

A modern, bright office workspace with wooden floors, large tables, and people working. The room is filled with natural light from large windows on the right. Several people are seated at tables, some working on laptops. The ceiling features modern lighting fixtures, including large, dark, textured pendant lamps and a spherical, woven pendant lamp. The overall atmosphere is professional and collaborative.

Brent Workspace Study

**A Final Report by Regeneris
Consulting, We Made That and
PRD**

London Borough of Brent

Brent Workspace Study

March 2017

Regeneris Consulting Ltd
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Executive Summary

- i. The Brent Workspace Study was commissioned to examine the supply of workspace in the Borough, the nature of demand, the role the Council can play in directing and stimulating workspace demand, and the opportunity for the Council to engage in development partnership, to accelerate delivery and generate commercial returns.

Brent's Economy

- ii. Brent's economy is currently home to 14,500 businesses in Brent employing 113,500 people. The borough has experienced strong economic growth in the past five years, with the number of jobs increasing by 17% (17,00 jobs in total), and the number of businesses increasing by 24% (3,000 businesses).
- iii. The Borough has a diverse business base and with a high proportion of micro and small businesses operating in the borough. Around three-quarters of businesses in Brent employ less than four employees. There has been strong growth in the number of micro businesses in the Borough has increased rapidly in recent years
- iv. Although Brent's economy is diverse, there are a number of key specialisms within the borough. Most of these are sectors which are typically seen as providing lower value added, with the largest employment sectors being public administration, education, health, and hospitality and leisure. Business and professional service activities and sectors are currently relatively small when compared to London averages; that said, these activities have experienced strong growth in recent years.

- v. More locally, the Borough has a diverse economic geography. Wembley is located at the heart of the Borough is an important retail, office and public sector economic hub. The south west of the Borough is industrial in nature and is home to part of Park Royal. The south east of the Borough faces towards central London and is characterised by higher value business and employment activities. The north of the Borough is largely residential in nature, with smaller industrial sites and town centres.
- vi. Reflecting its position within London, the Borough has significant economic linkages with wider areas – both locally (such as the wider Park Royal and OPDC area, and Brent Cross), and towards central London.
- vii. Activity in the Brent property market is focused in the centre and south of the Borough. As would be expected for an outer London location, commercial values are considerably lower than in more central locations which provides an advantage in efforts to stimulate economic growth in the future. However, challenges are faced from permitted development: there have been over 60 prior approvals for office conversions in recent years.
- viii. The London property market is continually evolving; while larger firms are traditionally less footloose, smaller business and start-ups are continually seeking new locations to be close to markets and clients. More 'cost effective' locations such as Brent are seen as increasingly effective to businesses, particularly where investments in transport and wider regeneration are being made.

Workspace in Brent: Supply and Demand

- ix. Research undertaken as part of this study in late 2016 identified 58 premises providing flexible and affordable workspace for businesses in Brent. Four workspace typologies have been analysed to understand how the supply of workspace is currently being provided. Provision within Brent is strongest in the managed workspace and creative studio typologies, while supply of Incubator, Accelerator and Co-working spaces (IACs) has been limited to temporary and meanwhile provision.
- x. Clear clusters of workspaces have been identified around the key town centres in Brent, including Wembley, Willesden Green, Kilburn, as well as a distinct clustering along the southern edge of the borough.
- xi. Secured affordable workspace in future development and forthcoming LB Brent-led initiatives will increase the supply of workspace in the borough notably in the short- to medium-term, with around 15 sites of potential future provision identified at this point in time. Despite this, there is still uncertainty around end users and varying fit out levels in new provision have hampered the take up of some key new sites.
- xii. LB Brent’s current Planning Policy is working well in terms of securing the provision of new affordable space but that there is evidence of these spaces being un-occupied: not for lack of suitability, but for lack of traction and a focused strategy for fit-out, management and leasing. At the other end of the scale, permitted development represents a significant threat to workspace in the Borough, as highlighted by the example of Brent’s largest and only dedicated

makerspace Create Space London has now moved out of the borough.

- xiii. The strong economic performance of the borough in recent years has translated into strong demand for commercial property and workspace. Agents report good levels of demand for space in the Borough, and there have been strong growth in the values being realised in recent years. Space is currently limited at the more creative end of the workspace market in the Borough (creative studios, makerspaces and IACs), although this largely reflects limited supply.
- xiv. Permitted development has had a tangible impact for remaining workspace operators: managed workspace operators report less competition in recent years as other office workspace sites have been converted/ redeveloped as residential offerings.
- xv. ***Current and pipeline workspace provision in Brent is mapped overleaf.***

Borough Wide Map of Current Workspace Provision

Key

◆ **Managed workspaces**

1. Alperton House
2. Ajay Business Centre
3. Trinity House Business Centre
4. Wembley Point
5. Wembley Stadium Industrial Estate
6. York House
7. Empire House
8. BE Offices
9. East Lane Business Park
10. Church Lane
11. McNicholas House
12. Jubilee House
13. Watling Gate
14. Edgware Road workspace
15. Symal House
16. Coles Green Road workspace
17. Staples Corner
18. China House
19. The Grange Business Hub
20. Dalmeyer Road workspace
21. Cygnus Business Centre
22. Chapter Road workspace
23. Unimix House
24. Abbey Road workspace
25. Cumberland Avenue
26. Concept House
27. Acton Lane workspace
28. 182 Acton Lane
29. Acton Lane workspace
30. The Tay Building
31. Queen Studios
32. Quadrant Business Centre
33. Coachworks
34. Lonsdale Road workspace
35. Argo Studios

◆ **Creative Studios**

36. Barham Park Studios
37. Alpine House
38. Main Yard
39. Bench space for arts & craft
40. Chambers Lane studio
41. Queens Park Design District
42. South Kilburn Studios

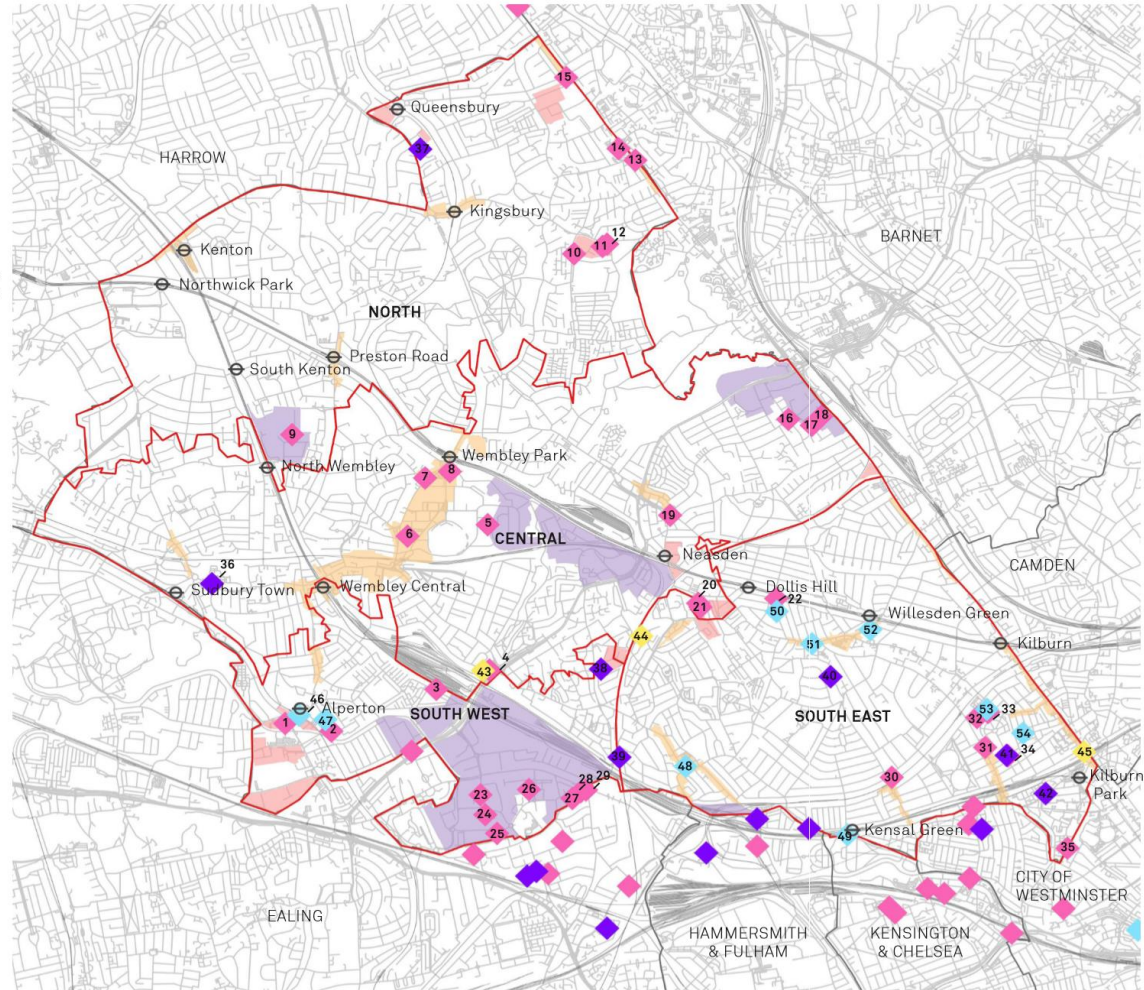
- SIL
- LSIS
- Town centre
- Study sub-area boundaries

◆ **Makerspaces**

43. Create Space London
44. Textile Studio
45. Fashion Workspace

◆ **Deskpace in office/studio**

46. Alperton workspace
47. Sunleigh Road workspace
48. High Street workspace
49. Kensal Green workspace
50. Villiers Road workspace
51. High Road workspace
52. Willesden Green workspace
53. Kimberley Court workspace
54. Queens Park workspace



Source: We Made That

Borough Wide Map of Pipeline Workspace Provision

Key

◆ Potential future provision

Secured affordable workspace in new developments

1. 255 Ealing Road
2. 243 Ealing Road
3. Minavil House
4. Palace of Arts & Industry (Quintain)
5. Sarena House and Allied Manufacture, Grove Park
6. 18 Neasden Lane and 450 High Road
7. Abbey Wharf & Delta Centre

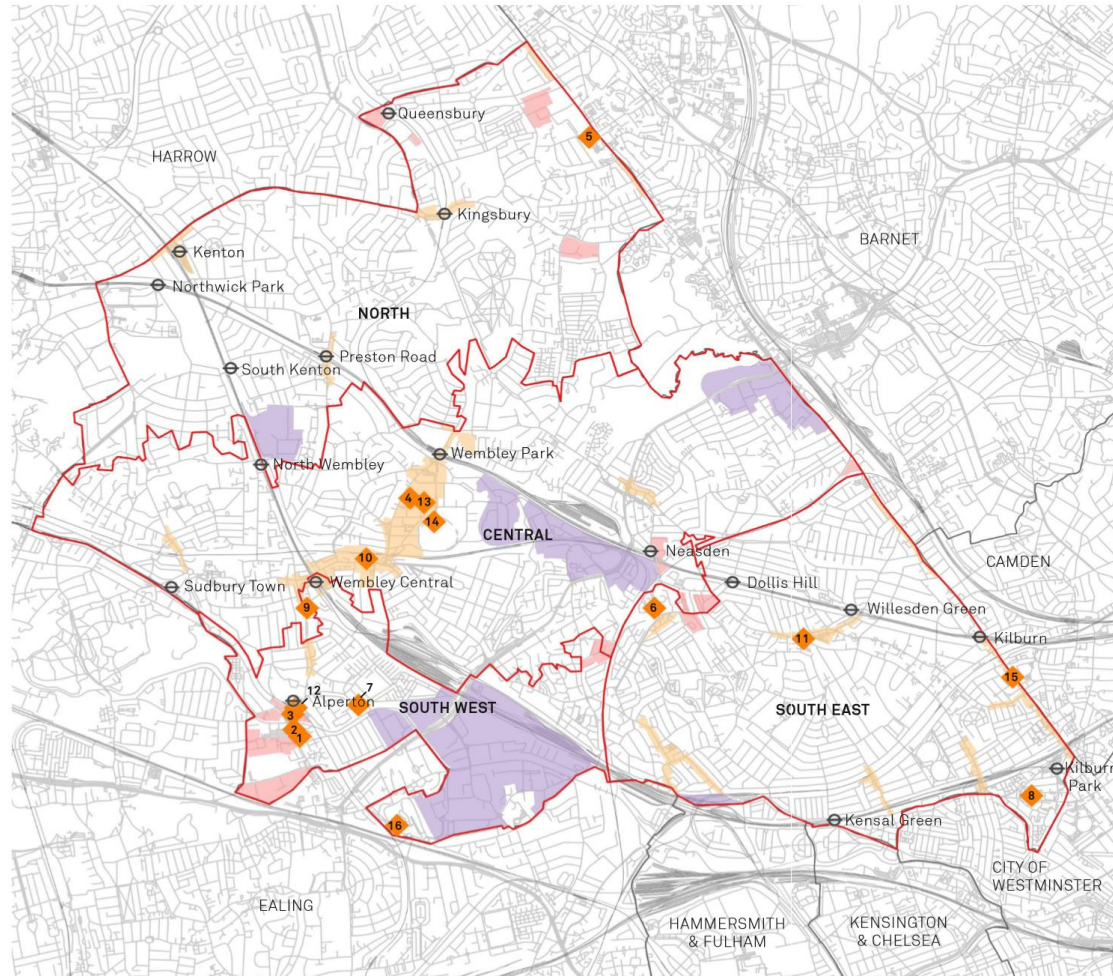
Council-led workspace initiatives

8. South Kilburn Enterprise Hub
9. Ealing Road Library
10. Wembley Central future high street development
11. Willesden Green Library
12. Ealing Road marketing suite

Other potential workspace provision

13. Brent Civic Centre
14. UCFB Wembley
15. Tricycle Theatre
16. First Central 200

- SIL
- LSIS
- Town centre
- Study sub-area boundaries



Source: We Made That

Workspace in Brent: Potential for Growth

- xvi. The strong growth recently achieved in Brent and across London is expected to continue in the future; the London LEP and GLA are placing a large policy focus on supporting the development of a number of higher value sectors (such as financial and professional services, creative industries and science and technology) and also supporting London’s enterprise economy. Over recent years, the GLA has placed a strong degree of emphasis on the importance of workspace in supporting and encouraging creative enterprise; this emphasis has been reaffirmed by the new Mayor, Sadiq Khan.
- xvii. More locally, Brent is well placed to benefit from London’s growth trajectory given the presence of and proximity to a number of London’s most significant growth areas (including Wembley, the OPDC area, Brent Cross, and Burnt Oak /Colindale), and strong connectivity to central London. The Borough may also benefit from the 2017 rates revaluation which, has the potential to reshape London’s economic geography, as firms seek new more cost effective locations.
- xviii. Reflecting these economic and growth factors, along with the trajectory of London’s workspace market more generally, we believe that demand for workspace in Brent will continue to grow.
- xix. Generally speaking, future opportunities for workspace are strongest within the Borough’s town centres and employment areas – particularly those in the south and centre of the Borough. This reflects the fact that these locations tend to accommodate many of the factors which will be important for both operators and businesses – including connectivity, strong amenity, and existing business clusters and networks.
- xx. There appears to be demand for more space across all workspace typologies – but particularly those at the more creative end of the spectrum (e.g. incubators, accelerators and co-working space) where provision is currently limited. While in the longer term there may be a case for sector targeted workspace (e.g. creative space in Wembley and food and drink focused space in Park Royal), we believe in the shorter term the focus should be on enhancing supply more generally.
- xxi. Generally speaking, workspace operators appear positive about the potential of Brent, although in many cases this interest is yet to develop into more concrete investment proposals. Despite this, it is positive that there are a large number of workspace opportunities in the pipeline via new developments. Securing the successful delivery of these will provide a significant boost to the Brent workspace market – and has the potential to provide greater critical mass which will demonstrate the viability of the local workspace market and encourage more operators and landowners to invest.
- xxii. Monitoring the impact these new workspaces have on the level and diversity of workspace supply in the Borough and levels of demand and take up, will be crucial in informing future workspace interventions by LB Brent both in policy and wider economic development terms.

Delivering Workspace: Learning From Elsewhere

- xxiii. A detailed review of the workspace market outside Brent, drawing on consultation with agents, operators, and other London and UK local authorities, has provided clear lessons to inform future workspace intervention options for LB Brent. LB Brent will need to carefully appraise its aspirations, limitations, strengths and opportunities in order to identify the right portfolio of interventions
- xxiv. In all cases, success has been achieved through setting a plan and committing to deliver it. LB Brent will need to organise itself to commit to delivering its aspirations over a medium-long-term time horizon. This can be achieved through organisational arrangements and through establishing and delivering a focused business plan.
- xxv. Interventions must be targeted, clear, market facing and deliverable. This clarity is essential to ensuring that the market clearly understands the offer and the LB Brent's commitment to it.
- xxvi. Whilst Local Authorities' aims sit across a spectrum of drivers (socio-economic and commercial), the effective ability to realise these drivers needs to be clearly tested and agreed as an early action. There is often a competing interest between commercial and socioeconomic outcomes that needs to be understood and accounted for, in setting the right strategic approach for Brent.
- xxvii. A range of policy tools can be focused to support workspace delivery, these tools should be used in a coordinated fashion and must be supported through operational actions that across departments. There is commercial interest in Brent's opportunities and unseen demand for workspace from commercial operators.

- xxviii. Building on the research, key opportunities and portable lessons for new approaches to support the Brent workspace market include:

- Seek to bring forward overlooked sites and spaces that could accommodate new enterprise spaces
- Bring stakeholders together to stimulate and coordinate activity
- Showcase the offer, brokering and matching interests regarding investing in and growing a business in Brent
- Support businesses to stay in Brent as they grow & their needs change
- Improve planning provisions to encourage & focus workspace growth
- Secure external financial resources and use them in creative ways to initiate projects and secure bring other investment
- Coordinate enterprise support to develop enterprise growth 'pathways' within the borough
- Assist partners in navigating Council policy and regulation to bring ideas to fruition
- Partner with third sector organisations brings greater socioeconomic benefits and reinvestment in local initiatives
- Help providers seek a variety of different spaces and choose new locations which complement existing workspaces
- Establish a 'champion' and Steering Group to coordinate a revised strategic and operational approach
- Directly intervene through the development and mobilisation of new ventures to catalyse or deliver additional workspace.

Recommendations and Delivery Options

xxix. Building on the above lessons and wider research, a number of recommendations and delivery options are set out in Chapter 6 of the report. These provide LB Brent with a structured menu of informed opportunities for direct intervention.

Overarching Proposals for Organisation & Action

xxx. A number of strategic and operational interventions are proposed that LB Brent could introduce to support growth in the local workspace market outside of (but aligned with) direct involvement in delivery ventures. These include:

- Establishing a Workspace Growth Steering Group which can oversee and proactively steer the development of Brent’s workspace market – see page 94 for further detail
- Delivery of a suite of overarching, supporting interventions (see page 97 for further detail):
 - Enhancing planning policies to secure further workspace delivery in new developments
 - Developing an ‘invest and grow in Brent’ marketing and ‘concierge’ service,
 - Development of a Coordinated and targeted funding strategy
 - Enhancing business support provision via a business and sector growth enabler
 - Supporting labour market development via a workforce development enabler

- Undertaking monitoring of the workspace market and further development of the evidence base, and
- Reinvigorating and ramping-up a meanwhile uses strategy for workspace.

Partnership Models for Direct Intervention to Enable or Deliver Workspace

xxxi. Building on these recommendations, the report introduces overarching proposals for the framework and delivery models that LB Brent could introduce to take direct involvement in workspace delivery ventures, together with mapping of the key local opportunities within this framework.

xxxii. A suite of delivery models have been explored, including a 'Front Desk' management agreement approach, a traditional development agreement approach, a partnering framework approach, a joint venture (new legal entity) approach, and a Council development company. Each of these typologies lend themselves to different contexts and opportunities and are considered against each other on page 103.

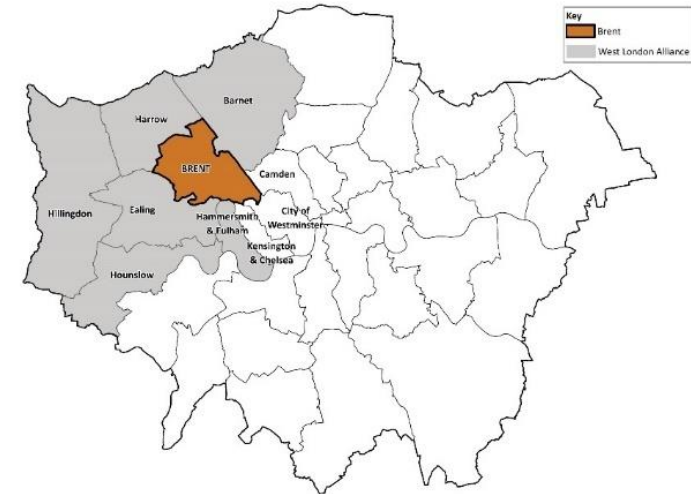
xxxiii. Building on this, high level business cases and models have been developed for an initial wave of key sites and opportunities that could be progressed through the proposed framework. Opportunities assessed are:

- S106, Lease structure – e.g. 243 Ealing Road. See page 106 for further detail
- Lease – e.g. Willesden Library. See page 109 for further detail
- Joint Venture – grouped sites such as Willesden Library and Civic Centre or 243 Ealing Road. See page 111 for detail.

1. Report Purpose

- 1.1 The Brent Workspace Study was commissioned in 2016 to examine the supply of SME workspace in the Borough, how demand might change in the future, the role the Council can play in directing and stimulating workspace demand, and the opportunity for the Council to engage in development partnership, to accelerate delivery and generate commercial returns.
- 1.2 The specific objectives of the study are to:
 - Understand the characteristics and trajectory of the Brent economy – see Chapter 2
 - Map the current supply of workspace in Brent and understand the level and nature of demand – see Chapter 3, Appendix B, and the accompanying workspace provider spreadsheet
 - Explore opportunities for future workspace growth in Brent, considering places and locations, workspace typologies and sectors – see Chapter 4
 - Examine examples of best practice in workspace from elsewhere in London and the UK – see Chapter 5 and Appendix C
 - Provide recommendations on the interventions needed to support the development of Brent’s workspace market, including potential partnership models and mechanisms for LB Brent – see Chapter 6.
- 1.3 While the focus of the study is Borough wide, the nature of the workspace market necessitates local level analysis: examining trends and performance in Brent’s town centres, industrial areas and regeneration areas (such as the Borough’s two housing zones).
- 1.4 The research also examines wider trends and performance taking place across north, west and central London, recognising that the Brent workspace market is influenced by much wider economic drivers.

Figure 1.1 London Borough of Brent



Source: Regeneris, 2016

- 1.5 Work undertaken has included:
 - Desktop research to understand local economic and property market characteristics and performance
 - Research to map workspace supply and characteristics in Brent
 - Consultations with a number of Brent’s workspace providers
 - Consultations with local property agents
 - Consultation with developers and workspace providers not currently located in the Borough
 - Research into best practice in workspace elsewhere across London and the UK to learn lessons of relevance for Brent.

2. Brent’s Economy

2.1 This chapter provides an overview of the Brent economy, including overarching economic characteristics and strengths, and analysis of the local economies and places which make up the Borough.

Summary of Findings

- There are 14,500 businesses in Brent employing 113,500 people.
- There has been strong economic growth in the Borough in the past five years, with the number of jobs increasing by 17% (17,00 jobs in total), and the number of businesses increasing by 24% (3,000 businesses)
- The majority of businesses operating in Brent are micro and small businesses, with around three-quarters of businesses employing less than four employees; the number of micro businesses in the Borough has increased rapidly in recent years
- The economy as a whole is characterised by strengths in lower value activities: public administration, education, health, and hospitality and leisure are the largest employment sectors.
- While the size and strength of creative, business and professional service activities are comparatively low, there is evidence of strong growth in recent years
- More locally, the Borough has a diverse economic geography. Wembley is located at the heart of the Borough is an important retail, office and public sector economic hub. The south west of the Borough is industrial in nature, is home to part of Park Royal. The south east of the Borough faces towards central London and is characterised by higher value business and employment activities. The north of the Borough is largely residential in nature, with smaller industrial sites and town centres.

- Reflecting its position within London, the Borough has significant economic linkages with wider areas – both locally (such as the wider Park Royal and OPDC area, and Brent Cross), and towards central London.
- Activity in the Brent property market is focused in the centre and south of the Borough. As would be expected for an outer London location, commercial values are considerably lower than in more central locations which provides an advantage in efforts to stimulate economic growth in the future. However, challenges are faced from permitted development: there have been over 60 prior approvals for office conversions in recent years.
- The London property market is continually evolving; while larger firms are traditionally less footloose, smaller business and start-ups are continually seeking new locations to be close to markets and clients. More ‘cost effective’ locations such as Brent are seen as increasingly effective to businesses, particularly where investments in transport and wider regeneration are being made.

Brent’s Economic Geography

2.2 Brent’s economy is highly diverse with a strong industrial presence in the south-west and east of the borough and major office and retail activities in the centre of the Borough around Wembley. By comparison, the north of the Borough is largely residential in nature.

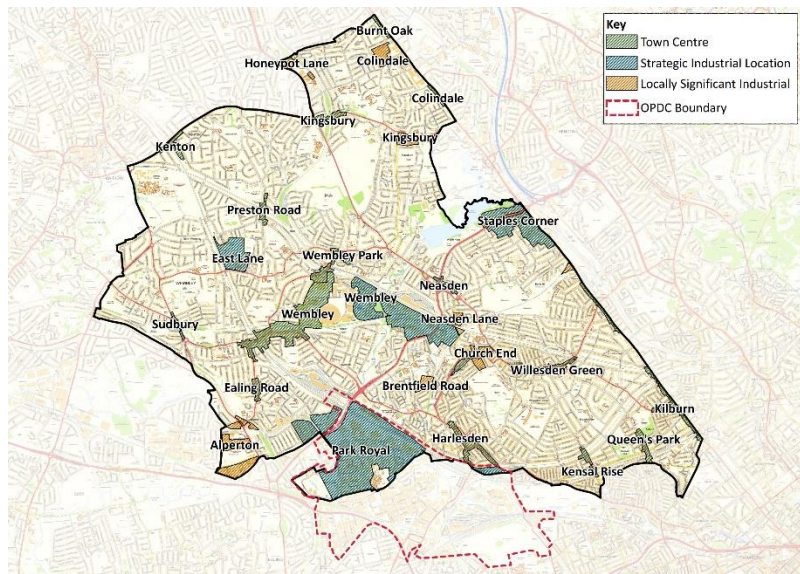
2.3 Brent’s economic hubs include:

- **Priority Town Centres:** town centres identified by LB Brent for focused investment and where significant development is expected in the future. Nine town centres have been identified, namely Wembley, Neasden, Willesden Green, Harlesden, Colindale, Burnt Oak, Kilburn, Church End and Ealing Road.
- **Strategic Industrial Location (SIL):** There are four SILs in Brent, namely Park Royal, Wembley, Staples Corner and East Lane, all of

which cater for a range of industrial uses. SIL's are London's main reservoirs of industrial land which should be promoted, managed and, where appropriate, protected (Policy 2.17, London Plan 2016).

- **Locally Significant Industrial Sites (LSIS):** are industrial sites within Brent which are not designated SIL, but are considered to be important industrial locations within the borough. The council will protect LSIS for the same range of uses as SILs. Again these sites cater for a wide range of industrial uses.

Figure 2.1 Context Map of Brent Town Centres and Industrial Areas



Source: Regeneris Consulting

Old Oak and Park Royal Development Corporation (OPDC)

Park Royal in the south of the Borough is covered by a separate planning authority: Old Oak and Park Royal Development Corporation (OPDC).

ODPC is the Local Planning Authority, master developer and regeneration agency for the 650-hectare site at Old Oak Common and Park Royal. The OPDC boundary overlaps three boroughs, namely Brent, Ealing and Hammersmith and Fulham.

It is tasked with ensuring that the full development potential is achieved at the new HS2 / Crossrail interchange at Old Oak Common and the intensification of Park Royal Industrial Estate.

As a Local Planning Authority, the OPDC is responsible for preparing and maintaining a Local Plan, and this is currently being developed to guide planning decision making in the future.

Economic Overview

Size of the Economy and Recent Performance

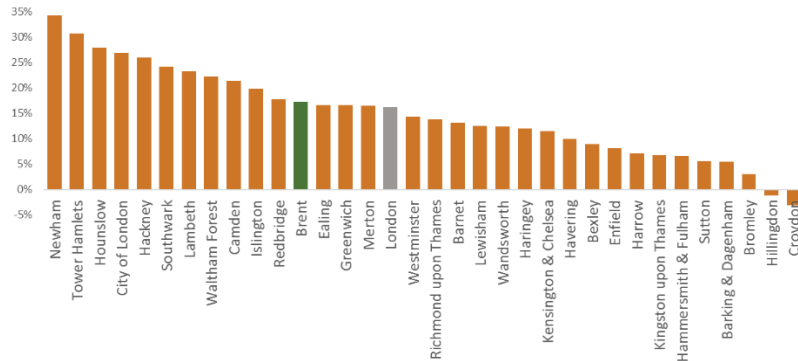
- 2.4 The Brent economy comprises 113,500 jobs and 14,500 businesses.
- 2.5 It has experienced strong growth over the last five years, with a 17% increase in the level of employment (slightly above the London average) and a 24% increase in the business base (slightly below the London average). This represents the twelfth fastest employment growth rate and the nineteenth fastest business growth rate out of the 33 London boroughs.
- 2.6 The borough ranks among the top 20% of boroughs nationally in the UK Competitiveness Index, having risen 11 places in the rankings over the last three years.

Table 2.1 Summary of Brent Economy

		Current	Recent Change
Business Base (2010-15)	Businesses	14,500	+2,850 (+24%)
	Total Employment	113,500	+16,700 (+17%)
Employment Base (2010 - 15)	% Full-time Employment	73%	+2% points
	Private Sector Employment (%)	82%	+4% points
Overall Competitiveness	UK Competitiveness Index ¹	68 th in UK (out of 379)	+11 places since 2013

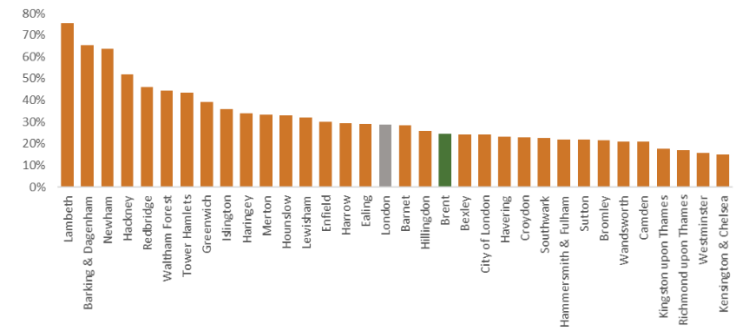
Source: BRES, 2015; UK Business Count, 2015; UK Competitiveness Index, 2016

Figure 2.2 Employment Growth (2010-15) by London borough



Source: BRES, 2015

Figure 2.3 Business Growth (2010-15) by London borough



Source: UK Business Count, 2015

Businesses and Enterprise

- 2.7 The majority of businesses operating in Brent are micro and small businesses, with around three-quarters of businesses employing less than four employees. Brent has a higher proportion of businesses employing between zero and nine employees (89%) than London (86%).

Table 2.2 Size of Businesses in Brent and London

	Brent	London
Micro (0 to 9)	89%	86%
Small (10 to 49)	9%	11%
Medium-sized (50 to 249)	2%	2%
Large (250+)	0.3%	0.4%

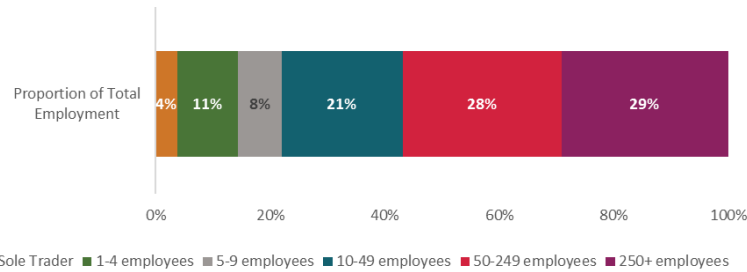
Source: UK Business Count, 2015

¹ UK Competitiveness Index: The UKCI provides a benchmarking of the competitiveness of the UK's localities, and it has been designed to be an integrated measure of competitiveness focusing on both the development and sustainability of businesses and the economic welfare of individuals. It takes into

account economic activity rates, skills levels, business start-up rates, business density and concentration of knowledge based activities.

2.8 While micro and small businesses clearly play an integral role in the local economy, it is important that the role of larger employers is not undervalued: the four percent of employers which employ more than 50 employees, account for over half of all employment in the borough (57%). The importance of providing a supportive environment for larger employers to support overall economic vitality should not be underestimated.

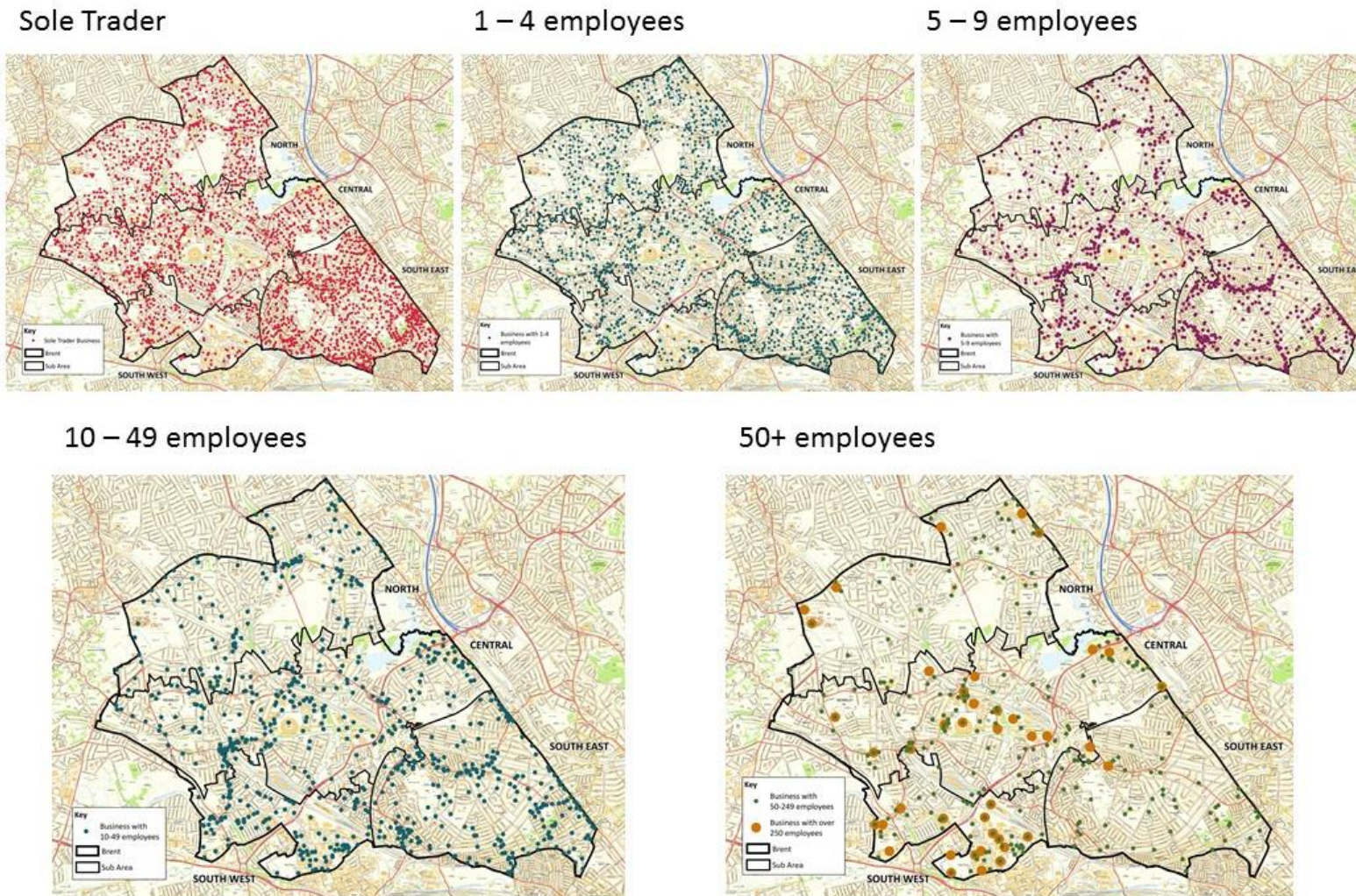
Figure 2.4 Breakdown of Businesses by Number of Employees



Source: IDBR, 2016

- 2.9 The spatial distribution of businesses in Brent is mapped out in Figure 2.5, and is split according to the number of employees at each location.
- 2.10 The maps show that large businesses in Brent (employing more than 250 people) are primarily concentrated in the industrial areas to the south of the borough (around Park Royal and Alperton) and in the Central area (in close proximity to Wembley).
- 2.11 In comparison, there is a much higher concentration of micro businesses in the south-east of the borough and around Wembley.

Figure 2.5 Business sizes by location in Brent



Source: IDBR, 2016

Business Start-Ups

- 2.12 Data from the ONS Business Demography shows that in 2014 there were 2,590 businesses established, up from 1,690 businesses in 2009. This represents a business birth rate of 176 businesses created per 1,000 active businesses, an increase of 30% since 2009.
- 2.13 Brent has a similar level of business start-ups as a proportion of its business base compared to London (177 new businesses per 1,000 active businesses) and a higher level compared to the West London Alliance area (172).

Figure 2.6 Business Birth Rate (number of new businesses per 1,000 active businesses)

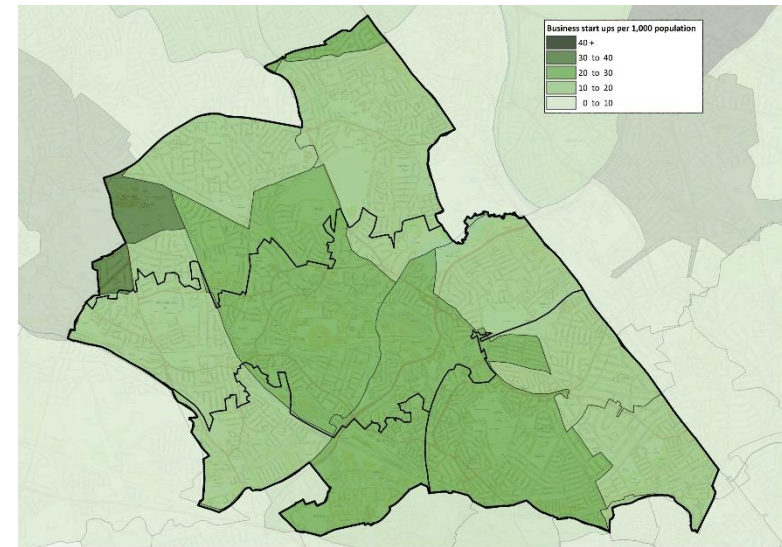


Source: Business Demography, 2014

- 2.14 Data from Start-Up Britain, reveals that business start-up rates as a proportion of the population are highest around Wembley and Harlesden. In the HA9 postcode (an area which largely encompasses Wembley Park) there were 24 business start-ups in 2014 per 1,000

population. This compares to NW2 postcode (an area which encompasses Cricklewood and Willesden Green), where there were only 12 business start-ups per 1,000 population in 2014.

Figure 2.7 Map of Business Start-ups per 1,000 population, 2014



Source: Start-Up Britain, 2014

Note: Data is based on postcode boundaries, and therefore don't overlap with ONS boundaries

Business Survival

- 2.15 Businesses in Brent have similar closure rates to London and the West London Alliance, with 1,580 businesses ceasing activity in 2014. There has been a fall in the number of businesses closing, with 1,800 closing in 2009. The equates to 107 businesses closing per 1,000 active businesses in 2014, meaning that just over 10% of businesses close in Brent each year. Brent's

closure rate is similar to London (106 business closures per 1,000 active businesses) and the West London Alliance (107).

2.16 The business closure rate in Brent has been largely on the decline since 2009 (following the last recession), in line with the wider London area.

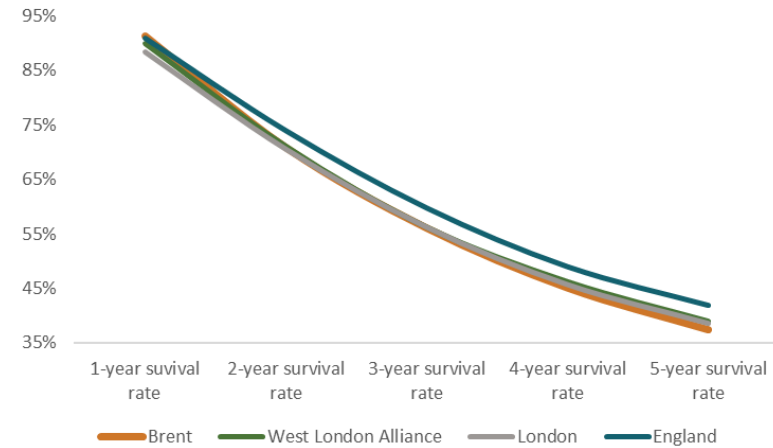
Figure 2.8 Business Closure Rate (number of businesses deaths per 1,000 active businesses)



Source: Business Demography, 2014

2.17 While initial (one year) business survival rates in Brent are slightly above wider averages at over 90%, only 37% of businesses survive the first five years of trading. This rate is lower than experienced in the West London Alliance (39%), London (39%) and nationally (42%).

Figure 2.9 Survival Rate of businesses born in 2010



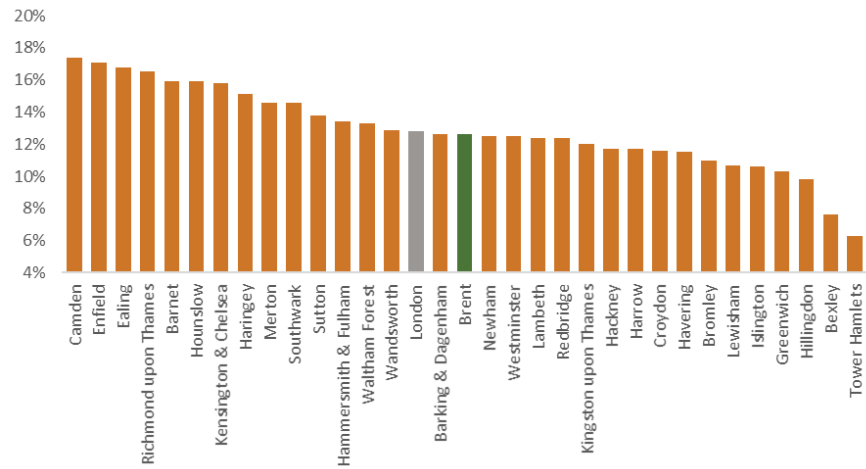
Source: Business Demography, 2014

Self-Employment

2.18 Self-employment data can provide an indication of the entrepreneurial tendencies of local residents, although it should be noted that Brent's residents who are self-employed may not necessarily be working in Brent, and may commute to other areas. Brent currently has an average level of self-employment compared to other London boroughs, with 13% of residents classified as self-employed, the same level as London and the West London Alliance (both 14%).

2.19 Compared to other London boroughs, Brent has the 16th highest level of self-employment in 2016, lower than in the neighbouring boroughs of Ealing (17%) and Barnet (16%).

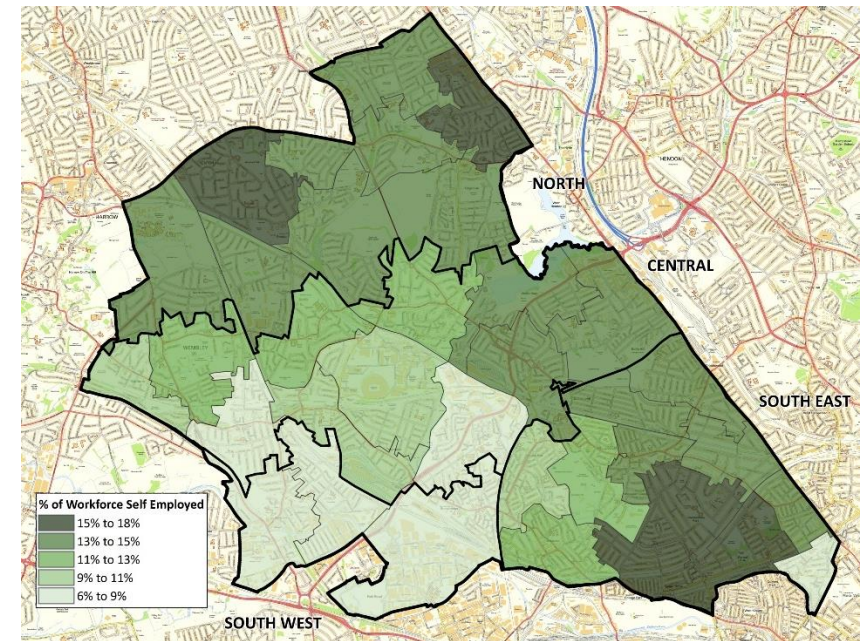
Figure 2.10 Self-employment Rate across London boroughs, March 2016



Source: ONS Annual Population Survey, 2016

2.20 Self-employment rates are variable within Brent. Self-employment rates in the north and south-east of the Borough are much higher than seen in the south west and across the eastern side of the Borough.

