer both employment and residential space in a well-considered, planned and managed way. Key to the success of this development was the combination of commercial space and residential accommodation, and the fact that Workspace’s priority is providing high quality space for small businesses. As a result, the high specification of the business space was established at the outset of the planning process, thereby avoiding a scenario in which the commercial space becomes a bolt-on element of a wider scheme.

Whilst there are examples of success, including the Workspace redevelopments, there is currently a lack of consistency across London boroughs with regard to the treatment of higher intensity mixed-use development on industrial and employment land. In areas within

Zones 1, 2 and 3 of London this acts as a brake on both housing and economic development.

With regards to emerging policy, we recommend that the GLA establishes a set of principles for a “new for old” policy which can be applied to similar sites across London. A policy which recognises the wider potential of mixed-use redevelopment opportunities and the introduction of flexibility in spatial planning could have a major impact on the future provision of employment space in London and offer a compelling alternative to the existing, potentially damaging residential permitted development rights (PDR) policy.

Digital Policy

Thanks to its direct relationship with the 4,000 businesses occupying its space, Workspace has a deep understanding of what small businesses need to create growth. Central to this is the provision of outstanding digital infrastructure.

We fully support the appointment of a Chief Digital Officer and look forward to further information regarding the role and remit of the appointed individual.

Innovation in connectivity increasingly drives our own business forward as we respond to and anticipate the needs of our customers. From ‘location, location, location’ to ‘location, location, technology’, the postcode in which you are based is no longer the key driver for success. Instead, transport links, connected services, design and community networks are the factors which customers consider when looking for a base for their business.

Digital infrastructure has three core elements: Who provides the backbone (the BT Openreach debate), who feeds the supply into buildings and who runs the network and services within buildings.

In multi-let commercial buildings there are frequently a range of technology suppliers involved while tenants also bring in their own Wi-Fi routers. This causes huge difficulties in managing both the quality and security of supply for businesses, for whom connected services is of paramount importance.

At Workspace, we work with a single supplier, Excell Group, who manage their own fibre network and provide digital services to all of our customers. This means that we effectively underwrite the quality of infrastructure going into a building through working with an exclusive partner. In turn, our customers can rely on first rate, business grade, reliable and secure connectivity from the moment they move into the building. It also enables us to focus on providing the best possible services in terms of speed and capacity to customers.

Due to our relationship with one single provider we can look after our customers’ interests, providing service agreements that match the length of their lease, encouraging competitive pricing and ensuring rapid response to any problems.

At Workspace, we were delighted that one of our buildings, the Metal Box Factory, has been Wired Certified Platinum by WiredScore, the organisation brought to London by the former Mayor to rate commercial buildings on their connectivity. We are hugely supportive of a ratings scheme for landlords on connectivity as a means of providing certainty to tenants and, perhaps in time, upholding the property value. We recommend that the Mayor’s Office renews its commitment to WiredScore or a similar scheme and encourages its roll-out across London.

Cyber security is a growing issue and one which we know Workspace customers are mindful of. One of the advantages of working with an exclusive partner is the ability to offer not only a fast and reliable network but also a secure network. We make significant investment to ensure the security of the supply, recognising that the majority of the intellectual property and sensitive information held by businesses is held digitally. Ensuring that this is highly protected from cyber attacks or non-secure networks is of great importance.

Provision of Workspace

Workspace fully supports moves to provide and secure future workspace across the city. London must retain its position as a leader in nurturing and supporting innovation and growth in small businesses; this is increasingly important in the light of BREXIT and the current uncertainty in the economic climate.

Affordable Workspace

The document sets out the need for affordable workspace as well as standard workspace recognising the need to cater for a range of different requirements.

However, as currently drafted, the policy document does not clearly define what is meant by affordable workspace and there are several definitions currently being used by different London boroughs. We would also seek clarification on what the office of the Mayor of London is seeking to achieve through the provision of affordable workspace, whether it be economic growth or the retention of existing economic activity? Where there are very clear criteria governing affordable housing, both in terms of how it is categorised and in terms of who qualifies for such housing provision, there is currently no such system in place for affordable workspace.

In defining affordable workspace, it is useful to reflect on what it is that small businesses need. The three definitions that we are aware of are as follows:

- **Flexible Space:**
 - Providing businesses with flexibility rather than simply low pricing of the space itself. This can either be managed through rental terms (for example, short break clauses) or through a pay as you go system/monthly membership for co-working space. Workspace offers both systems, catering for a range of businesses at different stages of their life span.
- **Discounted Space:**
 - Providing long-term reduced rental space to retain skills and specific industries, which would otherwise be unable to afford commercial rates, within an area. For example, we are aware of one local authority that has called for a landlord to offer rents at 80% of market rents for this reason.
- **Sector-specific space:**
 - The designation of space for specific sectors or industries. Whilst there is a place for the retention of skills through the establishment of Creative Enterprise Zones, this needs to be considered differently to an economic growth strategy, and may instead form part of a potential cultural strategy. For example, at

Workspace's refurbishment of Hatton Square Business Centre, to be renamed The Record Hall, we were required by the planning authority to offer a certain amount of space to the jewellery trade in order to fit in with the Hatton Garden jewellery quarter created to retain skills in the area but effectively enabling a specific industry to set its own levels of rent.

In summary, we would like to see clarity on the definition of affordable workspace and gain a better understanding of who should benefit from the Mayor's affordable workspace policy.

Summary

As a leading provider of space to small businesses in London, Workspace is supportive of measures to support and enhance the economic growth of the Capital. We believe that providing a balanced environment in which both housing and employment can develop and thrive is essential to London's continued position as a global centre for business and innovation.

As we've outlined in this document, we believe that a "new for old" mixed-use redevelopment policy would help to ensure the provision of higher intensity and better quality commercial space alongside residential. In addition, we call on the Mayor's Office to provide more clarity on the definition and criteria for its affordable workspace policy.

We would welcome the opportunity to discuss this document in more detail and to work with the Mayor of London and the GLA on emerging policy in the coming years.

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