



## Appendix 2

### Consultation Responses

#### Affordable Workspace - Supplementary Planning Document (SPD)

Rep	Respondent	Response Summary	Officer Consideration	Recommendation
1.	The Coal Authority	No comments	N/A	No changes proposed.
2.	Environment Agency	No comments	N/A	No changes proposed.
3.	The Impact Hub	Pursuing long-lease Affordable Workspace opportunities in both Camden and Islington at peppercorn rents in locations that are very central. It is difficult to justify paying more rent for a space in outer London. Exploring innovative alternatives such as profit rent, which offer a potential return to the landlord, but only once the operator has paid off the costs of setting up the space, and only if the operator makes a profit. This model is preferable for Operators such as Impact Hub who do not have ready access to large amounts of low-cost capital.	The Local Plan states affordable workspace should be at no more than 50% market rents. The 50% is therefore a maximum and the policy does allow for alternative funding models including the one outlined. However, in setting the threshold for affordability the Council had to assess the impact on viability. A balance needs to be struck to ensure affordable workspace requirements do not make a scheme unviable and therefore undeliverable. Early engagement between developer and with Operators will help identify a suitable model.	No changes proposed.
4.	Marine Management Organisation	No comments	N/A	No changes proposed.
5.	Canal & River Trust	No comments	N/A	No changes proposed.
6.	National Highways Limited	No comments	N/A	No changes proposed.

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7.	Historic England	No comments	N/A	No changes proposed.
8.	Mainyard Studios	Support - We've been on the Hackney affordable workspace provider list since 2012 so the initiative makes sense to us.	Support noted.	No changes proposed.
9.	Resident	Brent needs to provide space for young entrepreneurs who have a range of business development ideas.	Noted. The criteria for an Affordable Workspace Operator to be on the council's approved list is a commitment to target 75% of the space they manage in Brent to be for Brent residents. This will help support young local entrepreneurs.	No changes proposed.
10.	Resident	I am self-employed. I work from home but would enjoy having access to an affordable work space.	Noted. The criteria for an Affordable Workspace Operator to be on the council's approved list is a commitment to target 75% of the space they manage in Brent to be for Brent residents. This will benefit residents looking for affordable workspace.	No changes proposed.
11.	St George	The SPD requires a lot of detailed work at the planning application stage including securing an affordable workspace Operator. Concerned this is premature given the practicalities and timeframes for bringing forward a development. Allowing developers to engage with Operators after permission has been secured should be considered, particularly when the affordable workspace unit is likely to be delivered after a significant period of time from securing planning consent.	See response to detailed comments below.	See response to detailed comments below
		<p><b>Paragraph 4.2:</b></p> <p>It is not clear why the market rents need to be reviewed at the time of the application and prior to occupation. Reviewing rental values at the time of lease negotiations with the Operator is considered to be more practical.</p>	Information on market rental values is needed at time of application to inform the viability assessment, provide evidence of affordability and to assist/help the negotiations with Operators. There will be a time gap between when the permission is granted and the occupation, as such a review is needed to ensure rents remain comparable. Information on market rents is readily available and	No changes proposed.

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			therefore collecting this information should not overburden the applicant.	
		<p><b>Paragraph 4.4</b></p> <p>A high level of design is required by the draft SPD at the planning stage. For outline planning applications, this level of design is not required or appropriate. It would be premature to consult with Operators about their requirements when requirements could change by the time the unit is actually delivered. Further consideration should be given about requirements relating to outline proposals or those where the unit is likely to be delivered a significant period of time after permission is secured.</p>	<p>The SPD requires Operators to be engaged in design at an early stage to avoid spaces being built that are not fit for purpose.</p> <p>Consultation confirms that fit out costs are a significant factor for affordability and can be a real barrier for Operators.</p> <p>However, it is accepted on outline planning applications on major phased development it may not be possible to provide the level of detail stipulated.</p>	<p>Proposed change: <u>4.5. On outline planning applications for major phased developments it may not be possible to provide the level of design detail outlined above. In such circumstance, the applicant must demonstrate they have addressed the points above as far as reasonably practical. Where appropriate a condition will be applied in relation to aspects of the detailed design.</u></p>
		<p><b>Paragraph 5.1</b></p> <p>The experience at Grand Union corroborates the results from the market research, which says that 78% of Operators would not consider workspace under 465sqm. It is therefore surprising that units below this critical point will still be secured. With such a high risk and likelihood of smaller units being rejected by the Operator market, giving consideration to accepting contributions in lieu (instead of requiring the unit) may be prudent. Contributions in lieu can be used immediately whereas the process for delivering a unit that subsequently remains empty and then a contribution in lieu is paid, would take several years.</p>	<p>The market research found 57% of Operators would consider a space of 5000sqft (464.5sqm) or less. Text in paragraph 5.1 and Appendix 1 of SPD to be corrected. Equally research highlighted minimum size requirements varied significantly by typology, with office operators and creative studios requiring smaller spaces. Equally, geographic clusters where operators manage a variety of different smaller spaces within the same geographic area can be attractive for operators. As such it is considered the threshold is appropriate.</p> <p>We would welcome further discussions on St George's experience and will seek to assist in finding a suitable Operator.</p>	<p>Proposed change::</p> <p>5.1</p> <p>Market research with 49 operators revealed that <del>57-8%</del> 78% of respondents across all workspace typologies (incubators, accelerators, co-working, creative studios, makerspace, kitchens and mixed workspaces) would <del>not</del> consider a workspace of 5000sqft or less. <del>under 465 sqm G/A (5,000 sqft).</del></p> <p>Appendix 1 <del>78% would not consider a space smaller than 5,000 sqft</del> 57% of Operators would consider a space of 5000sqft or less.</p>
		<p><b>Paragraph 5.5.3 – 5.5.6</b></p> <p>It is considered risky to secure an Operator and agree a detailed design prior to securing planning permission. There is a risk to the Operator that the proposals may not secure permission. The timescales for identifying a suitable Operator and entering into an Agreement for Lease are likely to be longer than preparing a planning application. There appears to be a conflict in what the draft</p>	<p>The Council wishes to avoid situations where workspace is created which is not fit for purpose and remains vacant.</p> <p>Research identified early engagement was important to Operators, with 86% stating it was important to be involved in the design from the planning phases.</p>	<p>No changes proposed.</p>