Figure 2.11 % Self-Employed, 2011 by area



Source: Census, 2011

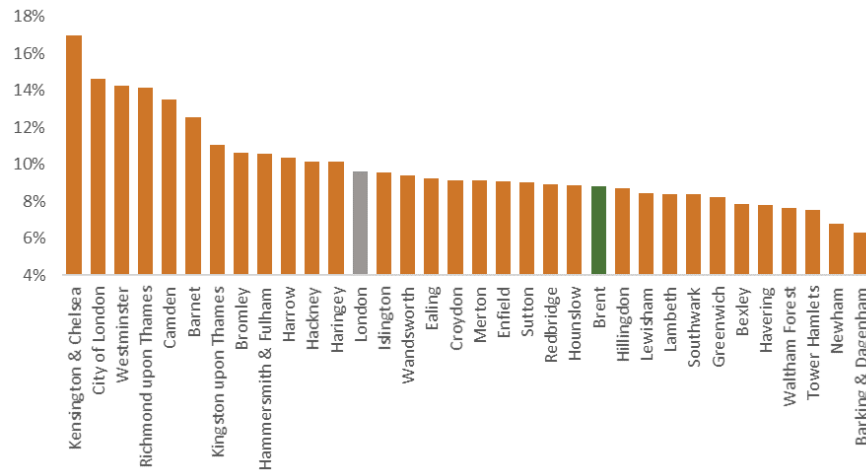
N.B. The methodology for calculating self-employment in the Census varies from the Annual Population Survey, and therefore figures are not directly comparable.

Homeworking

- 2.21 Levels of homeworking provide a further indication as to the level of enterprising activity within Brent, although it should be noted that not all homeworkers will be directly engaged in enterprising activity.
- 2.22 Data from the 2011 Census finds that around 9% of the working age population work from home, slightly below the London and West London Alliance level (both 10%).

2.23 Compared to other boroughs in London, Brent has the 22nd highest level of working aged people working from home, putting it behind all other West London Alliance boroughs bar Hillingdon.

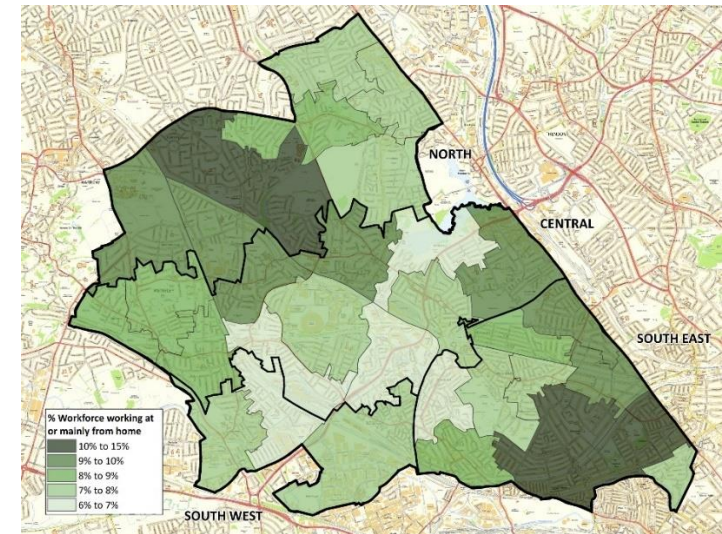
Figure 2.12 Home-working rate across London boroughs, 2011



Source: Census, 2011

2.24 Analysing home working patterns across Brent reveals that the areas which have the highest level of homeworking are in the north and south east sub-areas, with the highest concentrations around Queen’s Park and Kenton. The area around Wembley has some of the lowest proportions of homeworkers in Brent, in addition to the south west part of the Borough.

Figure 2.13 % working from home, 2011 by area



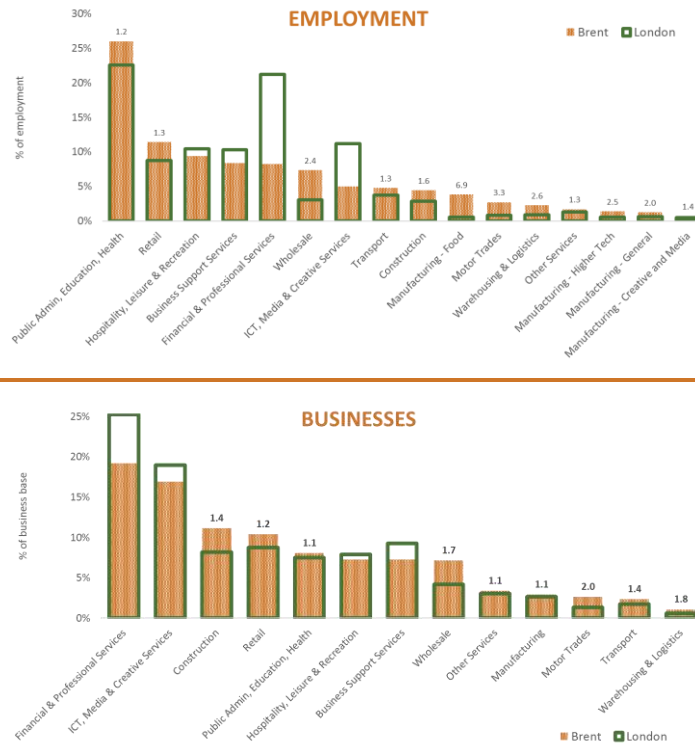
Source: Census, 2011

Sectors and Specialisms

- 2.25 Considered at the broadest level, the Brent economy is characterised by strengths in lower value activities than is average across London.
- 2.26 the largest employment sectors in Brent are public administration, education and health; retail; hospitality, leisure and recreation and business support services. Combined these four sectors account for around 55% of employment in Brent. The local service sector accounts for a high proportion of jobs in Brent (54%) relative to London (45%) and reflects the residential nature of the borough.
- 2.27 The largest sectors (by number of businesses) are the financial and professional services (around 19% of businesses), and ICT, media and creative services sectors (around 17%). These account for a combined 36%

of businesses. Although this is a high proportion of the business base, it is still lower than seen across London (44%). By contrast, sectors where there are relative business specialisms include construction, retail and wholesale.

Figure 2.14 Broad sector breakdown – employment & businesses



Source: ONS BRES (2015), ONS UK Business Count (2015)

2.28 A more detailed sector breakdown of the Brent economy is provided in Table 2.2. Key sector characteristics include:

- Manufacturing:** the manufacturing sector is the most specialised overarching sector in Brent and accounts for 8,290 jobs. Relative to the proportion of employment across London in manufacturing, Brent has over three times the number employed in this sector (Location Quotient² = 3.2), with the most specialised sub-sectors being food manufacturing (LQ = 6.9) and higher tech manufacturing (LQ = 2.5). There are around 420 manufacturing business in Brent, accounting for 3% of the total business base. The number of manufacturing jobs and businesses has fallen over the last five years (-1% and -6% respectively).
- Wholesale, logistics and transport:** the combined wholesale, logistics and transport sector accounts for 16,400 jobs and 1,500 businesses in Brent. There is a higher concentration of activity in Brent than across London, and the sector has an employment location quotient of 1.9. Key specialisms within Brent are in warehousing and logistics (LQ = 2.6) and wholesale (LQ = 2.4). The combined sector has experienced strong employment (+19%) and business (+12%) growth in the last five years, with the highest employment growth experienced in the transport (+23%) and wholesale (+27%) sub-sectors.
- Local service sectors:** this sector accounts for over half of jobs in Brent, with around 61,290 people employed in 5,700 businesses. The sector has a higher concentration of activity compared to across London, with a location quotient of 1.2. Specialisms within this sector include motor trades (LQ = 3.3) and construction (LQ = 1.6). The local service sector has experienced strong employment (+19%) and business (+20%) growth over the last five years, with

² LQ stands for Location Quotient. This tests the degree of local specialism by comparing proportion of a sector activity locally to the proportion of that activity across London. A location quotient of greater than one indicates a greater specialism locally; less than one indicates a lower than average concentration of activity locally.

particularly strong employment growth in motor trades (+48%) and retail (+42%).

- **Business and professional services:** this is currently the least specialised sector in Brent compared to London, although the sector still accounts for around a quarter of total employment (23%). There are 26,480 jobs in 6,700 businesses. The business and professional services sector is not as concentrated in Brent compared to London, with a location quotient of 0.5. However, the 'other services' sub-sector has a stronger presence in the borough than across London, although this is typically lower value service activities, including hairdressing, dry cleaning and gyms. The combined sector has the highest employment and business growth rate in the last five years out of all the other main sectors, with employment growing by 23% and the business base growing by 34%. This employment growth has been strongest in the business support services (+35%) and finance and professional services (+30%) sub-sectors.

Table 2.3 Detailed Breakdown of Brent’s Economy

Overarching Sectors	Detailed Sectors	Business				Employment			
		UK Business Count				BRES			
		2015		Change 2010		2015		Change 2010	
		No.	% of all	LQ	- 15 (%)	No.	% of all	LQ	- 15 (%)
Manufacturing	Creative	120	1%	1.1	-21%	840	1%	1.4	+10%
	Food	70	0%	1.8	+44%	4,360	4%	6.9	-9%
	General	160	1%	1.1	-6%	1,470	1%	2.0	+26%
	Higher Tech	80	1%	0.9	-6%	1,620	1%	2.5	-3%
	All Manufacturing	420	3%	1.1	-6%	8,290	7%	3.2	-1%
Wholesale, Logistics, Transport	Transport	340	2%	1.4	+55%	5,430	5%	1.3	+23%
	Warehousing and Logistics	160	1%	1.8	+29%	2,620	2%	2.6	-4%
	Wholesale	1,030	7%	1.7	+1%	8,350	7%	2.4	+27%
	All Wholesale, Logistics, Transport	1,500	11%	1.6	+12%	16,400	14%	1.9	+19%
Local Service Sectors	Retail	1,500	10%	1.2	+22%	12,990	11%	1.3	+42%
	Motor Trades	380	3%	2.0	+29%	3,100	3%	3.3	+48%
	Public Admin, Education, Health	1,200	8%	1.1	+14%	29,490	26%	1.2	+12%
	Construction	1,600	11%	1.4	+22%	5,060	4%	1.6	+2%
	Hospitality, Leisure & Recreation	1,000	7%	0.9	+16%	10,650	9%	0.9	+19%
	All Local Service Sectors	5,700	40%	1.2	+20%	61,290	54%	1.2	+19%
Business and Professional Services	Business Support Services	1,000	7%	0.8	+42%	9,510	8%	0.8	+35%
	Finance and Professional Services	2,800	19%	0.8	+42%	9,360	8%	0.4	+30%
	ICT, Media and Creative Activities	2,400	17%	0.9	+24%	5,670	5%	0.4	+7%
	Other Services	500	3%	1.1	+26%	1,950	2%	1.3	+2%
	All Business & Professional Services	6,700	47%	0.8	+34%	26,480	23%	0.5	+23%
Primary	Agriculture and Mining	0	0%	0.0	N/A	<50	0%	0.1	+800%
	Utilities and waste	40	0%	0.7	+40%	1,010	1%	1.8	-42%
Whole Economy		14,300	100%	1.0	+24%	113,480	100%	1.0	+17%

Source: ONS BRES (2015), ONS UK Business Count (2015)

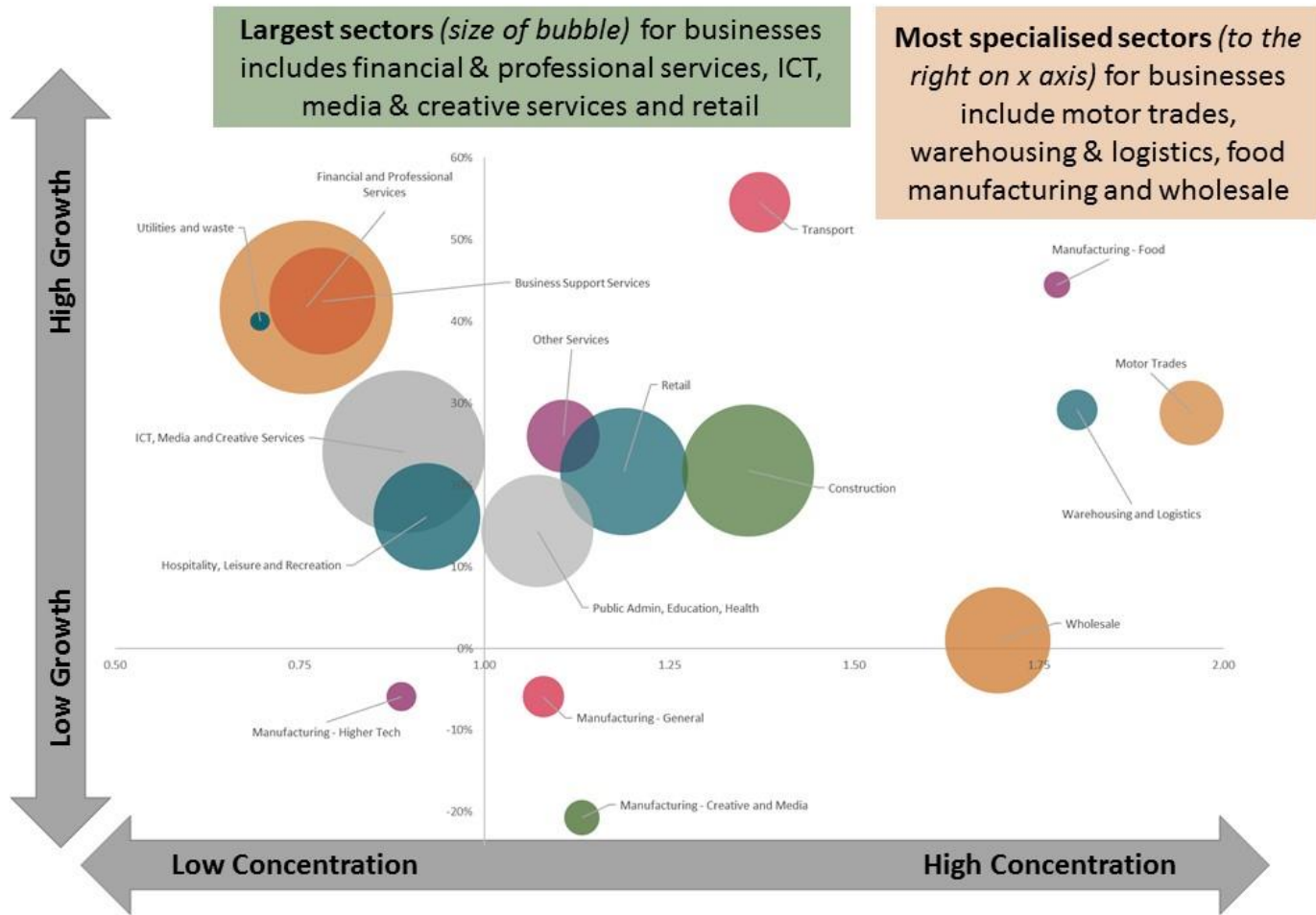
Note: LQ stands for Location Quotient. Cells highlighted green is where specialisms exist i.e. LQ>1

Where there is no data available or where the data falls below confidentiality thresholds, 'N/A' is displayed.

2.29 The above analysis is summarised in the following two charts. Figure 2.15 and Figure 2.16 summarise the make-up of Brent's business and employment base in terms of their size, degree of specialisations and growth trajectory. From these charts there are a number of important key points to note:

- Brent's economy is currently skewed towards industrial activities, with specialisms including manufacturing and wholesale, logistics and transport)
- Brent has a number of niche specialism including in food manufacturing and motor trades
- The public administration, education and health sector is the largest in Brent
- Over the past five years, there has been employment and business growth across the majority of sectors in the Brent economy, including in higher value business and professional service activities.

Figure 2.15 Brent Sectors: Size, Concentration and Trajectory - **Businesses**

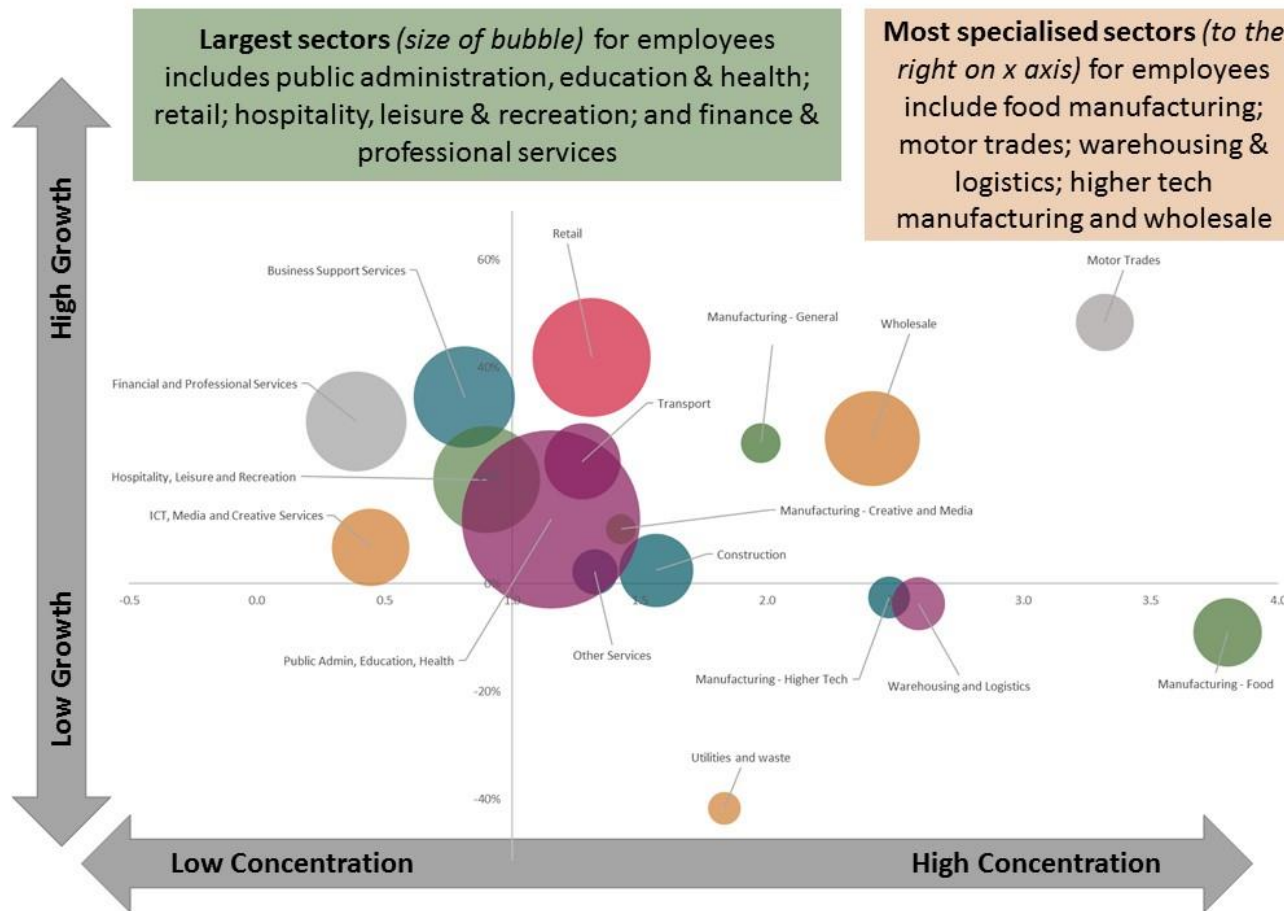


The chart summarises Brent’s sectors in terms of their size, degree of specialisation and growth trajectory:

- **Number of businesses (2015)** – donated by the size of the bubble
- **Degree of specialisation (2015)** – concentration (as defined by the location quotient) relative to the London average donated by the horizontal positioning, with the bubble on the right showing greatest level of specialisation.
- **Sector trajectory (2010 – 15)** – business change denoted by the vertical positioning, with bubbles at the top of the chart showing the greatest level of growth in percentage terms.

Source: ONS UK Business Count, 2015

Figure 2.16 Brent Sectors: Size, Concentration and Trajectory - **Employees**



The chart summarises Brent’s sectors in terms of their size, degree of specialisation and growth trajectory:

- **Amount of employment (2014)** – denoted by the size of the bubble
- **Degree of specialisation (2014)** – concentration (as defined by the location quotient) relative to the London average denoted by the horizontal positioning, with the bubble on the right showing greatest level of specialisation.
- **Sector trajectory (2009 – 14)** – employment change denoted by the vertical positioning, with bubbles at the top of the chart showing the greatest level of growth in percentage terms.

Source: ONS BRES, 2015

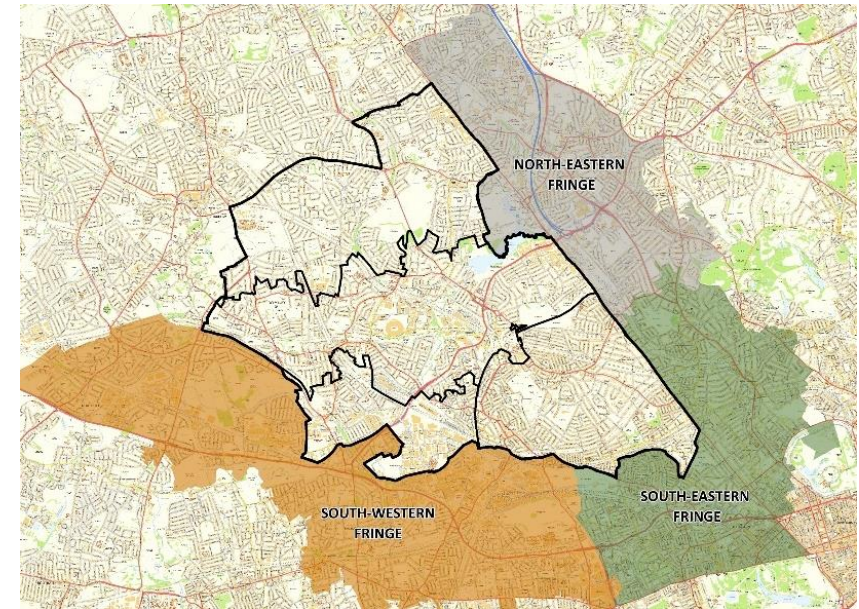
Economic Functionality

- 2.30 It is important that Brent’s economy is not considered in isolation.
- 2.31 To better understand the role of Brent in London’s economy and its relationship with the surrounding area, we have analysed three broad geographies which surround the borough:

- **North-Eastern Fringe:** employment in this area is dominated by the local service sector, accounting for two-thirds of employment. Key employment sites within this sector include Brent Cross (with the retail sector accounting for 18% of employment in the North Eastern Fringe) and Middlesex University (with public admin, education and health accounting for 35% of employment). Employment growth in this area is the joint highest out of sub-areas analysed. The North Eastern Fringe has a similar pattern of employment change over the last five years to Brent, with a decrease in manufacturing employment (-2%) and a strong increase in business and professional services (+34%).
- **South-Eastern Fringe:** the proximity of this area to Central London and the inclusion of Paddington Opportunity Area, means that there is a high proportion of employment in business and professional services (43%) relative to other areas. This is particularly strong in the higher-value sub-sectors of finance and professional services (20% of employment) and ICT, media and creative activities (16%). The area also has a strong retail presence, accounting for 25% of jobs. Employment growth in this area over the last five years has been the joint highest of the neighbouring areas analysed (+16%).
- **South-Western Fringe:** this is a largely industrial area, containing the remainder of Park Royal and the Greenford Industrial Estate.

Around 7% of employment is in the manufacturing sector, much higher than experienced across Brent (2%). There has also been strong employment growth in manufacturing over the last five years (+24%). Wholesale, logistics and transport also has a strong presence in the area (accounting for 16% of employment), and has also experienced strong growth in the last five years (+31%).

Figure 2.17 Map showing areas surrounding Brent



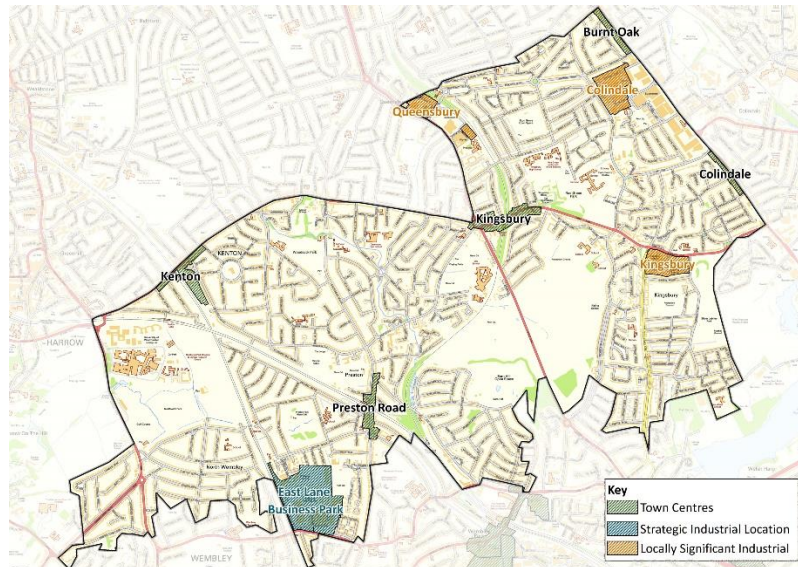
Source: Regeneris

Area 1. North Brent

Overview of Economy

2.34 The North Brent sub-area is a largely residential area with a population of 48,100, and providing 23,200 jobs. It includes the priority town centres of Burnt Oak and Colindale, strategic industrial land around East Lane and locally significant industrial land in Kingsbury, Colindale and Honeypot Lane.

Figure 2.19 Map of the North Brent Area



Source: Regeneris Consulting

- 2.35 The North Brent sub-area has experienced the highest percentage increase in the employment base (+25%) out of all sub-areas in Brent.
- 2.36 By far the largest sector in North Brent is the public administration, education and health sector accounting for around half of employment

(10,820 jobs). Other prominent sectors include finance and professional services (2,360 jobs) and retail (2,350 jobs).

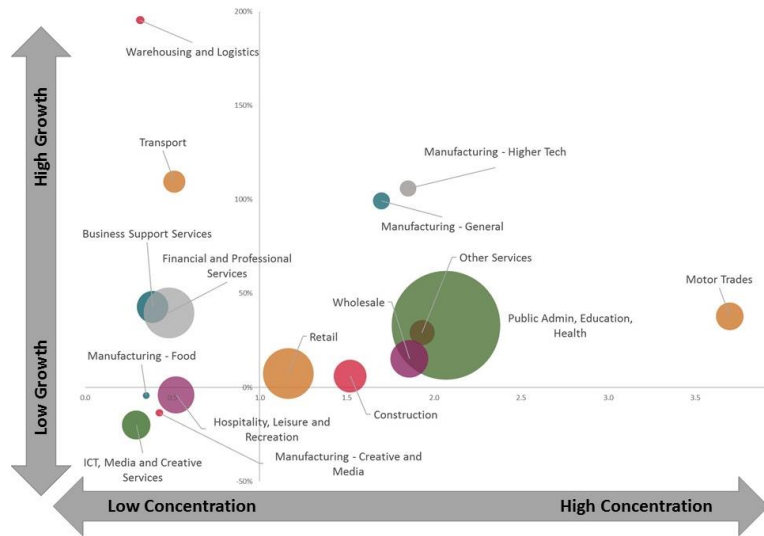
Table 2.5 Five Largest Employing Sectors

	Businesses		Employment		
	UK Business Count		UK BRES		
	No.	%	No.	%	
Largest Sectors	Public Admin, Education, Health	200	7%	10,820	47%
	Finance & Professional	670	26%	2,360	10%
	Retail	260	10%	2,350	10%
	Wholesale	120	5%	1,320	6%
	Hospitality, Leisure & Recreation	180	7%	1,260	5%
Sub-Area Total	2,610	100%	23,190	100%	

Source: Regeneris Consulting based on UK Business Count and BRES

2.37 The chart below highlights the importance of the public administration, education and health sector for employment in North Brent. Sectors which are highly specialised in North Brent compared to London include motor trades (LQ = 3.7) and higher tech manufacturing (LQ = 1.9)

Figure 2.20 Sub Sectors: Size, Concentration and Trajectory



Source: BRES, 2015

Note: Size of the bubble = Quantum of employment (2015); Horizontal positioning = Degree of specialisation, measured by the location quotient (2015); Vertical positioning = Sector trajectory or employment change (2010 – 15)

Enterprise

2.38 North Brent accounts for around a quarter of all micro businesses in Brent. There are around 3,060 micro businesses (employment between 0 and 9 employees) in North Brent. The area has the joint highest level of self-employment in Brent, with 14% of economically active people being self-employed. The average business employs around 8.9 people, which is above the average for Brent (7.9).

Table 2.6 Enterprise Indicators

Indicator	North Brent
Average Business Size	8.9 employees
Number of Micro Businesses	3,060
% Micro Businesses (out of total)	92%
Self-Employment	14%
Homeworking	9%

Source: BRES, 2015; UK Business Count, 2015; Census, 2011

Town Centres and Employment Areas

2.39 There are a number of town centres and employments areas located in the North sub-area. Kingsbury is by far the largest of these, with 136 units located here. The two priority town centres in the North sub-area are Burnt Oak and Colindale, and these account for a combined 630 jobs and 100 businesses.

Table 2.7 Characteristics of Town Centres and Employment Areas

Town Centres	Class.	Units	Businesses	Employ
Town Centres				
Burnt Oak	DC	28	30	100
Colindale	DC	60	70	530
Kingsbury	DC	136	140	820
Preston Road	DC	97	90	410
Kenton	LC	53	70	650
Employment Area				
East Lane	SIL	-	1,600	150

Source: Brent Town Centre Policies Background Report (2015), IDBR (2016)

Notes: MC = Major Centre, DC = District Centre, LC = Local Centre, SIL = Strategic Industrial Land

Economic Functionality

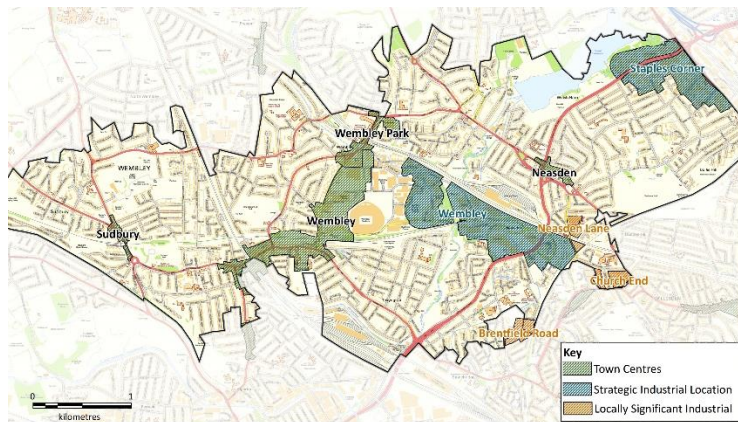
2.40 There is a strong economic relationship with Central Brent (particularly Wembley), along with Central London given the direct transport connections the sub-area has with the Central Activities Zone (on the Jubilee and Metropolitan Underground lines). Proximity to Brent Cross to the east is also an important consideration.

Area 2. Central Brent

Overview of Economy

2.41 The Central Brent sub-area is mixed with large areas of residential, two priority town centres (Wembley and Neasden), strategic industrial locations at Staples Corner and Wembley, and locally significant industrial land at Neasden Lane, Church End and Brentfield Road. The Central sub-area has a resident population of 65,900 and provides 41,900 jobs in 4,500 businesses.

Figure 2.21 Map of the Central Brent Area



Source: Regeneris Consulting

- 2.42 The largest employing sector in Central Brent is the public administration, education and health sector, accounting for a quarter of employment. Other prominent sectors include retail (14%), hospitality, recreation and leisure (11%) and business support services (8%).
- 2.43 The area has experienced employment growth of 16% over the last five years (+5,850 jobs). The highest absolute employment growth has occurred in retail (+2,380 jobs), hospitality, leisure and recreation (+910 jobs) and financial and professional services (+600 jobs). The highest proportional employment growth in the last five years has been in creative and media manufacturing (+98%) and retail (+67%).

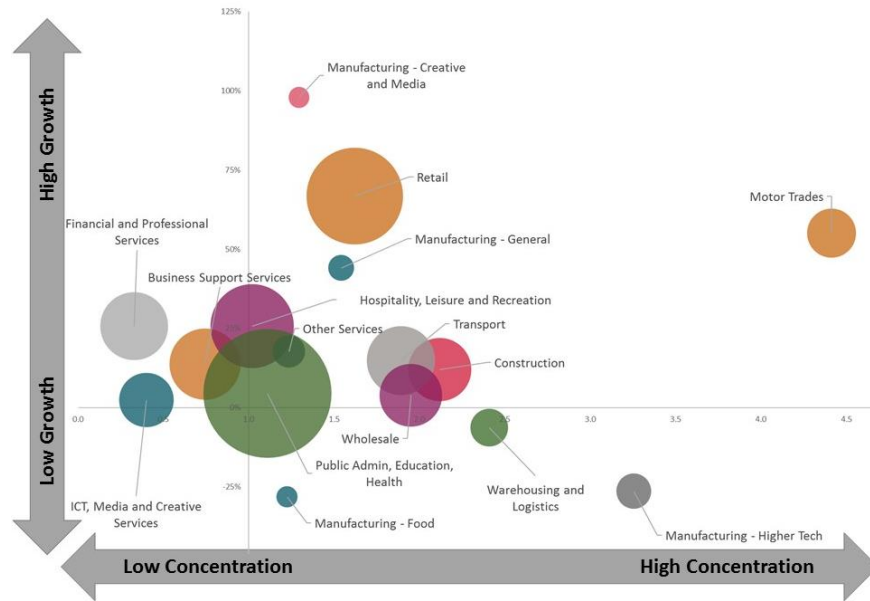
Table 2.8 Five Largest Employing Sectors

	Businesses		Employment		
	UK Business Count		UK BRES		
	No.	%	No.	%	
Largest Sectors	Public Admin, Education, Health	280	8%	10,490	25%
	Retail	380	11%	5,930	14%
	Hospitality, Leisure & Recreation	280	8%	4,460	11%
	Business Support Services	290	8%	3,210	8%
	Transport	100	3%	2,980	7%
Sub-Area Total	3,460	100%	41,910	100%	

Source: Regeneris Consulting based on UK Business Count and BRES

2.44 Figure 2.22 shows the diverse nature of the Central sub-area’s economy, and highlights the strengths in public administration, education and health and retail. The Central sub-area has a much higher concentration of activity in motor trades (LQ = 4.4), higher tech manufacturing (LQ = 3.3) and warehousing and logistics (LQ = 2.4) than across London.

Figure 2.22 Sub Sectors: Size, Concentration and Trajectory



Source: BRES, 2015

Note: Size of the bubble = Quantum of employment (2015)

Horizontal positioning = Degree of specialisation, measured by the location quotient (2015)

Vertical positioning = Sector trajectory or employment change (2010 – 15)

Enterprise

2.45 Central Brent accounts for around a third of all microbusinesses in Brent, with 3,890 located in the area. The average business in Central Brent has 12.1 employees, which is above the average in Brent (7.9) and London (9.7). Both self-employment and homeworking levels are below the borough-wide level.

Table 2.9 Enterprise Indicators

Indicator	Central Brent
Average Business Size	12.1 employees
Number of Micro Businesses	3,890
% Micro Businesses (out of total)	86%
Self-Employment	11%
Homeworking	8%

Source: BRES, 2015; UK Business Count, 2015; Census, 2011

Town Centres and Employment Areas

2.46 Wembley is currently the largest centre in Brent, and is home to around 700 businesses employing over 14,000 people. This is around a third of all employment in the Central sub-area.

2.47 The two strategic industrial land areas in the Central sub-area (Wembley and Staples Corner) employ a combined 10,050 people, accounting for around a quarter of all employment in the sub-area.

Table 2.10 Characteristics of Town Centres and Employment Areas

Town Centres	Class.	Units	Businesses	Employ
Town Centres				
Wembley	MC	266	700	14,050
Neasden	DC	112	80	360
Wembley Park	DC	86	140	1,780
Sudbury	LC	64	80	410
Employment Area				
Wembley	SIL	-	260	5,640
Staples Corner	SIL	-	370	4,410

Source: Brent Town Centre Policies Background Report (2015), IDBR (2016)

Notes: MC = Major Centre, DC = District Centre, LC = Local Centre, SIL = Strategic Industrial Land

Economic Functionality

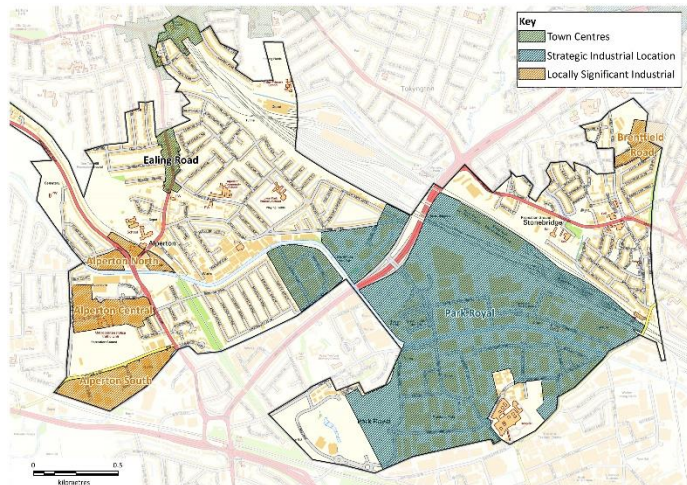
2.48 The Central sub-area has strong connections to the rest of Brent as well as to Central London. It is well connected to wider London by tube, Overground and bus. There are also mainline train connections from Wembley to the West Coast Main Line and Chiltern Main Line, and along the Thameslink route in the East of the sub-area.

Area 3. South West Brent

Overview of Economy

2.49 South West Brent is area which is more industrial in nature, dominated by the strategic industrial location of Park Royal (London’s largest industrial estate), locally significant industrial land at Alperton North, Central and South, and Brentfield Road, alongside the priority town centre of Ealing Road.

Figure 2.23 Map of the South West Brent Area



Source: Regeneris Consulting

2.50 The industrial nature of the area is reflected in the distribution of employment, with a high proportion of jobs in manufacturing (20% of total employment) and wholesale, logistics and transport (22%). The largest sub-sector is food manufacturing, accounting for 3,980 jobs in only 20 businesses. Business support services is also a prominent sector in the area (3,580 jobs), however it is likely that most of these jobs are located outside of this sub-area given that most jobs are in cleaning and security.

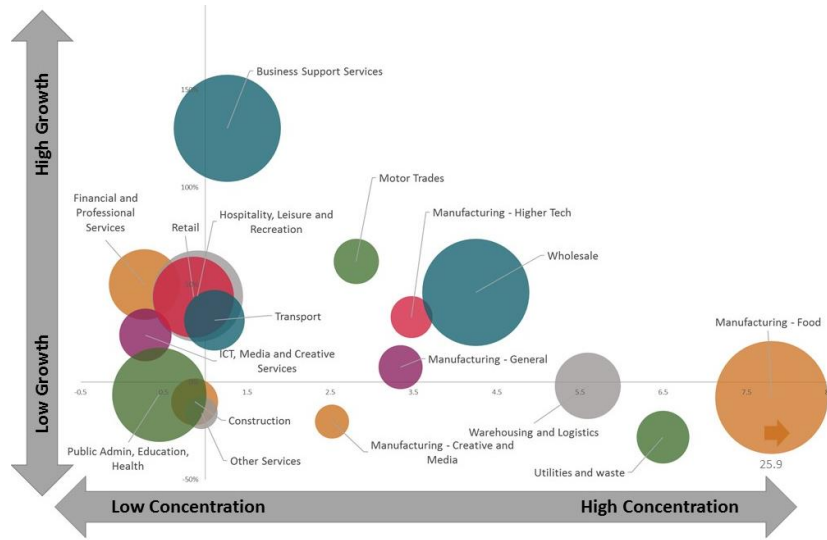
Table 2.11 Five Largest Employing Sectors

		Businesses		Employment	
		UK Business Count		UK BRES	
		No.	%	No.	%
Largest Sectors	Food Manufacturing	20	2%	3,980	14%
	Business Support Services	200	15%	3,580	13%
	Wholesale	90	7%	2,770	10%
	Public Admin, Education, Health	80	6%	2,600	9%
	Hospitality, Leisure & Recreation	140	11%	2,060	7%
Sub-Area Total		1,280	100%	27,560	100%

Source: Regeneris Consulting based on UK Business Count and BRES

2.51 Figure 2.24 shows the industrial nature of the economy in the South-East sub-area, with the area having key specialisms in food manufacturing (LQ = 25.9), utilities and waste (LQ = 6.5), warehousing and logistics (LQ = 5.6) and wholesale (LQ = 4.2).

Figure 2.24 Sub Sectors: Size, Concentration and Trajectory



Source: BRES, 2015

Note: Size of the bubble = Quantum of employment (2015)

Horizontal positioning = Degree of specialisation, measured by the location quotient (2015)

Vertical positioning = Sector trajectory or employment change (2010 – 15)

Enterprise

- 2.52 Enterprise indicators for South West Brent suggest that the area has relatively low micro-business enterprise activity, with only 1,280 micro businesses registered in the area (10% of Brent’s total). The average business in the area has 21.6 employees, much higher than average numbers employed in Brent (7.9) and London (9.7). Micro businesses account for 78% of all businesses, much lower than across Brent (89%).

Table 2.12 Enterprise Indicators

Indicator	South West Brent
Average Business Size	21.6 employees
Number of Micro Businesses	1,280
% Micro Businesses (out of total)	78%
Self-Employment	8%
Homeworking	7%

Source: BRES, 2015; UK Business Count, 2015; Census, 2011

Town Centres and Employment Areas

- 2.53 Park Royal is by far the largest employment site in the South-East sub-area (and indeed in Brent). The area employs 15,000 people in 540 businesses, and accounts for 54% of the South East sub-area’s employment and 13% of all employment in Brent.
- 2.54 Ealing Road is the only priority town centre located in the South West sub-area, with around 580 people employed here.

Table 2.13 Characteristics of Town Centres and Employment Areas

Town Centres	Class.	Units	Businesses	Employ
Town Centres				
Ealing Road	DC	75	70	580
Employment Area				
Park Royal	SIL	-	540	15,000

Source: Brent Town Centre Policies Background Report (2015), IDBR (2016)

Notes: MC = Major Centre, DC = District Centre, LC = Local Centre, SIL = Strategic Industrial Land; **Park Royal data** just includes the area in Brent and not the whole industrial estate.

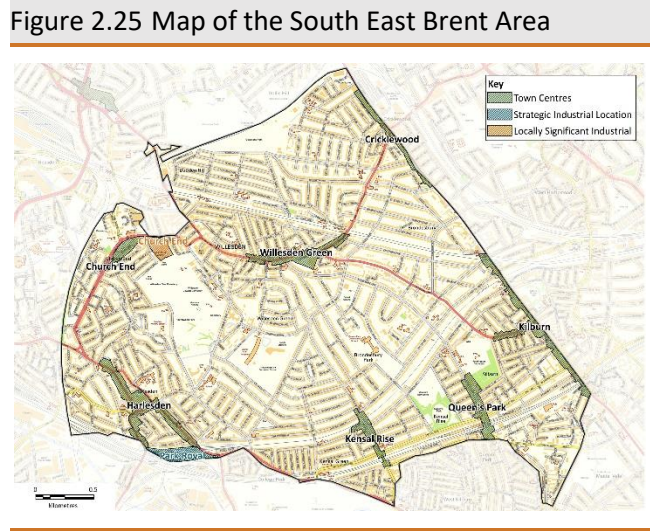
Economic Functionality

2.55 Given the industrial nature of the South East sub-area, there are obvious linkages occurring with other industrial estates located along the A40 corridor (to the south of the area). Neighbouring parts of Park Royal also have a strategic connection and these linkages to central London and the wider south and east will be strengthened considerably via the delivery of Crossrail and HS2 at Old Oak Common.

Area 4. South East Brent

Overview of Economy

2.56 South East Brent is a largely residential area, with economic activity concentrated around the town centres of Kilburn, Willesden Green, Harlesden and Cricklewood. The sub-area accounts for 39% of Brent’s population – the highest analysed in this study –35% of businesses and 18% of employment. South East Brent’s businesses are the smallest in Brent, with the average employing 5.2 people.



Source: Regeneris Consulting

- 2.57 South East Brent is the highest value area in Brent, with a number of strengths in sectors which typically produce a higher value. This includes higher concentrations of activity in finance and professional services and the ICT, Media and Creative Services sectors.
- 2.58 Over half of employment in South East Brent occurs in three sectors: public administration, education and health (5,410 jobs); retail (2,630 jobs) and finance and professional services (2,480 jobs). By comparison, half of businesses in the sub-area are in two main sectors: ICT, media and creative services (1,120 businesses) and finance and professional services (920 businesses).

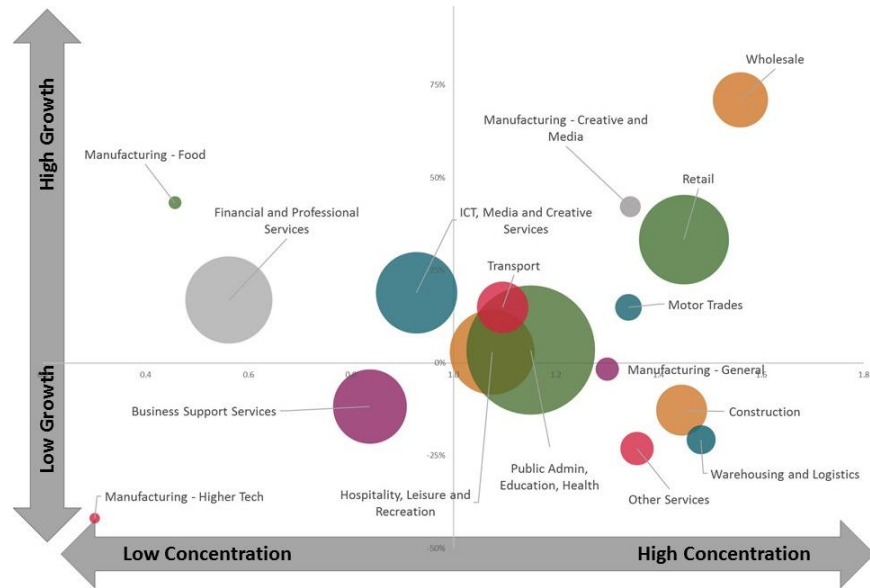
Table 2.14 Five Largest Employing Sectors

	Businesses		Employment	
	UK Business Count		UK BRES	
	No.	%	No.	%
Public Admin, Education, Health	330	8%	5,410	26%
Retail	350	9%	2,630	13%
Finance & Professional	920	23%	2,480	12%
Hospitality, Leisure & Recreation	340	8%	2,330	11%
ICT, Media & Creative Services	1,120	28%	2,170	10%
Sub-Area Total	4,040	100%	20,820	100%

Source: Regeneris Consulting based on UK Business Count and BRES

2.59 Figure 2.26 shows the importance of public administration, education and health; retail and finance and professional services alongside other growing sectors in the economy, including wholesale and creative and media manufacturing.

