Report to:	Scrutiny Committee
Date:	21 March 2019
Title:	Scrutiny Review of affordable workspace and support for the creative sector
Report of:	Scrutiny Affordable Workspace Panel
Ward(s):	All
Purpose of report:	To present the findings and recommendations of the Scrutiny Panel Review into the need for affordable workspace across the Lewes District and support for the creative sector
Officer recommendation(s):	(1) That the Scrutiny Committee recommends that the Council adopts a position statement formalising its commitment to supporting the growth of the creative sector. (2) That the Scrutiny Committee recommends that the Council formally adopts South East Creative Economy Network's (SECEN's) approach to defining affordable workspace. (3) That the Scrutiny Committee encourages the Council to investigate the potential for Meanwhile Use Leases for the temporary use of Council assets, subject to statutory constraints. (4) That the Scrutiny Committee encourages the Council to explore the potential to facilitate the development of new "open workspace" in the District. (5) That the Scrutiny Committee recommends a one off financial allocation of £10,000 to investigate the feasibility of Meanwhile Use Leases, including a full business case, to recognise the considerations of the cost of upgrading existing properties to lettable standards in line with existing legislation, ongoing maintenance requirements and any opportunity cost arising from higher value uses being lost within the District. (6) That the Council's Regeneration service continues to work closely with Locate East Sussex (LES) and other partner agencies to ensure they continue to collaborate effectively with South East Creative Cultural and Digital Support (SECCADS) and the creative sector. (7) That all services across the Council continue to raise awareness and inform residents and enterprises of the business support available to them through their business engagement and marketing methods including casework, meetings involving the business community, Council website and District News.

Reasons for recommendations:	(1) To enhance the Council's commitment to Growth & Prosperity with specific reference to the local creative sector. (2) Capitalise on the extensive strategic collaborative work already underway by SECEN and SECCADS in the South East Local Enterprise Partnership (SELEP) area, which the Council is committed to supporting and working with, to address barriers for the creative sector, including the shortage of appropriate workspace and in business support and advice. (3) To ensure that existing external agencies and partners are aware of the needs of all aspects of the diverse economy of Lewes District, including emerging opportunities for collaboration with SECCADS to create a more fit-for-purpose commercial property solution for the sector. (4) Although the creative sector is an important part of the local economy of the Lewes District, the sector is responsible for a relatively small proportion of total employment. Support to grow the sector could be beneficial in achieving the Council's Growth and Prosperity objectives. (5) To recognise that Meanwhile Use Leases can offer benefits to both the Council and the local economy, but that such uses may have an opportunity cost attached should higher values uses come forward.
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1 Introduction

1.1 A Scrutiny Panel was formed in January 2018 to better understand how the Council could meet the demand for low-cost and affordable workspace in the District, with a special focus on support for the creative industries. A Panel consisting of Councillors Carter (Chair), Adeniji, Ient and O'Keeffe (later resigned) was set up to undertake the Review with support from Officers from the Regeneration team.

1.2 The Review was in response to the large concentration of small and medium sized enterprises (SMEs) including micro enterprises[1] in the local economy and their need for affordable workspace to enable them to prosper; and secondly, interest in best practice examples from other local authorities that the Council could consider to better support the creative economy in the Lewes District.

The Scrutiny Panel agreed upon three objectives to review:

1. How can Lewes District Council engage and influence South East Creative Economy Network (SECEN) and other strategic partnerships to support the development of affordable workspace?
2. What can Lewes District Council do better to support creative businesses?
3. How effective are the commercial property databases, and the Locate East Sussex service in searching for affordable, and creative workspace?

1.3 The Panel had three meetings to which relevant Council Officers and key stakeholders were invited. Officers from the Council's Regeneration service also had discussions with nominated institutions. Contributors to the Review are listed in Appendix 1 and a full account of the Scrutiny Panel meetings are available on the Council's website.

1.4 There were also three anonymous online surveys targeted at creative businesses; affordable, open and creative workspace providers; and networks and organisations that support local creative businesses.

1.5 It was recognised early on that the key terms and concepts in the Review needed to be understood. After desktop research and consultation with stakeholders engaged in the process, the key terms throughout this report are outlined in Appendix 2 and either understood as, or provide a number of definitions or approaches for consideration.

1.6 The structure of this report is based on the three objectives of the Review but begins by providing an overview of the creative local economy in the District.