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		<p>SPD requires and the aspects of the design that are typically agreed at planning stage. It is typical that commercial tenants are identified after planning permission has been secured as they tend not to secure units years in advance of their delivery.</p>	<p>The SPD does not require the Lease at planning stage. A condition is applied to planning permission requiring Heads of Terms for the Lease prior to Material Start. As such there may be circumstances where the Operator changes once planning permission is secured, however, early engagement will still be beneficial in providing evidence space will be fit for purpose.</p>	
		<p><b>Paragraph 5.5.7</b></p> <p>In the event that the Council takes on the unit, the developer would seek comfort that the unit will be tenanted. The SPD should set out what assurance the Council can give that the unit will be tenanted or steps to be taken in the event it remains empty. Active frontages contribute towards safety and security on developments. There are concerns that units may be left empty but the developer is unable to address this.</p>	<p>It is in both the developer and Councils interest for the space to be occupied. Ensuring an Operator is involved from the outset will minimise the risk workspace remains vacant. The SPD however, sets out a process in the worst case scenario to ensure the space is occupied.</p> <p>In the event after 12 months after practical completion the developer can't find an occupier it must offer a lease to the Council. The Council will endeavour to use its relationships with workspace Operators to find an occupier. The Council can decline the offer within 6 months. In the event the Council could not find an occupier and declines the space, the SPD sets out other options including the developer/owner leases directly to an Affordable Workspace occupier, or pays a financial contribution.</p>	<p>No changes proposed.</p>
		<p><b>Paragraph 5.6</b></p> <p>This paragraph appears to conflict with paragraph 5.5.7 which says that only units larger than 465sqm can pay a contribution in lieu if they have remained empty for 12 months after practical completion.</p>	<p>The distinction is that for space between 300sqm and 465sqm there is no requirement for the developer to first offer a 125 year lease to the Council in the first instance. Text to be amended for clarity.</p>	<p>5.5.7 For workspaces over 465sqm, <del>Where</del> where the developer/owner has been unable to secure an operator 12 months after practical completion (<del>for workspaces over 465 sqm</del>) having used reasonable endeavour to let the space, then the developer must offer at a minimum a 125-year lease to the Council on the same terms as if it were to an Affordable Workspace operator.</p>
		<p><b>Paragraph 5.6.4</b></p> <p>In the case where a contribution in lieu is agreed due to a unit remaining empty, it is not clear how</p>	<p>Paragraph 24 of the template s106 Agreement allows for a contribution in lieu in this scenario.</p>	<p>No change proposed.</p>

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		this will be secured by a S106 obligation as the S106 Agreement will have already been signed.		

#### Informal response received outside of consultation period

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12	Karakusevic Carson Architects	<p><b>Paragraph 7.3 and 7.4</b></p> <p>Questioned the need for using 'floor screed to door level' instead of raised access floor systems. As raised floor systems provide more flexibility when changing tenants.</p>	<p>Agreed 'floor screed to door level' should be replaced by 'final floor level'. The change is to guarantee operators won't have to build up the floor to be flush with the door which can substantially increase the costs.</p>	<p>7.3 and 7.4: Finished to a standard that will allow for immediate occupation, including secure entrance(s), LED lighting, kitchenette(s), WC facilities and <del>floor screed to door level-</del> final floor level;</p>