Figure 2.26 Sub Sectors: Size, Concentration and Trajectory



Source: BRES, 2015

Note: Size of the bubble = Quantum of employment (2015)

Horizontal positioning = Degree of specialisation, measured by the location quotient (2015)

Vertical positioning = Sector trajectory or employment change (2010 – 15)

Enterprise

2.60 Evidence suggests that the South East is the most enterprising area in Brent, with the smallest average business size (5.2 employees), the highest level of homeworking (10%) and the joint highest level of self-employment (10%). The South East area also has the highest proportion of its business base classified as micro businesses, with 92% of the business base employing between zero and nine employees.

Table 2.15 Enterprise Indicators

Indicator	South East Brent
Average Business Size	5.2 employees
Number of Micro Businesses	4,620
% Micro Businesses (out of total)	92%
Self-Employment	14%
Homeworking	10%

Source: BRES, 2015; UK Business Count, 2015; Census, 2011

Town Centres and Employment Areas

2.61 Kilburn is designated as one of two Major Centres in Brent, with 266 designated units in the town centre. Around 1,290 people are employed in the town centre in 200 businesses. Willesden Green is Brent’s largest District Centre and is home to 140 businesses employing 1,080 people.

Table 2.16 Characteristics of Town Centres and Employment Areas

Town Centres	Class.	Units	Businesses	Employ
Kilburn	MC	266	200	1,290
Cricklewood	DC	110	110	830
Harlesden	DC	215	260	1,280
Willesden Green	DC	220	140	1,080
Church End	LC	73	40	180
Kensal Rise	LC	84	90	510
Queen’s Park	LC	44	60	550

Source: Brent Town Centre Policies Background Report (2015), IDBR (2016)

Notes: MC = Major Centre, DC = District Centre, LC = Local Centre

Economic Functionality

2.62 The South East sub-area’s close proximity to Central London is reflected in its business base, with a higher proportion of finance, ICT and business

services firms located in the area. Strong transport connections to Central London on the Underground, bus and train help to further develop these connections with many people travelling from the South East sub-area to work in Central London.

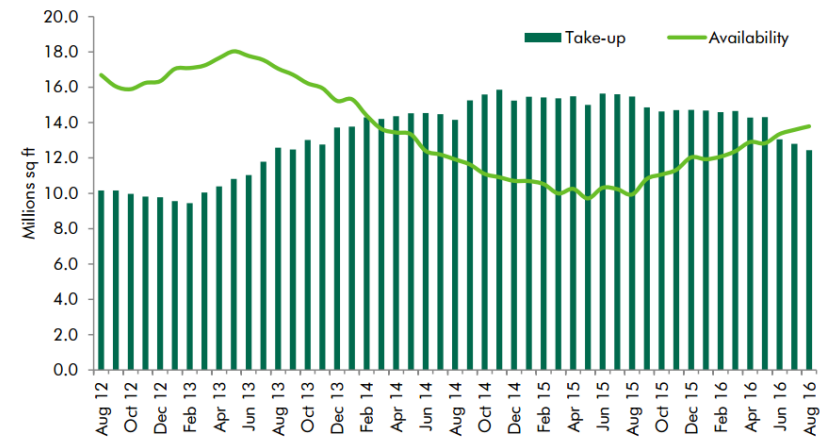
Property Market Performance

London Trends: Strong Demand and Increasing Values

- 2.63 Since the last financial crisis the British economy and, in particular, the financial and business services sector in London has experienced significant growth. This has fuelled demand for office space in London, with the core (prime) office markets being located in the West End, City and Docklands. In addition, the financial crisis affected the amount of office developments coming onto the market and therefore the supply of new offices was delayed.
- 2.64 During the same period there has been unprecedented levels of growth in capital and rental values in the residential property market fuelled by a lack of supply and soaring demand from the London’s rising population. With capital values being so strong, developers seeking to maximise returns have sought to secure sites and opportunities for residential development where historically this would not have been the case. Changes in planning policy (Permitted Development Rights) have also contributed to developers seeking opportunities for residential development, including conversion opportunities.
- 2.65 In addition to the existing prime office market locations, there has been an emergence of new locations for office space, of which the most prominent are around Kings Cross and the City Fringe. There are a number of other emerging locations which may mature over the next few years including South Bank, Stratford, Old Oak Common (medium to long term) and Wembley which will further change the distribution and pattern of the Central London office market.

- 2.66 The 10-year annual average for Central London office market take-up has been in the order of 12.7m sqft. Recent market performance has been exceptional with 15m sqft taken-up in 2014 and followed by a slightly weaker performance of 14.5m sqft in 2015.
- 2.67 There has however been a weakening in the office market since the Brexit referendum, with take-up of London office space in August 2016 being the weakest August performance since 2003³.
- 2.68 The sectors which are most active in the market place are the financial and professional sectors, the public sector and the telecoms, marketing and technology (creative sector).
- 2.69 Analysis in the CBRE Central London Office Report, finds that take-up rates in Central London have declined over the last 18 months, with the amount of available office floorspace also increasing over the same period.

Figure 2.27 Central London 12-month rolling take-up vs. availability



Source: CBRE Central London Office Report, 2016

³ CBRE Central London Office Report, 2016

The Brent Property Market

- 2.70 More locally, review of evidence on recent take up and deals suggests that the Brent property market is performing comparatively strongly. The economic recovery has led to strong demand in office markets across London and this has led to increased levels of take-up which in turn is driving up rental values. Across London, locations once considered non-prime and ‘fringe’ are now not considered in the same way and new developments are changing the perceptions and character of these areas.
- 2.71 Although Estates Gazette information does not capture all market activity, it gives a very good indication as to how Brent’s commercial property market is performing. Data on commercial property transactions within Brent identifies over 200 leases started since 2012.
- 2.72 The average price for industrial / distribution space in Brent is £11 per sqft per annum, with the highest rents (and number of transactions) occurring in the South West sub-area (£12 per sqft). This is understandable given the industrial nature of the economy in the South West area and the high demand for industrial / distribution space. Rental values for industrial / distribution space in Brent (£11 per sqft) are comparable to London-wide rents, which are an average of £12 per sqft.
- 2.73 Office space in Brent costs an average of £16 per sqft per annum, with the highest number of transactions occurring in the South-East sub-areas (25 leases since 2012, or 66% of all office deals in Brent). Office rents in Brent are significantly below the London level, which is dominated by Central London. A typical office in London rents at £55 per sqft compared to £16 per sqft in Brent.
- 2.74 This information is corroborated by intelligence from Co-Star which in January 2017 suggested average values of £11 per sq ft for industrial space in Brent and £17 per sq foot for office space.
- 2.75 Research undertaken by Colliers International also estimates that office space costs a similar amount to Estates Gazette data, with Grade A office

space in Wembley costing around £19 per sqft per annum, and Grade B office space costing around £15 per sqft per annum⁴.

- 2.76 The price of commercial floorspace in Brent has increased over the last four years, with office rents increasing by 15%, industrial / distribution rents increasing by 29% and retail rents increasing by 33% since 2012.

Table 2.17 Average Lease Price and No. Rental Transactions, 2012-16

		Indust./ Distrib.	Office	Retail
North Brent	Price (sqft)	£10	£17	£22
	No	7	7	16
Central Brent	Price (sqft)	£9	£17	£28
	No	29	5	21
South West Brent	Price (sqft)	£12	£25	£25
	No	51	1	2
South East Brent	Price (sqft)	£5	£15	£27
	No	5	25	35
Brent	Price (sqft)	£11	£16	£26
	No	92	38	74
London	Price (sqft)	£12	£55	N/A

Source: EGi, 2016. Note: Price (sqft) = Average rental value per square foot per annum (2012-16), No = Number of rental transactions (2012-16); ‘Indust./Distib.’ includes all B1, B2 and B8 space

⁴ Colliers International, 2016, <http://www.colliers.com/en-gb/uk/insights/offices-rents-map>

2.78 In terms of current availability, Table 2.18 shows data on the number, price and size of currently available units in Brent in October 2016:

- For industrial and distribution space (B1, B2 and B8) there were advertised units in Brent accounting for 1,048,057 sq ft. Around half of these units, and 64% of the space was located in the more industrial South West sub-area, where the average asking price was £14 per sq ft. The Central sub-area accounts for around 23% of Brent’s vacant industrial/distribution vacant floorspace, with a lower asking price of £10 per sq ft.
- For office space in Brent there were 61 advertised units, with a combined floorspace of 1,006,225 sq ft. The majority of vacant office space in Brent was located in the Central sub-area, accounting for 79% of the total available office floorspace. Across Brent the average asking price for office space was £18 per sq ft, with the highest asking prices in the South East sub-area (£28 per sq ft).
- There was a relatively small amount of retail floorspace available in Brent, with only 56,834 sq ft available. Around 41% of available retail floorspace in Brent was in the South East sub-area, where the average asking price was £28 per sq ft. Across Brent, the 44 vacant retail units have an average asking price of £26 per sq ft.

2.79 Information from Co-Star suggests that vacancy rates for office and industrial space in Brent are low, both standing at around 2%.

Table 2.18 Number, Price and Size of Available Units, October 2016

		Indust./ Distrib.	Office	Retail
North Brent	Price (/sqft)	£17	£12	£18
	No	12	7	9
	Space (sq ft)	136,698	59,985	15,447
Central Brent	Price (/sqft)	£10	£13	£32
	No	22	23	11
	Space (sq ft)	237,029	793,350	12,124
South West Brent	Price (/sqft)	£14	£24	£24
	No	33	22	11
	Space (sq ft)	668,724	128,780	5,797
South East Brent	Price (/sqft)	n/a	£28	£28
	No	1	9	13
	Space (sq ft)	5,606	24,110	23,466
Brent	Price (/sqft)	£13	£18	£26
	No	68	61	44
	Space (sq ft)	1,048,057	1,006,225	56,834

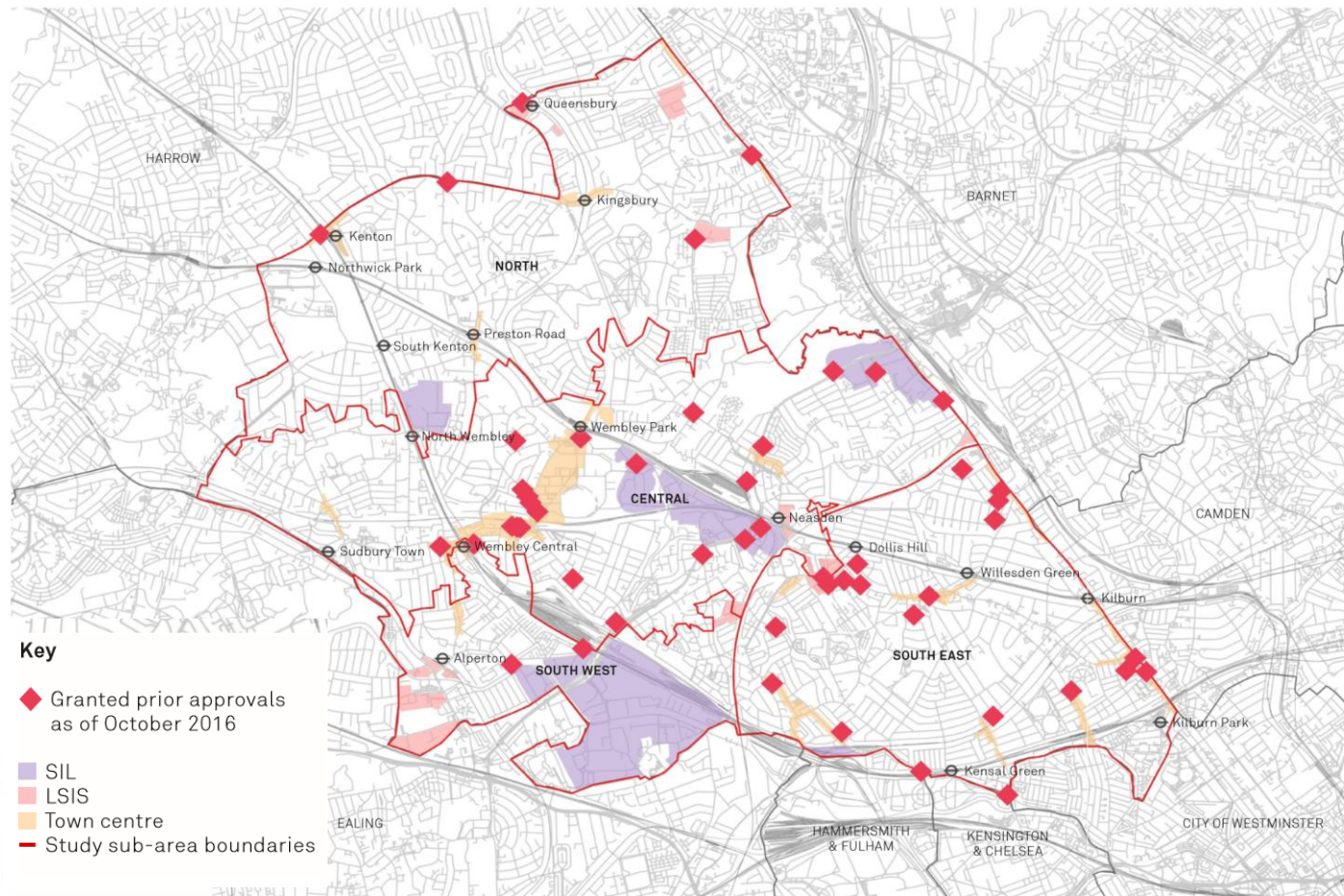
Source: EGi, 2016. Note: Price (/sqft) = Average rental asking price for units per square foot per annum, No. = Number of units available for lease at present, Space (sqft) = Amount of floorspace available for rent (sqft); ‘Indust./Distib.’ includes all B1, B2 and B8 space

Permitted Development: A Growing Threat

2.80 In the period since 2013, employment floorspace in Brent has come under increasing pressure from permitted development rights. Data provided by LB Brent suggests that over 50,000sqm of floorspace has been lost or is at risk of being lost, across around 60 sites in the Borough.

2.81 As highlighted by Figure 2.28, these are spread throughout the centre and south of the Borough, with particular concentrations in and around Wembley.

Figure 2.28 Prior Approvals in LB Brent to October 2016



Source: We Made That based on LB Brent data

3. Workspace in Brent: Supply and Demand

Summary of Findings

- Mapping in late 2016 has identified 58 premises providing flexible and affordable workspace for businesses in the borough.
- Supply has been identified across 4 workspace typologies. Provision is strongest in the managed workspace and creative studio typologies, while supply of Incubator, Accelerator and Co-working spaces (IACs) has been limited to temporary and meanwhile provision.
- The borough exhibits a clear clustering of workspaces around key town centres: Wembley, Willesden Green, Kilburn, as well as a distinct clustering along the southern edge of the borough.
- Secured affordable workspace in future development and forthcoming LB Brent-led initiatives will increase the supply of workspace in the borough notably in the short- to medium-term, with around 15 sites of potential future provision identified at this point in time. Despite this, uncertainty around end users and varying fit out levels in new provision have hampered the take up of some key new sites.
- LB Brent’s current Planning Policy is working well in terms of securing the provision of affordable space but that there is evidence of these spaces being un-occupied (not for lack of suitability, but for lack of traction and a focused strategy for fit-out, management and leasing).
- Permitted development represents a significant threat to workspace in the Borough, as highlighted by the example of Brent’s largest and only dedicated makerspace Create Space London has now moved out of the borough (despite wanting and trying to stay).
- Brent has achieved strong economic growth in recent years and has translated into strong demand in local commercial property markets

- Agents report good levels of demand for space in the Borough, and there have been strong growth in the values being realised in recent years. Space is currently limited at the more creative end of the workspace market in the Borough (creative studios, makerspaces and IACs), although this largely reflects limited supply
- Permitted development has had a tangible impact for remaining workspace operators: managed workspace operators report less competition in recent years as other office workspace sites have been converted/ redeveloped as residential offerings.

3.1 This chapter considers the current supply of and demand for workspace in Brent, building on a detailed workspace mapping exercise, and supporting consultation with local workspace providers and property agents.

Current Workspace Supply in Brent

3.2 Workspace supply has been analysed through property searches, observational analysis, briefing sessions with LB Brent, and case study visits and consultations.

Overview

3.3 Mapping as of November 2016 identifies 55 flexible workspace premises in the borough. These are summarised and mapped overleaf; a supporting spreadsheet provides full detail on each of the workspace premises.

3.4 This mapping of supply is focused on premises, which offer space for SMEs, start-ups and co-working, therefore includes any provision that explicitly offers flexible, short-term or membership-based leasing terms. High-spec, commercial office space is not the focus of the supply mapping but has been included where flexible terms are offered. The workspaces identified through this mapping exercise therefore range from managed workspace buildings, to specialist artist studio provision, to individual deskspaces offered in larger existing office or studio spaces.

Brent Workspace Study

Table 3.1 Summary of Workspace Provision by Typology

Typology	Number of workspace premises	Estimated individual workspaces	Average pricing	Estimated current availability	Typology as % of total individual workspaces
IACs	0	0	N/A	No availability given lack of supply	0%
Managed workspace	38	1000+ deskspaces	£33.14/sqft/year	Good availability, mostly of individual offices in older stock.	66%
Creative studios	8	85+ studios	£14.25/sqft/year for larger-provider managed creative studios £280/pp/month for shared studio spaces	Limited availability; most operators run waiting lists. Around 10 available units in the borough.	14%
Makerspaces	3	80+ individual workspaces 6 open workshops	Membership access from £120/year to £240/year. Workstations from £300/month to £600/month.	Good short-term/casual availability for daily uses. Limited availability for individual workstations.	5%
Deskspaces in office/studio	10	30+ desks for hire	£275/pp/month	Ongoing small-scale availability.	16%
TOTAL	58	1100+ deskspaces 85 + studio spaces	-	Good availability in managed workspace typology; limited availability across other typologies	100%

Source: We Made That

Figure 3.1 Borough Wide Map of Provision

Key

◆ **Managed workspaces**

1. Alpertown House
2. Ajay Business Centre
3. Trinity House Business Centre
4. Wembley Point
5. Wembley Stadium Industrial Estate
6. York House
7. Empire House
8. BE Offices
9. East Lane Business Park
10. Church Lane
11. McNicholas House
12. Jubilee House
13. Watling Gate
14. Edgware Road workspace
15. Symal House
16. Coles Green Road workspace
17. Staples Corner
18. China House
19. The Grange Business Hub
20. Dalmeyer Road workspace
21. Cygnus Business Centre
22. Chapter Road workspace
23. Unimix House
24. Abbey Road workspace
25. Cumberland Avenue
26. Concept House
27. Acton Lane workspace
28. 182 Acton Lane
29. Acton Lane workspace
30. The Tay Building
31. Queen Studios
32. Quadrant Business Centre
33. Coachworks
34. Lonsdale Road workspace
35. Argo Studios

◆ **Creative Studios**

36. Barham Park Studios
37. Alpine House
38. Main Yard
39. Bench space for arts & craft
40. Chambers Lane studio
41. Queens Park Design District
42. South Kilburn Studios

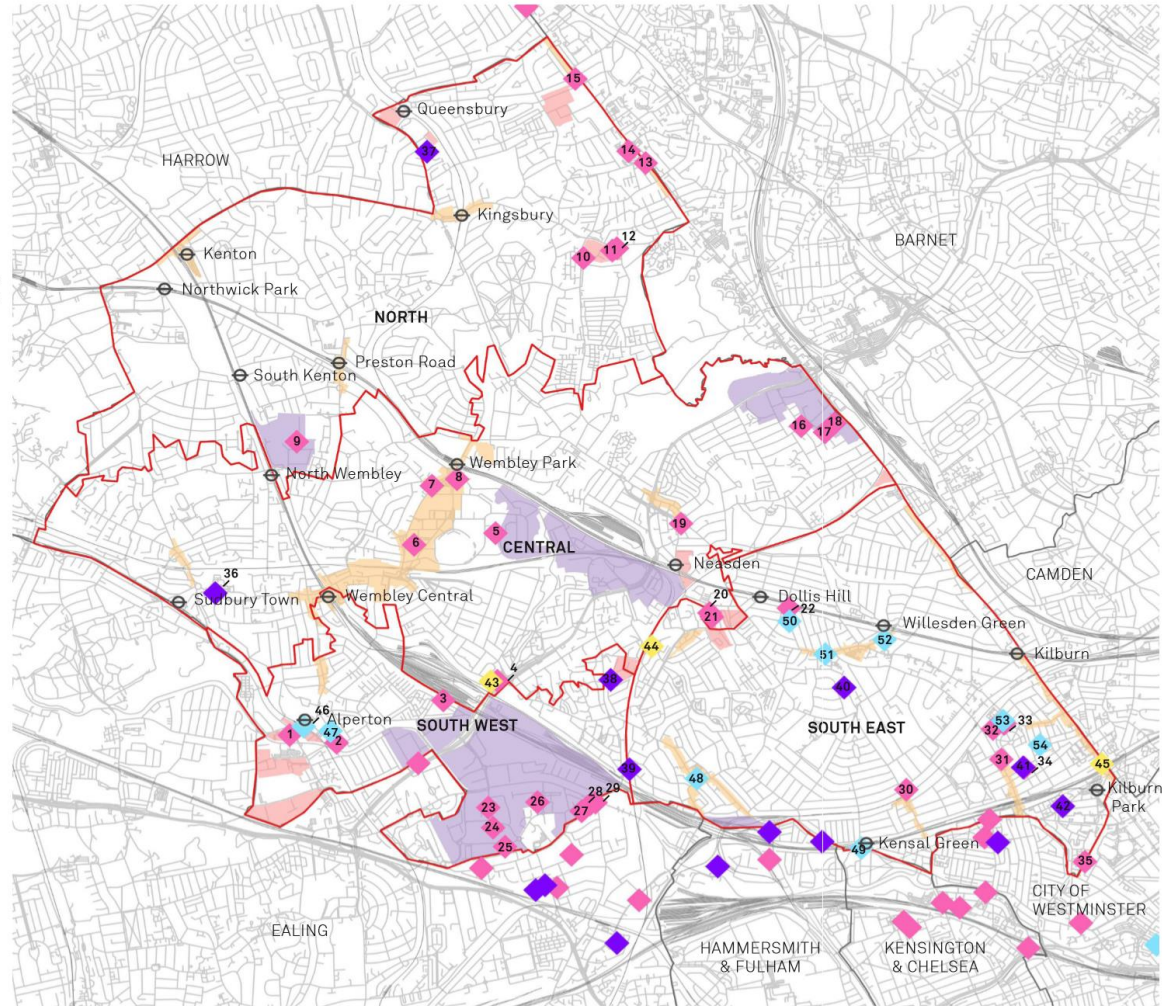
◆ **Makerspaces**

43. Create Space London
44. Textile Studio
45. Fashion Workspace

◆ **Deskspace in office/studio**

46. Alpertown workspace
47. Sunleigh Road workspace
48. High Street workspace
49. Kensal Green workspace
50. Villiers Road workspace
51. High Road workspace
52. Willesden Green workspace
53. Kimberley Court workspace
54. Queens Park workspace

- SIL
- LSIS
- Town centre
- Study sub-area boundaries



Source: We Made That

Typology and Location

- 3.5 Workspace provision in Brent is concentrated in the southern geography of the borough, with a particular clustering around Wembley Park and the south-eastern edge of the borough which offers premises in closer proximity to prime west London commercial locations. Workspaces in the south-east typically cater to more creative service and maker activities, while provision around Wembley houses more conventional office activities. Current supply in the south-west of the borough is a disparate mix of managed workspaces but a cluster is developing around Alperton station. Provision in the north of the borough remains limited to a handful of managed workspace sites and managed artist studios.
- 3.6 The majority of current supply is provided through managed workspaces, typically in dedicated office blocks. While supply is relatively strong and varied across this typology, there is no supply of dedicated Incubator, Accelerator and Co-working spaces (IACs) and the supply of dedicated makerspaces is limited and shrinking. Creative studio provision is the second most prominent typology in the borough, most notably around South Kilburn, but this provision is small- to mid-size in scale, while sites of larger, dedicated provision are located just beyond the borough's southern boundary.

Operators

- 3.7 The majority of the workspace offer in Brent is provided by small to mid-size operators, with a mix of independent and office property management arrangements. There is a notable absence of national providers such as Workspace and Regus, although some of the high-spec office units in Wembley Park are provided through mid-size specialised operators such as Bravo Management, which also manages a portfolio of properties across London. Most of the office unit supply and deskpace is provided through individual local businesses and management organisations.
- 3.8 Creative studios are delivered by established artist providers such as ACME and ACAVA who apply standard criteria for use and management practices

across a number of premises in London. Other creative studios and makerspaces are provided through independent and locally-based organisations or individuals who manage single premises. Some of the provision also comes from council and voluntary-run initiatives.

Rent and Rates

- 3.9 Average workspace rates across different typologies in the borough are generally cheaper than London averages; the offer in the borough is located outside enough of central London to benefit from lower rent levels.
- 3.10 Deskspace in London rent for £600/month on average, while equivalent provision in the borough is priced around £300/month. Proximity to central London and good connectivity supports the concentration of workspaces at the eastern edge of the borough, neighbouring Hammersmith & Fulham, Kensington & Chelsea and Westminster.

Recent Change and Trends

- 3.11 The borough's core supply of managed office workspace has not undergone substantial change in recent years. Upgraded serviced office provision around Wembley stadium is illustrative of localised change, but is not sustained borough-wide trend. The redevelopment of particular premises has affected, or is due to affect, a number of providers particular to Brent, primarily in the creative studio typology. The Coming Soon Club, South Kilburn Studios, Create Space London and Queens Park Parade units have all been subject to premises changes related to development projects.
- 3.12 The borough has experienced a pattern of meanwhile workspace uses relocating or re-providing initiatives in the alternative premises as different sites come forward for development. Often these providers are filling the gap of IACs provision- offering workspace for SMEs or start up projects alongside business support services. While most of these initiatives have been conceived of as meanwhile uses, this type of provision is crucial in terms of space to launch and develop businesses and providers continue to seek spaces to deliver this offering. Recent small-scale offerings- workbenches and deskspaces to rent- by private individuals in sites in the

south-east of the borough is indicative of employment trends and proximity to central-west London but isn't replicated elsewhere in the borough.

- 3.13 Notable changes in supply are still forthcoming or in the process of being delivered through the council securing affordable workspace commitments in new developments, council-led workspace projects, and through privately-led workspace initiatives, although the form of this supply is still to be determined.

Wider context

- 3.14 There is a clear clustering of workspace offer around and beyond the southern edge of the borough- reflective of its ties to West-end and Central London locations, as well as its proximity to the industrial core of Park Royal. The concentration of managed workspace around North Acton and Willesden is largely made up of older small to medium serviced office units in industrial locations and is linked to the wider Park Royal offer. These workspaces are mostly managed by small and independent providers and involve basic levels of servicing. The area also sees a concentration of artist studio provision in converted industrial buildings, which typically present appropriate spatial characteristics for creative uses.
- 3.15 In contrast, the clustering around Ladbroke Grove is made up of higher spec and more recent office units as well as co-working spaces that are linked to the West London workspace offer. National provider Workspace manages two premises in this location, which offer individual business studios, networking and collaborative work opportunities and on-site amenities such as bars and restaurants. Large-scale premises accommodate over 100 businesses in single studios or in informal shared workspace areas.

Business Support and Education Linkages

- 3.16 At present there is minimal business support embedded in current provision. Very few providers offer business support services or networks in tandem with their workspaces. Primarily, business support linked to workspace initiatives have been offered by temporary/meanwhile use providers (incl. Coming Soon Club, Meanwhile Foundation and The Library Lab). The 'Pop

Up School of Fashion' and 'Idea Building Sessions' run by the Coming Soon Club present some of the most visible business support schemes linked to workspace, but these are no longer on offer following the end of their tenancy at Chesterfield House. During its tenancy on site, the Coming Soon Club reports that its members not only benefitted from dedicated workspace in which to develop their business ideas, but that skills development and networking were key resources to members. The space also ran skill share workshops and networking nights.

- 3.17 At present, developer Quintain runs a programme of events from its 'Yellow Pavilion' space in Wembley Park. Business start-up drop-in events and weekly skills workshops (including IT skills, ESOL and Jobsearch) are offered at the space, which is also available for meeting and event hire. This provision is relatively small in scale and caters in particular to Wembley Park in relation to Quintain's on-going re-development programme in the area.
- 3.18 At present workspaces in the borough are operating with minimal linkages to educational institutions. No workspaces explicitly offer links to educational courses, training or placements. There is potential for increased linkages in future supply linked to the College of North West London and their campus specialisms. Additionally, council-led initiatives might consider how new provision, whether co-working spaces, food-based initiatives or creative studio provision might be tied in with local educational offerings, particularly around textile and fashion activities which already represent something of a cluster in the south east of the borough.

Workspace by Typology

Type 1: Incubators, Accelerators and Co-Working Spaces

What's on offer?

- 3.19 At present, there is no dedicated IAC provision identified in Brent. There is a history of IAC provision in borough, although this past offer has almost exclusively been made up of meanwhile and pop-up endeavours. These programmes were concentrated in Wembley (Cottrel House and Chesterfield House) and Willesden Green (Library Lab). The most prominent of these was Meanwhile CIC's Coming Soon Club which offered temporary enterprise space where desks, studios and event space could be rented out to support emerging business initiatives, as well as offering business support training and skills development.
- 3.20 Typically, IACs providers offer the option to rent a desk space or cluster of desk spaces, tied to business support programmes, funding streams or skills development. Start-ups graduating out of these smaller desk space offerings free up space for new tenants, allowing for a revolving availability of incubator space for on-going recruit intake.

Typical uses

- Start-ups, early-stage businesses
- SMEs and micro businesses more reliant on non-local trade
- Social enterprise hubs
- Freelance/ part-time workers (often in creative sector services)

Pricing & leasing

- 3.21 The past meanwhile endeavours in Brent offered temporary enterprise space at low-cost, with price varying along type and size of rental. Pricing for enterprise space in Chesterfield House ranged between £60/month and £300/month as well as daily rates for event space.

- 3.22 Typically, IACs offers leasing options that range from daily desk rentals to annual membership packages. Leasing agreements are generally more flexible or short-term than conventional office space or managed workspaces.

Key Features

- 3.23 There is currently no identified IAC supply in the borough so it is not possible to identify key features of this typology as particular to Brent.
- 3.24 Typically IACs offer facilitated networks and existing curated community to tenants. Providers can offer links to investment, business support and sector-specific skillsets to aid tenants in their business development. Most sites offer a serviced reception, shared facilities, bookable meeting rooms, break out areas, high quality broadband and 24/hour access. Incubators typically provide support / advice for start-up businesses for a period of one to two years during the early stage of development.



Rainmaking Loft in St Katherine's Wharf- an example of how IACs can offer incubator programmes linked to grow on workspace and co-working desk spaces for SMEs and start-ups

Type 2: Managed Workspace

What's on offer?

- 3.25 Initial mapping has identified about 35 managed workspaces across the borough. It is the most prominent workspace typology found in Brent. Office units typically range from 50sqft. to 750,000sqft. This covers individual office units within shared office buildings as well as individual buildings accommodating a single business. The provision includes a number of large-scale newly-built serviced offices, which tend to be concentrated in Wembley Park although the majority of the offer is made up of small to medium scale office buildings in older building stock. Older business centres in industrial locations represent a notable proportion of supply in this typology. As such, the quality of the offer across the borough is skewed towards the lower-end of the office space market, with the exception of a few new developments. There is good availability of older small- to medium-scale office units in the borough, and more limited availability of newly-built offices given the nature of the overall offer.
- 3.26 It should be noted that some larger, higher-spec managed workspace providers report high occupancy levels and less and less competition in recent years due to other office workspace sites in the borough being converted or redeveloped as residential offerings. It is also worth noting that some of these larger providers (eg York House and BE Offices in Wembley Park) are considering adjusting their current offering to provide some co-working / shared desk space, in addition to the individual office units currently on offer. This adjustment in supply is in response to reported demand and enquiries for this type of workspace, and speaks to the gap in the borough-wide workspace supply of co-working and flexible deskspaces.

Typical uses

- Professional and business support services
- Other conventional office-base operations.

Pricing & leasing

- 3.27 Office space is typically leased as individual unit or workspace within a unit from a dedicated workspace provider managing a number of units. Rent levels vary depending on type of workspace but generally in the borough this typology of provision offers space at a lower-spec and price point. Rental levels average £33.14/sqft/year for office space and around £20/sqft/year for business centres in industrial locations (prices exclude VAT). Rent levels can include service charges and utility costs but generally exclude VAT. Generally, flexible offerings are leased or licensed by the owner or landlord on a short-term basis; minimal licensing periods of 1 year are sometimes imposed.

Key Features

- 3.28 This typology offers varying degrees of servicing which typically includes staffed reception, meeting rooms, shared kitchen, security and parking. Larger and higher-spec workspaces are often serviced by additional on-site amenities including cafes and gyms. Little additional business support or networks are generally offered, and there is typically less of an emphasis on providing for a particular sector or attempts to curate clusters of tenants working in the same field.



Wembley Park features a clustering of high-spec large-scale serviced offices such as 1 Olympic Way.



The offer of managed workspaces in Brent is largely made up of older office stock such as business centres on industrial locations that feature very minimal ancillary services.

Managed Workspace Case Study: York House (Empire Way)

Overview

- Large-scale managed workspace
- Around 500 tenants over 43 companies
- Owned by Quintain, tied into wider Wembley Park portfolio



Office units in York House range from 290sqft to over 10,000sqft, catering from small to mid-sized enterprises.

York House has been offering flexible office spaces across a variety of scales for over a decade in Wembley Park. Housed in a 1960s office buildings, York House offers units from 290sqft to 10,000sqft to a variety of tenants, all of whom are engaged in office-type activities (the building accommodates no studio or making type uses). Tenants include accountancy services, shipping companies, training academies and import/export businesses.

Tenancies are offered at on 3-year minimum leases, up to 10-year leases. The building has a number of longer-term tenants and its currently operating at 85% occupancy. Most tenants operate independently- there is not much reported interaction between tenants, and the operator does not offer any particular business support services.

The operator reports experiencing reduced competition in recent years given the redevelopment of other office locations in the borough into residential-type uses. The operator is considering converting one of its floors from existing sub-divided office units into a co-working and 'innovation hub' type space, in response to enquires from potential tenants this type of space. In the coming months a primary school is due to be built on the parking lot associated with York House, which will trigger some re-aligning of reception services and parking allocation for tenants.

Currently the rent charged to tenants is around £18/sq.ft- low enough to attract tenants from West-end office locations which higher comparative rents. Most enquiries come from walk-ins and word of mouth, while some of refer by agencies. Most tenants reportedly use public transport to get to York House, although some parking provision is necessary to cater to those who drive.

Type 3: Creative Studios

What's on offer?

3.29 8 creative studio providers are located in the borough, totalling around 85 studios for artists, photographers, fashion designers and other creative occupations. The offer in the borough is made up of a mix of larger-scale studio space providers such as ACAVA, smaller-scale providers, council and voluntary-sector run initiatives as well as more 'informal' home-based workspaces. This typology includes shared studios accommodating desk-based work within the creative sectors. There is a limited availability for this typology in the borough with only about 5 individual studio units identified as available for take up. New provision in the borough includes 5 studios part of a live/work scheme and 15 sound proofed studios targeted at musicians and producers. As such, the new provision in the borough is targeted to specific types of users and does not necessarily contribute to relieve the constraints on supply. Overall, studio units vary in size and range from 100sqft to 350sqft.



South Kilburn Studios currently provides spaces for SMEs and community ventures. The site is subject to ongoing LRF-funded proposals and tenants are due to be moved to new premises before the end of 2016.

Typical uses

- Artist studios
- Creative sector services, especially media and broadcasting (filmmaking, photography)
- Small-scale makers.

Pricing & leasing

- 3.30 Dedicated providers in the borough such as ACME manage premises that are able to offer 'affordable' rental rate given the price sensitivity of tenants working in the arts. Rent levels in this type of provision averages around £14/sqft/year. Individual desk-space in shared studio spaces such as the shared loft spaces of Queens Park Design District average about £280/month. South Kilburn studio operates on a 'give-back' system through which tenants benefiting from subsidised studio space commit to a number of community-focused activities such as hosting workshops and events and offering training to local residents. The businesses in the Queens Park Design District participate to the London Design Festival, attracting a number of visitors to the area. This typology can be associated with a high-level of public-facing activities and place-making.
- 3.31 Creative studios space tenancies tend to be tied to tenants contributing to on-site programming and varies in degrees of commitment: studio spaces typically host open studio days inviting visitors to individual artist studios. This typology is also associated with providers operating eligibility criteria. Providers who manage space exclusively for fine artists require to be registered with the provider in question and typically target specific types of artistic activity and/or place maximal annual earnings threshold for applicants. Studio spaces are typically allocated to tenants from existing waiting lists, managed by studio providers.
- 3.32 Leases tend to be offered on a longer-term basis than other flexible workspaces. Licenses and leases lengths vary from 6 months to 10 years for occupancy of a discrete unit and can include restrictions on sub-leasing. The limited availability and affordability rate of these types of spaces and the

high demand for them informs these leasing timeframes. The new work/live provision in the borough is available on monthly licence or on leasehold under a shared ownership scheme. The new individual music studios are available on a monthly basis and are managed by Main Yard Studios, a studio provider with premises in Hackney Wick and Wimbledon.

Key Features

- 3.33 Creative studio spaces typically offer workspaces that can be adapted to suit the individual needs of the tenant. Fit out is generally minimal, and there are limited shared facilities or support staff on site. 24-hour access is usually offered, but basic servicing including heating and Internet connectivity is variable across properties. A number of these workspaces are linked to a gallery or event space which is made available to tenants as part of their leasing agreement, or at a lower hire cost. Some facilities provide co-working/drop-in space and shared facilities (e.g., print making) for occupants who don't want to have their own unit

- 3.34 In the borough, this typology is sometimes found mixed in with residential units, in varying degrees of integrating. The Harrow Road ACME studios were designed and built in conjunction with the Kensington Housing Trust and while studio spaces managed by ACME occupy the ground floor, affordable residential apartments managed by the housing trust occupy the upper levels. The new ACAVA-managed Alpine House offers a work/live scheme where studio space is integrated within individual residential units. Private residential owners also lease more 'informal' home-based studios to external tenants.



Harrow Road ACME artist studios were delivered in 2010 in partnership with the Kensington Housing Trust who manage the affordable residential units on the upper level.

Creative Workspace Case Study: Queens Park Design District (QPDD) (Lonsdale Road, Salisbury Road and Kimberley Road)

Overview

- Cluster of creative workspaces and studios in Queens Park. Beyond individual office space available for rent, established businesses offer deskspace to rent within their premises targeted at workers within the creative sector.
- First established as a Design District part of the London Design Festival in 2014. The Queens Park Design District currently comprises of 24 individual businesses engaged in various creative activities.
- Current available individual creative offices advertised average 500sqft and are leased for an average of £23,000/year including business rates and excluding VAT. Current availability for individual desks averages £300/pp/month.



The Queens Park Design District was first established formally as part of the 2014 London Design Festival.

The Queens Park area shows a concentration of creative businesses along Lonsdale Road, Salisbury Road and Kimberley Road. The greatest cluster is along Lonsdale Road where premises have been refurbished and host a number of businesses in various spatial arrangements; some premises accommodate leather product and furniture making while others are arranged into offices for various desk-based creative uses (i.e. Photography, product design, etc.) Individual workspaces are available for rent as well as individual desks within existing businesses, targeted at creative sector workers.

Since 2014, the area has been established as a Design District and has participated to the London Design Festival through open studios, workshops, talks, installations and events showcasing design and craft activities and attracting visitors to the area. Beyond these types of events, individual businesses and premises in the QPDD have spatial characteristics such as groundfloor activity and clear and attractive signage that further contribute to the outward-facing and place-making quality of this workspace typology.

Type 4: Makerspaces

What’s on offer?

3.35 At the time of mapping, Brent was host to 3 makerspaces which provided a total of 6 open workshops. These spaces typically cater for makers from casual hobbyists to small batch and bespoke production processes. The offer is made up of two established organisations that own and manage their respective workshops as well as one ‘informal’ home-based workshop. Create Space London- who moved out of the borough during the course of this study- was the largest provider in the borough, with a total of 80 individual workshops, 4 open workshop areas and shared desk areas. The occupancy for individual studios is currently of 90%, and casual membership is steadily increasing. The move of this makerspace out of the borough will diminish the borough’s makerspace offering substantially, although Create Space London does report plans to maintain an offering in the borough through a smaller site of studio and workshop provision in Willesden. Fashion Workspace, located in Kilburn, is a co-operative providing affordable shared workspace and specialist equipment for professional designers. Makerspaces generally have varying degrees of availability for fixed/individual workspaces but good short-term and casual availability for members and project-based work. Private residential owners have also set up ‘informal’ workshops on their property, which are accessible sporadically at daily rental rates.

Typical uses

- Collaborative/collective making
- Open access workshops
- Small- to medium scale making
- Small-scale product development.

Pricing & leasing

3.36 Makerspaces in the borough typically operate on a membership basis where an annual fee allows access or reduced-price access to shares workshops

and equipment. Membership prices across the borough vary from £150 a year with additional costs for access and equipment use to £240 a year inclusive of access and equipment use. Pricing for access and equipment is highly tailored to individual use, as makerspaces offer daily, weekly and monthly rates to members and non-members. The fixed workstations present in the borough range from £300/month to 600£/month depending on size. Some makerspaces provide equipment as well as basic training courses at additional costs. More informal home-based workshop arrangements present in the borough offer hourly rates starting at £10/hour.

3.37 Management arrangements are similar to small creative studios although the occupier-base is typically more diverse and financially self-sustaining. There are a variety of licenses and lease lengths as well as opportunities to be a user of co-working/drop-in space and shared facilities outside of the membership schemes.

3.38 Typically makerspaces offer short-term/flexible lease terms, although some are pursuing organisational membership schemes that seek to capture more regular uses. Fashion Workspace, which operates in the borough as a fashion design-focused makerspace, operates as a co-operative where members collectively own the organisation and decide how it should be run. Co-operative schemes and other organisational arrangements within makerspaces require varying levels of commitment from individual members.

Key Features

3.39 Makerspaces vary from catering to a specific field of production to providing a wide-range of equipment on site. In the borough, there is the presence of textile- and fashion-design focused workshops as well as more a varied workshops accommodating for woodworking, ceramics, screen printing and specialised electronics. As such, the range of equipment on offer in the borough includes the more textile-specific machinery such as industrial sewing machines and pattern cutting tables as well as a more typical offer including woodwork benches and tools, screen presses, throwing wheels and computer stations. When there is a variety of equipment provided,

makerspaces are typically arranged to allow for different workspace areas dedicated to different production processes.

- 3.40 Providers in the borough typically show a wider commitment to the promotion of a specific production process and/or field and seek to create a network of individual makers. Makerspaces typically offer a range of activities such as events and workshops as well as initiation courses to specific production methods or equipment usage. These types of activities also provide makerspaces with additional revenue streams, which are further complemented through leasing casual co-working deskspace to users. Machinery and equipment is often donated by supporting organisations or individuals, or purchased through member fundraising, and as such makerspaces seek to maintain and grow maker networks in order to support and sustain their offering.



London Fashion Workspace is a co-operative in Kilburn that provides workshops and equipment for textile and fashion-design related activities.

Makerspace Case Study: Fashion Workspace (69-71 Kilburn High Rd)

Overview

- Makerspace offering affordable workspace targeted at professional fashion designers.
- Established in 2012.
- Operates as a cooperative and offers a membership scheme and flexible pricing on based on daily, weekly and monthly usage.
- Around 12 permanent members and 20-30 ad hoc users.
- 1 shared open workshop area with 1 pattern cutting table, 6 industrial sewing machines, 6 individual desks spaces and additional materials such as scissors, fabrics, mannequins and thread.



Fashion Workspace offers workspace and shared equipment targeted to professional fashion designers.

This makerspace located on Kilburn High Road was established by a former fashion design graduate aiming to offer affordable workspace for fashion designers, given his experience of the difficulties of securing this type of workspace in London.

Fashion Workspace is run independently by the owner although it is set up as a cooperative to allow members a greater level of involvement in the management of the space. The makerspace specifically targets professional fashion designers.

At its inception, Fashion Workspace operated on a monthly rental basis for each user but it has since then transitioned to membership schemes and flexible rates based on usage that better suit the nature of the workspace. Membership is £150/year; daily prices are £35/day for members and £50/day for non-members. The workspace is advertised through its own website as well as various rental websites; the specialist equipment is listed independently as the owner receives many enquiries about the pattern cutting table and industrial sewing machines. The entire premises are at times rented out by colleges wanting to hold workshops with students.

The makerspace is subsidised through the owner's design and printing business, which is based at the same location. In the future, the owner is hoping to offer more business support to individual designers such as marketing strategies, networking opportunities, and an online shop. Would like the space to act as a type of incubator space for talented designers that lack the business background to appropriately launch their brand or sell their work.

Makerspace Case Study: Create Space London (Wembley Point, North Circular)

Overview

- Makerspace established in 2011.
- Offered 80 private studio spaces and 4 open workshop areas over 2 floors.
- Around 150 members and 80 studio tenants.
- **Moved in late November to a larger premises in Hounslow**



Create Space London offered open access workshop spaces including woodwork, screen-printing, laser-cutting and 3D-printing equipment from their Wembley Point location.

Create Space London (CSL) operated from its Wembley Point location between 2013 and 2016.

Operating over two floors in a traditional office-type building, the workspace provided a rare example of a makerspace operating off the ground floor and in spaces originally designed for office-type uses. It was the only larger makerspace offering in the NW London area and attracted members from across the city, although around 80% were estimated to be local to the NW area.

CSL offered studio spaces from £300-£750/month all-inclusive, as well as membership fee structures related only to workshop and equipment use. The space received around 100 enquires a week, largely through online advertising on Gumtree and StudioFinder. Create Space London also ran a residency programme which offered artists a commissioning budget for a showcase and a monthly operational budget. CSL plans to expand this programme from 1 to up to 5 artists in its new premises. The operator is also considering the possibilities of residential provision in its new premises to offer living space tied to its residency programme.

The operator had good working relationships with the arts and culture team in Brent council, having hosted and facilitated workshops in conjunction with these teams. CSL was also part of the Brent Citizens Group where it offered workshops, courses and training in conjunction with academic institutions.

At the end of November 2016, Create Space London moved out of Brent into a larger premises in Hounslow, negotiated at £11/sq.ft. CSL paid around £7.50/sq.ft for its Brent premises, although the providers business models accounts for renting premises at commercial rates.

The operator hopes to maintain its presence in Brent in the future through a new, smaller offering in Willesden Green which would include some studio space and workshop spaces. The operator has also applied for other premises in the borough but hasn't been able to secure anything suitable within its timeframes.

Type 5: Deskspace in offices/studios

What's on offer?

3.41 Across the borough there is an on-going supply of small-scale deskspace offered in existing offices by existing tenants. Availability is rolling and is contingent on wider movements of office space take up. Availability is usually limited to less than 5 desks in one particular workspace. Tenants sometimes seek professionals from industries related to their own in order to curate specific workspace environments.

Typical uses

- Freelancers/sole traders
- Professional services
- Creative sector services.

Pricing & leasing

3.42 Prices for deskspaces in this typology average around £275/month per desk, although this varies on the spec of the premises. Individual desk prices range from £200/month to £400/month with the higher rent desks located in Willesden and lower rent desks located in Alperton. Given that the space is already leased by an existing tenant, rates for individual desk spaces usually include all expenses (eg internet connection). Leasing agreements depend on who is managing/operating the space and can range from flexible, hot-desking type arrangements, to longer-term sub-leases with a specified minimum length of stay.

Key Features

3.43 This typology is most associated with conventional office space and offers basic office amenities and services such as wifi, kitchen facilities and breakout spaces. There is usually very minimal business support provided although the shared workspace can be viewed as providing a network between professionals in related fields.

entrances which present more engaging frontages at street level, but these rarely give much visibility to the range of business activities hosted on site. Similarly, new ground-floor office space provision delivered as part of new build residential units are offer on-street accessibility but windows are often glazed to limit visibility into these spaces.

Area 3: South West Brent

Workspace provision

- 3.52 Provision across the south-west sub-area is made up in principal of managed workspaces operating on or near to designated industrial sites. Premises are typically mid-sized standalone business centres or office buildings. A number of these premises are located in Park Royal and are sites of potential future employment intensification in line with wider council and OPDC ambitions.
- 3.53 The area around Alperton station currently hosts a small number of deskspaces and some older dedicated office buildings, but future provision in the area on new build sites and on nearby smaller industrial-type sites stands to increase provision in the area and create a clustering of affordable workspace, although the exact form and function of these spaces remains to be determined.

Place-making impact of workspace

- 3.54 The place-making capacity of most workspaces in the sub-area are limited. Most are located on industrial sites which are not sites of much public footfall. Some premises are served by a ground-floor reception but few are shared with other amenities. Large sites like Unimix House have large parking provision and garage spaces on-site which do little to enhance the local streetscape. The site does host a cafe and its ground-floor showroom spaces present opportunities more visibility for businesses at street-level.
- 3.55 New workspace provision on the First Central site in Park Royal is the largest site of new provision in the area, although provision to this stage of development is providing Grade-A, high spec commercial office space. Landscaping features and large window and reception spaces on the ground

floor have enhanced the wider site and the perceived public accessibility of the workspace.

Area 4: North Brent

Workspace provision

The northern sub-area of the borough is home to the fewest number of workspaces. Workspaces in the sub-area are disparate in location and mostly limited to managed workspaces. Many of these managed workspaces are housed in older stock, typically on industrial sites. New live/work provision, with studios managed by ACAVA, have brought a new typology of provision into the north of the borough, but this remains very limited (6 units). Recent retention and upgrading of managed workspace through the redeveloped site in Kingsbury has brought forward some updated provision in the area, although it is limited in scale. Queries around conversion of industrial premises into mixed-use/ workspace have come forward in recent months, but these remain small in scale too and are subject to questions of viability.

Place-making impact of workspace

- 3.56 New live/work units managed by ACAVA in Queensbury are located on the ground floor but place-making is limited as units are similar in their presentation to standard apartment units. Other managed workspaces are located in stand-alone office-type buildings which have some impact at street-level but none are host to public amenities or particularly enhance local character.

Brent’s Workspace Pipeline

3.57 In addition to the existing supply, the borough has a number of new workspace sites coming forward in the short-to medium-term. These include proposed workspaces which have been secured by the council as part of new developments, or which are to be delivered through council-initiated projects. A small number of institutions in the borough are also considering including workspace provision in their own future development projects. As with current supply, potential forthcoming provision is clustered around Wembley, Alperton, Willesden Green and Kilburn.

New provision linked to development sites

3.58 LB Brent’s current planning policies which aim to secure a quantum of affordable workspace on development sites across the borough has lined up a number of sites of future affordable workspace.

3.59 Completed premises like 243 Alperton Road have been delivered to shell and core fit out levels, although final occupation and end-user fit out is still subject to operator selection outcomes. Uncertainty around end users and varying fit out levels in new provision have hampered the take up of some key new sites in the borough and this is key to address in any future affordable workspace strategy. New provision secured in redeveloped sites like McNicholas House in Kingsbury and Alpine House in Queensbury have successfully delivered office and studio spaces although current occupation levels are yet to be determined.



Residential-led development on Ealing Road, with includes over 1,000sqm of affordable workspace on the ground floor across three buildings. The space remains unoccupied while a suitable operator is secured.

- 3.60 As new sites of provision continue to come forward through the development pipeline, potential operators will benefit from a clear vision as to which sectors these spaces aim to support, and associated spatial requirements should inform final quantum of space and fit out of premises agreed with the council.
- 3.61 Current information on forthcoming affordable workspace secured through this strategy are detailed in the table below:

Table 3.2 Forthcoming Affordable Workspace			
Area	Premises	Floorspace	Purpose
<i>Applications committed</i>			
Burnt Oak & Colindale	Sarena House & Allied Manufacture	256sqm	B1(B) for research & development
Alperton	255 Ealing Road	277sqm	B1
Alperton	243 Ealing Road	1,011sqm	Affordable workspace (creative or serviced office)
Wembley	Palace of Arts & Industry	(Up to) 2,400sqm	Affordable workspace (B1)
Church End	18 Neasden Lane & 450 High Road	50sqm	Retail unit as affordable workspace
<i>Applications under consideration</i>			
Wembley Park	Minavil House	139sqm	622sqm B1 space proposed, with 25% (139) proposed as "affordable"
Alperton	Abbey Wharf & Delta Centre	247 sqm	Developer proposing two units totalling 247sqm commercial space, but not detailed whether this is all affordable space.

3.62 Additional sites including Northfields Industrial Estate and the First Central site in Park Royal hold potential for additional affordable workspace provision subject to planning requirements, but again this provision should be informed by strategic ambitions for the workspace typologies and SME workspace in the borough, with an eye to serving the borough’s growth sectors.

Council-led initiatives

3.63 Through its own assets as well as current LRF and NHB funding streams, the council is in a position to steer and assist in the delivery of a number of workspace projects. These pipeline sites are typically smaller in scale and are dependant on securing appropriate and viable operators. Live initiatives include:

- Library at Willesden Green: 190sqm space delivered as part of the Willesden Green Library redevelopment. Potential to host co-working space, subject to operator selection.
- Ealing Road Library: two modular buildings (totalling 80sqm), forming part of new public square on Ealing Road. Supported by HSF and delivered in partnership with the GLA. Potential location for food-related business, building on the local area’s reputation as an Asian shopping destination.
- South Kilburn Enterprise Hub- LRF fund project in conjunction with South Kilburn Trust (£1.8m) which aims to deliver affordable workspace units and business support programmes in Kilburn’s Granville Centre and the neighbouring Carlton Centre.



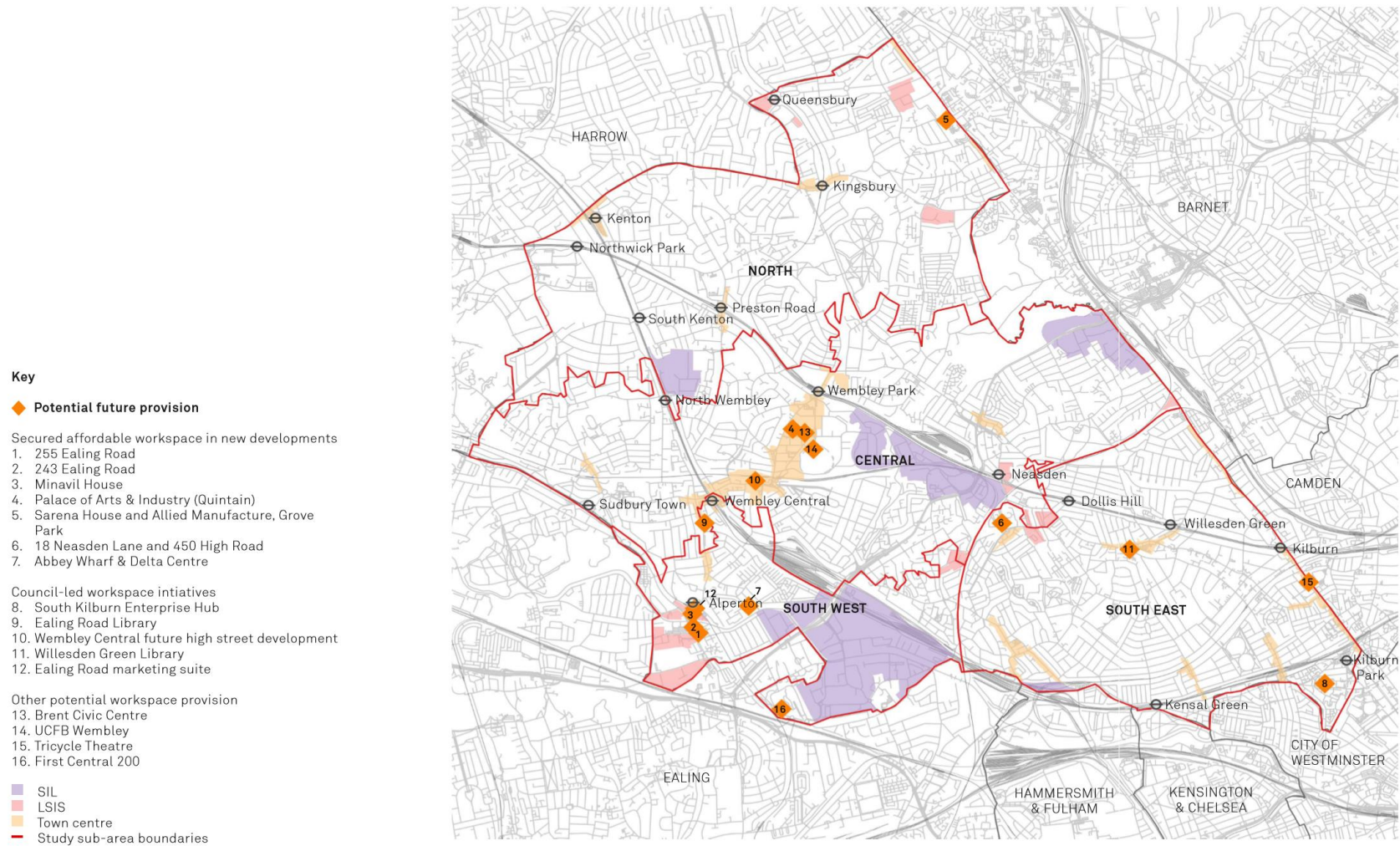
Space around Ealing Road Library which will host 2 small modular units and new public realm.

Institutional initiatives

3.64 A final stream of potential future supply of workspace is delivered through the development and expansion ambitions of local educational and cultural institutions. Potential forthcoming projects include:

- UCFB Wembley: proposed expansion including workspace/graduate start up space on an existing industrial site.
- College of North West London: proposals are being worked up for a significantly enhanced FE and HE offer at Wembley. While this is an early stage, there potential to deliver new workspace as part of the proposals either on one sites, or across severall. These might be associated or linked to particular course streams offered on each campus site.
- Tricycle Theatre: potential redevelopment project which could include creative workspace.

Figure 3.2 Borough Pipeline of Provision



Source: We Made That

connections and large scale mixed use investment), and wider drivers (such as changing working patterns, the impact of business rate changes, and London’s overall economic vitality). Quintain cited regularly seeing demand from micro and small businesses for space in the Borough, and noted several instances where businesses had left the Borough due to lack of space.

3.73 Despite this, Quintain reported that in conversations discussions held with workspace operators to date there has been a degree of push back – with operators concerned about the level of demand in the Borough, preferring retain a focus on more core London locations.

Factors Affecting Workspace Supply and Demand

3.74 Mapping and engagement with operators and the council have revealed a stream of factors affecting the Brent workspace market.

3.75 Securing affordable workspace on a number of key development sites in the borough stands to change the current quantum and make up of workspace in the borough. Although it is possible to identify a range of sites where this provision is coming forward, few are well-defined in their workspace offering. Currently, the supply of creative studios and co-working spaces is expected to be increased through provision on these pipeline sites, but the particularities of most new provision are still to be determined and some may offer opportunities to increase the supply of the borough’s less common workspace typologies- IACs and makerspaces.



Space secured in the new Willesden Green Library which has been put out to tender to various operators, with none secured at this point. Co-working space is envisioned here.

3.76 A notable factor affecting supply across key sites in the borough is regeneration and associated development sites. Some providers are losing workspaces without appropriate replacement accommodation available, and have subsequently planned to relocate or have put their offers on hold. Cottrell House, Wembley Point and Chesterfield House provided space for a range of SMEs, including fashion designers, tuition businesses, web design services, graphic designers, makers, and event planning businesses. Much of this supply has since been lost subject to redevelopment plans. Reporting following the closure of Chesterfield House noted that 80% of occupiers reported a need to find new workspace to support their business/project’s growth. Of 52 residents that made use of Chesterfield House, 70% were self-employed and running their primary business from the site.

3.77 Housing Zones designations and the on-going loss of designated industrial land, although serving a wider set of planning and policy ambitions, can adversely affect confidence in particular areas as sites of employment and drive uncertainty for potential operators and tenants. Furthermore, prior approval for conversion from office to residential uses means that workspace sites like Wembley Point are due to be replaced by residential/hotel uses, along with other smaller-scale office sites. Prior approvals identified by the council as of October 2016 list over 50 sites for potential office to residential use conversions, totalling a potential loss of over 50,000sqm of office space.

- 3.78 Notably, the Wembley Point conversion from office to hotel uses was granted on the basis that is it “accepted and known that there is a surplus locally of older office stock, and proposals for new modern office floorspace are being directing away from High Road towards the Wembley Stadium area”. This planning notice outlines some of the council’s ambitions for clustering certain typologies of workspace in certain geographies, although this remains less defined for most areas in the borough.
- 3.79 Locational clustering is evident in some parts of the borough, with the southern and central sub-area continuing to be the focus of many workspace initiatives as well as the sites of new provision through development sites. Proximity to key neighbouring commercial hubs in west and central London, as well as to Park Royal, has shaped the geographic spread of workspace in the borough, while other areas remain untested and unconsidered as workspace destinations.
- 3.80 The make up of the borough’s workspace stock has tended to support the provision of lower-spec managed offices and meanwhile workspace projects. Higher-spec spaces attractive to specialist IAC providers remains limited or only recently delivered. The size and level of fit out of workspace premises tend to encourage or preclude certain typologies of provision. Makerspaces and creative studios, for example, will generally favour higher ceiling heights, larger individual workspace units and a degree of servicing space, while IAC operators often require certain minimum overall floorplate size in order to make their models of provision viable. As such, the quantum and fit out level agreed to in newly secured sites will similarly influence which types of operators come forward to manage the sites.
- 3.82 A number of current sites of provision are subject to redevelopment which is prompting the loss or relocation of some affordable workspace providers, particularly meanwhile use programmes which offered business support initiatives.
- 3.83 A good quantum of affordable workspace has been secured in new developments, but timing of delivery, management agreements and suitability of space are all crucial factors in ensuring this new quantum helps to replace and enhance supply in the borough.

Summary and Implications

- 3.81 Currently the borough’s strongest stream of provision is through managed workspaces- typically in business centres and older office buildings. Creative studio spaces are another relatively strong source of workspaces, although individual offerings are small-scale and tend to cluster along the southern edge of the borough. There is a notable lack of dedicated IAC spaces which provide both workspace and business support services.

4. Workspace in Brent: Potential for Growth

Summary of Messages

- Looking ahead, strong economic growth is projected for London; the London LEP and GLA are placing a large policy focus on supporting the development of a number of higher value sectors (such as financial and professional services, creative industries and science and technology) and also supporting London’s enterprise economy
- More locally, Brent is well placed to benefit from London’s growth trajectory given the presence of and proximity to a number of London’s most significant growth areas (including Wembley, the OPDC area, Brent Cross, and Burnt Oak /Colindale). The Borough may also benefit from the 2017 rates revaluation which, has the potential to reshape London’s economic geography, as firms seek new more cost effective locations.
- Generally speaking, future opportunities for workspace are strongest within the Boroughs town centres and employment areas – particularly those in the south and centre of the Borough. This reflects the fact that these locations tend to accommodate many of the factors which will be important for both operators and businesses – including connectivity, strong amenity, and existing business clusters and networks.
- There are a large number of workspace opportunities in the pipeline; securing the successful delivery of these will provide a significant boost to the Brent workspace market.

4.1 Building on the preceding research, this chapter considers Brent’s economic trajectory and implications of the local workspace market.

Factors Affecting the Brent Workspace Market

4.2 There are a number of local and external drivers which will influence the future performance of Brent. These are outlined below and include:

- Economic growth and evolution across London
- Brent’s strategic growth aspirations
- Wider West London growth considerations
- Commercial property market pressures
- Workspace viability and affordability
- Provider /operator space requirements
- Proactive planning policy considerations.

Economic Growth and Evolution Across London

4.3 London’s population has now surpassed its previous peak in 1939 of around 8.6 million, and is expected to growth further to 10 million by the early 2030s. The economy (and employment) is expected to grow in line with population growth, with employment projections from GLA Economics⁵ expecting there to be one million extra jobs across London by 2036.

4.4 The London Enterprise Panel’s Agenda for Jobs Growth aims to deliver a London economy with:

⁵ GLA Economics (2016), Employment Projections for London by borough

- The fastest income growth among cities of its scale and type, with growth in GVA per head that is faster over the long term than New York, Paris or Tokyo's, and that delivers more benefit to the wider UK.
 - Job growth that translates into opportunity, with employment rates higher than both the UK average and the equivalent rates in New York and Paris.
 - Diversity and resilience, with strong performance across more of the economy in order to improve the city's resilience against crises, with no single sector driving more than 40% of GVA or jobs growth.
- 4.5 Growth across London is forecast to be strong, with output increasing by approximately 2.8% over the next two years and employment increasing by 1.2% in 2016 and 1.0% in 2017⁶. This suggests that London's productivity is set to increase over the period. Sectors which are expected to have high employment growth over the next three years are distribution, accommodation and food, construction and finance and business. Output across these sectors is also expected to be strong.

Sector Aspirations

- 4.6 The London Plan encourages broad-based growth. It continues to support the success of long standing economic sectors such as financial and business services which position London globally, whilst also prioritising the leisure services and retail sectors which underpin London's attractiveness as a place to live, work and visit.
- 4.7 In addition to this, there is a focus in the London Plan on helping to build the conditions for new sectors to emerge, such as the technology, media and telecommunications sectors which can help enhance London's position as a thriving, resilient and diverse city economy. The London Plan also notes a commitment to driving a fundamental shift in London's economy towards a

low carbon future, with economic growth and business success coexisting to reduce carbon intensity.

- 4.8 The Mayor's Economic Development Strategy (2010) highlights the importance of promoting London's existing strengths in business, tourism, learning and creativity, whilst transforming into a low carbon economy and remaining globally competitive in doing so.
- 4.9 The London LEP's London 2036: An Agenda for Jobs and Growth sets out its ambitions to maximise job creation and economic growth in the capital as well as increasing the diversity and resilience of London's business base. The London LEP has identified the digital and creative, low carbon, finance and professional service sectors as key sectors in the future of London's economy which will help establish diverse growth.

Small Business and Open Workspace

- 4.10 The London LEP's Agenda for Jobs and Growth has a strong emphasis on supporting the start-up and development of small businesses. It has an aim to make London 'the best place in the world to be an entrepreneur, whether starting up or scaling up a business'.
- 4.11 Reflecting the above, over the past two years, the GLA has placed a large amount of focus on 'places of work', recognising that affordable and appropriate places of work are essential for London's economy to continue to grow.
- 4.12 A number of research studies have been conducted into Open Workspaces – defined to include incubators, accelerators, co-working spaces, artists' workspace and makerspaces, "where affordable rents, flexible terms, shared facilities, and networking opportunities provide the right conditions for entrepreneurs, creatives, and small businesses to grow and flourish".
- 4.13 On the back of this research the GLA and London LEP has formed the Open Workspace Providers Group to champion the work of London's Open Workspaces; to support and advise on the growth, development, and long

⁶ London's Economic Forecast, GLA, 2015

term sustainability of London's Open Workspaces; to propose priorities and actions for supporting the development of these; and to act as representatives of a wider network of work space providers, particularly in relation to making use of non-residential space in new housing developments.

- 4.14 Within the Accommodating Growth in Town Centres and Action for High Streets reports, the GLA emphasises the important role for town centres as places of work – and that intensifying town centre employment uses can play an important role in supporting London's economic evolution.
- 4.15 In this context, the GLA and London LEP is working with the Boroughs to increase the supply of appropriate workspace across London, via a number of funding programmes – including the New Homes Bonus top-slice, the High Street Fund and the London Regeneration Fund.
- 4.16 Most recently, the new Mayor Sadiq Khan emphasised his commitment to helping to secure London's affordable workspace. He has announced the creation of the Workspace Providers Board which will advise on securing workspace, including through the planning process, and creating new space, for example through identifying sites for building new developments or re-fitting empty space in existing buildings. The Board will also advise the Mayor on wider challenges and issues around workspace, such as permitted development rights and general affordability.
- 4.17 Sadiq has committed to working with all London's boroughs to support and help create affordable workspace in their local areas. Sadiq will ask the boroughs to signal their commitment to protecting workspace by signing up to a workspace pledge. The pledge will ask boroughs to support the important role of workspace for start-ups, small businesses and artists in London by implementing a number of measures, including:
 - Limiting the conversion of office space to residential space through permitted development rights.

- Encouraging the provision of affordable workspace through planning policy and good practice.
- Ensuring new developments include non-residential space suitable for the needs of small businesses.
- Seeking funding and partnerships to create new space for start-ups, small businesses, the creative industries and artists.

Brent's Strategic Growth Aspirations

- 4.18 Brent has strong growth aspirations⁷. The Brent Core Strategy (2010) identifies a need to provide an additional 22,000 homes between 2007 and 2026, with at least 50% of these being affordable (Policy CP 2).
- 4.19 These growth aspirations are likely to result in increased demand for employment space – and SME workspace – in the Borough.

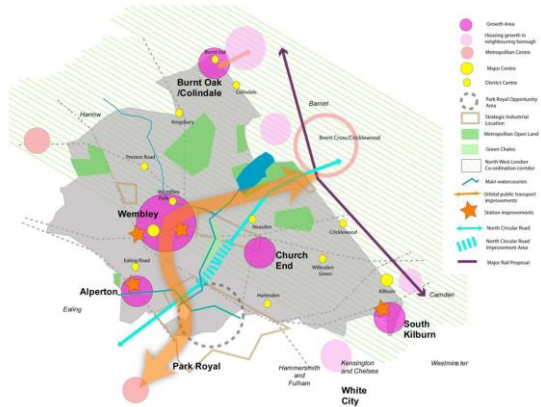
Growth and Opportunity Areas

- 4.20 Growth aspirations are primarily focused around five Growth Areas, namely Wembley and Colindale/Burnt Oak (both identified as Opportunity Areas in the London Plan), and South Kilburn, Church End, and Alperton⁸. In addition, the Borough is also home to part of the Park Royal Opportunity Area and the Cricklewood / Burnt Oak Opportunity Area.
- 4.21 These growth and opportunity areas have significant aspirations for the delivery of homes and jobs in the coming years.

⁷ The Regeneration Strategy for Brent 2010-2030

⁸ Brent Core Strategy (adopted 2010)

Figure 4.1 Brent Core Strategy Key Diagram: Growth Areas



Source: West London Alliance, 2016

Table 4.1 Opportunity Areas in Brent

OA	Size (ha)	Indicative Employment	New homes
Wembley	239	11,000	11,500
Colindale / Burnt Oak	262	2,000	12,500
Cricklewood / Brent Cross	324	20,000	10,000
Park Royal	713	10,000	1,500

Housing Zones

4.22 Brent is currently in the process of establishing two Housing Zones to accelerate housing delivery in the borough. These are Wembley (around 2,400 homes by 2025, of which 38% will be affordable) and Alpertion (around 3,200 homes, of which 34% will be affordable). The GLA is providing Housing Zone grant funding to assist with the delivery of the Housing Zone objectives

in Wembley (£8 million) and Alpertion (£13.9 million). More information on these Housing Zones can be found in Appendix A.

Wembley Creative Education Quarter

4.23 Proposals are being worked up for a development of a ‘Creative Education Quarter’ at Wembley, with a focus on digital, creative and wider STEAM activities. The aspiration is to deliver new provision HE and FE provision in partnership between Quintain, the College of North West London and the University of Westminster.

4.24 While proposals are at an early stage, there would be potential to deliver new workspace as part of the proposals either on one site, or across several. These might be associated or linked to particular courses offered on each campus site.

Wider Socio-Economic Considerations – Population Growth, Social Inclusion and Digital Engagement

4.25 Brent is characterised by a diverse and growing population. The development planned for the Borough will lead to strong growth in the resident population. Growth in the borough’s population of freelance, creative and tech-sector workers will act as a further driver of both supply and demand for flexible workspace in the borough. As this resident population continues to grow, localised demand for co-working, creative studio and SME office space looks set to rise as this growth sector workforce looks for local and accessible workspace.

4.26 It is important that such opportunities are not limited to incoming populations. The council aims to make future growth inclusive for all of Brent’s residents, and aims to reduce poverty and inequality through regeneration and economic development, building on the success of recent developments in the borough (e.g. Wembley Stadium). There is a commitment to increasing employment and income levels, especially to those most in need.

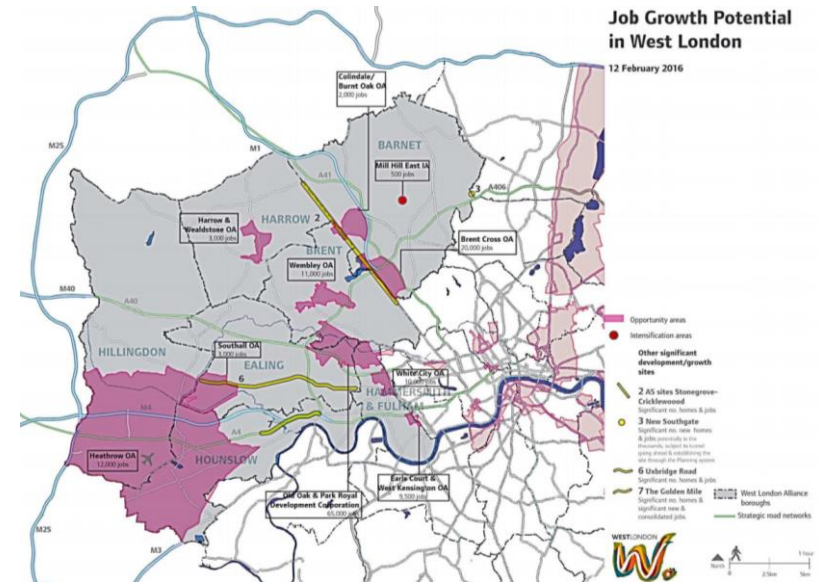
- 4.27 Efforts are being made to co-ordinate partners to tackle unemployment, poverty and social exclusion in Brent⁹. There are ambitions to promote economic growth through regeneration and ensure that local education and skills provisions meets the demands of the labour market. The Council will address inequality to reduce economic and social polarisation amongst those in the most deprived neighbourhoods and furthest away from work.
- 4.28 The council is also placing a focus on digital inclusion: ensuring that local residents and businesses are better equipped to compete in the digital age. There is a particular focus on high street SMEs, among which research suggests that levels of digital maturity are comparatively low.

Wider West London Growth Opportunities

- 4.29 There are also strong growth aspiration across the wider west London area which will influence future economic demand in Brent.
- 4.30 The West London Vision for Growth (2014) sets out the Alliance’s vision for West London and how to ensure the area is able to take full advantage of the opportunities presented by London’s economic growth now and in the future. Six key objectives have emerged from this vision, including:
 - To increase small business start-up and survival rates through business support hubs, higher exports and focused collaboration with higher education institutions.
 - To deliver at least 71,000 homes as part of a housing programme that meets the needs of our residents and supports growth.
 - To create and maintain thriving town centres which are hubs for work and living.
- 4.31 Vision maps have been created to highlight some of the key collective ambitions of the West London Alliance boroughs, including ambitions on housing, jobs and transport infrastructure. The jobs growth potential map in

Figure 4.2, shows the location of key future employment sites for the future across West London.

Figure 4.2 West London Alliance Employment Vision Map



Source: West London Alliance, 2016

- 4.32 Areas in West London (other than those identified above including Brent Cross and Burnt Oak / Colindale) which have potential for future growth in close proximity to Brent include:
 - The Old Oak and Park Royal area: is expected to be the UK’s largest regeneration scheme with over 135 of developable land in Old Oak which provides the potential to deliver 24,000 homes and 55,000 jobs. The Old Oak and Park Royal Development Corporation (OPDC)

⁹ Employment, Skills and Enterprise Strategy 2015-20

is currently setting out its strategy on how to develop the area, and is expected to produce a draft Local Plan at the start of 2017.

- Kensal Canalside: a 20 ha Opportunity Area located to the south of Brent, with ambitions to build 3,500 new homes and an indicative employment capacity of 2,000 new jobs. This development is being brought forward by RB Kensington and Chelsea with ambitions to link the site to developments at Old Oak.

Commercial Property Market Pressures

4.33 Other than the overarching growth and development drivers outlined above, there are also a number of wider property market trends and drivers which will impact on future workspace market in Brent. These include:

- **Permitted development** – as highlighted in chapter 2 and 3, permitted development is already having a significant impact on the workspace market in Brent. Since 2013, there have been over 60 prior approvals for office to residential conversion, including the loss of number of prominent workspaces such as Create Space London at Wembley Point. In the context of strong and continually increasing residential values, permitted development is expected to continue to bear a major and adverse influence on supply of commercial space in the Borough in the coming years.
- **Business rates revaluation** – linked to the above, the 2017 business rates revaluation has the potential to have a significant influence on London’s economic geography. While there is no certainty over the precise nature of the impact, increases in business rates will place an even greater cost burden on small businesses, particularly those located in central London. The result may be increased demand for locations in outer London such as Brent – particularly those which offer strong transport connectivity and strong levels of amenity.

Workspace Viability and Affordability

4.34 The viability of workspace will reflect the balance between prices that operators are willing to pay, and the rental values that they can charge. Our research highlights that this varies by workspace typology:

- **Makerspaces:** Create Space London was paying £7.50/sq ft p.a. in Brent and will be paying £11/sq ft p.a. in their new location in Hounslow, negotiated down from £15/sq ft p.a. Their business model takes into account paying commercial-level rents for space. Rents to tenants range between £350-£750/month based on studio size
- **Creative Studios:** larger-scale affordable studio providers operating on long-term leasehold - providers like ACME are providing studios in new built developments through planning requirements (s106). Rents for individual artists studios are approximately £14 sq ft/ annum
- **Creative studio clusters catering to desk-based creative professionals** (photography, graphic design, etc.): studios spaces offered by individuals/companies rather than dedicated providers (e.g. small- mid-size independent offerings). These pay commercial rents (approximately £20,000-25,000 p.a. including business rates but excluding VAT) and offer individual desks at approximately £300/pp/month.

4.35 Pricing levels for these typologies outside of the borough are typically slightly higher:

- Makerspaces – London Print Studio pays around £11 sq ft p.a. (data from 2015). This is an affordable makerspace provider so offers subsidised membership access to facilities (£15/session + £40 membership fee)
- Creative Studios – dedicated studio providers like ACAVA provide individual studios charged at £16-25/ sq ft p.a. for tenants

4.36 Rents paid by creative studio operators in Central London are even higher:

- Space Studios pay £5-£7/sqft and charge around £15/sqft
- Cell Studios pay £5.50-£8.15/sqft, and charge £14/£15/sqft end user rent
- The Trampery pay up to £16-£17/sqft for more central locations.

- 4.37 The affordability of commercial space in London is one of the key drivers influencing London’s economic geography. The economic recovery has led to strong demand in office markets across London and this has led to increased levels of take-up which in turn is driving up rental values. Across London, locations once considered non-prime and ‘fringe’ are now not considered in the same way and new developments are changing the perceptions and character of these areas. Locations such as Shoreditch and the City Fringe are prime examples of this trend.
- 4.38 These trends provide a potential opportunity for locations such as Brent. The Borough’s places currently hold a strong competitive advantage in terms of comparatively low commercial values, and as such, well connected and growing locations such as Wembley have the potential to become increasingly attractive business locations.
- 4.39 In headline terms, our research suggests that affordability of workspace is a much less significant issue than is the case elsewhere in London: values in Brent are significantly lower than in central London, which in theory makes it an attractive and affordable option for businesses looking for space.

Provider / Operator Space Requirements

- 4.40 One of the key challenges for future provision is securing suitable premises for provision.
- 4.41 Providers are typically operating out of existing commercial premises, and sourcing existing building stock suitable for provision (larger floorplates, ‘characterful’, existing internal separations suitable for providing different products) is increasingly challenging.
- 4.42 Obstacles include premises coming under redevelopment pressures, new provision being typically allocated to conventional office provision and

landlords unwilling to let to shared workspace use as it is still a relatively unknown or un-recognised form of provision. Providers of specialised workspaces like makerspaces in report ongoing problems of recognition in policy and business support terms (e.g. insurance). Some providers see a need for specialised workspaces to be recognised a providing routes to employment and business support, looking to associated rate relief and promotion.

- 4.43 Operator requirements typically vary by typology:

IACs

- 4.44 Characteristic spatial features of IACs are sub-divided and discrete units that also offer some degree of flexibility. Providers look for open plan floorspace that can be subdivided into appropriate workspace units (typically 5-50 desks, but can be much larger). Precedents feature spaces ranging from 30-150sqm (323- 1,615sq.ft) clustered in a group of minimum 5 units. The capacity of the space should be sufficient to accommodate fluctuations in individual workspace unit sizes, with companies taking up less or more space as their enterprise develops.
- 4.45 IACs typically require lower levels of specification; many have basic provisions with low cost fit out and provision will depend on target market.
- 4.46 Shared facilities ensure that the cost of occupying space is lower than for market rate office space. Facilities can offer access to workstations, computers, phones, power and broadband connectivity.
- 4.47 IACs usually include a reception area as well as meeting rooms and shared communal areas (i.e. kitchen, break room, etc.)

Managed workspace

- 4.48 Individual units generally range from 15-200sqm (162-2,153sq.ft) but some larger units can be up to 2,000sqm (21,528sq.ft). Workspace providers generally require a critical mass of units/workspace to make management model viable; providers find mid-range size units (47-93sqm/500-1,000sq.ft) most difficult to let.
- 4.49 Fit out can offer a higher level of specificity to tenants and may include: installation of cellular offices, enhanced finishes, conference/ meeting room facilities, reception area, IT and AV installations. Larger and higher spec workspaces can also include a number of ancillary uses such as cafes and gyms.

Creative Studio

- 4.50 Providers report an ideal minimum of 450sqm (5000 sq ft) as larger scale and efficient buildings allow for critical mass and keep rent/running costs at minimum. Individual studios range from 11-32m² (118-344 sq ft) and generally a minimum of 15 studios is required to generate a critical mass.
- 4.51 Ceiling heights range from 2.9-4.4m but generally a minimum height of 3.5m is preferred. Artistic activity typically requires natural light and ideally window sizes should reflect the height within the room. Artists also value private workspaces and individual units should cater to this (i.e. no glass-paneled doors).
- 4.52 This typology is suitable for refurbished spaces – dependent on the nature of activity- production/media businesses will seek higher quality (potentially new) space whilst artists may require lower quality secondhand space which tend to be of lower specification/fit out levels given the nature of activity. Heating and good internet

connection are considered attractive features, although many existing artist studios in particular lack these facilities.

Makerspace

- 4.53 Individual units typically range between 150- 200sqm (1,615-2,153sq.ft). Operations can be broken down into smaller spaces (e.g. 4 or 5 different processes can be hosted in smaller individual spaces). Warehouse and industrial building stock adequately accommodates this typology as it offers larger floorspace and yard spaces for shared making. Higher ceilings are typically preferred (4.5-8m). Design considerations related to sound attenuation may be required depending on type of making. Usually the spatial fit-out allows to separate the 'clean' workspaces from the more 'messy' workshops. Other types of making such as fashion-related production can be hosted in more commercial or office-type spaces as they have less specific spatial requirements.
- 4.54 Space should offer capacity for workbenches and other dedicated workspaces; makerspaces often include co-working spaces that can be used alongside the equipment. The range of equipment provided on-site is dictated by the type of making; some maker spaces cater for various types of production processes while others focus on more specific activities.

Desk space in office/studio

- 4.55 This typology is the least structured of the flexible workspace offering as it relates to individuals or businesses letting out excess desk space in existing office or studio set-up.

Brent Planning Policy Considerations

- 4.56 In recent years, LB Brent has been successful in securing the delivery of new workspace as part of new developments in the Borough via S106 agreements. Workspace have been secured in developments in Alperton, Wembley, Church End and Burnt Oak and Colindale, with several more in the pipeline (see table 3.2). Given the scale of development proposed in Brent in the coming years, there are clearly opportunities to further enhance workspace supply in the Borough via the planning system.
- 4.57 However, despite Brent’s success in securing workspaces through the planning system, to date the subsequent delivery of functioning workspaces has been hampered by a number of challenges, including a lack of clarity on the type of space to be provided, and uncertainty on the preferred operational and delivery models.
- 4.58 These challenges will need to be addressed to ensure that the pipeline of development agreements is converted into a portfolio of successfully functioning workspace.

Meanwhile / Temporary Workspace Uses

- 4.59 In recent years, the large number of development sites in the borough has provided increased (albeit short-term) opportunities for flexible workspace provision. These premises usually provide affordable, adaptable spaces which smaller operators are well-placed to manage. The re-provision of this workspace is however, a continual challenge for providers as when their short term locations are lost, sites for such provision are increasingly limited. Looking forward, it will be important to ensure that meanwhile workspace uses continue to be provided as part of the Borough’s ongoing development opportunities, as well as efforts to find longer term or permanent homes for these workspaces once the ‘temporary’ period comes to an end.

Workspace in Brent: Opportunities for Growth

- 4.60 Building on the evidence collected, future opportunities for workspace in Brent are summarised below.

Workspace Locations

- 4.61 As would be expected, opportunities for workspace are strongest in the parts of Brent where economic activity and demand is greatest.
- 4.62 Generally speaking, demand is strongest within the Boroughs town centres and employment areas. This reflects the fact that these locations tend to accommodate many of the factors which will be important for both operators and businesses – including connectivity, strong amenity, and existing business clusters and networks.
- 4.63 While localised demand may exist across the Borough, demand is currently greatest in the south east (around Kilburn, Queens Park and Willesden Green) and to a lesser extent the centre of the Borough (particularly the Wembley area). These areas also appear best placed to capitalise on business displacement from other parts of London given their location, characteristics, transport links and development proposals.
- 4.64 Future growth and development is likely to lead to increased demand in other parts of the Borough – particularly in the south west, where the development of Old Oak Common is likely to increase demand in the Park Royal and Harlesden areas, while Housing Zone plans for Alperton has the potential to stimulate demand there.
- 4.65 Generally speaking opportunities and demand for workspace in the north of the Borough currently appear more limited. That said, opportunities for growth exist in the Burnt Oak Colindale Opportunity Area. While mapping does not highlight this area as a current workspace location, we can anticipate a substantial increase in homes and jobs in the area – which might support demand for associated workspace provision.

Workspace Typologies

4.66 Mapping of current provision and consultation providers has highlighted the nature of demand within different workspace typologies:

- Given the lack of current **IAC-type provision**, and the previous success of provision like Coming Soon Club and other Meanwhile CIC initiatives, there is a clear opportunity to increase and secure IAC-type workspace provision in Brent. This typology of workspace typically ties business support and skills development in with the provision of space, and thus works across two streams to support business growth in the borough. Future IAC-type provision might be facilitated through engagement with previous providers like Meanwhile CIC, or accommodated in council-led initiatives like the Willesden Green Library space, through partnership with a specialised IAC operator. Opportunities for IAC provision are likely to be located around sites of large new development (ie Wembley Park or Alperton), or could be targeting to build on creative workspace clustering in the south-east of the borough.
- The relatively restricted supply of **creative studios**, coupled with the evidence of creative workspace clustering in and around the south-eastern edge of the borough suggests that there are opportunities to expand this type of provision. In particular, clustering of larger creative and artist studio provision just outside of the borough indicates an appetite for this typology. Recent new provision in the borough is made up of small quantities live/work units and units targeted at specific sectors, which haven't contributed in a substantial way to alleviating the constraints on supply. This typology also offers greater place-making and public-facing potentials, so provides opportunities for integration into, and support of large-scale new development sites.
- **Managed workspace** is by far the most prevalent typology in the borough, but there is little evidence of recent investment or new delivery of these types of spaces. A significant proportion of supply made up of older stock in industrial locations, but the supply of

higher-spec office spaces is more limited. Larger providers report strong current occupancy rates, indicating a good level of demand for these types of managed office spaces, but this should also be viewed in light of reports of a recent decrease in competition as other office locations have been converted to other uses in recent years. Some larger providers report future plans to amend their offering to include more shared desk space and co-working type offerings in response to demand for this type of offering, highlighting opportunities for different forms of managed workspace to take root in the borough, which offer more flexibility than the current individual office units that most managed workspaces offer.

- Reports of consistent growth and strong demand from the borough's largest **makerspace** suggest that there are opportunities for this type of provision to be strengthened, especially given the recent move of this particular provider out of the borough. The remaining makerspace supply in the borough is limited in scale, and targeted to the fashion industry, again highlighting opportunities for expanding makerspace facilities which cater to a wider array of users and uses (including product development and prototyping). Opportunities for this type of provision could be delivered in conjunction with IAC-type spaces, responding to reports from providers that individual professional makers could benefit from greater business support in terms of marketing, legal advice etc. Opportunities for makerspace-type provision would do well to be tied to avenues to retail and showcasing, which add to the outward-facing and place-making potential of this typology, as well as increasing the viability of these workspaces.

Sector Focus

4.67 While there are no set rules, demand for workspace tends to come from a few different sectors in the economy: creative, business and professional services (largely IACs, managed workspace, serviced offices and creative spaces), small scale making / manufacturing (maker spaces) and more high tech activities such as advanced manufacturing (bespoke spaces).

Workspace Type	Relevant Sectors
IAC	ICT Digital and Creative, Prof and Business Services
Managed Workspace	ICT Digital and Creative, Prof and Business Services
Serviced Offices	ICT Digital and Creative, Prof and Business Services
Creative Studios	ICT Digital and Creative
Maker Spaces	Creative manufacturing
Deskspace in offices	Prof and Business Services
Bespoke space	Creative Manufacturing, Food Manufacturing, Advanced Manufacturing, R&D

4.68 In Brent, the economy as a whole is currently characterised by strengths in lower value activities which are not likely to generate demand for workspace: public administration, education, health, and hospitality and leisure are the largest employment sectors.

4.69 However, while the size and strength of creative, business and professional service activities are comparatively low, there is evidence of strong growth in these activities in recent years – particularly in the south east of the Borough.

4.70 Looking ahead, a sector specific approach to workspace in Brent is not recommended: in the current context, flexibility is needed to attract operators to the area and to ensure that new spaces become well occupied.

4.71 That said there are a few potential areas for specialism based on current strengths and future opportunities in the area:

- The food sector – Park Royal is home to London’s largest food sector; this comprises manufacturing and distribution activities ranging from the multinational, down to the craft / artisan. Sector specific space (eg shared kitchen space or lab space) could be an area of focus to support the further development of the food sector in the area and to support new enterprise and R&D. OPDC would be a key partner in this
- Leisure and hospitality – there may also be opportunities for specific workspace linked to Wembley’s leisure and hospitality offer. This is a comparatively niche strength for the Wembley and offers a comparative advantage and draw for potential operators and occupiers.
- Creative enterprise and education – in the longer term, proposals for Wembley’s creative education quarter offer strong potential to deliver new sector specific workspace linked. The focus of this is likely to be on creative and digital activities, with opportunities to explore new models of collaboration between education and business in the Borough
- Digital inclusion – as noted previously, Brent Council is currently placing focus on enhancing digital maturity amongst the Borough’s SMEs. While there is not currently a strong case for a bespoke digital hub / workspace to address these issues, incorporation of activities or services within workspace which are targeted at addressing digital challenges (eg bespoke business support) could be beneficial.

Workspace Operators

4.72 There appears to be a good level of demand and interest in Brent from workspace operators:

- While the current supply of space in the Borough is currently relatively limited, all of the providers consulted with were happy in Brent and while most of them were not actively looking, did not rule out additional locations if opportunities became available. Perhaps

the most obviously example is Create Space who are keen to move back to the Borough in the future.

- In terms of the larger workspace providers not currently located in the Borough, all of those consulted with as part of this research (such as Basepoint, WeWork, Oxford Innovation) expressed a theoretic interest in Brent – although this is often the case when workspace is discussed in general / strategic terms.

- 4.73 Despite, this wider consultation has suggested that it is more challenging converting operator interest into more concrete proposals and business plans. Quintain has reported finding it difficult to attract operators to its forthcoming spaces, while LB Brent has also found it challenging to find operators for a number of its spaces (such as Willesden Green Library).
- 4.74 Clearly further work is required to work with developers such Quintain and workspace operators to broker linkages and connections and to generate a greater degree of traction and momentum in the Brent workspace market.
- 4.75 Information on the larger workspace providers consulted with is provided in Appendix C; further information on workspace providers and their requirements is provided in the accompanying spreadsheet.

Summary of Workspace Opportunities in Brent

- 4.77 Future workspace opportunities for Brent are summarised in the table below. There are a large number of workspace opportunities in the pipeline; securing the successful delivery of these will provide a significant boost to the Brent workspace market.
- 4.78 In doing so collaboration and partnership work with partners such as OPDC, neighbouring Borough’s, the GLA, developers and providers will be key.

Table 4.3 Summary of Likely Workspace Demand by Location

	Workspace Demand	Key Locations	Immediate Opportunities
South East Brent	✓✓✓	<ul style="list-style-type: none"> • Kilburn • Willesden Green • Queens Park • Harlesden 	<ul style="list-style-type: none"> • Willesden Green Library • 18 Neasden Lane & 450 High Road • South Kilburn Enterprise Hub • Tricycle Theatre
South West Brent	✓✓	<ul style="list-style-type: none"> • Alperton • Park Royal 	<ul style="list-style-type: none"> • 242 Ealing Road • 255 Ealing Road • Abbey Wharf and Delta Centre • First Central
Central Brent	✓✓	<ul style="list-style-type: none"> • Wembley Central • Wembley Yards • High Road and Ealing Road 	<ul style="list-style-type: none"> • Palace of Arts and Industry • Minaval House • Ealing Road Library • UCFB Wembley • College of North West London / Creative Education Quarter
North Brent	✓	<ul style="list-style-type: none"> • Colindale and Burnt Oak 	<ul style="list-style-type: none"> • Sarena House & Allied Manufacture

Supporting the Vitality of Brent’s Workspace Market: The Case for Intervention

- 4.79 A strong and effectively functioning workspace market has a key role to play in supporting enterprise and economic growth and evolution.
- 4.80 The research undertaken, has highlighted that while Brent is home to a number of interesting workspaces, there are a number of challenges faced:
 - The breadth and diversity of the workspace offer – Brent’s workspace market is currently dominated by managed workspace; space at the more creative and flexible end of the market is currently limited
 - Evidence that workspace is being lost – permitted development and wider factors have led to loss of a number of Brent’s most important workspaces in recent years – most notably Create Space in Wembley Point. This has further constrained supply at the more creative end of the market
 - Challenges in securing workspace delivery – while Brent has been successful in securing new workspace through the planning system, challenges have been faced in getting these spaces up and running
 - Consultation has suggested that many of the larger workspace operators may not be aware of potential opportunities in Brent and remain focused more on core markets in central parts of London.
- 4.81 In this context there is a strong rationale for intervention by LB Brent to support the local workspace market to function more effectively and efficiently, and in doing so to support wider economic growth aspirations.
- 4.82 Based the evidence, there are a number of factors which will drive the future vitality of the workspace market in Brent. To ensure an effective response, it is important that interventions are appropriately targeted to reflect varying economic geographies and contexts across Brent.

4.83 These broad areas for intervention are explored further in the subsequent chapters: Chapter 5 considers lessons from elsewhere in London and the UK and Chapter 7 considers potential delivery options and models for LB Brent.

Table 4.4 Priorities for Future Intervention in Brent	
Challenge	Potential Response
1. Protecting current workspaces	Protecting existing workspace supply in the face of pressure from changing area characters, increasing residential values and permitted development.
2. Encouraging additional supply of suitable workspaces	<i>Securing temporary / meanwhile uses</i> as part of new development, or using vacant sites / premises – this has been a successful source of workspace in the past, and, given the strong development pipeline, this continues to be an opportunity for the future
	<i>Ensuring new workspace is delivered as part of new development activity across the Borough</i> – while the council has been relatively successful in securing workspaces within new developments in recent years, subsequent delivery has been hampered by weaknesses in information and coordination. Addressing these weaknesses should be a priority to ensure that the pipeline of development agreements is converted into a portfolio of successfully functioning workspace.
	<i>Reuse of existing commercial premises</i> – working with agents and landlords to identify opportunities to convert vacant or underused properties to provide workspace <i>Reuse of existing council or partner assets</i> should also be considered, although it is understood that opportunities in this respect are currently limited.
3. Protecting and enhancing demand for workspace	Protecting and enhancing demand for workspace – alongside efforts to enhance workspace supply, it is important that the demand side is also prioritised via efforts to support enterprise and business growth, to connect businesses to workspaces and support networks, and to demonstrate evidence of demand to workspace operators who might be interested in investing in the Borough.

5. Delivering Workspace: Learning From Elsewhere

Summary of Messages

- There is clear evidence of and lessons to be learned from comparable activities in the market, which present LB Brent with a series of potential avenues for its own activity. LB Brent will need to carefully appraise its aspirations, limitations, strengths and opportunities in order to identify the right portfolio of interventions
- In all cases, success has been achieved through setting a plan and committing to deliver it. LB Brent will need to organise itself to commit to delivering its aspirations over a medium-long-term time horizon. This can be achieved through organisational arrangements and through establishing and delivering a focused business plan.
- Interventions must be targeted, clear, market facing and deliverable. This clarity is essential to ensuring that the market clearly understands the offer and the LB Brent's commitment to it.
- Whilst Local Authorities' aims sit across a spectrum of drivers (socioeconomic and commercial), the effective ability to realise these drivers needs to be clearly tested and agreed as an early action. There is often a competing interest between commercial and socioeconomic outcomes that needs to be understood and accounted for, in setting the right strategic approach for Brent.
- A range of policy tools can be focused to support workspace delivery, these tools should be used in a coordinated fashion and must be supported through operational actions that across departments
- There is commercial interest in Brent's opportunities and unseen demand for workspace from commercial operators.

5.1 This chapter explores lessons from elsewhere in London and the UK in relation to the delivery and operation of SME workspace. In doing so it explores:

- Examples of local authority workspace collaboration and case studies of major workspace operators not currently located in Brent
- Organisational and policy considerations.
- Funding models and mechanisms to support workspace delivery.

Workspace Case Studies

Local Authority Workspace Collaborations

5.2 In this section we have summarised the types of arrangements other Local Authorities and public sector bodies have participated in, in order to deliver new workspace (further details about the examples considered are provided as Appendix A to this report).

5.3 These arrangements or interventions take different forms, dependent upon each respective Council's objectives and the role it wants to play, as well as the nature of the opportunity.

5.4 We have summarised five key intervention typologies below, starting with early intervention and concluding with full participation.

5.5 These typologies inform the further analysis presented later in this report about the possible roles that Brent could or should play, in an overarching capacity and with regard to progressing a portfolio of site-specific opportunities.

1. Creating a Platform - Great Western Studios, Westminster City Council

5.6 Westminster City Council identified a need for accommodation for the creative industries. In May 2009 it agreed funding and land arrangements

to create a viable development opportunity they could go to the market with. The Council therefore played an important role bringing key stakeholders together by brokering relationships with Crossrail, Network Rail and London Underground, enabling developers to acquire the site. They effectively created a platform which gave developers the certainty that development could progress but to do this they needed funding and an interest in the land which they did by doing the following:

- £2m Civic Enterprise Fund, resourced from existing Civic Enterprise Fund reserves for the purpose of a loan on commercial terms to GWS LLP to be repaid within 5 years
- The release of £500k WCC grant
- The agreed funding was conditional on TfL agreeing that the lease at 65 Alfred Road to be granted to GWS LLP be for a term of 125 years

- 5.7 Great Western Studios opened in 2009 and is 100% occupied with 104 studios housing a variety of creative entrepreneurs described earlier. The space is now operated by GWS Ltd and owned by a developer. GWS Ltd. informed us that the Westminster City Council are now longer involved in the project. Their role has been to curate a business environment where small companies can collaborate, be inspired by one another, and grow. GWS will expand to meet high demand.
- 5.8 The Council’s role of enabler and facilitator created the platform from which the private sector developed out the facility and subsequently operate it.
- 5.9 The Council is keen to repeat this feat and in conjunction with GWS and the Canal and Rivers Trust, the Council will also seek to use vacant land along the Regent’s Canal to house new ‘container’ enterprise spaces. In turn the Council wants to engage creative SMEs here to take part in work experience and apprenticeship programmes for local young people.

2. Developing Together – Waterhouse Offices, City of London & The Shoreditch Trust

- 5.10 The Shoreditch Trust and the City of London have developed the Waterhouse Offices jointly. The property provides affordable workspace to micro, small and medium-sized creative and tech businesses and is operated and managed by the Shoreditch Trust.
- 5.11 In developing the accommodation, it is understood that both parties participated in the construction and delivery risk associated with the scheme. The Trust have a track record in delivering workplaces under their INDUSTRY brand in the following two London locations:
- East Road, Shoreditch - Permanent desk space £300PCM and small studios with all-inclusive rents including access to meeting rooms, presentation facilities and informal meeting areas are available occasionally available from £2,200PCM.
 - 21 Whiston Road which is near Hoxton and Haggerston - Small studios with all-inclusive rents including access to meeting rooms, presentation facilities and informal meeting areas from £1,000PCM.
- 5.12 They were therefore a good partner for the City Council to develop the Waterhouse Offices on Orsman Road. There are also socioeconomic reasons to partner with third sector bodies and in this case all the income generated through Shoreditch Trust’s Workspace and Enterprise Programme is re-invested in their charitable initiatives.
- 5.13 The Trust are keen to ensure that they draw from previous experience, so that each new workspace they launch complements the rest of our portfolio, providing more opportunities to suit our existing and potential tenants. This is an important point that many of the private sector providers are at pains to highlight. They all seek to provide a variety of different spaces and choose new locations so as not to compete with their existing properties.

3. Private Sector Commercial Collaboration – Westbourne Studios, RBKC & Workspace Group

- 5.14 Workspace Group was established in 1987 with 18 multi-tenanted industrial estates, Workspace Group listed on the London Stock Exchange in 1993 and today this FTSE 250 REIT owns over 80 properties, predominantly business centres across London.
- 5.15 We understand they have collaborated with the Royal Borough of Kensington & Chelsea on the Westbourne Studios site but little information on the arrangement between Workspace and the Council is publically available or obtainable from either party.
- 5.16 The Council's desire for premises for creative industries and how it initiated the delivery of the Westbourne Studios was documented in a Case Study authored by the Local Government Association and the specifically the Economic Growth Advisors Programme. The Council garnered the support of key local partners including the museums at South Kensington (Science and Victoria & Albert); the Design Museum; and higher education in the form of Imperial College, the Chelsea College of Art and Design, and the Royal College of Art. The partnership agreed to support local business growth ambitions through four inter-related priority areas:
 - Space and resources
 - Clusters and networks
 - Investment and finance
 - Access and support
- 5.17 The Workspace Group's strategy is to own unique buildings and digital infrastructure, whilst having direct customer relationships and providing flexible leases and the right lifestyle facilities. They believe this is proving to be immensely popular at differentiating them from others in the market.

4. Private Sector Socio-Economic Collaboration – Impact Hub Westminster, Westminster City Council & Impact Hub

- 5.18 Launched in 2011, Impact Hub Westminster is one of the largest of Impact Hubs global network of locally owned collaborative working spaces.
- 5.19 Westminster City Council co-founded Impact Hub Westminster which is now home to more than 500 entrepreneurs. Over the last five years the Council has invested approximately £5 million in enterprise programmes and now helps around 1,270 people a year to start their own business.
- 5.20 They chose to work with Impact Hub which is a global business with locations ranging from Amsterdam to Johannesburg, Singapore to San Francisco. The business has evolved into a rapidly expanding, diverse global network of over 11,000 members and makers in more than 80 locations. Although it has the makings of a large profit focused corporate business their mission objective is to develop a community engaged in creating sustainable positive impact on people and planet. Their primary aim is therefore to support organisations with positive social and environmental impact at the heart of their missions. They aim to provide flexible access to workspace and curate a supportive, collaborative environment.
- 5.21 Westminster chose to work with Impact as their interests aligned. Impact believe early stage organisations struggle to survive in isolation. The environment they create and services they provide are designed to incubate the growth and impact of their members through collaboration and support.

5. Public Sector Collaboration – The Sharp Project, Manchester City Council & New East Manchester

- 5.22 In 2006 Sharp Electronics vacated a 200,000sqft industrial shed on the east side of Manchester. The site was acquired by Manchester City Council with a view to replace the existing high tech industry employer. They appointed Keith Jobling and Boot Room Communications to kick-start the work. The team expanded to include Sue Woodward OBE, former Managing Director of ITV Granada, architect Alistair Weir and subsequently Malcom Garrett to lead on the design. Together they secured funding, oversaw and

implemented the design and build, generated the profile and recruited like-minded thinkers and future tenants.

5.23 The Sharp Project offers flexible office, production and event space at affordable prices to entrepreneurs and production companies specialising in digital content production, digital media and TV and film production.

5.24 New East Manchester Limited is a subsidiary of Manchester City Council, North East Regional Development Agency and the Homes & Community Agency. The combination of the Council as land and property owner and planning authority with the two agencies providing funding meant the project has had sufficient political support to make it successful in part. However, a lot of its success has been down to the people and particularly the energy and attitude of the key team. By having a 'champion' who has the necessary network and influence as well as being commercially flexible with a fleetness of foot to benefit from opportunities as they present themselves has been key to the success of the Sharp project.

5.25 The Project blends accommodation with socioeconomic interventions to support local people into employment:

- 70+ unique tenant spaces (offices + containers)
- 60+ businesses on site
- SharpFutures is a social enterprise that supports young people into employment in the creative digital sector
- SharpFutures apprentices staff the front of house / reception at The Space Project as well as providing running services for onsite productions.

Summary of Key Findings

5.26 It is apparent from these case studies that Local Authorities have become active in this space by either creating platforms from which third parties can then go onto deliver new space or by working with workplace providers to refurbish and or operate existing space.

5.27 They have also been entrepreneurial in their approach, taking action to bring real estate back into commercial use and in doing so create exciting and supportive environments for new business to start up and grow and in doing so create jobs and new industry.

5.28 The following effective strategies have been identified, which warrant further consideration by LB Brent in shaping its approach:

- Seek to bring forward other overlooked sites and spaces that could accommodate new enterprise spaces
- Bring people and organisations together to get projects moving
- Secure external financial resources and use them in creative ways to initiate projects and bring other investment to the table (HCA, RDA, Enterprise Funds)
- Assist partners in navigating Council policy and regulation to bring ideas to fruition
- Partnering with third sector organisations brings greater socioeconomic benefits and reinvestment in local initiatives
- Workplace providers seek a variety of different spaces and choose new locations so as not to compete with their existing properties
- Authorities choose to work with others where their interests are aligned
- Having a 'champion' to lead the delivery can be important to ensure things happen

5.29 In the next section we report on the findings of consultations with a spectrum of private sector parties that provide workplace accommodation. A number of these key findings were re-stated in the various conversations with the key stakeholders engaged.

Workspace Operator Case Studies

- 5.30 Stakeholder engagement and supporting research was undertaken in order to build on the preceding stages of the study and to support the identification and consideration of key lessons and models for delivery, within the context of the Council’s strategic aspirations.
- 5.31 In today’s market there are a broad range of active workplace operators, providers and developers as well as an ever-increasing number of new entrants. With more businesses and individuals utilising modern technology to work flexibly, there is a marked shift away from traditional working arrangements and demand for workplaces is increasing year on year.
- 5.32 Contained in Appendix B to this report is the detailed research and commentary of interviews with senior management typically at Director level and in a number of instances with their Managing Director or Chief Operating Officer. Summaries of the consultation findings are provided below.

Meanwhile CIC

- 5.33 Meanwhile Space CIC is a social enterprise which helped to establish the term ‘meanwhile uses’ for vacant commercial space. Meanwhile is the use of empty buildings whilst the landlord / owner is working up future plans for the property. Meanwhile users are small start-up businesses, which need space until their business is successful enough to afford accommodation on open market commercial terms.
- 5.34 Meanwhile CIC work across sectors to deliver Meanwhile projects and strategies by operating affordable workspace and deliver longer-term development projects.
- 5.35 Their objective is to promote the growth of new business/enterprises by providing free or very inexpensive accommodation from which to operate from and therefore support entrepreneurial spirit.
- 5.36 They operate in three ways to provide meanwhile space.

- Meanwhile rentals – they let space to individuals or small businesses within buildings they having previously agreed terms with the landlord for occupation. The terms could be financial but the key benefit to the Landlord is that they don’t have to pay empty business rates and the security risk is reduced.
- Meanwhile developments – they form a joint venture with the landowner, developer or investor to bring a property back into use or to redevelop. Typically, they create the right environment and set up the meanwhile space. To date they have taken a 5 year leases to create the environment.
- Meanwhile delivery services - consultancy and project management skills to advice landlord on how to introduce and manage meanwhile uses and bring space back into use.

5.37 Meanwhile users are reported as typically paying between 50% and 80% of the current market rent but in reality it is much nearer 50%. When considering typical market rental levels Wembley for example it is evident that the occupational costs are very low - workstations are typically let for £100PCM.

5.38 Meanwhile CIC is keen to work with Local Authorities and the discussion around the use of business space coming from S.106 requirements placed upon developers. It is also seeking out JV partners in the private sector and using public sector grants/funding in order to redevelop properties. Two examples stand out:

- Rock House, a 9 story mixed use development in Hastings which will provide ‘co-habitation’ space – co-housing, co-working, collaborative creative space. White Rock Neighbourhood Ventures Ltd is leading the project, which is a joint venture between Meanwhile Space CIC, Jericho Road Solutions and the White Rock Trust. The phased project started by taking ownership of Rock House in summer 2014 and will create 4,250sqft of living space and 8,040sqft of workspace.

- The Good Year was to be an innovative 10-year affordable housing and co-working hub in New Cross. This arrangement is currently on hold but combined Meanwhile CIC and Goldsmiths University along with financial support in the form of HCA grant monies specifically for the re-use of vacant buildings.

- 5.39 Meanwhile has stirred up interest in this niche within the workplace sector and it appears there is continued demand for their services and products. Since their early success in Brent they have moved onto other London Borough's. Interestingly Meanwhile's users are following them (Harrow) as there is a shortfall in the supply accommodation supply in Brent.
- 5.40 Meanwhile would like to see a longer-term commitment from Local Authorities to their product and services than the short, 12-18 month time horizons they have previously experienced.
- 5.41 By developing a longer-term working relationship with Local Authorities, and specifically those that buy into the 'potential for progress', they feel they can remain operating within an area for a prolonged period rather than having to move on when the support falls away.
- 5.42 If potential JV partners take a more considered and strategic approach and measure performance by the number of sustainable jobs and businesses created over a suitable period of time (5 years) the benefits of their skills and expertise will be realised. Meanwhile is proposing a Service Level Agreement whereby the desired outputs are set at the outset.
- 5.43 Meanwhile did raise the challenge that due to internal politics and changing personnel at Local Authorities it has perceived a lack of continued desire and commitment to see delivery through, which makes it difficult for providers to deliver. This was identified as an issue of relevance to LB Brent.

Basepoint

- 5.44 Basepoint is wholly owned by a charity, [The ACT Foundation](#) and any profit from the business is used to further its charitable objectives within the communities that it serves. Furthermore, all Basepoint Business Centres, whether owned or managed, provide financial support to a local charity as

part of their own objective to help develop sustainable communities. The ACT Foundation funds this support from its reserves and not through revenue generated at the Centre.

- 5.45 They are flexible in their commercial arrangements to secure property and sites and there is no commercial blueprint they seek to follow. They have therefore leased space, entered into JV's with LA's and other public bodies or simply entered into management contracts to operate space.
- 5.46 Basepoint focuses on partnering with Local Authorities and are keen to grow their network in the South East. They don't currently have any London centres as they see the entry costs as being prohibitive and have therefore focused on locations around the Capital.
- 5.47 If they enter into JV's typically the landowner's contribution is the land and they contribute capital. Returns are apportioned based on their equity contribution after the costs of running the centre are allowed for. They have entered JV's whether by the landowner has also contributed capital and other parties such as the HCA participate through equity placement and also grants. Examples of JV's include:
- The Joiners' Shop in Chatham, which is with the Chatham Maritime Trust. The accommodation provides 10,716 sqft of commercial accommodation, focusing on the needs of small, medium and start-up businesses, particularly those in the Arts, Crafts and Design sectors.
 - Haywards Heath was built in partnership with Mid Sussex District Council and West Sussex County Council, and is a modern business centre, providing over 9,000 sqft of space within 33 self-contained units available for rental on a short, fixed or long-term basis. The facility will provide office, studio and workshop accommodation between 150 sqft and 500 sqft.
- 5.48 Basepoint are successful in establishing JV's with partners when there is an alignment of business and socio economic values and consequently they typically seek to partner with Local Authorities.

5.49 The challenge is finding LA's which shares their values and places equal importance on the socioeconomic benefits as well as the financial returns. They are therefore more likely to be successful when tendering if the Local Authority decision makers share these values. They have lost out in the past when the focus is purely on the financial returns. It's worth noting that Basepoint has been commercially very successful showing healthy profits from its business endeavors.

Oxford Innovation

5.50 They manage Business & Innovation Centres on behalf of a range of building owners, including local authorities and property investors. Their offer is not purely focused on maximising the financial return. Instead they blend financial sustainability and economic outputs for the building owners with the best possible environment to support the occupiers. Their energy is therefore directed at assisting, coaching and supporting businesses to grow which is a key performance measure as well as the number of jobs created.

5.51 Typically, they enter into Management Agreements, as they can't afford to pay market rents, they do offer a turnover rent so there is some additional benefit to the building owner. For any property they would develop a Business Plan predicated on an operator managing the building to give a net rent to the building owner. In practical terms this means the P&L shown below includes:

- All revenues
- All building operating expenses (including rates)
- An innovation centre business support programme (including part-time, 0.4FTE coach)
- A fee for the operator – 30% fixed, 70% as a percentage of revenue generated
- A ground rent payment to the freeholder (£xxk/year rising with inflation).
- An annual sinking fund rising with inflation.

5.52 In terms of their objectives they are very much focused on supporting small start-up businesses in the innovation space. Typically they find that when businesses reach a maximum of 10 workstations they won't renew their occupation, as it's at this stage that businesses want their own space. They are therefore focused on start-ups and smaller businesses operating in the innovation space.

5.53 They have a strong track record of working with Local Authorities and 60% of the centres they manage are Council owned. Two examples of how they operate are as follows:

5.54 In April 2011, Oxford Innovation was appointed through the OJEU process by Nottinghamshire County Council to manage 3 failing Business and Innovation Centres in North Nottinghamshire; Mansfield iCentre, Newark Beacon and Worksop Turbine. They are now producing a small rent and are financially viable as a consequence of better management and economies of scale. Their key performance measure is job creation and during 2013 and 2014 work at the three centres, which house 98 tenant businesses, has been instrumental in creating 19 new jobs, taking the total employment within and affiliated to the centres to an impressive 668 full time posts. During the same period innumerable jobs have been safeguarded both inside the centres and through the wider supply chain. Further, over 120 companies have benefitted from Oxford Innovation's dedicated one to one business support programme since the start of the contract – supporting opportunities for individual growth.

5.55 Oxford City Council, St. Aldates. In 2015 Oxford Innovated have leased space in the Council's property on a turnover rent whereby the base rent is 10-20% of the Market Rent with a turnover applying after costs have been accounted for. Initially the space was 3,000sqft but given the success it has grown to 5,500sqft.

5.56 Their Managing Director described that working with LA's wasn't without challenges ranging from the practical issues of getting 24-hour access to properties to the bureaucratic process of negotiating contractual arrangements. They like to see a strong link between the Officers and Members to ensure both are aligned and comment that LA's undertake too much due diligence, which slows the pace of appointment and future

decision making. They also commented that LA's like the business support programme and the benefits it brings to the occupiers and the knock on effect of creating resilient businesses. They provided a statistic which shows Business Survival Rates increasing from 40%-60% when business support is in place.

WeWork

5.57 WeWork is an American company providing shared workspace, community, and services for entrepreneurs, freelancers, startups and small businesses. Founded in 2010, it is headquartered in New York. A \$400 million funding round in 2016 raised the company's total funding to an estimated \$1 billion and increased its valuation to \$10 billion and doubled its \$5 billion last December 2015. Major investors of note are Fidelity and J.P. Morgan. WeWork was named among the "most innovative companies" of 2015 by Fast Company magazine.

5.58 They are on a rapid expansion programme with 54 co-working locations in across the America, Europe and Israel in 2015, which doubled their offices form the previous year. They have plans to expand to reach every continent by 2017.

5.59 Space is leased on institutional terms. WeWork have retained James Townsend at Kontor as their UK property agent. They will not reveal the terms of leasing but typically it is on an institutional basis. Typically, the terms are as follows:

- Rental: Open Market Rent (City c.£70sqft, Prime West End c.£115sqft)
- Lease length: 5-10 years (dependent upon the value of the capex works)
- Rent Review Pattern: 5 yearly to Open Market Rent
- Tenants break: after 5 years

5.60 There latest offering and therefore opportunity for the London real estate sector is the their WeLive brand. In December 2015 they were in talks to

lease 110,000sqft of office space in Canary Wharf. The rental would be circa £50sqft and it would be at the Wood Wharf development, they would offer micro-flats to WeWork members on a short-term basis. It is understood that the delay in announcing the deal is due to the planning policy.

5.61 On the workplace offering a blurring between traditional serviced office providers and the newer Co-working providers such as WeWork is occurring. It has been reported that traditional providers have increasing the amount of shared space by up to 25% and the likes of WeWork are moving towards a model that more closely resembles one used by serviced providers. Over the course of 3 years to mid 2016 We Work has leased more than 700,000sqft in London. The level of competition for space is high which has affected pricing but demand continues to remain strong with some corporate office tenants such as KMPG and Santander taking space.

The Collective

5.62 The Collective was founded in 2010 when LSE students set out to solve a problem they experienced first-hand namely the lack of quality accommodation available to young people in London. They have focused on understanding how young people live and work and sought to provide those spaces.

5.63 The Collective are focused on their Co-Living brand rather than providing workspace. That's not to say they won't take on new work space but it would appear they are not actively seeking opportunities out.

5.64 Their Co-Living brand has one location at present at Old Oak in North Acton. It provides a variety of accommodation types (studios, 1 bed flats, parent + child, ensuite, ensuite + kitchenette) and is marketed as the largest Co-Living building in the world with c.540 bed spaces.

5.65 They have a co-working space in Ealing called the Doughnut Factory. This was previously run by a charity, Action Acton, on behalf of the LB Ealing. The space was not well patronised namely due to the quality of the fit out and environment as well as its management. The Council approached the Collective and agreed to take the space on. They committed to a 7-year

lease at open market rent. They did not confirm whether this was inside or outside of the 1954 Act but they did invest capital fitting out the space.

- 5.66 They were keen to stress the good working relationship they have with the Council and would work with them again.
- 5.67 They stated the Council was very pleased with the quality of the space as well as its affordable pricing and the flexibility offered.
- 5.68 Their CEO did not comment upon any challenges in agreeing the commercial terms with the Council. Given this was a straight forward leasing deal alignment between officers and members on the future use of the space was less important given it was already operating as co-working accommodation.

The Office Group (TOG)

- 5.69 TOG's founding vision was to create well designed buildings with a wide variety of spaces, and to offer tenants progressive membership schemes and short-term leases to allow for growth and change. The majority of their users are tech startups which require occupation flexibility as their business needs to be agile and grow and shrink quickly to service the short term nature of their engagements (1-2 months at a time)
- 5.70 TOG is keen to highlight their variety of buildings and identities, which will appeal to a wide range of users and their individual business image/profile. Common to all is the quality of their offices, range of facilities and communal areas to facilitate a collaborative working culture.
- 5.71 Typically, they take commercial leases on prime central London locations, which is then let to users/members on a variety of bases. Since 2013 they have taken up more than 500,000sqft across London. Average commercial rents in the London range from £50sqft on the City fringe to £70sqft and higher in prime locations. For example TOG has taken space in the Shard and charges co-working space at £300 PCM, there is a very significant markup compared to the annual leasing costs. The Shard is currently 100% occupied with a waiting list for Membership, which allows you to use the space without having to reserve 24hrs in advance. Office agents have commented that TOG and others of its type are now shifting their provision

and are offering more leased office space to its members rather than co-working accommodation. In 2011 they formed a 50:50 Joint Venture vehicle to refurbish and run empty office space in 5 mainline stations in London and provide drop-in working areas in the station.

- 5.72 The rationale was to provide commuters with shared or private working areas like airport business lounges, with stylish meeting rooms, superfast broadband and receptionists to handle mail, telephone and switchboard enquiries. The offices at King's Cross, Leeds and Liverpool Street stations were completed in 2014 and provide a total of c.50,000sqft of accommodation in addition to the offices at Paddington and Euston bringing the total capacity to 1,100 people.
- 5.73 The spaces have been configured to provide offices, meeting rooms and drop-in workspace, known as ClubRooms. The commercial property team at Network Rail is led by David Biggs who has led the use of JV's across their Estate. Their share of profits is reinvested in the railway infrastructure both passenger and freight. Typically, a 50:50 JV is set up as an SPV whereby the both party's contributions be it land or capital is drawn down in accordance with an agreed Business Plan. Third party debt is typically raised and development takes place with one of the JV members providing the specialist development and operational expertise.

Summary of Messages from the Case Studies

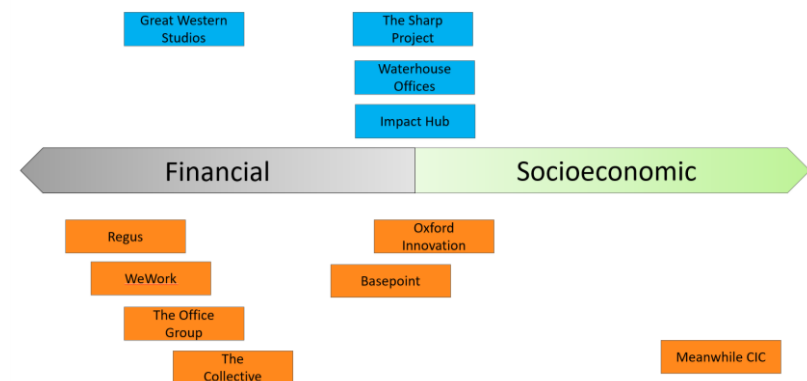
- 5.74 The key findings from the stakeholder engagement activities summarised above are:
 - Meanwhile CIC's users are following their provider out of the Borough
 - More permanent working relationships with Local Authorities would support meanwhile use providers
 - Local Authorities need to take a more considered and strategic approach to the method of creating sustainable jobs and businesses

Brent Workspace Study

- Internal politics and changing personnel at Local Authorities combined with a lack of continued desire and commitment to see it happen makes it difficult for providers to deliver meanwhile uses
- Some providers are not purely focused on maximising the financial return. Instead they blend financial sustainability and socioeconomic outputs. Consequently, they cannot financially compete on the open market for sites/properties
- The Co-living offering is growing in popularity
- Several providers commented they like to see alignment between Officers and Members before entering contractual arrangements
- The bureaucratic nature of LA's is a turn off for the private sector
- The benefits of a Business Support Programme statistically improve business survival rates
- Providers like to provide a variety of different spaces with their portfolio to appeal to as wide a range of potential users as possible
- Providers consider catchment areas for new facilities and the locations of their existing premises and their competitors
- The more financially driven providers seek prime city and central London locations and are prepared to lease space on institutional terms
- Increasingly there is a blurring between traditional serviced office providers and the newer Co-working providers such as WeWork
- Commercial 50:50 JV's have occurred but have been on a large scale with multiple locations and activities including the development, funding and the operation of workplaces
- Providers will contractually engage on a variety of bases including, management agreements, leases and JV's. As a generalisation those with greater capital at their disposal are more able to contract on open market terms and therefore secure better locations

- A fundamental observation to take from this analysis is the importance of picking the right partner. It's clear that the providers focus is a varying blend of generating financial returns and or socio economic benefits.
- The following illustration shows where these parties sit on the on the spectrum with financial returns at one end and socio economic at the other (in orange). We have also identified in blue where the previous examples of Local Authority Workspace Collaborations sit on this same spectrum. It is important to know where your potential partner sits to ensure you are aligned.

Figure 5.1 Partner Alignment: Financial vs Socio-Economic



Source: PRD

Organisational & Policy Considerations

Planning Policies

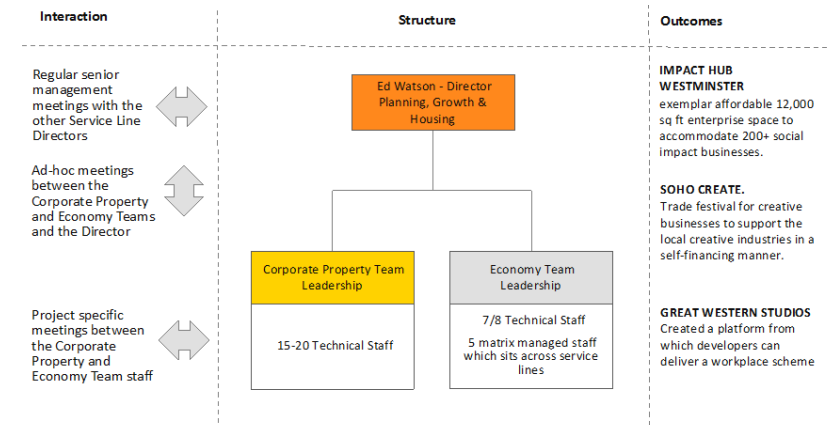
- 5.75 In recent years, a number of London Boroughs have developed and successfully applied planning policies aimed at enhancing workspace supply.
- 5.76 Most notably, the Hackney workspace policy states that the Council will seek 10% of the new floor-space within major commercial development schemes (where the floor-space is more than 1,000 sqm), and within major mixed-use schemes in the Borough’s designated employment areas, to be affordable workspace. A planning applicant should submit evidence of agreement to lease the workspace preferably in association with a Council registered workspace provider. If on-site provision is not possible, financial provisions for equivalent off-site provision will be sought from developers. The Council considers affordable workspace to be where rent and service charges are at least 20% less than comparable local market rents.
- 5.77 Consultation has highlighted that the policy has resulted in the successful delivery and operation of multiple workspaces in the Borough.
- 5.78 Workspace policies have also been developed in other areas of London, including in Wandsworth and the LLDC area. Further detail is provided in Appendix C.

Organisational Approach to Driving Change

- 5.79 A key consideration faced by Local Authorities which are seeking to facilitating or delivering new workspace is how best to reflect and reconcile the different needs and interests across key departments in order to arrive at a shared set of aims and interventions for workspace growth.
- 5.80 The following graphic sets out how Westminster City Council has successfully created platforms for developers to deliver accommodation (Great Western Studios) as well as enter leasing arrangements with co-working providers (Westminster Impact Hub). WCC’s organisational structure shows the interaction between the two key teams, corporate

property and the Economic team. Given their success to date the team are now actively developing the Councils own assets, the first one will be in the Paddington Opportunity Area.

Figure 5.2 Westminster Organisation Structure and Interaction



Source: PRD

- 5.81 LB Brent should look to adopt a similar approach to develop and steer the implementation of its portfolio of workspace strategies. This must include participation across key departments and commitments to dedicate Officer Resources at multiple levels. A proposed approach for LB Brent is set out later in this report.

Change of use

- 5.82 An intervention which would likely stimulate development would be to allow the change of retail to office use. The Councils planning policy is opposed to this unrestricted change of use as defined in the Use Class Order but the selective change of use within retail parades would also likely have a regenerative effect on the existing retail offer. It is important to recognise this intervention should only be used on secondary and tertiary parades so

as not to have a detrimental effect on the primary retail offer. By introducing offices and therefore workers into neighbourhood shopping areas it creates additional demand for the goods and services provided by existing shops but also activates vacant shop units positively improving the area.

Community Infrastructure Levy (CIL)

- 5.83 Lowering the CIL levels would reduce development costs for developers and therefore make Brent potentially more attractive when compared to other competing Greater London locations.
- 5.84 The following table shows a representation of CIL levels across London. (source: London Borough Planning Guide 2016, CBRE).
- 5.85 It shows that competing locations outside central London, where there has been office development such as Stratford in Newham and Croydon, have much lower CIL rates at £20sqm.
- 5.86 Bringing Brent’s CIL more into line with will likely have a positive effect on stimulating developer activity when combined with other actions.

London Borough	CIL £sqm
Westminster	£50
Brent	£35
Ealing	£35
Harrow	£35
Hounslow	£35
Barking & Dagenham	£20
Bexley	£20
Croydon	£20
Enfield	£20
Newham	£20

Source: CBRE

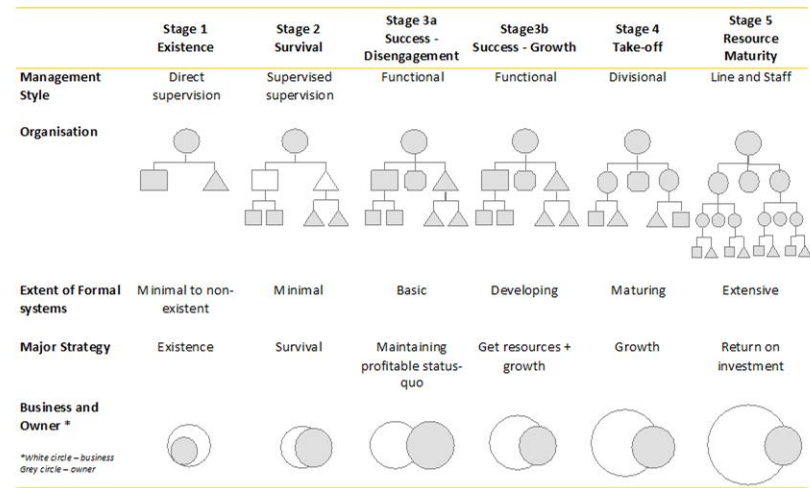
Affordable Business Space

5.87 Several London Borough’s have an affordable business space policy but these tend to be central London boroughs where rental levels are higher and can consequently support the provision. If the policy is to be applied to Brent the following needs to be considered:

- **Proportion of affordable workspace** – There is no rule of thumb to assist with setting the % proportion as seeking to standardise cost and value estimates is problematic, as there are typically too many unknown variables such as build and land acquisition costs. Islington do suggest a 5% provision as the starting point for negotiation. They also acknowledge that if the proposed workspace % falls short of what is requested the balance could be made up from retail units.
- **Off-site contributions** – It will be necessary to determine in what circumstances off-site contributions are appropriate. Typically, it could only be in circumstances when it is either physically inappropriate to have it on-site or it has an unacceptable impact on viability. The question then is how and on what should these monies be spent; it may be that they are used to subsidise accommodation within existing schemes or used to develop/refurbish Council assets (e.g. conversion of garages to workshops).
- **Impact on affordable housing provision** – Residential developments are required to deliver affordable housing on-site or through a negotiated off-site contribution. The viability of development is sometimes marginal and often developers submit ‘green book’ viability assessment to establish the level of affordable housing a scheme can afford to provide. The provision of affordable workspace has, therefore, the potential to come at a cost to the development and may be in direct conflict with the delivery of affordable housing.
- **Size and Specification Guidelines** – Whether the Council is developing out space itself or the developer providing

accommodation, it will be necessary to have some size and specification guidelines to inform decision making. To do this the Council needs to be clear about the market it is providing space for. The following diagram shows the evolution of businesses. From the earlier economic analysis, most Brent businesses sit in the first two Stages and this is where the Council should initially seek to provide most accommodation.

Figure 5.3 Small Business Development: What Type of Business Should Brent be Targeting?



Source: PRD

5.88 This means providing space for 1-10 person businesses and translates into the following accommodation types:

- Micro workspace units between 100 – 500sqft
- Small workspaces between 500 – 900sqft
- Affordable “grow-on” workspaces of up to 185sqm supporting micro, growing businesses

Special Planning Designations & Opportunity Areas

5.89 Several Councils, Westminster, Hackney and Camden for example have introduced special planning designations or Opportunity Areas to introduce focused interventions to specific areas. From a planning policy perspective, this means the Core Strategy need not be altered and the time required for consultation and human resource to amend is saved.

- **Paddington Opportunity Area** – Speaking with Chris Peacock at Westminster City Council they have identified sites within the area for workplace schemes. For example, they have identified a former school site as suitable for affordable workplace provision. The policy targets a range of business accommodation and specifically offices, flexible workspaces and light industrial units including large floorplate office stock and affordable business floor space suitable for small business and Creative Industries.
- **Hackney SSSPD** – Hackney adopted their South Shoreditch SPD in 2006 which included a specific policy to support the provision of accommodation for SME’s. SSSPD 2.1, Employment Led mix of uses requires 50% of new employment floorspace to be suitable for SME’s. As well as resisting proposals, which result in a loss of employment space whilst promoting a mix of B1 employment and residential uses.

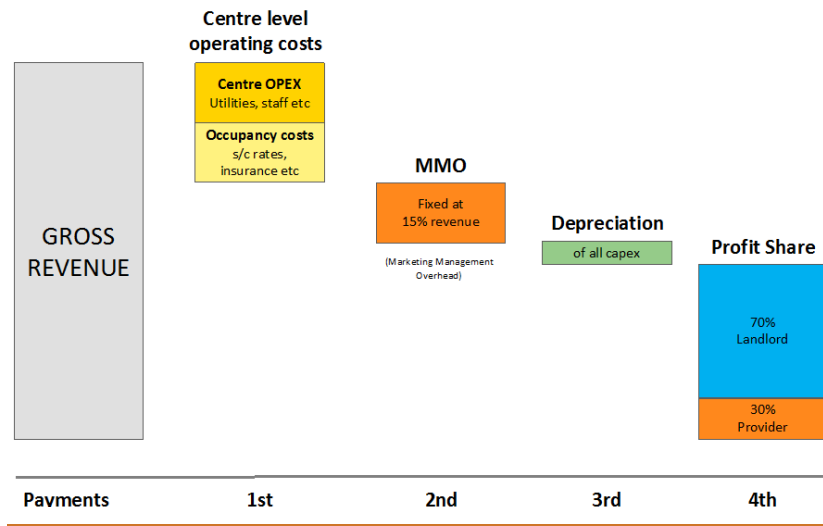
Funding & Financing Strategies Review

5.90 This section draws upon elements of stakeholder engagement activity, together with market and delivery model analysis in order to present a focused identification and analysis of the key strategic considerations for LB Brent in determining its strategic approach to funding and financing workspace delivery and/or provision.

Financial Viability

- 5.91 It is important to contextualise how the financial viability of contractual arrangements with an established serviced office provider might look for a scheme in Brent. The following graphic sets out the profit share for their typical office Landlord JV arrangement promoted by Regus.
- 5.92 In this arrangement, they take a 10-year lease inside the L&T 54 Act on the basis that the Landlord fits out the building to Regus’s specification. The cost of this is then amortised over the 10-year period and paid back in monthly instalments by Regus. They operate the centre bringing in a gross revenue from which the operational costs are deducted to calculate the profit as shown in the waterfall diagram below. The resultant profit is then shared 70:30 or at an agreed split between the parties.

Figure 5.4 Profit Share: Cumulative Payment Waterfall



Source: PRD

- 5.93 The profit level is primarily driven by the occupancy levels assuming the space is priced appropriately. A simple test to see whether this arrangement is worthwhile pursuing is to test if the Landlord’s annual profit share is greater than the Market Rent achievable if the property was let on a 10-year lease to a single occupier. It is therefore important to reflect upon rental levels and where they sit compared to more established office locations where the likes of Regus, TOG, WeWork and other providers focus their activity.
- 5.94 This summary is taken from JLL’s office market report Q3 2016. Compared to Brent’s current average office rent of £20-30sqft it is hard to contemplate one of the main stream commercial service office providers identifying Brent as a location for one of their centres.

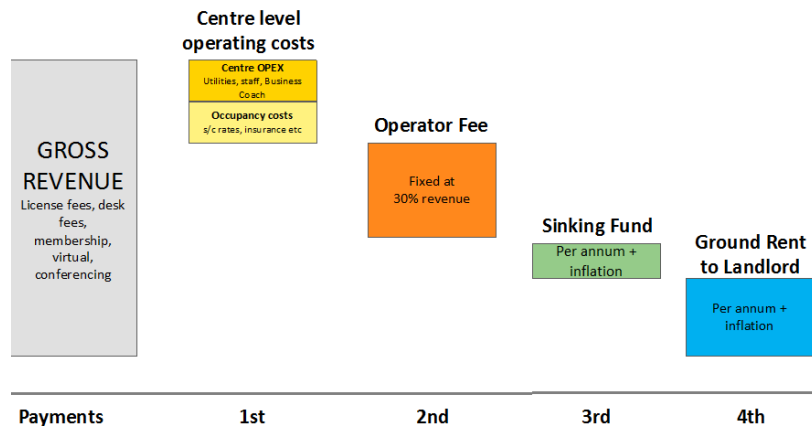
Table 5.2 London Office Values, Q3 2016

Location	Prime Rent £sqft	Occupancy Costs £sqft
Fitzrovia	£85.00	£120.21
Camden	£55.00	£79.97
Kings Cross	£77.50	£105.56
Euston	£72.50	£110.09
City Core	£70.00	£100.61
Hammersmith	£52.50	£78.66

Source: JLL Office Market Report, Q3 2016

- 5.95 Unless there was financial support available to facilitate enabling works or capital works which would reduce the costs to the provider which would lower the threshold for their commercial return.
- 5.96 At the other end of the provider spectrum is Oxford Innovation, which typically operate on a management agreement. Their focus is on the socioeconomic benefits and job creation and dependent upon alignment the Councils objectives they could be well placed to deliver space. The following graphic demonstrates how their commercial arrangements operate.

Figure 5.5 Management Agreement: Cumulative Payment Waterfall



Source: PRD

5.97 The graphic demonstrates the financial reward to the landlord shown in blue is reduced in this type of arrangement as the provider cannot pay an open market rent for the property, which is a function of the reduced gross revenue achievable.

Sources of Funding

5.98 It is apparent that unless the Council draws upon its reserves other sources of funding will be necessary to participate. The following list describes these sources:

- **Reserves** – The Council’s reserves could be used but the criteria for allocation will determined by internal policy and will need the requisite process to release funds.

- **Prudential Borrowing** - The Local Government Act 2003 introduced new freedoms and flexibilities for local authorities. One of the new powers allowed local authorities to borrow to invest in capital works and assets so long as the cost of that borrowing was affordable and in line with principles set out in a professional Prudential Code, endorsed by the Chartered Institute of Public Finance and Accountancy.
- **HCA Grants** – Specified in their Capital Funding Guide these are focused on the provision of new homes so a scheme which links business space with residential accommodation might attract grant.
- **Enterprise Zone Funding** - Enterprise Zones are designated areas across England that provide tax breaks and Government support. They are great places to do business especially for both new and expanding firms.
- **GLA funding** – the GLA has placed a significant amount of focus on SME workspace in recent years. Successive competitive rounds of funding have been made available for Borough’s or partners to deliver new workspace projects, focused in town centres and in industrial areas. Brent has already successfully tapped into this funding source with the London Regeneration Fund scheme at South Kilburn.
- **New Homes Bonus** – the GLA is also the accountable body responsible for distributing New Homes Bonus back to the Borough’s. While there is a degree of flexibility in how this funding can be deployed, programmes and projects to support better functioning workspace markets have been a core area of focus to date, including in Brent.

5.99 There are of course conditions attached to these sources of finance which may restrict their use to certain activities such as the example of creating a platform (Westbourne Studios) were by Enterprise Funding was used.

6. Delivery Options for LB Brent

6.1 A broad range of opportunities and portable lessons have been identified through the consultation exercise, which present opportunities for new approaches to supporting the local workspace market. These opportunities can be broadly categorised as follows:

- Seek to bring forward overlooked sites and spaces that could accommodate new enterprise spaces
- Bring stakeholders together to stimulate and coordinate activity
- Showcase the offer, brokering and matching interests regarding investing in Brent and growing a business in Brent
- Support businesses to stay in Brent as they grow & their needs change
- Improve Planning provisions to encourage & focus workspace growth
- Secure external financial resources and use them in creative ways to initiate projects and bring other investment to the table
- Coordinate enterprise support to develop enterprise growth 'pathways' within the borough
- Assist partners in navigating Council policy and regulation to bring ideas to fruition
- Partner with third sector organisations brings greater socioeconomic benefits and reinvestment in local initiatives
- Help workplace providers seek a variety of different spaces and choose new locations so as not to compete with their existing properties
- Establish a 'champion' and Steering Group to coordinate a revised strategic and operational approach
- Directly intervene through the development and mobilisation of new ventures to catalyse or deliver additional workspace.

6.2 The key proposals introduced in this section build upon these key observations and lessons learned from the preceding research and consultation activities, providing LB Brent with a structured menu of informed opportunities for direct intervention.

6.3 The proposals are organised into the following sections:

- **Overarching Proposals for Council Organisation & Participation** - Strategic & operational interventions that LB Brent could introduce to support growth in the local workspace market outside of (but aligned with) direct involvement in delivery ventures
- **Partnership Models for Direct Intervention to Enable or Deliver Workspace** - Introduces the overarching proposal for the framework & delivery models that LB Brent could introduce to take direct involvement in workspace delivery ventures, together with mapping of the key local opportunities within this framework
- **High Level Business Cases** - High level Business Cases for an initial wave of key sites and opportunities that could be progressed through the proposed framework.

Overarching Proposals for Council Organisation & Participation

6.4 Our overarching proposals for council organisation and participation are summarised as follows:

- **Area for Intervention 1.** Create a Workspace Growth Steering Group
- **Area for Intervention 2.** Deliver a suite of overarching, supporting interventions:
 - 2.1. Workspace in New Developments: New Planning Provisions, Policies & Processes to Promote & Focus Workspace Provision
 - 2.2. Develop an ‘Invest & Grow in Brent’ Marketing & ‘Concierge’ Service
 - 2.3. Coordinated & Targeted Funding Strategy
 - 2.4. ‘Pathways to Growth’ Local Business & Key Sector Growth Enabler
 - 2.5. ‘Pathways to Enterprise’ Workforce Development Enabler
 - 2.6. Undertake Further Development of the Evidence Base
 - 2.7 Reinvalidate & Ramp-Up a Meanwhile Uses Strategy.

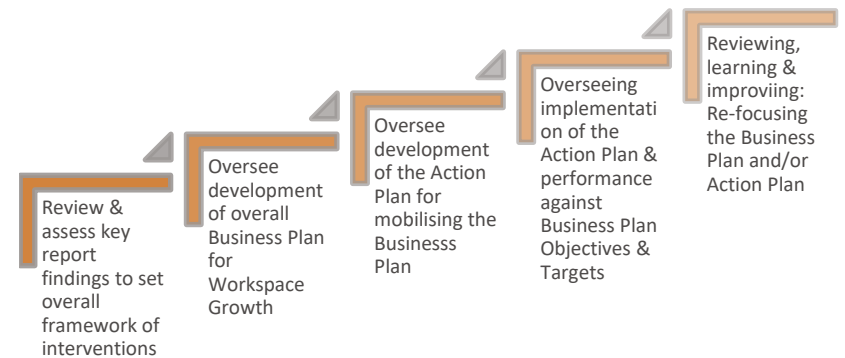
Area for Intervention 1. Create a Workspace Growth Steering Group

6.5 LB Brent should consider the formation of a new Workspace Growth Steering Group to oversee the process of reviewing this work and taking forward some or all proposals within a formal Business Plan, in order to support and focus workspace growth in Brent.

An Evolving Role

6.6 The Workspace Growth Steering Group would fulfil an evolving role, which would lead the logical progression through the first iteration of the cycle of reviewing, planning and doing.

Figure 6.1 Workspace Steering Group Cycle



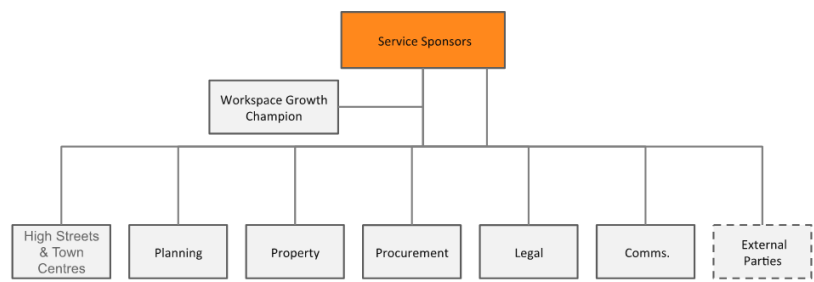
Source: PRD

6.7 The Terms of Reference for the group would need to clearly reflect this evolving purpose and should make provisions for supporting the group to review its composition and aims accordingly. For example, LB Brent may wish to invite external parties to attend, or report into this group at a future point (this is considered further below).

Structure & Resourcing

- 6.8 Whilst Brent’s Economic Development Team must sit at the heart of this approach, there is a fundamental requirement to coordinate resources, activities and collaboration across key departments; in order to tackle challenges and opportunities that cut-across departmental demarcations. Effective internal coordination across departments has historically proved to be challenging for local authorities, yet effective coordination between the Regeneration, Inward Investment & Capital Delivery team and Planning, Procurement, Legal and Communications officers is essential if LB Brent is to be able to fully realise its ambitions for workspace growth.
- 6.9 The representatives on the Workspace Growth Steering Group would reflect the required coordination of Officers’ activities at the operational level and would need to be designed into the objectives, responsibilities and workloads for these respective officers.
- 6.10 The proposed composition of the Workspace Growth Steering Group is summarised below, this should be reviewed and refined by LB Brent at an early stage. LB Brent may elect to operate a smaller quorum to the Group, with a number or parties attending regularly by invitation, or within Sub-Groups/Working Groups.

Figure 6.2 Workspace Steering Group Cycle



Source: PRD

Senior Sponsor(s)

- 6.11 Senior level support is essential to fostering cross-department working and to ensuring that the new practices that are developed are effectively embedded. LB Brent should identify one or several senior individuals that will sponsor and progress the Workspace Growth agenda.
- 6.12 Sponsor(s) would also report strategic progress into relevant Senior Boards and Groups within LB Brent’s wider strategic architecture for governance.
- 6.13 Other Local Authorities seeking to develop new and innovative strategic approaches have experienced positive outcomes from directly involving Cabinet Members, who work closely alongside Officers in a Project Sponsor, or Speaking Observer capacity. This approach can pay dividends in raising awareness, interest and support from Members for the key actions and interventions that are to be proposed. LB Brent could consider inviting an Elected Member from the Capital Enterprise Group to participate in the Steering Group for this purpose.

Workspace Growth Champion

- 6.14 The Regeneration, Inward Investment & Capital Delivery Team will lead the Workspace Growth Strategy and a named individual within this team should be appointed as the Workspace Growth Champion.
- 6.15 This person will play a critical role in facilitating effective linkages between departments and between the strategic and operational activities that make up LB Brent’s overall strategic response to Workspace Growth. This is not envisaged as a purely administrative role however and this person will also be expected to take a hands-on approach to leading the development and coordination of delivery interventions.

Area-Based Lead & Town Centre Managers

- 6.16 LB Brent’s Regeneration Officer for High Streets & Town Centres is playing a key role in building relationships with businesses and stakeholders in key locations across the borough.
- 6.17 LB Brent has also communicated its intention to introduce new area-based coordinators (under the direction of the Regeneration Officer for High Streets & Town Centres), who will play a key role in facilitating interventions that support economic development and growth across key economic geographies across the borough.
- 6.18 These Officers can also play an important role in the realisation of Workspace Growth interventions at the local level, including building relationships with key stakeholders in each area and developing local knowledge that will support the successful planning and delivery of these interventions.
- 6.19 LB Brent’s Regeneration Officer for High Streets & Town Centres should be invited to participate on the Steering Group in order to ensure that the operational activities of her direct reports both inform and support the development and delivery of the Workspace Growth Business Plan.

Planning

- 6.20 Alongside the strategic opportunity to develop new policy inclusions and approaches (considered in more detail later in this section), these new inclusions must also become effectively embedded within the processes that LB Brent deploys. For example, this could include revising the developer engagement strategy for pre-application and full applications to highlight the Workspace Growth agenda and/or to directly involve Regeneration, Inward Investment & Capital Delivery Officers in this process.
- 6.21 The opportunity to establish the Regeneration, Inward Investment & Capital Delivery Team as a Statutory Consultee for planning purposes should be considered as a possible option for achieving closer alignment for this purpose.

Property

- 6.22 Direct intervention in the provision of additional workspace through the use of land that LB Brent owns, or purchases is a key opportunity area, but is an area of opportunity that can be challenging to exploit, given the diverse strategic aims that inform LB Brent’s property strategy. For instance, the opportunity to generate land receipts through a disposals would need to be outweighed by the blend of socioeconomic and income from workspace, which may not be achievable on all sites.
- 6.23 Property Officers should therefore be involved in shaping the strategy from an early stage, in order to collectively address this challenge and to build the strategy around sites which all parties can support.
- 6.24 It is expected that Property Officers may not be required to attend all Working Group meetings and would attend by invitation and prior agreement.

Procurement

- 6.25 The strategic aims and overall approach to securing workspace growth in Brent should be understood and supported by procurement in order that any major projects procured with a potential workspace element are harnessed to support the Workspace Growth agenda.
- 6.26 Furthermore, depending on the approach to market, Procurement Officers may also be required to support the process of competing and appointing advisors, investors and delivery partners for new delivery models.
- 6.27 It is expected that Procurement Officers may not be required to attend all Working Group meetings and would attend by invitation and prior agreement.

Legal

- 6.28 LB Brent’s Legal Officers should be consulted throughout the development of the new policies, tools and models that will underpin the new approach,

in order that LB Brent is fully protected from challenge and is able to be fully confident in the new demands it intends to make.

- 6.29 It is expected that Legal Officers may not be required to attend all Working Group meetings and would attend by invitation and prior agreement.

Communications

- 6.30 Effective communication of the new approach and the achievements secured will have an important role to play in raising market interest, which is essential to the long-term success of this endeavour, but this is an area that is often overlooked if not effectively planned for.
- 6.31 Communications Officers should be involved in supporting the developing of a Communications Plan alongside (or as one of) the key proposals overseen by the Working Group. As such, Communications Officers would attend by invitation and prior agreement.

External Parties

- 6.32 As described above, the purpose and composition of the group will evolve over time as the work moves through a strategic development phase (in developing the business plan for workspace growth) to a delivery and oversight phase (discharging the delivery of this plan and monitoring performance).
- 6.33 LB Brent should consider its appetite for external parties to engage with this working group at an appropriate point within this process. The involvement of key developers (delivering workspace) workspace providers and key training and education institutions within the borough could be introduced at an appropriate point in the development of the business plan to ensure that it is aligned to market activities and to directly foster cross-sector collaboration in planning and delivery. This involvement may not need to be on a permanent basis and would ideally be introduced once the nascent Working Group has had an opportunity to reach a level of maturity in order that these parties recognise the value and legitimacy of the Working Group within LB Brent’s strategic intentions.

- 6.34 LB Brent could also use this forum to support effective strategic engagement of key Public Sector stakeholders, which would support effective collaboration at the operational level and would help synergies in activity and ambition to be fully exploited. OPDC would be a priority consideration because of its influence and activities in Park Royal, but neighbouring authorities could also be included if LB Brent considers that (with regards to Workspace provision) there is greater benefit in working with them to deliver mutual benefits as opposed to treating them as direct local competition.

Area for Intervention 2. Deliver a Suite of Overarching, Supporting Interventions

- 6.35 The following Overarching Interventions (OIs) are proposed for consideration and inclusion within the first Workspace Growth Business Plan. These interventions may be delivered independently to and (in advance of) the proposed models and business cases for direct delivery (considered later in this report), but should be effectively integrated after a certain time, in order to fully exploit the benefits and synergies of bringing all interventions together as an integrated portfolio.
- 6.36 As outlined above, an early activity that should be undertaken by LB Brent in taking forward this report should be to review and agree which interventions are to be promoted and developed further, as part of the first iteration of a Workspace Growth Business Plan.

OI 2.1: Workspace in New Developments: Enhanced Processes and Policies to Promote and Focus Workspace Provision

- 6.37 As outlined earlier in this report, LB Brent’s current Planning Policy is working well in terms of securing the provision of affordable space but that there is evidence of these spaces being un-occupied: not for lack of suitability, but for lack of traction and a focused strategy for fit-out, management and leasing.

- 6.38 As such, in our view, in the shorter term focus should be placed on the process and aftercare of working with developers once workspace has been successfully secured. As noted previously, there are numerous workspace in the pipeline across the Borough which have the potential to boost supply significantly; securing the successful delivery and operation of these should be of primary concern.
- 6.39 This could include referencing key evidence (such as this report), providing a level of support that is appropriate to their needs (e.g. identifying how the Council can assist them in finding operators or targeting the right offer to secure demand) and working with them on a ‘casework’ basis to deliver continuity of service. These activities would ultimately benefit LB Brent’s strategic objectives by removing barriers to delivery and supporting successful outcomes. Recent proactive engagement with Quintain on these matters provides a strong existing platform on which to build.
- 6.40 Brent should also place focus on monitoring the performance of these new workspaces once operational: understanding diversity, take up and demand should ultimately define Brent’s policy approach (see also OI 2.6).
- 6.41 As noted above, Brent has clearly been successful in securing workspace through the planning system in recent years, and it is important that planning policy continues to support the enhancement of workspace supply in the Borough. We are aware that LB Brent had sought to introduce more detailed planning policy provisions around Workspace within its Development Management Policies, but a number of key proposals from the draft document were removed from the final form, partly in response to feedback from developers.
- 6.42 As identified earlier in this report and in more detail in Appendix C, other Local Authorities (e.g. Hackney and Wandsworth) have developed planning and policy documents that could inform revised proposals for LB Brent and as these documents are adopted, there is a logic in stating that the precedent may be portable, although LB Brent may face further challenges from the market if it takes this path. Key considerations for future planning policy are outlined in the box below.

Planning Policy Guidance

As an overarching consideration, we believe that planning policy regarding workspace should be relatively *flexible and responsive*. This reflects the fact that the workspace market in Brent is still comparatively small and the absolute scale of demand is unclear. In the context of significant growth and development, ongoing monitoring will be required to understand evolving supply and demand and ensure that the market functions effectively (e.g avoiding potential for over-saturation in certain locations as multiple developments come online).

In defining policy approaches, we believe the following factors to be of primary importance:

- Geographic focus – across London, demand for workspace is greatest in town centres and in employment areas. While our research has confirmed that this is the case in Brent, it has also highlighted that demand is currently greatest in the centre and south of the Borough and much lower in the north. Looking ahead, the Borough’s housing zones and growth and opportunity areas are also likely to accommodate strong levels of demand. With this in mind, policy should be geographically focused to secure space in these parts of the Borough where demand and viability is likely to be greatest
- Amount of space – for workspace to be attractive to the market, it needs to be of a sufficient size to meet the needs and expectations of operators. As demonstrated by Willesden Green Library, size of space can be an important determinant in attractiveness to the market. While space requirements vary by workspace typology and by individual operator (see Chapter 4 and the accompanying workspace spreadsheet for an overview of space expectations), policy should set a minimum threshold for the provision of space. While Hackney have set this threshold at 100m² (10% of any development over 1,000sqm), the example of Willesden Green Library (190sqm) suggests that in Brent, this threshold should be set slightly higher
- Fit out / specification – much like the amount of space, fit out and specification requirements vary by operator and typology – again,

typical expectations in this regard are summarised in Chapter 4. Despite this, it is important that policy sets minimum requirements for fit out / specification, to avoid instances where shells are left which are unattractive to the market. It will also be important for the council to facilitate early dialogue between developers and operators to establish minimum requirements for space, so that delivery can be tailored accordingly

- Affordability – historically, Brent has required space to be provided at 50% of market value. This is relatively high figure when compared to other workspace policies (in Hackney, for example, affordability is set at 20% of market value). While this sends a strong and positive message regarding the council’s aspirations to support enterprise, the research has suggested that this is likely to lead to longer term challenges in workspace viability, operational models and income potential. Given the fact that commercial values in Brent are already comparatively low, we believe there is scope to reappraise the definition of affordability. A figure of 20% of market value for example would still provide a good level of differentiation from the local and London markets, but would deliver stronger income and more robust operational models. Mechanisms to reappraise affordability levels at set periods and on an ongoing basis should also be explored – to ensure that operational models are able to react and respond to wider changes in economic demand and performance. This might include a tapering mechanism by which the level of discount for businesses reduces on a yearly basis until market rentals are reached (after 2-3 years). This will help to ensure that businesses do not become reliant on workspaces as just providers of ‘cheap’ space, and that the workspace system actively encourages businesses to become more financially self-sufficient and secure in the long run. At the same time a certain level of business churn would need to be encouraged, to ensure that certain proportion of workspace remains affordable for new businesses looking for space
- Off-site contributions – it will not be appropriate to secure workspace as part of all new developments in the Borough: this is particularly the case in employment areas and town centre to the north and north-

west of the Borough, where workspace demand is comparatively low. In these instances, options could be explored to secure off-site contributions for workspace elsewhere in the Borough. That said, this will necessarily need to balance against other S106 contributions which may be more relevant in the local context (such as affordable housing) and has the potential for political challenge regarding the redistribution of benefits away from the local area. Ultimately, the value of this approach will depend upon the scale of development in these locations: this will define the extent to which the pool of off-site contributions provides great enough critical mass to enable further intervention by LB Brent

- Supplier / operator list – underpinning planning policy, LB Brent should build on the research undertaken here to develop a list of workspace operators which can be used to engage with and inform developers. This should be refreshed on an ongoing basis to ensure the diversity and breadth of operators reflects the evolving needs and attractiveness of the Brent market.

OI 2.2: Develop an ‘Invest & Grow in Brent’ Marketing & ‘Concierge’ Service

- 6.43 There is a strong case for LB Brent to take a more direct, ‘market facing’ position to support workspace growth:
- Primary engagement with the market has identified an interest in LB Brent’s aspirations and an interest in investing in the borough that can be built upon
 - Evidence of workspace providers and businesses leaving the borough runs against the grain of what LB Brent is seeking to achieve and must be addressed
 - A number of incumbents within the borough had expressed willingness for more direct and regular engagement with LB Brent.

6.45 A number of services could be effectively delivered under the umbrella of an ‘Invest & Grow in Brent’ Marketing & ‘Concierge’ Service, which would provide clear points of contact (individuals, and an online presence) to provide a direct market-facing interface. These services could include:

A ‘Front-Desk’ Market-Facing Support Team <i>(This could be an Officer-led team and a clear interface with Area-based Coordinators, outsourced services, or a mixture of these)</i>	An Online platform, supporting a suite of resources, guidance & tools <i>(This could be supported through Social Media platforms)</i>
<ul style="list-style-type: none"> • First point of contact named in all promotional and engagement materials • ‘Casework’ approach to working with enquiries and coordinating support responses to these (e.g. enquiries about availability of spaces and support for businesses) • ‘Soft-landings’ introductions for new businesses starting-in, growing-in or relocating-to Brent • ‘Soft-landings’ support services for Operators • Supporting negotiations with Developers about workspace provision secured through Planning Agreements • Build relationships with existing Workspace providers and those across London 	<ul style="list-style-type: none"> • Mapping provision in the borough and progression pathways to support growing businesses to stay in the borough • Shop-window/brokerage for available spaces and/or businesses requiring space • Promotional material showcasing Brent’s performance and key offer, alongside LB Brent’s aspirations & key commitments • Resource directory and ‘toolkit’ to showcase the support available to investors/developers, operators and businesses and key resources they may need (including available funding or relief) • Case studies of local successes to promote Brent as a great place to grow a business

OI 2.3: Coordinated & Targeted Funding Strategy

6.46 A coordinated approach to using LB Brent’s influence and those of key partners to agree a coordinated approach to identifying, securing and channelling funding to support businesses to start up in and grown in Brent.

6.47 This should be focused around the effective and efficient use of already allocated resources such as New Homes Bonus via which funding of £1.3 million (£0.7m capital) has been allocated to deliver SME workspaces, a new business support programme, training and employment support and interventions to diversity high streets. As the NHB funding includes both capital and revenue contingents, opportunities to innovate with this funding should be explored with the funder, where this would tackle key barriers that inhibit workspace growth. For example, we have identified that by taking head leases on workspaces in new and existing assets in the borough, LB Brent may be able to stimulate the take up of workspace by tenants (considered in greater detail later in this report).

6.48 In addition, the strategy should ensure a strong and well evidenced pipeline of projects to respond to new funding opportunities, such as from the GLA and the London LEP, when they emerge.

OI 2.4: ‘Pathways to Growth’ Local Business & Key Sector Growth Enabler

6.49 Over the past decade, there has been a significant reduction, (both in London and across the country) of Government and grant-funded service provision to support business growth (for example, the termination of Business Link in 2012). This type of provision is now funded and channelled differently but is arguably less pervasive and less joined up than before.

6.50 We are aware that Business Support is receiving greater emphasis within LB Brent’s Skills & Employment strategy and alignment with the Workspace Growth agenda should be considered and promoted. Supporting businesses to start, grow and stay in Brent must be a key challenge addressed through the Workspace Growth Strategy.

- 6.51 At the most practical level, this should focus on ensuring that signposting to existing business support services (eg the London LEPs Growth Hub) is clear, coherent and consistent (not least on the LB Brent website). It should also look to map existing business support offered within Brent’s workspaces and explore options to better co-ordinate and promote it.
- 6.52 The Borough’s workspaces may also offer an opportunity to provide new bespoke business support services in the future – whether general business support or more bespoke services targeted at addressing specific issues (such as levels of digital inclusion and maturity among SMEs).
- 6.53 In order to understand how best to support local businesses in order to meet this challenge, LB Brent should map the key support stakeholders (Education Sector, Voluntary & Community Sector and specialise providers) in order define the ‘pathways to growth’ within Brent and then to communicate these to the market. The pathways will set out services and opportunities available to local entrepreneurs, local businesses and new businesses considering Brent.
- 6.54 Through this exercise and dialogue with key stakeholders and service providers, LB Brent will also be able to identify areas and opportunities for new partnered approaches to business support.
- 6.55 As introduced earlier, £1.3m NHB funding has been secured to deliver workspace projects and to work up a new business and employment support programme; this funding could play a key role in underpinning the new delivery approach.

OI 2.5: ‘Pathways to Enterprise’ Workforce Development Enabler

- 6.56 A further key requirement in setting the right foundations for Workspace Growth is supporting Brent residents to develop the skills, knowledge and experience they require to become entrepreneurial and also to meet the needs of Brent’s existing or emerging key growth sectors.
- 6.57 LB Brent is already successfully driving a range of strategies and interventions to support local skills and employment. It should consider

working with its key partners (e.g. Education Sector, JCP and others) to consider its approach through the lens of Workspace Growth, in order that the local offer can be mapped, aligned and communicated to the market under the ‘Pathways to Enterprise’ banner. As above, this exercise will also enable LB Brent to work with its partners to identify and explore new opportunities for partnered intervention.

OI 2.6: Undertake Further Development of the Evidence Base

- 6.58 The database of providers collated as part of this research is a valuable resource for both existing operators and those looking for space. LB Brent should look to ensure the database is externally accessible and ensure it is kept up to date (ideally in collaboration with provider’s as part of new networks and relationships developed).
- 6.59 More generally, to ensure informed and robust policy development and decision making, LB Brent should ensure that it continues to develop its evidence base on the economic characteristics and performance of the Borough. This should focus on town centre vitality, business needs (eg re-running the Brent Business Survey), sector development and clustering, supply of and demand for employment space and workspace, and skills and employment needs.

OI 2.7: Reinvigorate & Ramp-Up a Meanwhile Uses Strategy

- 6.60 As addressed earlier in this report, there is strong evidence of Meanwhile Use providers operating effectively in the borough but redevelopment is prompting the relocation of some providers, particularly Meanwhile Use programmes which offered business support initiatives. Several strategies and proposals have also been developed for Meanwhile Uses at key sites, but these do not appear to be linked to currently delivery activity.
- 6.61 Meanwhile Use workspace and support could play a much more significant role within Brent’s overall suite of tools to deliver Workspace Growth. In order to make this step change, a Meanwhile Use Strategy should be

developed which determines the strategic support the Council will put in place to work with providers in order to facilitate a locally-tailored approach to Meanwhile Use (which will mean different things for different locations within Brent) and which directly addresses key challenges (such as retention) by setting out a longer long-term strategic commitment to working with and supporting providers.

- 6.62 This activity should be undertaken collaboratively with key incumbents who are presently, or have historically been active in the borough first and foremost, but the cohort could be enlarged to include providers active outside of Brent. The development of the strategy could also form a key strand of the Workspace Growth Business Plan which is developed by the Workspace Growth Steering Group. This approach would help to deliver cross-departmental understanding and support of the strategy.
- 6.63 A clear obligation should also be placed on providers to monitor and report key data (about demand, types of tenants and uses etc.) in order to support the development of a growing base of evidence to support future meanwhile uses or permanent provision of the type of services meanwhile uses are providing (e.g. IAC-type provision).

Partnership Models for Direct Intervention to Enable or Deliver Workspace

Initial Considerations

- 6.64 Before entering a collaborative arrangement or Joint Venture there are certain considerations LB Brent must first make. These are primarily aligned to the overarching objectives but also how it wishes to participate and specifically what role it takes, work out the funding requirements over the lifetime of the project and of course its attitude towards risk, be that commercial or development.

- 6.65 In taking a participatory role to help shape the future supply of workspace the Council can undertake a variety of activities, some of which will require active participate in the delivery and commercial operation of new space compared to other interventions which focus on creating the platform for others to deliver and manage workspace. To determine how the Council participates it should evaluate any proposed activity against the following objectives:
 - Strategic/Economic – quantify the economic benefits created by the activity specifically in terms of the jobs created, business rates generated and enhanced community benefits.
 - Deliverability – the project should be deliverable within the timeframe and the outcome reflect the local end user requirements defined for good quality workplace accommodation.
 - Financial – the key financial focus of the programme is not about realising a capital receipt but about maximising the economic benefits to the Borough with the minimum financial outlay/capital investment from the Council.
 - Risk – the project should minimise the Council’s exposure to financial loss from the development process, as well as socio-economic and political risk.

Typologies for Direct Intervention in Workspace Provision

- 6.66 The following table sets out the various types of intervention the Council could participate in, this draws together and builds upon the research and engagement presented earlier in this report by considering the key typologies identified from LB Brent’s viewpoint.

Table 6.1 Potential Intervention Types for LB Brent

Intervention	‘Front Desk’	Management Agreement <i>e.g. Oxford Innovation</i>	Lease <i>e.g. The Collective</i>	Traditional Development Agreement <i>e.g. Regus</i>	Partnering Framework <i>e.g. Quintain</i>	Joint Venture (new legal entity) <i>e.g. TOG</i>	Council development company <i>e.g. Croydon Council</i>
Description	The Council facilitates the delivery of workspace by providers and developers	The Council grants a management agreement and shares in the profit	The accommodation is leased at the open market rent or at a reduced amount but then receive a turnover rent	The Council tenders for a developer to initially build out / refurbish the scheme subject to planning	The Council partners with a private sector partner to work up a scheme to bring to the market and sell with planning permission	Joint Venture/Special Purpose Vehicle with both parties contributing equity and returns split in proportion to equity contribution.	The Council would set up a public-sector development company. The Council would therefore arrange all funding and take all development risk.
Aim	Act as a facilitator helping new businesses start up and	Put the right operator into an existing asset to drive revenues	Let the space and receive a secure income stream	Secure the redevelopment of an existing asset without taking on development risk	Secure redevelopment but share in the uplift in value through the planning process	Share in the rewards of development with a partner selected for their expertise	Take all development risk to secure the highest levels of commercial returns available
Roles	Non-participatory role instead facilitating others deliver development or provide services	Non-active role. There may participate in joint promotion of the accommodation	Non-active role. There may participate in joint promotion of the accommodation	The development is left to the developer/provider but the Council may be required to prepare the site	The Council may opt to take a proactive role to help the developer achieve supply chain efficiencies	The Council would contribute land on an individual site or portfolio basis as its equity with a cash match from the PSP to be used to fund the upfront costs	The Council leads on all funding, planning and development activity - typically through the appointment of a professional team
Key benefits	Zero risk	Low risk profile	Low risk profile and a secure income stream	The Council may negotiate phased /deferred payments throughout the development lifecycle.	As with the above, the Council may negotiate phased/deferred payments throughout development lifecycle and the Council may also benefit from overage	Under this option there are several variant structures which could be explored with the developer during dialogue	Ultimate control over the development process and no sharing of the financial rewards

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Intervention	'Front Desk'	Management Agreement <i>e.g. Oxford Innovation</i>	Lease <i>e.g. The Collective</i>	Traditional Development Agreement <i>e.g. Regus</i>	Partnering Framework <i>e.g. Quintain</i>	Joint Venture (new legal entity) <i>e.g. TOG</i>	Council development company <i>e.g. Croydon Council</i>
Demand and Viability	N/A	Potentially limited demand given the unproven office market	Potentially limited demand due to market rental levels detracting providers and their inability to identify users	Developer / provider appetite is affected by likely end user demand	If there were a suitable site which the Council could bring to the market developer demand would be affected by likely end user demand	If there is a cluster of development sites, the Council could structure the JV like Local Asset Backed Vehicles	The Council will need to convince itself that the schemes are viable and will achieved the requisite level of returns
Resource Requirements	Real Estate Economic Development	Finance / Accounting Real Estate Legal	Finance / Accounting Real Estate Legal	Finance / Accounting Real Estate Legal	Finance / Accounting Real Estate Leadership Governance Legal	Finance / Accounting Real Estate Leadership Governance Legal	Finance / Accounting Real Estate Leadership Governance Legal
Approach to Delivery	In house	Tender	Tender	Competitive Dialogue	Competitive Dialogue	Competitive Dialogue	Tendering is for construction contractors, professional advisors and sales and marketing agents.
Risks	Operational	Attracting an appropriate workplace provider	Attracting an appropriate workplace provider	Throughout the process the Council has limited input into the design/mix of uses, particularly after the agreement has been signed	Planning Risk is shared by both parties as well as the costs of securing a consent	Funding Risk Development Risk Political Risk	Funding Risk Development Risk Political Risk

Proposed Categorisation of Key Opportunity Sites By Typology

6.67 The following ‘Heat Map’ considers the suitability of sites by intervention type. The darkest boxes indicate what we believe to be the ‘best fit’ approach for each site based on our initial analysis. Boxes with an intermediate level of shading illustrate alternative approaches that should also be considered further and un-shaded boxes denote approaches that are poorly suited in each case.

Table 6.2 Opportunity Sites by Typology							
Intervention	‘Front Desk’	Management Agreement <i>e.g. Oxford Innovation</i>	Lease <i>e.g. The Collective</i>	Traditional Development Agreement <i>e.g. Regus</i>	Partnering Framework <i>e.g. Quintain</i>	Joint Venture (new legal entity) <i>e.g. TOG</i>	Council development company <i>e.g. Croydon Council</i>
LB Brent			<ul style="list-style-type: none"> 243 Ealing Road Abbey Wharf & Delta Centre Sarena House and Allied Manufacture 18 Neasden Lane & 450 High Road, London 				
Meanwhile							
Services office provider							
Co-working provider						<ul style="list-style-type: none"> Willesden Library 8th Floor Civic Centre 	
Developer	<ul style="list-style-type: none"> Palace of Arts and Industry Minavil House 						

High Level Business Cases

- 6.68 We have created a number of high level business cases that could for sites that could be progressed within a framework approach (as considered above).
- 6.69 The business cases focus on three potential delivery structures in which the council can play a *direct / interventionalist* role:
- Delivery Structure 1. S106, Lease structure (e.g. 243 Ealing Road)
 - Delivery Structure 2: Lease – (Willesden Library)
 - Delivery Structure 3: Joint Venture (Grouped sites such as Willesden Library and Civic Centre or 243 Ealing Road).
- 6.70 The proposed structures will allow for the Council to categorise sites and new opportunities in order to be able to progress them quickly as part of the wider programme outlined in this report.
- 6.71 At the next stage the Council should consider its preferred delivery routes, (which could include ranking the approaches against its ambitions and delivery preferences) and progress to develop detailed business cases.

Other delivery models: the council as facilitator

While not outlined here, it should be noted that there are also wider delivery structures available, where the role of the council is that of ‘facilitator’ / mediator, between the developer or landowner and the workspace operator.

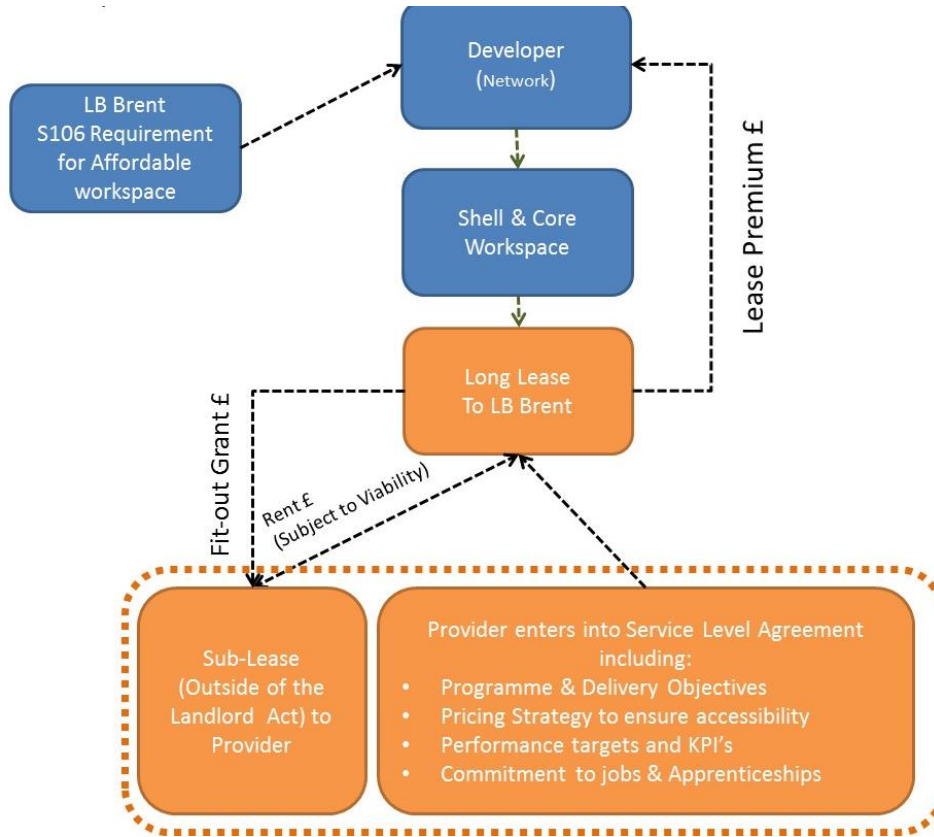
The evidence provided throughout this report (including the information on workspace operators interested in the Borough), and the recommendations outlined earlier in this chapter (such as the establishment of a Workspace Steering Group), provide a framework for the council to act as facilitator in this manner where necessary.

Delivery Structure 1: S106, Lease structure (e.g. 243 Ealing Road)

Description

- 6.72 We have proposed this structure following analysis and discussions with Officers on the direction of travel for the Council to capitalise on the space being created under its S106 policy on the delivery of affordable work space in new developments. Having committed a developer to creating this space it is important that the Council has an appropriate structure in place to ensure that the policy objectives behind the affordable workspace requirement are adhered to and maximised.
- 6.73 The approach above has been designed around 243 Ealing Road which we have visited as part of the research component of this report. PRD has been supplied with some headline details on the status of the discussions with the developer (Network) on the future ownership structure and we have made recommendations back to the Council on the suggested approach to the negotiations. Central to our suggested approach, is our recommendation that the Council seeks to take the head-lease of the space from the developer. We understand the Council are pursuing discussions on this basis and we have set out the above structure to reflect this approach.
- 6.74 If the Council takes the head-lease they will then be able to secure an appropriate tenant that is suitably aligned to the programme objectives. Rental income from the tenant can be used to pay down the initial premium to secure the head rent. Over time the investment in the head-lease could generate an income stream into the Council whilst also contributing towards the workspace objectives of the Council as outlined in this report.
- 6.75 The structure should allow for LB Brent to be able to direct future affordable workspace secured through S106 to be progressed in the same way.

Figure 6.3 Delivery Model 1: S106 Lease Structure



Source: PRD

Aim

- 6.76 Taking control of the space in the proposed way will enable the Council to determine and control the providers and occupiers for the space to ensure they are aligned with the programme objectives. Further, this will allow the Council to develop relationships with specialist operators and create a demand pipeline for future space secured through the S106 route.
- 6.77 Having the established structure in place will add credibility to the S106 requirement and will enable discussions to be had with developers on the exact location and quality of the space being created as part of the planning and delivery phase. This approach will also ensure the Council is achieving value for money for its investment in the head-lease.
- 6.78 The Council will be able target certain occupiers and providers dependent on the needs of a particular area whilst maintaining an overview of the programme outputs as whole.

LB Brent Roles

- Investor
- Landowner
- Facilitator
- Programme leader

Key Benefits

- Allow the Council to establish a robust delivery model for future S106 derived workspaces and help contribute to making the model a success.

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- Secures access to a pipeline of good quality spaces delivered as part of new developments.
- Creates opportunities to target occupiers and develop robust relationships with providers to ensure the benefits of each space are maximised.
- Controls the long-term future use of the space and the designation as affordable workspace

Demand & Viability

6.79 LB Brent will be able to market each property to an audience of identified provider.

Funding Requirements

- Funds will be required to fund the premium payment in order to acquire the head-lease. The exact figure will vary from site to site and will be subject to valuation.
- LB Brent may also wish to raise funds to fund the fit out of the space in order to make the space more marketable to a potential occupier or provider.
- Sources of funding available to the Council are detailed at 3.3.2. of this report.

Income potential

6.80 LB Brent should be able to define an income back to itself through the rent of the sub-lease and the level of income achievable should be a consideration when the Council is evaluating the premium for purchase of the head-lease and any fit out costs.

Resource Requirements

- LB Brent Internal Sponsor
- Workspace programme coordinator
- LB Brent property / regeneration officer to oversee head-lease coordinator
- Funds to purchase the Head-lease interest in each of the site

Approach to Delivery

6.81 Working with the provider / occupier market as part of a wider, coordinated initiative, (as considered earlier in this report), LB Brent will establish the supply pipeline for each of the spaces as it becomes available. Controlling the asset and acting as facilitator will enable the Council to be able to target the delivery objectives through the sub-lease and service level agreement.

6.82 LB Brent could also look to develop a Joint Venture Structure to take and hold the space derived through S106. This route and the headline business case is described later in this report.

Risks

- Call on funding to LB Brent secure the head-lease.
- Securing an appropriate operator.
- Requirement to oversee the performance of the tenant / provider.
- As described earlier, the delivery of affordable workspace conflicts LB Brent's wider aspirations in areas such as affordable housing.

Delivery Structure 2: Single Site Lease – (Willesden Library)

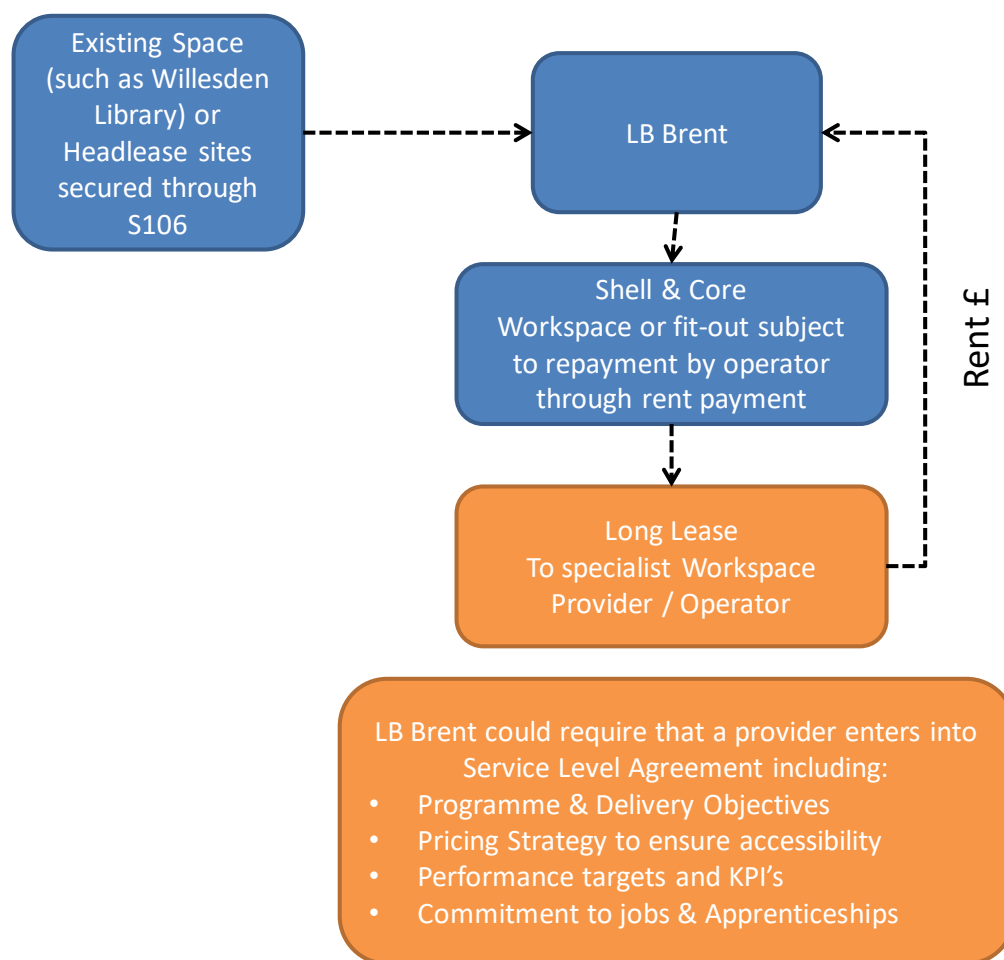
Description

- 6.83 This approach involves dealing with property or sites under control of LB Brent and letting on a leasehold basis to an occupier or operator. LB Brent simply identifies an occupier to take a lease of the space.
- 6.84 LB Brent could seek to secure benefits which contribute to the programme but this would be harder to achieve than some of the other identified structures.

Aim

- 6.85 To generate revenue back to LB Brent and provide a quick solution to deal with an asset which is vacant and not producing income.
- 6.86 Potentially to build in some objectives and performance obligations to ensure the programme objectives are being met although this might complicate the offer to the market.

Figure 6.4 Delivery Structure 2 – Single Site Lease



Source: PRD

Roles for Council

- 6.87 Landowner

Key Benefits

- 6.88 Securing economic users for space and generating an income stream back to LB Brent.

Demand & Viability

- 6.89 Demand will be dependent on the type of space and location. In the case of Willesden Library, as the space has already been constructed, and in the case of the office floor fitted out, then provided LB Brent markets the space at the right price point with attractive incentives then it should be able to secure suitable tenants.
- 6.90 LB Brent could look to apply this route to the space secured through S106 to release itself from a long term management liability.

Funding Requirements

- 6.91 Where LB Brent already owns the asset such as Willesden Library, LB Brent will have already produced a business case for the development of that asset.
- 6.92 In the case of sites secured through S106 funds will be required to fund the premium payment in order to acquire the head-lease. The exact figure will vary from site to site and will be subject to valuation.
- 6.93 LB Brent may also wish to raise funds to fund the fit out of the space in order to make the space more marketable to a potential occupier or provider.
- 6.94 Sources of funding available to LB Brent are detailed at 3.3.2. of the report.

Income Potential

- 6.95 LB Brent will receive an income back to itself through the rent of the sub-lease.

Resource Requirements

- LB Brent Internal Sponsor
- Workspace programme coordinator
- LB Brent property / regeneration officer to oversee head-lease coordinator
- Funds to purchase the Head-lease interest in each of the site

Approach to Delivery

- 6.96 This route is perhaps the best route to pursue if LB Brent is wishing to maximise its income and does not want to identify the site for a partnership model. If this is a preferred route then LB Brent should market the property to appropriate occupiers and providers. LB Brent may be able to build into the lease (or through a service level agreement) certain obligations on the occupier which safeguard the objectives of the workspace programme although these will be hard to manage due to the contractual relationship through the lease and the piecemeal nature of dealing with property on a site by site basis. The addition of such obligations would limit the market of potential occupiers and potentially also reduce the rental level an occupier would be prepared to pay.

Risks

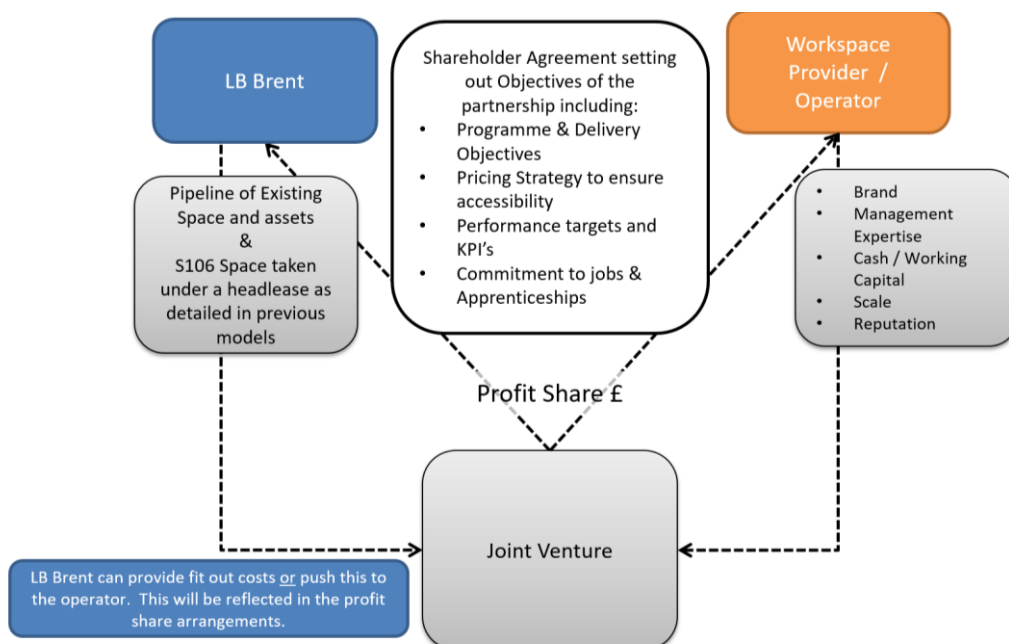
- 6.97 Occupiers secured on a lease aren't contributing to the overall objectives of the workspace initiative.
- 6.98 Dealing with property on a piecemeal basis does not allow for coordination of a property strategy that will drive successful results from the workspace programme.
- 6.99 Some of the key assets, such as the space at Willesden Library, represent good quality space and they could support, or anchor, a wider initiative. Failure to include them within a partnership model may undermine LB Brent's potential to successfully attract and establish a joint venture.

Delivery Structure 3. Joint Venture (Grouped sites such as Willesden Library and Civic Centre or 243 Ealing Road)

Description

- 6.100 Establishing a joint venture (JV) or partnership model/framework will enable LB Brent to formalise relationships with providers where the key objectives of LB Brent can be enshrined within a Shareholders Agreement between both parties. This structure builds upon the explanation and table provided at 3.2.1. of the report.
- 6.101 The partnership will be able to act as an outlet for LB Brent’s existing assets as well as assets secured through S106 where LB Brent has taken control of the head-lease. The provider partner will then be able to offer the benefit of its established business model, working capital and marketing capability to promote the space and making the partnership successful.

Figure 6.5 Delivery Model 3: Joint Venture



Source: PRD

Aim

- 6.102 Establishing the JV will enable LB Brent to leverage in private sector or third party expertise that will contribute to the delivery objectives of the workspace programme.
- 6.103 Using LB Brent assets and its access to a pipeline of space through its S106 approach could contribute to seeding a successful partnership that aligns with LB Brent’s vision.
- 6.104 It may well be that a number of joint ventures are established to deliver distinctly different objectives such as high quality workspace through leveraging in the space at Willesden Library or a more meanwhile / makerspace partnership that focuses more on delivering social or creative outcomes.

LB Brent Roles

- Investor
- Landowner
- Facilitator
- JV partner
- Intellectual client

Key Benefits

- 6.105 The partnership (or a series of partnerships) can be structured to meet a range of LB Brent's objectives and priorities that are identified in this report.
- 6.106 The JV can be structured in such a way that initial expenditure can be rolled up into the initial costs minimising LB Brent's initial outlay. In addition if the JV is successful and profitable then LB Brent will share in its success through the profit sharing mechanism.

Demand & Viability

- 6.107 Establishing demand for the product and the type of JV partner LB Brent is seeking to procure will be a key initial workstream.
- 6.108 Understanding the pipeline of assets which can be made available for a potential partnership and working up a detailed business case will demonstrate whether such a venture is viable or can be structured in such a way to make it viable.

Funding Requirements

- 6.109 Initial investment will be required to procure a partner and constitute the JV entity. It may be possible to structure the venture in a way that the private sector partner brings in the initial equity for working / capital and operational costs in exchange for a priority return on profits created within the JV.
- 6.110 LB Brent may wish to also control the ownership of the asset and so it would still need to fund the premium for any head-leases it elects to take under properties delivered through the S106.
- 6.111 Sources of funding available to LB Brent are detailed at 3.3.2. of the report.

Income Potential

- 6.112 LB Brent will receive an income back to itself through a profit share mechanism agreed with the Joint Venture Partner once pre-identified operational costs have been deducted.
- 6.113 As a next step a full business case should be developed and analysed by LB Brent to consider which assets it is able to make available to a partnership or JV model. The business case will also look at costs and revenues and the short, medium and long term potential of the JV to produce a positive income flow.

Resource Requirements

- LB Brent Internal Sponsor
- LB Brent property / regeneration officer to oversee head-lease coordinator

- LB Brent required to staff, manage and support the Joint Venture organisation to ensure its success.

Approach to Delivery

- 6.114 LB Brent should consider identifying appropriate internal resource to consider the findings of this report and identify the key drivers and objectives for a JV.
- 6.115 Sites should be grouped appropriately to ensure their suitability for a particular JV.
- 6.116 LB Brent should undertake a detailed business case for the JV to establish its viability and ability to meet its wider workspace objectives.
- 6.117 The JV proposal should then be 'soft market tested' with a number of the providers identified in this report to establish market appetite for the proposition.
- 6.118 On establishing viability and market demand LB Brent would undertake a formal procurement process to identify a suitable partner
- 6.119 Once the preferred partner has been identified the JV can be incorporated and the JV can begin to operate the assets in accordance with the set aims and objectives of the JV.

Risks

- 6.120 As with any venture of this type there is a risk that the programme may be unviable. LB Brent will need to balance its requirement for income against its desire to meet its socio-economic objectives. This can and should be dealt with through the business case development process.
- 6.121 The programme will require hands on management and support from LB Brent to ensure the JV delivers the maximum benefits.

Appendix A - Strategic and Policy Context

London Policy Context

London's Evolving Policy Context

While the below documents remain the most up to date policy and strategic position of the GLA, the strategic context is evolving rapidly in summer 2016 due both to the election of a new Mayor, and also due to the fall-out of the EU Referendum result.

Consultation with GLA officers has highlighted that a new Economic Strategy for London is under development and anticipated for publication in 2017.

In response to the Brexit vote in June 2016, the new Mayor has been quick to emphasise that London is 'Open for Business': the projection adverse economic impact of Brexit means that the short term focus is likely to be on retaining and strengthening activity across the economy, in contrast to the more sector led / sector specific approach of recent years.

While it is still earlier days, a continuing focus is expected to be placed on SMEs – continuing the focus of recent years on open workspace but also exploring the potential to deliver more bespoke support in future years. Significant focus is also being placed on examining and mitigating the potential future workforce effects of Brexit on sectors such as construction, hospitality, health and care, and digital.

The new Mayor has also emphasised an increased focus on social inclusion which is likely to be at the forefront of GLA economic development activities over the coming years.

London Plan (updated 2016)

- A.1 The London Plan, most recently updated in March 2016, sets out the Mayor's overall development strategy for London, setting out an integrated economic, environmental, transport and social framework for the development of London over the next 20–25 years. Economic development and wealth creation is one of the three cross-cutting themes in the London Plan.
- A.2 In wider economic terms, the London Plan encourages broad-based growth. It continues to support the success of long standing economic sectors such as financial and business services which position London globally, whilst also prioritising the leisure services and retail sectors which underpin London's attractiveness as a place to live and work and visit.
- A.3 In addition to this, there is a focus on helping to build the conditions for new sectors to emerge, such as the technology, media and telecommunications sectors which can help enhance London's position as a thriving, resilient and diverse city economy. The London Plan also notes a commitment to driving a fundamental shift in London's economy towards a low carbon future, with economic growth and business success coexisting to reduce carbon intensity.
- A.4 The London Plan recognises that the availability of suitable and affordable workspace is a key concern for SMEs, although in overall terms there is currently sufficient market provision, although there will be locations with significant constraints which need to be addressed. In some circumstances, workspace may need to be secured through planning agreements as part of mixed use development.
- A.5 Policy 2.13 of the London Plan, states that the Mayor will provide proactive encouragement, support and leadership for partnerships preparing and implementing opportunity area planning frameworks. In

terms of decision making, development proposals within opportunity and intensification areas should:

- 'seek to optimise residential and non-residential output and densities, provide necessary social and other infrastructure to sustain growth, and, where appropriate, contain a mix of uses
- contain a mix of uses, contribute towards meeting the minimum guidelines for housing and employment realise scope for intensification associated with existing or proposed improvements in public transport accessibility
- support wider regeneration and integrate development proposals to the surrounding areas.'

A.6 To achieve this, four Opportunity Areas have been established in Brent (with three crossing into neighbouring boroughs), with one wholly in Brent (Wembley) and three others shared with neighbouring boroughs (Colindale / Burnt Oak, Cricklewood / Brent Cross and Park Royal).

A.7 The Wembley Opportunity Area has an indicative employment capacity of 11,000 new jobs and a minimum of 11,500 homes. There are plans to upgrade the three stations and improve public transport in the area. Development in Wembley should contribute to the regeneration, vitality and viability of Wembley as a town centre, and should include creating a new community of shops, enhanced public spaces.

A.8 To help protect industrial areas in London, the Mayor has established Strategic Industrial Locations (SILs) (Policy 2.17). These are London's main reservoir of industrial and related capacity, which will be protected from planning proposals to change usage away from industrial type activities. There are four SIL locations in Brent, three of which (Wembley, Staples Corner and East Lane) are Preferred Industrial Locations (PILs) and one of which (Park Royal) is a Preferred Industrial Location and Industrial Business Park (PIL/IBP).

The Mayor's Economic Development Strategy (2010)

A.9 The Mayor's Economic Development Strategy (2010) sets out ambitions for London to be the best large city in the world, with London expanding opportunities for all its people and enterprises, achieving the highest environmental standards and quality of life, and leading the world in its approach to tackling the urban challenges of the 21st century, particularly that of climate change.

A.10 To help achieve this goal, the strategy highlights the importance of promoting London's existing strengths in business, tourism, learning and creativity, whilst transforming into a low carbon economy and remaining globally competitive in doing so. Supporting the low carbon economy is an important focus, with London positioning itself as a leading low carbon capital for the provision of finance, business services and innovation within the global low carbon economy. London has a target to reduce its CO₂ emissions by 60% by 2025, which will provide a greater market for low carbon products and services.

A.11 In addition, the Mayor will work with partners to ensure costs to businesses remain competitive. The Mayor will ensure there is sufficient long-term capacity for workplace growth, encouraging a range of workspace provision to suit different needs and support a mix of economic activities.

London 2036: An Agenda for Jobs and Growth (2015)

A.12 The London LEP is the local enterprise partnership for London, chaired by the Mayor of London, and is the body through which the Mayoralty works with London's boroughs, business and Transport for London to

take a strategic view of the regeneration, employment and skills agenda for London.

- A.13 The London LEP’s **London 2036: An Agenda for Jobs and Growth** sets out its ambitions to maximise job creation and economic growth in the capital as well as increasing the diversity and resilience of London’s business base.
- A.14 It lists a number of priorities which will help to drive London’s economic performance. One of these is to help diversify and strengthen the economy, and London LEP has identified the digital and creative, low carbon, finance and professional service sectors as key sectors in the future of London’s economy.
- A.15 The London LEP’s Agenda for Jobs and Growth has a strong emphasis on supporting the start-up and development of small businesses. It has an aim to make London ‘the best place in the world to be an entrepreneur, whether starting up or scaling up a business’.
- A.16 Reflecting the above, over the past two years, the GLA has placed a large amount of focus on ‘places of work’, recognising that affordable and appropriate places of work are essential for London’s economy to continue to grow.
- A.17 A number of research studies have been conducted into Open Workspaces – defined to include incubators, accelerators, co-working spaces, artists’ workspace and makerspaces, “where affordable rents, flexible terms, shared facilities, and networking opportunities provide the right conditions for entrepreneurs, creatives, and small businesses to grow and flourish”.
- A.18 On the back of this research the GLA and London LEP has formed the Open Workspace Providers Group to champion the work of London’s Open Workspaces; to support and advise on the growth, development, and long term sustainability of London’s Open Workspaces; to propose

priorities and actions for supporting the development of these; and to act as representatives of a wider network of work space providers, particularly in relation to making use of non-residential space in new housing developments.

- A.19 Within the Accommodating Growth in Town Centres and Action for High Streets reports, the GLA emphasises the important role for town centres as places of work – and that intensifying town centre employment uses can play an important role in supporting London’s economic evolution.
- A.20 In this context, the GLA and London LEP is working with the Boroughs to increase the supply of appropriate workspace across London, via a number of funding programmes – including the New Homes Bonus top-slice, the High Street Fund and the London Regeneration Fund.

West London Policy Context

- A.21 Brent sits within the West London Alliance, which consists of seven local authorities in Western London. Alongside Brent, this includes Barnet, Ealing, Hammersmith and Fulham, Harrow, Hillingdon and Hounslow.

West London Vision for Growth (2014)

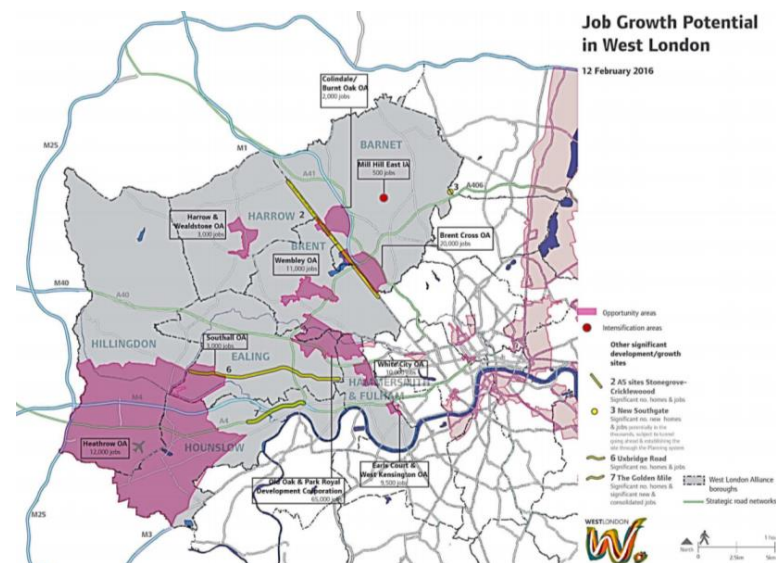
- A.22 The West London Vision for Growth sets out the Alliance’s visions for West London and how to ensure the area is able to take full advantage of the opportunities presented by London’s economic growth now and in the future. Six key objectives have emerged from this vision, including:
- To increase small business start-up and survival rates through business support hubs, higher exports and focused collaboration with higher education institutions.

- To deliver at least 71,000 homes as part of a housing programme that meets the needs of our residents and supports growth.
- To create and maintain thriving town centres which are hubs for work and living.

A.23 The West London Alliance does not have any particular sector aspirations, but rather a focus on sectors which will provide employment for local people, rather than being in capital intensive sectors which take up large sites and deliver low levels of employment.

A.24 Vision maps have been created to highlight some of the key collective ambitions of the West London Alliance boroughs, including ambitions on housing, jobs and transport infrastructure. The jobs growth potential map is shown below, showing the location of key employment sites for the future across West London.

Figure 6.6 West London Alliance Employment Vision Map



Source: West London Alliance, 2016

A.25 To achieve the visions set out by the West London Alliance, the West London Vision Action Plan has been produced, to create a series of targets for the future.

West London Economic Assessment (2016)

A.26 The West London Economic Assessment provides a local economic assessment for West London looking at the macro trends across London, and a review of West London’s current economic performance which would help inform the West London Economic Prosperity Board in delivering future policy.

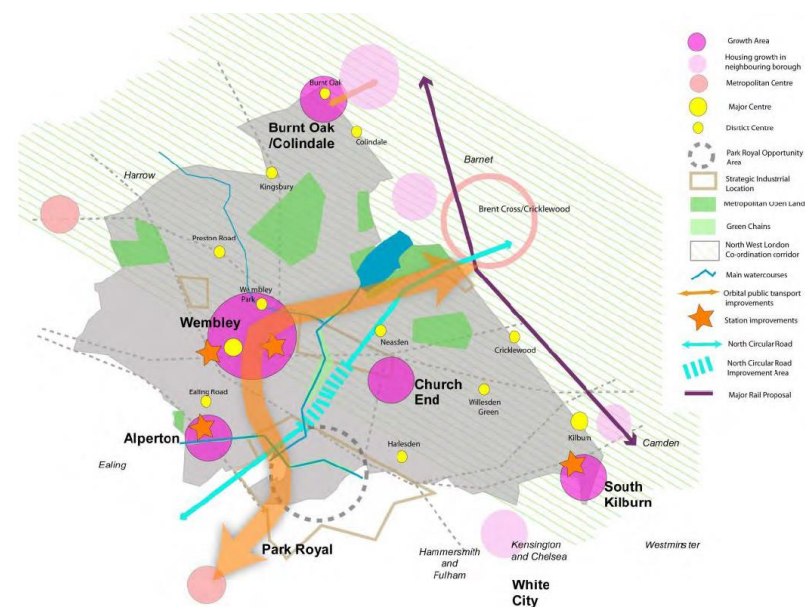
- A.27 The assessment identifies a number of potential risks to the West London economy over the next few years. The two most relevant of these is that West London could become “a victim of its own success” with high external costs of growth (such as transport congestion and housing costs) and that West London fails to stay flexible and innovative, becoming over-dependent on certain products or technologies.
- A.28 To mitigate against these potential risks, it is important that West London invests in the capacity needed to cope with rapid growth and maximise the ability of the economy to adapt in the face of what is likely to be very rapid growth in West London. This includes improvements in housing provision, employment and transport infrastructure.

Brent Policy Context

Brent Core Strategy, Adopted 2010

- A.29 The Brent Core Strategy set out the council’s spatial vision for Brent to 2026 and outlines the overarching spatial strategy and key planning policies. The strategy focuses around five key growth areas which have been identified as key to regenerating the borough and affording substantial opportunities for redevelopment. These are Burnt Hill/Colindale, Wembley, Alperton, Church End and South Kilburn. New development in these areas will provide new homes and employment opportunities in high quality buildings with the open space, amenities and facilities necessary for creating sustainable communities. Wembley, the largest of the growth areas, is promoted as a national sports and regional entertainment and leisure destination.

Figure 6.7 Brent Spatial Development Map



Source: Brent Core Strategy, Adopted 2010

- A.30 The borough is planning for population growth of between 25,000 and 28,000 people by 2017. The provision of 22,000 additional homes delivered between 2007 and 2026 will help to support this growth.
- A.31 Park Royal, Staples Corner, Wembley/Neasden and East Lane will be promoted as strategic industrial/ business locations where redevelopment for incompatible uses will be resisted, new sustainable development for business and industry will be encouraged, and investment in new infrastructure, such as transport improvements will be secured.

A.32 Purpose built office development not ancillary to warehousing and industrial uses will be directed in the first instance to Wembley and First Central at Park Royal.

A.33 Brent will target 10,000 new jobs in the Wembley Growth Area to 2026 and contribute around 40% of (based on the proportion of the estate within the borough) the 11,000 jobs target in the whole of Park Royal over a 30-year period.

A.34 The borough aims to promote the arts and creative industries through increased supply of modern subsidised workplace developments

Regeneration Strategy for Brent 2010-2030

A.35 The Regeneration Strategy for Brent has been developed to proactively respond to the opportunities and challenges brought by the new political and economic environment in Brent. Its primary objective is to reduce poverty and inequality through regeneration and economic development, building on the success of recent developments in the borough (e.g. Wembley Stadium).

A.36 Brent is currently ranked amongst the top 15 per cent most deprived areas of the country, with a number of areas in the borough ranked in the top 5%.

A.37 The strategy aims to deliver transformational change across the borough, focusing primarily of priority areas for investment, namely Alperton, Burnt Oak, Chalkhill, Church End, Harlesden, North Circular Road (including Brentfield and St Raphael's), Stonebridge, South Kilburn and Wembley.

A.38 It highlights a commitment to increasing employment and income levels, especially to those most in need. In addition, the borough aims to maximise investment in Brent from the private, public and community sectors in line with its regeneration priorities and ambitions.

Employment, Skills and Enterprise Strategy 2015-20

A.39 Brent is set to benefit from a number of exciting opportunities taking place in and around the borough. This includes the redevelopment at Old Oak Common, intensification of Park Royal, and ambitions for Brent Cross Cricklewood. This strategy aims to co-ordinate partners in Brent to tackle unemployment, poverty and social exclusion through action to increase employment and improve skills, so that the borough may be able to fully take advantage of the opportunities available to the borough and its residents.

A.40 The sits alongside the council's other aspirations (as set out in the Regeneration Strategy) to address inequality and reduce economic and social polarisation amongst those in the most deprived neighbourhoods and furthest away from work.

A.41 A number of strategic objectives are identified in the strategy, and ones of most relevance to this study include:

- Strategic Objective 1: To promote economic growth through regeneration, increasing the number of local jobs and providing new opportunities for local businesses. A target of 5,000 sustainable new jobs are expected to be created in Brent's growth and regeneration areas by 2020.
- Strategic Objective 2: To ensure that local education and skills provision is reflective of the demands of the labour market, providing a labour pool made up of well qualified and highly motivated individuals
- Strategic Objective 3: To have a strong focus on addressing inequality by reducing economic and social polarisation within our most deprived neighbourhoods and amongst those residents who are furthers away from work.

Brent Employment Land Demand Study, 2015

A.42 The Brent ELDS (2015) provides evidence to inform the borough’s future approach to the provision, protection, release or enhancement of employment land and premises.

Industrial

A.43 The evidence suggests that there will be a decrease in demand for industrial land (-8.8 to -14.4ha between 2015 and 2029). This is largely due to declining employment projections in industrial sectors.

A.44 On the supply side, the field survey assess that the borough has a good and fit for purpose industrial land supply. There are many strongly performing areas in the borough, in particular the four SILs (Park Royal, Wembley, East Lane and Staples Corner). These four SILs account for around 75% of industrial land in Brent. The only exception is Northfield Industrial Estate which has a variety of characteristics which make it unsuitable for industrial use.

A.45 Agents and stakeholders consulted as part of the ELDS felt there was strong demand for small affordable start up space.

Offices

A.46 There is expected to be increasing demand for office space of between 32,600 m² and 52,350 m² up to 2029. This is largely due to rising employment projections in office-related sectors. The majority of office space is located in Wembley, with other smaller clusters in Kilburn, Queens Park, Kingsbury and Harlesden.

A.47 To meet the high demand for office space, it is recommended that some industrial land will need to be re-designated or released to office land.

Workspace

A.48 The research and consultation with agents and stakeholders revealed that there is a relative lack of appropriate affordable space for small start up companies and SMEs in the borough.

A.49 The sort of start up companies that are realistically likely to require this space are more likely to be linked to the existing business base than new high value sectors such as the cultural and creative sectors. However, depending on the success of the regeneration of Wembley, there is some potential for growth in the creative industries.

A.50 Much of the demand is for flexible, freehold properties which some commercial developers do provide. Subject to further work investigating practicalities, it may be possible to develop planning policy that addresses the need for more freehold premises.

A.51 In summary, promoting SMEs through the favourable consideration of planning applications and through encouraging flexible, appropriate workspace where possible will not only provide local jobs, it will also generate positive effect on the local economy and will boost wealth through creating a local multiplier effect.

A.52 The Employment Land Review recommends that:

- The Council should continue to encourage where possible Small and Medium Sized Industries (SMEs), start up companies and flexible employment space to meet their needs. This could include the following planning requirements:
 - The council will require at least 10% of the floorspace within new major commercial development schemes and new major mixed-use schemes in Primary

Employment Areas, to be affordable workspace for SMEs and Creative Industries

- Proposals for the redevelopment of existing low value workspace must seek to incorporate an equivalent amount of affordable workspace that is flexible and/or workspace suitable for occupation by micro and small enterprises, unless it can be demonstrated to the council's satisfaction that the site is no longer suitable for the provision of similar uses, or that this would make the scheme unviable.

Housing Zones in Brent

- A.53 Housing Zones were established by the GLA to provide financial assistance to local authorities to help bring forward additional and/or accelerated delivery of new homes in London, including affordable housing. Around 20 Housing Zones have been established across London, with a £400m fund made available to support local authorities.
- A.54 Brent has secured two GLA Housing Zones in the borough located in Wembley and Alperton. The GLA is providing Housing Zone grant funding to assist with the delivery of the Housing Zone objectives in Alperton (£13.9 million) and Wembley (£8 million).
- A.55 In Wembley, funding was awarded to accelerate the delivery of approximately 660 homes by 2021. In addition, Quintain will receive nearly £39m of development finance through the London Housing Bank to bring forward development to the east of Wembley Stadium for 450 intermediate rented homes.
- A.56 In Alperton, funding was awarded to assist with the delivery of approximately 2,300 new homes by 2025. This project also includes accessibility improvements to Alperton Underground station. Funds are

also being directed towards the remediation of contaminated land that is otherwise prohibitively expensive to bring forward for development.

Locally Specific Policy Context

Old Oak and Park Royal

- A.57 The OPDC is the Local Planning Authority for the development of Old Oak Common and Park Royal Industrial area. The area of the OPDC's responsibility lies across three local authorities including Brent, Ealing and Hammersmith and Fulham, and the Corporation aims to transform the area into a thriving place taking advantage of the improved transport connections offered in the area. As OPDC is a Local Planning Authority, it has published planning policy, which is referred to below.

OPDC Draft Local Plan (2016)

- A.58 As a Local Planning Authority OPDC has a duty to prepare a Local Plan, setting out the strategy for development within the area and the policies that will be used to direct development and determine applications across the entire OPDC area. A Draft Version of the Local Plan was produced in February 2016, with further consultation expected in autumn 2016. The OPDC Local Plan will be the key planning policy against which planning applications within the OPDC area will be assessed as will be a Development Plan Document.
- A.59 There is over 135 hectares of developable land in Old Oak which provides a substantial opportunity for development and regeneration. The OPDC plans to work with stakeholders to ensure that it optimises growth in delivering new homes and jobs, supporting the regeneration of the area and establishing a new destination that will shape west London and supports London's role as a global city. To achieve this, the OPDC plans to deliver a minimum 24,000 homes and 55,000 jobs at Old Oak in

addition to protecting and regenerating the Park Royal Industrial Estate by accommodating 10,000 new jobs and 1,500 new homes.

- A.60 The OPDC aims to promote Old Oak and Park Royal as a place for enterprise and innovation by establishing Old Oak as a recognised commercial hub and consolidating Park Royal’s position as a Strategic Industrial Location (SIL). Old Oak is expected to become a mixed-use employment hub with a range of commercial areas and town centre uses, which will generate employment along the high street.
- A.61 Although there are no specific sector aspirations within the Local Plan, there is an emphasis on open workspace which can accommodate a range of SME businesses, especially those in the digital, creative, cultural, life sciences, applied sciences, clean, green and low carbon technology and the circular economy. This is further reflected in the draft OPDC Industrial Land Review. Open workspace typologies will be supported by protecting existing providers, and by requiring proposals for major commercial development to deliver affordable workspace.

Park Royal Atlas

- A.62 The Park Royal Atlas study provided more detail on the local economy of the Park Royal Industrial Estate and to record employment and business activity taking place on the estate. Brent contains 35% of Park Royal’s workspaces by number, and is home to a diverse range of workspaces (including some of the largest, and the highest concentration).
- A.63 The study identified 1,717 active workplaces in Park Royal across a broad range of sectors, with specialisms in wholesale, transport and storages and manufacturing.

Other Local Opportunity Areas and Place Based Policies

Wembley Opportunity Area

- A.64 The Wembley Opportunity Area has been designated in the London Plan with aspirations for 10,000 new jobs, 11,500 new homes and 30,000 sqm of new retail floorspace in the area. The Wembley Area Action Plan (2015) sets out the council’s vision for Wembley over the next 15 years, with aims to establish Wembley as a destination which will help drive the economic regeneration of Brent.
- A.65 There are aspirations within the Wembley Area Action Plan to increase the supply of modern subsidised workplace developments for the arts and creative industries, helping to create a diversified economy and provide affordable space for businesses.

Alperton SPD

- A.66 Alperton has been identified by Brent Council as a growth area with significant potential around the land adjoining the canal. The Alperton SPD aims to demonstrate how the area can be transformed through growth to deliver homes, business space and jobs. Although the council’s property interests in the area are limited, its role is to facilitate the development of numerous sites prioritising physical and social infrastructure.
- A.67 Alperton has been identified as being suitable for at least 1,600 new homes, with additional employment space provided in Northfields Industrial Estate. New development on this site is expected to provide a mix of modern light industrial units, studios and managed workspaces.

Burnt Oak, Colindale and The Hyde Opportunity Area

- A.68 Originally envisaged as the Edgware Road ‘Corridor of Change’ within LB Barnet’s Colindale Area Action Plan (2010), there are aspirations to develop ‘a thriving mixed-use urban corridor’ with an enhanced public realm offering. The area has been designated as an Opportunity Area in the London Plan, with major potential for development. There is an indicative employment capacity of 2,000 new jobs and 12,500 new homes in the area, with 2,500 of these new homes located in Brent.

Cricklewood / Brent Cross Opportunity Area

- A.69 The Cricklewood and Brent Cross Opportunity Area has been designated in the London Plan and will see the redevelopment (and expansion) of Brent Cross shopping centre alongside regeneration in Cricklewood town centre. It is expected that 20,000 new jobs will be created and over 10,000 new homes constructed.

Appendix B - Detailed Case Study Information

Brent Workspace Providers

Case Study 1: Create Space London (CSL), Formerly in Wembley	
Background and Overview	<ul style="list-style-type: none"> Makerspace Established in 2011 Operate as an established charity Around 150 members, and 80 studio tenants Receive around 100 enquiries/week
Contact details	<ul style="list-style-type: none"> Rory Gallagher rory.gallagher@createspacelondon.org
Existing workspaces	<p>CSL in Wembley Point offered:</p> <ul style="list-style-type: none"> 80 private workspace across 2 floors 4 open workshop areas 18,000sqft in total Residency programme (£2,000 commissioning budget for a showcase + £400/month budget) <p>New CSL space in Brentford will offer:</p> <ul style="list-style-type: none"> 400 private workspaces Larger open workshops 65,000sqft in total Expanded residency programme (up to 5 artists) <p>Ideal spatial requirements:</p> <ul style="list-style-type: none"> Partitioning for workspace units (can be re-arranged easily) Ground floor Climate control Natural light Typically office buildings offer better light and are more comfortable for tenants <p>In the process of securing Willesden Green high street site:</p> <ul style="list-style-type: none"> Old police station site Will offer studios and workshop on site Want to maintain Brent network
Commercial arrangements	<p>Operating on 5-year lease at Wembley Point (moved in in 2013)</p> <p>Knew the building was subject to planning permission for conversion to residential but space was offered at competitive rate</p> <p>CSL Pricing:</p> <ul style="list-style-type: none"> Smallest private studio £300/month all-inclusive Largest private studio £750/month all-inclusive <p>Current rent is £7.50sqft</p> <p>Rental at new location in Hounslow was secured at £11/sq.ft (negotiated down from £15/sq.ft initial asking price)</p>
Types of users / members / occupiers	<p>Their business model accounts for renting premises at commercial rates</p> <ul style="list-style-type: none"> 90% occupancy of private studios Accommodate additional 130 casual users in workshop spaces Casual membership steadily increasing by 3 signups/week and private studio generally by 1/week (subject to availability)

Brent Workspace Study

	<ul style="list-style-type: none"> • 80% of users from NW London, 20% from further afield (e.g. Greenwich, St Albans) • Studio tenants are a mix of designers, makers, artists and services – occasionally make use of workshop facilities as needed • Offer commercial courses and workshops on site- most popular: ceramics, 3D CAD design, screen-printing • Also offer partnership sand skills training, including with Brent-based organisations and as part of school outreach • Gumtree most successful way of advertising (pay to be a featured ad) – especially for studio tenants • Also listed on Studio Finder • No other comparable spaces in the NW area (Goldfinger Factory is nearby but they don't have an open access workspace offering)
New opportunities / future plans	<ul style="list-style-type: none"> • CSL has proved that their model works and are now in a good position to borrow – they are in the process of 'ramping up' • Moving into new space in Brentford (Hounslow) beginning of Nov • Have been looking for a new/ permanent space for a while now – preferably on the ground floor and with a public entrance where they could offer a cafe-type space. • Move will allow them to expand their offering, will have all three floors of the buildings (including additional facilities like hot metal workshop) • Expanding residency programme (submitted ACE application to support, valued at £25k) • Previously submitted a LRF application (for £500k) but needed endorsement from LB Brent which was complex
Challenges	<ul style="list-style-type: none"> • Have submitted Expression of Interest on 243 Ealing Road twice • Vacant since summer 2015, narrative around it being changeable and clerical delay of VOA valuation means the CSL didn't consider it a viable option for their move from Wembley Point • Do like the space and would be open to considering it as a location when actual offer is formalised (would work well for their offering, but not necessarily for something like a wood-working workshop) • Transition period between locations has meant that some tenants have moved to new locations in order to continue working
Brent networks	<ul style="list-style-type: none"> • Been working with group called Brent Citizens (includes Newman Catholic College, Kilburn Academy, Willesden Green Town Team) for the last 6 months carrying out workshops, courses and training • Have a good working relationship with the LB Brent arts team, but their key contacts are leaving the council soon • Have run courses in conjunction with the LB Brent arts team, hosted and facilitated classes at the space

Case Study 2: Fashion Workspace (London Fashion Cooperative), Kilburn

Background and Overview	<ul style="list-style-type: none"> Creative studio, makerspace (shared facilities) Established in 2012 Operates as a cooperative Around 12 members and 20-30 ad hoc users Has a database with an additional 1000 designers yet to be contacted Owner subsidises the space through his own design and printing business that he runs at the same location.
Contact details	<ul style="list-style-type: none"> Robin info@fashionlondon.coop
Existing workspaces	<p>Fashion workspace offers:</p> <ul style="list-style-type: none"> 1 open workshop area including industrial sewing machines and pattern cutting tables. 6 individual desks. <p>Owner's design and printing business operates from an office located in the workspace.</p>
Commercial arrangements	<p>Operating on 8-year lease at 69-71 Kilburn High Rd. The landlord is supportive of the operations as he has links to the fashion industry.</p> <p>Fashion Workspace pricing:</p> <ul style="list-style-type: none"> Membership £150/year Member prices: £35/day (Mon-Sat 8am-10pm) £99/week (Mon-Sat 8am-10pm) £346/month (Mon-Sat 8am-10pm) £35 extra Sunday (8am-7pm by verbal appointment) £10 per unsocial hour (10pm-8am & national holidays) <p>Non-member prices:</p> <ul style="list-style-type: none"> £50/day (Mon-Sat 8am-10pm) £150/week (Mon-Sat 8am-10pm) £446/month (Mon-Sat 8am-10pm) £50 extra Sunday (8am-7pm by verbal appointment) £20 per unsocial hour (10pm-8am & national holidays). <p>Fashion Workspace used to run on a monthly rental basis/user, but the bureaucracy of setting up leases and the rigidity of this arrangement didn't suit the needs of owner and users. The owner transitioned to a membership scheme and finally set the structure as a cooperative, where all members contribute to the way the space is run.</p>
Types of users / members / occupiers	<ul style="list-style-type: none"> Fashion Workspace caters for a professional clientele. Typically professional fashion designers looking for affordable working space in London. Owner is trying not to mix in entry-level users. The owner was a fashion design graduate and seeks to offer affordable working spaces for designers, as he is aware of the difficulties of finding this type of workspace in London. The space currently has about 20-30 casual users. The owner has a database with the contact of about 1000 designers but doesn't have the time to respond and approach this larger clientele. Universities that are lacking space in their own facilities to hold specific courses/workshops sometimes rent out the entire workshop. The Limkokwing University of Creative Technology (Malaysian University located in Holborn) has recently become a member and uses the entire workspace for some of its courses. Members are from all over London as they are attracted to the space because of its specialist equipment and affordable pricing rather than because of proximity. Owner receives enquiries through his website email as well as through Gumtree. He advertises the space as a Fashion cooperative but also advertises

Brent Workspace Study

	<p>the equipment separately as he receives a lot of enquiries from people looking for specialist equipment such as the pattern-cutting table.</p>
New opportunities / future plans	<ul style="list-style-type: none"> • Would like to hold his own workshops in the space but has lacked the time/resources to implement. • Ideally would like to provide more business support to individual designers such as marketing strategies, networking opportunities, and an online shop. Would like the space to act as a type of incubator space for talented designers that lack the business background to appropriately launch their brand or sell their work. • Would like to further increase the efficiency of the space and purchase better equipment. The current equipment has all been purchased and collected by the owner throughout the years. • Would potentially like to have an avenue to retail, either as a shopfront or a stall on the high street.
Challenges	<ul style="list-style-type: none"> • The owner lacks time, resources and support to bring forward the space to its full potential. Providing ancillary business support to individual designers would require further financial support. • A lot of the workspaces around Kilburn have now been converted to residential and although the landlord is supportive of the Fashion Workspace initiative, this remains a threat.
Brent networks	<ul style="list-style-type: none"> • Owner's design and printing business has done work for South Kilburn Studios when new managed sought local suppliers and distributors; provided design-work, printing of leaflets, banners and newspaper.

Case Study 3: Queen’s Park Design District (QPDD)

Background and Overview	<ul style="list-style-type: none"> • Cluster of creative workspaces and studios • Queens Park Design District is based on the areas surrounding Lonsdale Road, Salisbury Road and Kimberley Road. It has become a key creative cluster of design businesses, studios and makers. The majority of businesses are clustered around Lonsdale Road. • Established as a Design District in 2014 – initiative led by Bill Amberg of Bill Amberg studios. • Participates to the London Design Festival through open studios, workshops, talks, installations and events that showcase the design and craft of the area.
Contact details	<ul style="list-style-type: none"> • Punam Vaja • Punam@billamberstudio.com • 07930195525
Existing workspaces	<ul style="list-style-type: none"> • The cluster of creative businesses and makers that form the QPDD includes 24 individual businesses. • Premises such as the old warehouses along Lonsdale road have been refurbished and host the variety of businesses in various spatial arrangements; some premises accommodate leather product and furniture making while others are arranged into offices for various desk-based creative uses (ie Photography, product design, etc.) • Premises are usually of a smaller scale, with individual offices averaging 500sqft. • The businesses are clearly identified through signage, which signals the creative clustering along and around Lonsdale road. The premises often house groundfloor offices, which further contributes to the outward-facing and place-making quality of the businesses in the QPDD.
Commercial arrangements	<ul style="list-style-type: none"> • One of the offices along Lonsdale Road advertised to let as £26,500.00/annum inclusive of service charge, business rates and utilities but excluding VAT. The size of the advertised office is of 542sqft. The lease is a subletting. • Another ground floor office is advertised at £14,500/annum exclusive of VAT and with £5,500/annum business rates. The lease is a subletting. • Beyond entire premises available to let, businesses offer individual desks to let within their offices. These are targeted at creative industries workers. An advertised single desk space in a creative studio is advertised at £300/pp/month all-inclusive. • The creative cluster as well as nearby cafes, restaurants and bar are mentioned in all property rental advertisement of the area as an attractive selling point for the location.
Types of users / members / occupiers	<ul style="list-style-type: none"> • Types of businesses in the Queens Park Design District include: Creative digital studios, architects, strategic design consultants, product designers, an interior design school, bespoke furniture makers, which occupy a range of premises.
New opportunities / future plans	<ul style="list-style-type: none"> • The QPDD was established as a Design District in 2012. Before that, a few of the businesses were already involved in the Festival, doing independent collaborations. • Since 2012, QPDD’s participation to the London Design Festival keeps evolving; it showcases the various businesses on site as well as draws a large amount of visitors to the area.
Challenges	<ul style="list-style-type: none"> • Further consolidation, promotion and publication as a design/creative hub. • The various businesses in the Queens Park Design District and partners come together and participate to the London Design Week by hosting an array of open studio days, workshops, talks and installation.
Brent networks	<ul style="list-style-type: none"> • Local restaurants and other food and drink businesses in the area offer special deals for the London Design Festival. • The South Kilburn Studios, which is a part of the Queens Park Design District, has hosted a series of events for the London Design Festival. Past events included an upholstery workshop, a co-working day for freelancers, entrepreneurs and start ups and a design day party including workshops, stalls, kids fun and live graffiti art.

Case Study 4: York House, Wembley

Background and Overview	<ul style="list-style-type: none"> • Large-scale managed workspace in Wembley Park (15 floors) • 120,000sqft of office space, hosting around 500 tenants across 43 companies • Quintain owned since 2009, but building has been operating as office space for much longer
Contact details	<ul style="list-style-type: none"> • Margaret (building manager) • 0208 903 1470
Existing workspaces	<ul style="list-style-type: none"> • 1960s building – originally large open floor plans, sub-divided into smaller units to suit office demand, now in the process of breaking down some of these sub-divisions to offer large floorplate office spaces again • Smallest office is 290sqft (102 employees), and largest 10,000sqft (whole floor) • These larger spaces accommodate businesses that have grown within the building, as well as those moving in from outside • Feel that their location offers attractive commutes for tenants (public and private transport) • Currently at around 85% occupancy (has been filling up in recent months) • Offers serviced communal areas, associated car and bicycle parking on site • Location next to London Designer Outlet retail is an attractive amenity • Offering includes individual electric meters to office suits and high-speed fibre optic broadband is available (through on of their tenants)
Commercial arrangements	<ul style="list-style-type: none"> • Currently maximum rent charged to tenants is £18/sq.ft (this compared to West End locations nearby that can charge up to £72/sq.ft) • Tenancies offered at a 3-yr minimum up, to 10-yr leases
Types of users / members / occupiers	<ul style="list-style-type: none"> • Tenants are all office-based operations • Tenants mostly use public transport to get to work but some do drive • Most tenants operate independently- not much interaction between businesses • One of their occupiers is VeloCity who provide broadband for the building • Most applications for new tenants come from walk-ins, word of mouth and some from agents
New opportunities / future plans	<ul style="list-style-type: none"> • Mixture of tenants ranges from training academies, to accountants, shipping companies, import/export businesses and other professional services • Found that over recent years they have less competition as neighbouring office offering have been converted to residential or developed • Considering setting up an ‘innovation hub’ type co-working space on the second floor (responding to enquires for this type of space) • Primary school to be built in buildings the car parking space – office parking to be moved to Red Parking Space nearer to the stadium • Future plans include moving the reception area to the face the stadium-end of the building (Jan 2017) to accommodate new primary school
Challenges	<ul style="list-style-type: none"> • Not any immediate challenges – workspace is being taken up regularly and location works well for their offering
Brent networks	<ul style="list-style-type: none"> • Interview with one business in the building revealed that they work with interns and students from the nearby student accommodation in Wembley Park (Westminster University students) • Quintain and building management have minimal regular contact with tenants but if there are events in the Wembley area, they will forward onto tenants • Yellow Pavilion- activity space and programme of events run by Quintain in Wembley Park to cater for their new development sites – including skills classes (IT, ESOL), business start-up support, fitness/leisure activities, community gathering initiatives (can also be hired for meetings/events)

Case Study 5: BE Offices, Wembley	
Background and Overview	<ul style="list-style-type: none"> • Large-scale serviced office space in Wembley Park • BE (Business Environment) manage serviced office space across England • Operating since 2004 • 144,000sqft in total • The BE Wembley Centre won the BCA Business Centre of the Year in 2008, 2010 and 2011
Contact details	<ul style="list-style-type: none"> • Gina Chaudhry • gina@beoffices.com • 0208 795 0555
Existing workspaces	<ul style="list-style-type: none"> • 10 floors over 2 buildings of serviced office space (furniture, phone line , dedicated broadband, photocopying etc, call allowances) • 8 floors flexible/ leases spaces • On-site parking offered • Offer: Day Offices, Shared Offices, Virtual Offices, Team Offices and Meeting Rooms across their various locations • Offer includes: all inclusive fee, IT connectivity, building reception and management team, cleaners, associated gyms (free to use) • Minimal management is involved with tenants • There are some shared spaces which offer deskspaces (eg 5 companies at 5 desks in on office suite) but these are limited in number
Commercial arrangements	<ul style="list-style-type: none"> • Rent is determined by sq.ft and office floor • Pricing from £45/sqft for serviced office space Not much fluctuation in terms of occupancy • A number of longer-term tenants • Meeting rooms: £7/hour, £26.60/day
Types of users / members / occupiers	<ul style="list-style-type: none"> • 97% occupied • Tenants are all office-based activities, including lawyers, solicitors, IT services, ticking services and accountants, as well as some construction management offices • Dept. of Work & Pensions is a key tenant as well • Range from 1-person to 65-person offices (over 2 floors) • Most tenants of NW London-based operators, with some national tenants
New opportunities / future plans	<ul style="list-style-type: none"> • Planning to introduce hot-desking in one of their office suits (responding to enquires) • Enquires come from walk-ins, agents and some from the large advertising banners hanging on the side of the building (opposite Wembley Park station)
Challenges	<ul style="list-style-type: none"> • Some challenges around event days when station, walk way and entrance area to the building are busy/ blocked off by security – but generally this is quite minimal and not too disruptive
Brent networks	<ul style="list-style-type: none"> • The management doesn't offer any events for tenants but would support events/networking if one of the tenants wanted to organise and would assist in communicating with the tenant group

Appendix C - Learning From Elsewhere: Further Information

Local Authority Workplace Collaborations

Great Western Studios - Westminster City Council	
Background and Overview	<ul style="list-style-type: none"> Given its location in London it's not unexpected that Westminster has a record numbers of start-ups in its borough. Westminster City Council established a City Enterprise Programme in order to support and encourage entrepreneurship. There are six broad strands to the Programme and the provision of enterprise hubs represents a real estate enabler. Great Western Studios is one of these hubs providing over 55,000 sqft of high-quality affordable studio space to more than 100 creative businesses, employing over 350 people.
Contact details	<ul style="list-style-type: none"> GWS Ltd 02072210100
Workspace	<ul style="list-style-type: none"> The building is made up of 104 studios, some of which overlook the Grand Union Canal. Each workspace has good ceiling height, polished concrete floors as well as open plan and communal access to the garden and courtyard. All studios are serviced from a central atrium, that serves as a communal space. Towards the back of the building is the Gallery. <p>In May 2009 Westminster City Council agreed funding and land arrangements with the stakeholders to kick start the project as follows:</p> <ul style="list-style-type: none"> £2m Civic Enterprise Fund resources from existing Civic Enterprise Fund reserves, for the purpose of a loan on commercial terms to GWS LLP to be repaid within 5 years. The release of £500k WCC grant subject to the conditions The agreed funding was conditional on TfL agreeing that the lease at 65 Alfred Road to be granted to GWS LLP be for a term of 125 years.
Commercial arrangements	<p>The Council played an important role bringing key stakeholders together by brokering relationships with Crossrail, Network Rail and London Underground, enabling developers to acquire the site.</p> <p>The space is operated by GWS Ltd who have informed us that Westminster City Council are now longer involved in the project. They also explained that a private property developer/investor holds an interest in the accommodation. It is not known if they hold the interested outright or whether there are other investors.</p> <p>The nature of the management agreement between GWS Ltd and the owner was not disclosed.</p>
Types of users / members / occupiers	<p>The space has been designed for the creative industries. Occupiers include:</p> <ul style="list-style-type: none"> Architecture, Branding and Marketing, Casting, Digital Media, Film and Music Events Planning, Fashion, Graphic Design and Illustration, Interior and Lighting Design, Landscape Design, Photography, Product Design, Professional Services, Sculpture and Mosaic Visual Art
Commentary	<ul style="list-style-type: none"> The Council's involvement brought together key stakeholders and brokered relationships with Crossrail, Network Rail and London Underground, enabling developers to acquire the site. The Council also helped finance the project

	<p>through a creative one-quarter grant to three- quarters loan arrangement from the Civic Enterprise Fund. This was not only crucial in getting the project started but also in attracting further private investment.</p> <ul style="list-style-type: none"> • GWS opened in 2009 and is 100% occupied with 104 studios housing a variety of creative entrepreneurs described earlier. GWS Ltd explain their role has been to curate a business environment where small companies can collaborate, be inspired by one another, and grow. GWS will expand to meet high demand.
<p>Success / Lessons Learnt</p>	<ul style="list-style-type: none"> • The Council’s role of enabler and facilitator created the platform from which the private sector developed out the facility and subsequently operate it. • The Council is keen to repeat this feat and in conjunction with GWS and the Canal and Rivers Trust, the Council will also seek to use vacant land along the Regent’s Canal to house new ‘container’ enterprise spaces. In turn the Council wants to engage creative SMEs here to take part in work experience and apprenticeship programmes for local young people. • Building on the lessons from GWS, Westminster City Council have stated that they will: <ul style="list-style-type: none"> • Seek to bring forward other overlooked sites and spaces that could accommodate new enterprise spaces • Bring people and organisations together to get projects moving • Secure external financial resources and use them in creative ways to initiate projects and bring other investment to the table • Assist partners in navigating Council policy and regulation to bring ideas to fruition.

Waterhouse Offices – City of London and the Shoreditch Trust	
Background and Overview	<ul style="list-style-type: none"> iNDUSTRY is the trading name for the Shoreditch Trust’s affordable workspace offering and have been supporting companies to grow as part of our community asset portfolio since 2004. Their iNDUSTRY sites offer desk spaces, studios and meeting spaces. Businesses can develop through the flexible use of space for meeting, networking, socialising, and cooking and eating together
Contact details	<p>Name: Liam Lawrence Email: liam@shoreditchtrust.org.uk Tel: 02070338546</p> <p>Name: Niall Coffey (City of London) Tel: 02073321476</p>
Existing workspaces	<p>The Shoreditch Trust have premises to rent under the iNDUSTRY brand in the following two London locations:</p> <ul style="list-style-type: none"> East Road, Shoreditch - Permanent desk space £300PCM and small studios with all-inclusive rents including access to meeting rooms, presentation facilities and informal meeting areas are available occasionally available from £2,200PCM. 21 Whiston Road which is near Hoxton and Haggerston - Small studios with all-inclusive rents including access to meeting rooms, presentation facilities and informal meeting areas from £1,000PCM. They also operate the Waterhouse Offices on Orsman Road in partnership with the City of London.
Commercial arrangements	<ul style="list-style-type: none"> All income generated through Shoreditch Trust’s Workspace and Enterprise Programme is re-invested in their charitable initiatives.
Types of users / members / occupiers	<ul style="list-style-type: none"> Affordable workspace to micro, small and medium-sized creative and tech businesses.
Commentary	<ul style="list-style-type: none"> Waterhouse Offices are located in the heart of a growing creative hub, overlooking the peaceful haven of Regent's Canal, just five minutes’ walk from Haggerston Overground Station. In partnership with the City of London, Shoreditch Trust provides large studio space for small and medium-sized enterprises at Waterhouse. The ground floor is home to our Waterhouse Restaurant, offering great food and drink through the day and hosting our Blue Marble Training programme, providing key skills training, pastoral support and guidance to 16-25 year olds facing difficult circumstances. Waterhouse Offices are also home to the Shoreditch Trust Head Quarters, where most of our programmes are coordinated from. They have a limited amount of office space available on 5-year lease terms at market rent. Spaces vary from 760sqft to 2,000sqft.
Challenges / Lessons Learnt	<ul style="list-style-type: none"> They draw from previous experience, so that each new workspace they launch complements the rest of their portfolio, providing more opportunities to suit our existing and potential tenants.

Impact Hub Westminster - Westminster City Council and Impact Hub	
Background and Overview	<ul style="list-style-type: none"> Impact Hub is a global business with locations ranging from Amsterdam to Johannesburg, Singapore to San Francisco. The business has evolved into a rapidly expanding, diverse global network of over 11000+ members and makers in 80+ locations. Their mission objective is to develop a community engaged in creating sustainable positive impact on people and planet. Their primary aim is to support organisations with positive social and environmental impact at the heart of their missions. They aim to provide flexible access to workspace and curate a supportive, collaborative environment. We believe early stage organisations struggle to survive in isolation. Our environment and services are designed to incubate the growth and impact of our members through collaboration and support.
Contact details	<ul style="list-style-type: none"> Chris Peacock (Westminster City Council) 07894207980 Impact Hub Westminster, 1st Floor New Zealand House, 80 Haymarket, London SW1Y 4TE, 0207 148 6720
Existing workspaces	<p>Impact Hub has the following:</p> <ul style="list-style-type: none"> 80+ cities 900+makers 11,000 members 380,000sqft
Commercial arrangements	<ul style="list-style-type: none"> Westminster Council have set up a SPV with Architecture Zero Zero and GWS Ltd. All parties have contributed varying levels of capital to the SPV as well as time and human resource. The SPV has taken the fag end of a lease to at New Zealand House and let the space on a license to Impact Hub.
Types of users / members / occupiers	<p>A place for inventors, venture capitalists, community activists, designers, engineers and policy makers working together to tackle our world’s challenges! We ask that you support the Impact Hub’s mission of enabling enterprising ideas for positive social and/or environmental impact.</p> <p>By way of example they offer a number of different memberships which flex the amount of time you can spend in the hub:</p> <ul style="list-style-type: none"> Membership (low to high access): Connection, Off-Peak, Hub 100, Hub Unlimited (£30-£420PCM) Dedicated Desk (£460PCM) Team Desk (£TBC)
Commentary	<ul style="list-style-type: none"> Westminster City Council co-founded Impact Hub Westminster, which is home to more than 500 entrepreneurs. Over the last five years Westminster City Council has invested approximately £5 million in enterprise programmes and now helps around 1,270 people a year to start their own business. Launched in 2011, Impact Hub Westminster is one of the largest of Impact Hubs global network of locally owned collaborative working spaces.
Success / Lessons Learnt	<ul style="list-style-type: none"> The space creates circa 100 jobs per annum however a significant proportion of these are not based on the Borough, the users simply drop into the space and their business are actually based elsewhere. Consequently, the accommodation causes tension politically when elected members are communicating with their constituents about the benefits it brings to their local economy.

The Sharp Project - Manchester City Council and New East Manchester	
Background and Overview	<ul style="list-style-type: none"> In 2006 Sharp Electronics vacated a 200,000 sqft industrial shed on the east side of Manchester. The site was acquired by Manchester City Council with a view to replace the existing high tech industry employer. They appointed Keith Jobling and Boot Room Communications to kick-start the work. The team expanded to include Sue Woodward OBE, former Managing Director of ITV Granada, architect Alistair Weir and subsequently Malcom Garrett to lead on the design. Together they secured funding, oversaw and implemented the design and build, generated the profile and recruited like-minded thinkers and future tenants.
Contact details	<ul style="list-style-type: none"> 0161 205 5508 enquiries@thesharpproject.co.uk
Existing workspaces	<ul style="list-style-type: none"> A single property located 10 minutes outside Manchester city centre in the North West of England and is close to air, motorway and public transport connections. It is 30 minutes from Manchester International Airport, and on the main arterial route into Manchester city centre, close to motorway connections. 70+ unique tenant spaces (offices + containers) 60+ businesses on site SharpFutures is a social enterprise that supports young people into employment in the creative digital sector. SharpFutures apprentices staff the front of house / reception at The Space Project as well as providing running services for onsite productions.
Commercial arrangements	<ul style="list-style-type: none"> New East Manchester Limited is a subsidiary of Manchester City Council, North East Regional Development Agency and the Homes & Community Agency
Types of users / members / occupiers	<ul style="list-style-type: none"> It's based in a 200,000 sq ft refurbished warehouse previously occupied by electronics company Sharp. It offers flexible office, production and event space at affordable prices to entrepreneurs and production companies specialising in digital content production, digital media and TV and film production
Success / Lessons Learnt	<ul style="list-style-type: none"> Focused on a single type of user and initially leveraged off the relationships/contacts of the key founding individuals to develop a sustainable offering.

Brent Workspace Study

Westbourne Studios - RB Kensington & Chelsea / Workspace Group	
Background and Overview	<ul style="list-style-type: none"> Workspace Group Established in 1987 with 18 multi-tenanted industrial estates, Workspace Group listed on the London Stock Exchange in 1993 and today the FTSE 250 REIT owns over 80 properties, predominantly business centres, all over London. We understand that they have collaborated with the RB of Kensington & Chelsea on the Westbourne Studios site but little detail of the commercial arrangements has been discovered.
Contact details	<ul style="list-style-type: none"> Tel: 0845 527 4367 Email: enquiries@workspace.co.uk
Existing workspaces	<ul style="list-style-type: none"> Workspace has 65 locations across London
Commercial arrangements	<ul style="list-style-type: none"> Not known
Business, employment and engagement approach (typical)	<p>By way of example the Workspace Group offer a number of different memberships which flex the amount of time you can spend in a hub and the number of locations:</p> <ul style="list-style-type: none"> Co-working / Office Membership known as 'Club Workspace' (low to high access): there are 3 types (£250-£325PCM) Meeting Rooms Community - Talks / Seminars / Directory / Key Partner Support <p>They also offer light industrial space in a number of locations across London.</p> <p>Little information on the arrangement between Workspace and the Council is publically available or obtainable from either party.</p>
Examples	<p>The Council's desire for premises for creative industries and how it kicked off the Westbourne Studios was documented in a Case Study authored by the Local Government Association and the specifically the Economic Growth Advisors Programme. The Council garnered the support of key local partners including the museums at South Kensington (Science and Victoria & Albert); the Design Museum; and higher education in the form of Imperial College, the Chelsea College of Art and Design, and the Royal College of Art. The partnership agreed to support local business growth ambitions through four inter-related priority areas:</p> <ul style="list-style-type: none"> Space and resources Clusters and networks Investment and finance Access and support. <p>Workspaces strategy is to own unique buildings and digital infrastructure, while having direct customer relationships and providing flexible leases and the right lifestyle facilities. They believe this is proving to be immensely popular at differentiating them from others in the market</p> <p>The minimalist modern studios are wrapped around an internal communal atrium which features an incredible on-site cafe housed, naturally, in a shipping container. The building also boasts a co-working lounge and high-spec meeting rooms with plug and play technology</p>
Success / Lessons Learnt	<ul style="list-style-type: none"> Could not make contact

Market Operators, Providers & Developers

CIC	
Background and Overview	<ul style="list-style-type: none"> • Meanwhile Space CIC is a social enterprise which helped to establish the term 'meanwhile uses' for vacant commercial space. Meanwhile is the use of empty buildings whilst the landlord / owner is working up future plans for the property. Meanwhile users are small start-up businesses, which need space until their business is successful enough to afford accommodation on open market commercial terms. • Meanwhile CIC work across sectors to deliver Meanwhile projects and strategies by operating affordable workspace and deliver longer-term development projects. • Their objective is to promote the growth of new business/enterprises by providing free or very inexpensive accommodation from which to operate from and therefore support entrepreneurial spirit.
Contact details	<ul style="list-style-type: none"> • Emily Brewyn (Director) • 07834400240 • emily@meanwhilespace.com
Existing workspaces	<ul style="list-style-type: none"> • The company has a changing portfolio of properties as they acquire the right to occupy vacant space in buildings that are awaiting redevelopment or refurbishment. • Since their establishment in 2009, Meanwhile have occupied 44 properties.
Commercial arrangements	<p>They operate in three ways to provide meanwhile space:</p> <ul style="list-style-type: none"> • Meanwhile rentals – they let space to individuals or small businesses within buildings they having previously agreed terms with the landlord for occupation. The terms could be financial but the key benefit to the Landlord is that they don't have to pay empty business rates and the security risk is reduced. • Meanwhile developments – they form a joint venture with the landowner, developer or investor to bring a property back into use or to redevelop. Typically, they create the right environment and set up the meanwhile space. To date they have taken a 5 year leases to create the environment. • Meanwhile delivery services - consultancy and project management skills to advice landlord on how to introduce and manage meanwhile uses and bring space back into use.
Types of users / members / occupiers	<p>80% of Meanwhile users are return to work mums</p> <p>Typical users are designers and makers, which can be broadly categorised, as creative industries. There are some technology and music industry users but these are in the minority.</p> <p>Meanwhile users are reported as typically paying between 50% and 80% of the current market rent but in reality it is much nearer 50%. When you consider what market rental levels are in Wembley for example £20-30sqft you can see that the occupational costs are very low. Workstations are typically let for £100PCM.</p> <p>The space is offered on very flexible terms typically 1 month to 12 months but they can get out in less than 1 month if required.</p>

	<p>The quality and arrangement of space is determined by the nature of the building and its configuration, by way of example they offer the following within their portfolio:</p> <ul style="list-style-type: none"> • Co-working in Creative Hub • 10 x co-working desks in pop up enterprise hub • 14 x Deskspace within studio / office pods • 1 x Shop space • 1 x fitted out routemaster bus cafe to kick start your F&B business, • Self Contained Office Space
<p>New opportunities sought</p>	<ul style="list-style-type: none"> • They are keen to work with Local Authorities and the discussion around the use of business space coming from S.106 requirements placed upon developers. • They are also seeking out JV partners in the private sector and using public sector grants/funding in order to redevelop properties
<p>Examples</p>	<ul style="list-style-type: none"> • Rock House, a 9 story mixed use development in Hastings which will provide 'co-habitation' space – co-housing, co-working, collaborative creative space. White Rock Neighbourhood Ventures Ltd is leading the project, which is a joint venture between Meanwhile Space CIC, Jericho Road Solutions and the White Rock Trust. The phased project started by taking ownership of Rock House in summer 2014 and will create 4,250sqft of living space and 8,040sqft of workspace. • The Good Year was to be an innovative 10-year affordable housing and co-working hub in New Cross. This arrangement is currently on hold but combined Meanwhile CIC and Goldsmiths University along with financial support in the form of HCA grant monies specifically for the re-use of vacant buildings.
<p>Challenges</p>	<ul style="list-style-type: none"> • Meanwhile has stirred up interest in this niche within the co-working accommodation sector and there is continued demand for their services and products. Since their early success in Brent they have moved onto other London Borough's and their users are following them to Harrow as there is a shortfall in the supply accommodation supply in Brent. • Meanwhile would like to see a longer-term commitment to their product and services than the short 12-18month time horizons they have previously experienced. • By developing a longer term working relationship with Local Authorities, and specifically those that buy into the 'potential for progress', they feel they can remain operating within an area for a prolonged period rather than having to move on when the support falls away. • If potential JV partners take a more considered and strategic approach and measure performance by the number of sustainable jobs and businesses created over a suitable period of time (5 years) the benefits of their skills and expertise will be realised. They are suggesting a Service Level Agreement whereby the desired outputs are set at the outset. • They feel that due to internal politics and changing personnel at Local Authority's there is sometimes a lack of continued desire and commitment to see it happen which makes it difficult for providers to deliver, they have said this specifically in relation to LB Brent.

Basepoint	
Background and Overview	<ul style="list-style-type: none"> • Basepoint is wholly owned by a charity, The ACT Foundation. • Any profit from the Basepoint operation is used by the charity to further its charitable objectives within the communities that it serves. • In addition, all Basepoint Business Centres, whether owned or managed, provide financial support to a local charity as part of their own objective to help develop sustainable communities. The ACT Foundation funds this support from its reserves and not through revenue generated at the Centre.
Contact details	<ul style="list-style-type: none"> • Name: Brian Andrews (Managing Director) • 01753 853515
Existing workspaces	<ul style="list-style-type: none"> • 32 locations • Predominately in the SE but as far West as Exeter and North to Bromsgrove • No central London locations but they do have a West London centre in Eastcote, which is close to Heathrow.
Commercial arrangements	<ul style="list-style-type: none"> • They are flexible in their approach as there is no commercial blueprint they seek to follow. • They have therefore leased space, entered into JV's with LA's and other public bodies or simply entered into management contracts to operate space. • If they enter into JV's typically the landowners contribution is the land and they contribute capital. Returns are apportioned based on their equity contribution after the costs of running the centre are allowed for. They have entered JV's whether by the landowner has also contributed capital and other parties such as the HCA participate through equity placement and also grants.
Types of users / members / occupiers	<p>They provide the following products/services:</p> <ul style="list-style-type: none"> • Office space • Flexi space • Virtual offices • Meeting Rooms • 24/7 business support service part of which is outsourced to ActionCOACH which provides business coaching • They provide space for all types of end users: sole traders, to small businesses, which don't outgrow the space 8-10 staff. They provide space to a range of sectors and are not associated with one in particular. Therefore, they offer space to Tech, Media, PR, Professional, Charities and Social Enterprises.
New opportunities sought	<ul style="list-style-type: none"> • Focused on LA partnering and keen to grow their network in the SE. • They don't currently have any London centres as they see the entry costs as being prohibitive and have therefore focused on locations around the Capital.
Examples	<p>Examples of JV's include:</p> <ul style="list-style-type: none"> • The Joiners Shop in Chatham, which is with the Chatham Maritime Trust. The accommodation provides 10,716 sqft of commercial accommodation, focusing on the needs of small, medium and start-up businesses, particularly those in the Arts, Crafts and Design sectors. • Haywards Heath was built in partnership with Mid Sussex District Council and West Sussex County Council, and is a modern business centre, providing over 9,000 sqft of space within 33 self-contained

units available for rental on a short, fixed or long-term basis. The facility will provide office, studio and workshop accommodation between 150 sqft and 500 sqft.

- Challenges
- Basepoint are successful in establishing JV's with partners when there is an alignment of business and socio economic values and consequently they typically seek to partner with Local Authorities.
 - LA's like Basepoint's charitable status means a proportion of its profits are distributed to its ACT Charity. They also nominate local charities to receive monies. In this way monies remain in the locality, which has a recycling effect that supports and grows the local economy rather than profits being returned to a national plc.
 - The challenge is finding LA's which place a premium on the socioeconomic benefits as well as the financial returns. They are more likely to be successful when tendering if the decision makers are the ones who share these values. They have lost out in the past when the focus is purely on the financial returns. It's worth noting that Basepoint has been commercially very successful showing healthy profits from its business endeavours.
 - They do not have a blueprint of how they structure commercial deals but they would not consider locations that compete with their existing centres.
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Oxford Innovation	
Background and Overview	<ul style="list-style-type: none"> • Manage Business & Innovation Centres on behalf of a range of building owners, including local authorities and property investors. • Their offer is not focused on maximising the financial return. Instead they blend financial sustainability and economic outputs for the building owners with the best possible environment to support the occupiers. Their energy is therefore directed at assisting, coaching and supporting businesses to grow which is a key performance measure as well as the number of jobs created.
Contact details	<ul style="list-style-type: none"> • Chris Allington (Managing Director) • 02392 658200
Existing workspaces	<ul style="list-style-type: none"> • 19 varied locations • Clusters on the south coast, Oxford, Eastern Home Counties and a few locations in the North. • No London locations
Commercial arrangements	<p>They enter into Management Agreements, as they cant afford to pay market rents, they do offer a turnover rent so there is some additional benefit to the building owner.</p> <p>Typically, they develop a Business Plan predicated on an operator managing the building to give a net rent to the building owner. In practical terms this means the P&L shown below includes:</p> <ul style="list-style-type: none"> • All revenues • All building operating expenses (including rates) • An innovation centre business support programme (including part-time, 0.4FTE coach) • A fee for the operator – 30% fixed, 70% as a percentage of revenue generated • A ground rent payment to the freeholder (£xxk/year rising with inflation). • An annual sinking fund rising with inflation
Types of users / members / occupiers	<p>They tailor the services provided based on the objectives of the Centre, the type of customers occupying space and the nature of the building. But every Centre has some common features:</p> <ul style="list-style-type: none"> • Flexible office, laboratory or workshop space • A range of shared and co-working spaces • On-site business support from a professional Centre team • High speed broadband and excellent telephony • A range of conference and meeting rooms • Access to networking and collaboration opportunities <p>When businesses reach a maximum of 10 workstations they typically won't renew their occupation, as it's at this stage that businesses want their own space. They are therefore focused on start-ups and smaller businesses operating in the innovation space. They have recently opened a separate 30,000sqft 'Move-On' space in their West Belfast centre when business outgrow the Innovation centre located nearby.</p>
New opportunities sought	<ul style="list-style-type: none"> • They are very keen on London as presently they are not represented, one hurdle being they can't offer a market rent.
Examples	60% of the centres they manage are Council owned.

Examples of how they operate are:

- In April 2011, Oxford Innovation was appointed through the OJEU process by Nottinghamshire County Council to manage 3 failing Business and Innovation Centres in North Nottinghamshire; Mansfield iCentre, Newark Beacon and Worksop Turbine. They are now producing a small rent and are financially viable as a consequence of better management and economies of scale. Their key performance measure is job creation and during 2013 and 2014 work at the three centres, which house 98 tenant businesses, has been instrumental in creating 19 new jobs, taking the total employment within and affiliated to the centres to an impressive 668 full time posts. During the same period innumerable jobs have been safeguarded both inside the centres and through the wider supply chain. Further, over 120 companies have benefitted from Oxford Innovation's dedicated one to one business support programme since the start of the contract – supporting opportunities for individual growth.
 - Oxford City Council, St. Aldates. In 2015 Oxford Innovated have leased space in the Council's property on a turnover rent whereby the base rent is 10-20% of the Market Rent with a turnover applying after costs have been accounted for. Initially the space was 3,000sqft but given the success it has grown to 5,500sqft.
-

Challenges

- Working with LA's has its challenges from a practical perspective when occupation of a property is shared. Gaining 24-hour access to properties, when the LA also occupies the space causes tension between the business users and LA's security requirements. This is typically resolved easily if separate access provision can be made.
 - The bureaucratic tendering process to participate in management contracts is bound by OJEU legislation makes them think twice about tendering if they don't already have a corporate relationship with the Authority.
 - They also like to see a strong link between the Officers and Members to ensure both are aligned.
 - They think LA's undertake too much due diligence, which slows the pace of appointment and future decision making.
 - LA's like the business support programme and the benefits it brings to the occupiers and the knock on effect of creating resilient businesses.
 - Business Survival Rates increase from 40%-60% when business support is in place.
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WeWork	
Background and Overview	<ul style="list-style-type: none"> WeWork is an American company providing shared workspace, community, and services for entrepreneurs, freelancers, startups and small businesses. Founded in 2010, it is headquartered in New York. A \$400 million funding round in 2016 raised the company's total funding to an estimated \$1 billion and increased its valuation to \$10 billion and doubled its \$5 billion last December 2015. Major investors of note are Fidelity and J.P. Morgan. WeWork was named among the "most innovative companies" of 2015 by Fast Company magazine.
Contact details	<ul style="list-style-type: none"> Name: Ryan Muncey Tel: 02036954926 Email: Ryan.muncey@wework.com
Existing workspaces	<p>They are on a rapid expansion programme with 54 co-working locations in across the America, Europe and Israel in 2015, which doubled their offices from the previous year. They have plans to expand to reach every continent by 2017. They have offices in the following territories:</p> <ul style="list-style-type: none"> AMERICA – US (19 centres), Canada, Mexico EMEIA – Germany, France, UK (11 locations), Netherlands, Israel ASIAPAC – Australia, China, Hong Kong, South Korea, (India – coming soon)
Commercial arrangements	<p>Space is leased on institutional terms. WeWork have retained James Townsend at Kontor as their UK property agent. They will not reveal the terms of leasing but typically it is on an institutional basis. Typically, the terms are as follows:</p> <ul style="list-style-type: none"> Rental: Open Market Rent (City c.£70sqft, Prime West End c.£115sqft) Lease length: 5-10 years (dependent upon the value of the capex works) Rent Review Pattern: 5 yearly to Open Market Rent Tenants break: after 5 years
Types of users / members / occupiers	<p>They provide the following products:</p> <ul style="list-style-type: none"> We Membership (60,000+ members) Hot desk (starting at c.£250 PCM) Dedicated Desk (starting at c.£325 PCM) Office (1-100+ people c.£660 PCM) <p>Their latest offering in the US is WeLive, which is a co-living offering. They have opened two sites to date one in New York City and the other in Arlington, Virginia.</p> <ul style="list-style-type: none"> Private bedrooms cost \$1,900-\$1,640 pp PCM Private studio \$1,640-\$3,050 pp PCM
New opportunities sought	<ul style="list-style-type: none"> WeLive brand in Canary Wharf. In December 2015 they were in talks to lease 110,000sqft of office space, which would be operated as the WeLive brand. The rental would be circa £50sqft and it would be at the Wood Wharf development, they would offer micro-flats to WeWork members on a short-term basis. It is understood that the delay in announcing the deal is due to the planning policy.
Challenges	<ul style="list-style-type: none"> Given the high level and increasing demand for flexible accommodation a blurring between traditional serviced office providers and the newer Co-working providers such as WeWork is occurring. It has been reported that traditional providers have increasing the amount of shared space by up to 25% and the likes of WeWork are moving towards a

model that more closely resembles one used by serviced providers. Over the course of 3 years to mid 2016 We Work has leased more than 700,000sqft in London. The level of competition for space is high which has affected pricing but demand continues to remain strong with some corporate office tenants such as KMPG and Santander taking space.

The Collective	
Background and Overview	<ul style="list-style-type: none"> The Collective was founded in 2010 when LSE students set out to solve a problem they experienced first hand namely the lack of quality accommodation available to young people in London. They have focused on understanding how young people live and work and sought to provide those spaces.
Contact details	<ul style="list-style-type: none"> Name: Reza Merchant Email: rmerchant@thecollective.co.uk Tel: 02071835478
Existing workspaces	<ul style="list-style-type: none"> They offer three products across 8 locations in London: Co-Living (Old Oak) Living (Acton, Camden, Hyde Park, Kings Cross, Notting Hill) Working (Old Oak, The Doughnut Factory, 14 Bedford Square) They are focused on their Co-Living brand rather than the provision of office space.
Commercial arrangements	<ul style="list-style-type: none"> They lease office accommodation
Types of users / members / occupiers	<p>They provide the following products/services:</p> <ul style="list-style-type: none"> Co-Living Serviced Living (£900-£1,300PCM) Flexible memberships Events and Activities Connected Community Business Support
New opportunities sought	<ul style="list-style-type: none"> The Collective are focused on their Co-Living brand rather than providing workspace. That's not to say they won't take on new work space but it would appear they are not actively seeking opportunities out. The Doughnut factory is one of their three workplace offerings came about as a consequence of the landlord, LB Ealing, approaching them to operate the space. Their Co-Living brand has one location at present at Old Oak in North Acton. It provides a variety of accommodation types (studios, 1 bed flats, parent + child, ensuite, ensuite + kitchenette) and is marketed as the largest Co-Living building in the world with c.540 bed spaces.
Examples	<p>The Collective have a co-working space in Ealing called the Doughnut Factory. This was previously run by a charity, Action Acton, on behalf of the LB Ealing. The space was not well patronised namely due to the quality of the fit out and environment as well as its management. The Collective approached the Council and agreed to take the space on. They committed to a 7-year lease at open market rent. They did not confirm whether this was inside or outside of the 1954 Act but they did invest capital fitting out the space.</p> <p>They were keen to stress the good working relationship they have with the Council and would work with them again.</p>

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They stated the Council was very pleased with the quality of the space as well as its affordable pricing and the flexibility offered. Workstations are priced from £245 PCM and aimed at the creative start-up and young businesses.

The Doughnut Factory offers:

- Private offices (4-6 person)
- Fixed desk, co-working area
- Hot-desking
- Meeting rooms
- Events Space
- Kitchen/Cafe area
- Roof terrace

Challenges

- Their CEO did not comment upon any challenges in agreeing the commercial terms with the Council. Given this was a straight forward leasing deal it would appear that alignment between officers and members on the future use of the space was less important given it was already operating as co-working accommodation.
-

The Office Group (TOG)	
Background and Overview	<ul style="list-style-type: none"> Two real estate professionals launched the business in 2003 and by 2010 there were 7 buildings in the portfolio. It was at this point Lloyd Dorfman (Travellex) bought out the previous equity shareholders and added his 4 buildings to the portfolio and became the Company Chairman of the rebranded business called The Office Group (TOG). TOG's founding vision was to create beautifully designed buildings with a wide variety of spaces, and to offer tenants progressive membership schemes and short-term leases to allow for growth and change. The majority of their users are tech start ups which require occupation flexibility as their business needs to be agile and grow and shrink quickly to service the short term nature of their engagements (1-2 months at a time) TOG is keen to highlight their variety of buildings and identities, which will appeal to a wide range of users and their individual business image/profile. Common to all is the quality of their offices, range of facilities and communal areas to facilitate a collaborative working culture.
Contact details	<ul style="list-style-type: none"> Eva eva@theofficegroup.co.uk 02037731880 Sarah (Shard Office Manager) sarah@theofficegroup.co.uk 020 3355 9463
Existing workspaces	<ul style="list-style-type: none"> 11,000 members 29 buildings, 27 of which are in London the other two buildings are in Leeds and Bristol
Commercial arrangements	<ul style="list-style-type: none"> Commercial leasing of space in prime central London locations, which is then let to users/members on a variety of bases. Since 2013 they have taken up more than 500,000sqft across London. Average commercial rents in the London range from £50sqft on the City fringe to £70sqft and higher in prime locations. TOG has taken XX sqft in the Shard and charges co-working space at £300 PCM, there is a very significant mark up compared to the annual leasing costs. The Shard is currently 100% occupied with a waiting list for Membership, which allows you to use the space without having to reserve 24hrs in advance. In late 2011 TOG formed a 50:50 Joint Venture with Network Rail to refurbish and run empty office space and drop-in working areas at 5 mainline stations. Office agents have commented that TOG and others of its type have shifted their provision and are offering more leased office space to its members than co-working accommodation.
Types of users / members / occupiers	<p>Users of the space are varied and include: app creators and advertising agencies; makers and media companies, financiers and foodies; artists and architects; and a smorgasbord of startups, entrepreneurs and freelancers.</p> <p>They tailor the services provided based on the objectives of the Centre, the type of customers occupying space and the nature of the building but every Centre has some common features:</p> <ul style="list-style-type: none"> Flexible office (2-400 people on flexible leases) A range of shared and co-working spaces

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- A range of membership types (lounge, office, co-working)
 - Meeting Rooms
 - Event Spaces (20 event spaces across London, Leeds and Bristol for 10-300 people)
 - Community team to connect the 11,000 members
 - Virtual Addresses
-

Examples

Examples of how they operate:

- Network Rail JV. In 2011 they formed a 50:50 Joint Venture vehicle to refurbish and run empty office space in 5 mainline stations in London and provide drop-in working areas in the station. The rationale was to provide commuters with shared or private working areas similar to airport business lounges, with stylish meeting rooms, superfast broadband and receptionists to handle mail, telephone and switchboard enquiries. The offices at King's Cross, Leeds and Liverpool Street stations were completed in 2014 and provide a total of c.50,000 sq ft of accommodation in addition to the offices at Paddington and Euston bringing the total capacity to 1,100 people. The spaces have been configured to provide offices, meeting rooms and drop-in workspace, known as ClubRooms. The commercial property team at Network Rail is led by David Biggs who has led the use of JV's across their Estate. Their share of profits is reinvested in the railway infrastructure both passenger and freight. Typically, a 50:50 JV is set up as an SPV whereby the both party's contributions be it land or capital is drawn down in accordance with an agreed Business Plan. Third party debt is typically raised and development takes place with one of the JV members providing the specialist development and operational expertise.
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The Developer's Perspective: Quintain

- 6.122 Quintain acquired a total of 44 acres in 2002 which all bar 5 acres is linked together. They have subsequently bought and traded a further 9 acres of land. In 2002 the site had an outline planning consent for 700,000sqft of offices which was and still is a huge level of accommodation and only deliverable over multiple market cycles. The conditions back in 2002 were not conducive to begin delivering the space and their masterplan was to create a neighbourhood which was economically sustainable and of sufficient scale to allow large scale high quality office development.
- 6.123 Fast forward to today and the Quintain has completed many parts of their masterplan. They started by refurbishing the Arena, developed the Hilton hotel in 2012, constructed some residential before the recession and then completed the shopping centre and a further 500 units. They are currently on site delivering 1,000 new apartments. The total construction cost of these works is in the region of £800m.
- 6.124 They have yet to commence development of new offices but they have participated in the office market back in 2003 when they acquired York House. This property is 110,000sqft and constructed in the early 1960's. At the point of acquisition, it had a 45% vacancy rate and commented they received little to no support from LB Brent in trying to let the building. The vacancy rate is now circa 2% driven by the use of Permitted Development Rights to convert offices to residential. They commented that 8 out of the 9 office buildings of a similar scale within the Borough have been converted into residential accommodation. York House is the 9th building and therefore the reduction in supply has meant high competition for the space. It has an ERV of £20/sqft and circa 450 tenants taking space of between 290-10,000sqft.
- 6.125 In September 2016 Quintain launched their first office scheme which will comprise circa 80,000sqft of Grade A accommodation with retail on the ground floor. They can develop because they have a pre-let in place which allows them to raise development finance secured against the lease. They pointed to the role LB Brent played when they launched the accommodation with the Leader, Mohammad Butt, speaking supportively at the event. Their view of the future demand for office accommodation in Wembley is positive and pointed to a number of key influencing factors from the London and national perspectives:

National Factors

- Increasing flexible working practices allow people to work remotely
- Technology advances making communication and the distribution of data faster and easier

London-Centric Factors

- Business Rate increases – the anticipated c.25% increase will significantly drive up occupational costs of central London occupiers forcing them to look at other locations commonly referred to as the 'Value Propositions'. These locations in addition to Wembley include Stratford and Croydon.
- Good rail transport infrastructure with fast journey times into central London
- Excellent broadband capacity due to fibre. Central London is not all fibre and therefore some locations suffered from slow download speeds. In Wembley, they say a movie download time is circa 4-5 seconds, which makes a huge difference for creative and media industries share images, video and other large file size media.

- 6.126 As to the type of accommodation required in the Borough, they have been in discussions with several of the smaller workplace providers rather than the mainstream serviced office providers like Regus, WeWork and TOG. The push back they have experienced is these providers failing to see the level of demand. Quintain were keen point out they frequently see the evidence of business activity from small 1-2 person businesses in Wembley.

- 6.127 They also commented that if these small businesses are successfully and grow taking on more staff and needing more accommodation there is little on offer in the Borough. They pointed to the experience of company called Surfdomo which successfully grew from a 1-2 person business to a small business with offices in York House and a warehouse for their surfing clothing stock to a much larger business recently acquired by Rip Curl. Before it was acquired the lack of suitable accommodation had meant that it had moved its offices out of Brent and the warehouse to Northamptonshire.

Quintain's Views on Possible Changes to S.106 Policy

- Quintain identified several possible changes to the currently planning policy which would enable and help support development activity:
- The discounting of business rates or business rate holidays on speculative development which would lower the occupational costs especially considering the anticipated jump in business rates in prime London office locations
- CIL could be used to financially subsidise the occupier/user cost of affordable workplaces or floors of dedicated workspace within open market office buildings
- The reduction of CIL rates to lower the total cost of development as CIL is typically passed onto the end occupier in the form of a higher rental

- 6.128 Interestingly Quintain advocated that the promotion of affordable business space provision using a strategy like that for affordable housing (whereby a % of the accommodation is provided) is potentially detrimental. They believe that to provide the affordable accommodation it would need to be subsidised by the open market offices, which then pushes up the open market rental cost. In marginal office locations, such as Brent this may not be achievable, given that open market rents are at c.£30sqft a potential £5sqft subsidy represents a 16% increase which the market cannot bear.

Workspace Planning Policies

- C.1 To gain an understanding on best practices within workspace provision, a number of examples have been examined across London.

LB Hackney

- C.2 Hackney Council has set out requirements for workspace in its emerging Development Management planning policies which recognises the importance of securing additional workspace and studios, including affordable space, as part of new developments across the borough. These requirements are used to assess planning applications and negotiate the terms of planning agreements.
- C.3 Policy DM16 of the Hackney Development Management Local Plan states that the Council will seek 10% of the new floor-space within major commercial development schemes (where the floor-space is more than 1,000 sqm), and within major mixed-use schemes in the Borough's designated employment areas, to be affordable workspace. A planning applicant should submit evidence of agreement to lease the workspace preferably in association with a Council registered workspace provider. If on-site provision is not possible, financial provisions for equivalent off-site provision will be sought from developers.
- C.4 The Council considers affordable workspace to be where rent and service charges are at least 20% less than comparable local market rents.
- C.5 To assist in the development of workspace providers, the Council has run three attempts to compile a list of all providers in Hackney. The Council has made this list available to promoters and developers of schemes to help facilitate discussions and partnerships with workspace providers early in the planning and design process. It is envisaged that by doing so, more workspace will be delivered which can meet the affordability, specifications and terms that work for both parties and the future tenants of the space.

LB Wandsworth

- C.6 Wandsworth' Development Management Local Plan identifies a need for flexible business space for small and medium enterprises within the borough. This will help attract modern office and related B1 occupiers, who typically require high quality and economical accommodation designed to enable flexible occupation (and 'grow on' space) and flexible, affordable space suitable for creative start-ups including artists and designers.
- C.7 Policy DMI 4 states that where proposals include an element of B1a (office) floorspace, it should be designed to provide a good quality accommodation and to enable flexible occupation. This typically includes features such as:
- clear and flexible floor plate space with few supporting columns;
 - availability of a range of unit sizes ranging from 50 sqm up to 2,000 sqm
 - realistic rents
 - flexible leasing arrangements taking account of the Code for Leasing and Business Premises in England and Wales 2007
 - building management - developers are encouraged to come forward with development partners for the management of flexible employment floorspace prior to submitting an application
- C.8 There are similar requirements for B1b and B1c business floorspace, which should be designed for a range of uses, incorporating adequate floor to ceiling heights, wide doors/corridors and space for loading / unloading.

London Legacy Development Corporation

- C.9 The London Legacy Development Corporation's Local Plan (2014) sets out aspirations for the Queen Elizabeth Olympic Park over the next 25 years. Policy B.1 seeks to ensure that new provision of employment space is flexible, meeting the needs of a wide range of end users. Policy B.4 seeks to provide an enhanced level of low-cost and managed workspace. Existing managed and low-cost workspace shall be retained where viable and where it complements wider plans for the area. New managed workspace and/or low-cost workspace will be acceptable where it:
- Is flexible and able to meet the needs of various end users within B Use Classes;
 - Includes an appropriate management scheme secured through Section 106 Agreements
 - Does not result in a net loss of employment.
- C.10 Low-cost provision will be supported and secured through Section 106 where:
- Rents are up to 75 per cent of historic market rent for the previous year for the equivalent floorspace in the same area for an equivalent B Class Use
 - It is secured at the current market rate for cultural or creative purposes
 - It is subsidised to reduce the cost to the user for charitable purposes
 - It establishes robust management links with a registered workspace provider

OPDC Draft Local Plan

- C.11 Based on evidence from the London Enterprise Panel and the draft OPDC Industrial Land Review, the OPDC has aspirations to deliver an appropriate amount of floorspace for SMEs.
- C.12 The OPDC's preferred policy option (E4) is to require proposals for major commercial development to deliver affordable workspace, with other open workspace typologies supported where they are:
- Appropriately located and designed
 - Viable for nurturing and stimulating entrepreneurial activity, in particular future growth sectors
 - Informed by the needs of open workspace providers and the requirements of relevant small business sectors
 - Appropriately managed by a registered workspace provider, or supported by a management Scheme, and agreed through Section 106 agreements; and
 - Not resulting in a net loss of employment land or floorspace.

GLA Guidance

- C.13 The 'Creating Open Workspaces' Regeneration Guide (No. 2) produced by the Mayor of London is intended to help councils set up new open workspaces. 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'.
- C.14 Across London, affordable workspace in new mixed-use developments tends to be negotiated on a case by case basis. 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 by pooling contributions for off-site affordable workspace provision councils

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could create a critical mass, where different sectors want to be located, for example around high streets or other hubs.

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