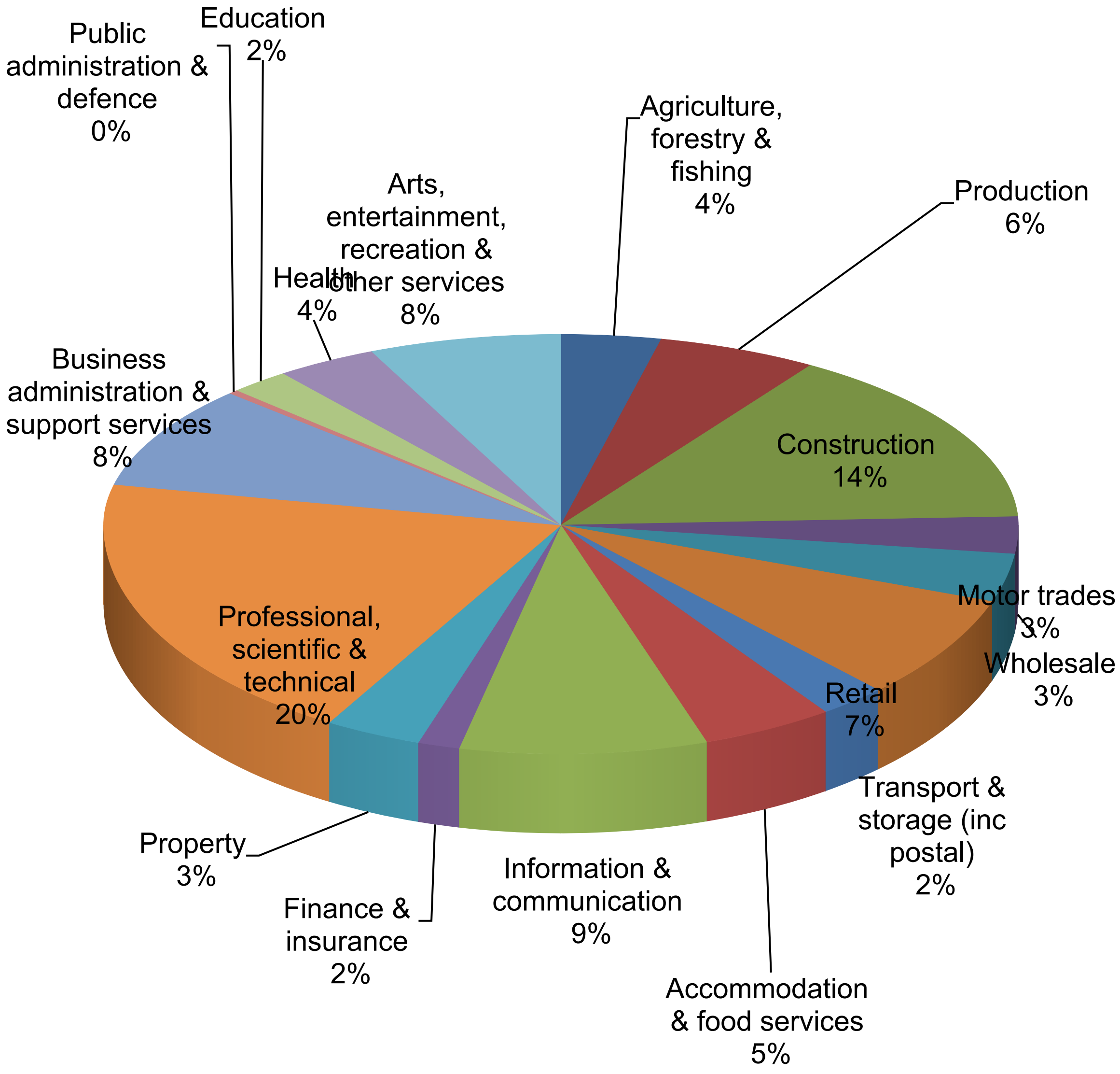
2 The local SME and creative economy

2.1 99.7% of businesses in the Lewes District are small and medium sized enterprises (SMEs) including micro enterprises (East Sussex 98.5% and the South East and England 98.1%)[2].

2.2 Including large businesses, the biggest sectors by enterprises are professional, scientific and technical and construction (total of 1,465).

[1] Enterprises with fewer than 250 employees
[2] Business enterprises by size of business, 2018 - East Sussex in Figures - Office for National Statistics/Inter Departmental Business Register

Graph 1: Business enterprises by industry group, 2018



Source: Business enterprises by industry group, 2018 – East Sussex in Figures - Office for National Statistics ONS/Inter Departmental Business Register

2.3 There is a larger concentration of creative businesses in the Lewes District than East Sussex, the South East and England – see table 1. IT, software and computer services is the largest sector of creative business enterprises in the Lewes District[3], however it is not as concentrated as in East Sussex, the South East and England. Music, performing and visual arts and film, TV, video, radio and photography have a stronger presence than observed across East Sussex, the South East and England, although these remain a reasonably small contributor towards total businesses in the Lewes District.

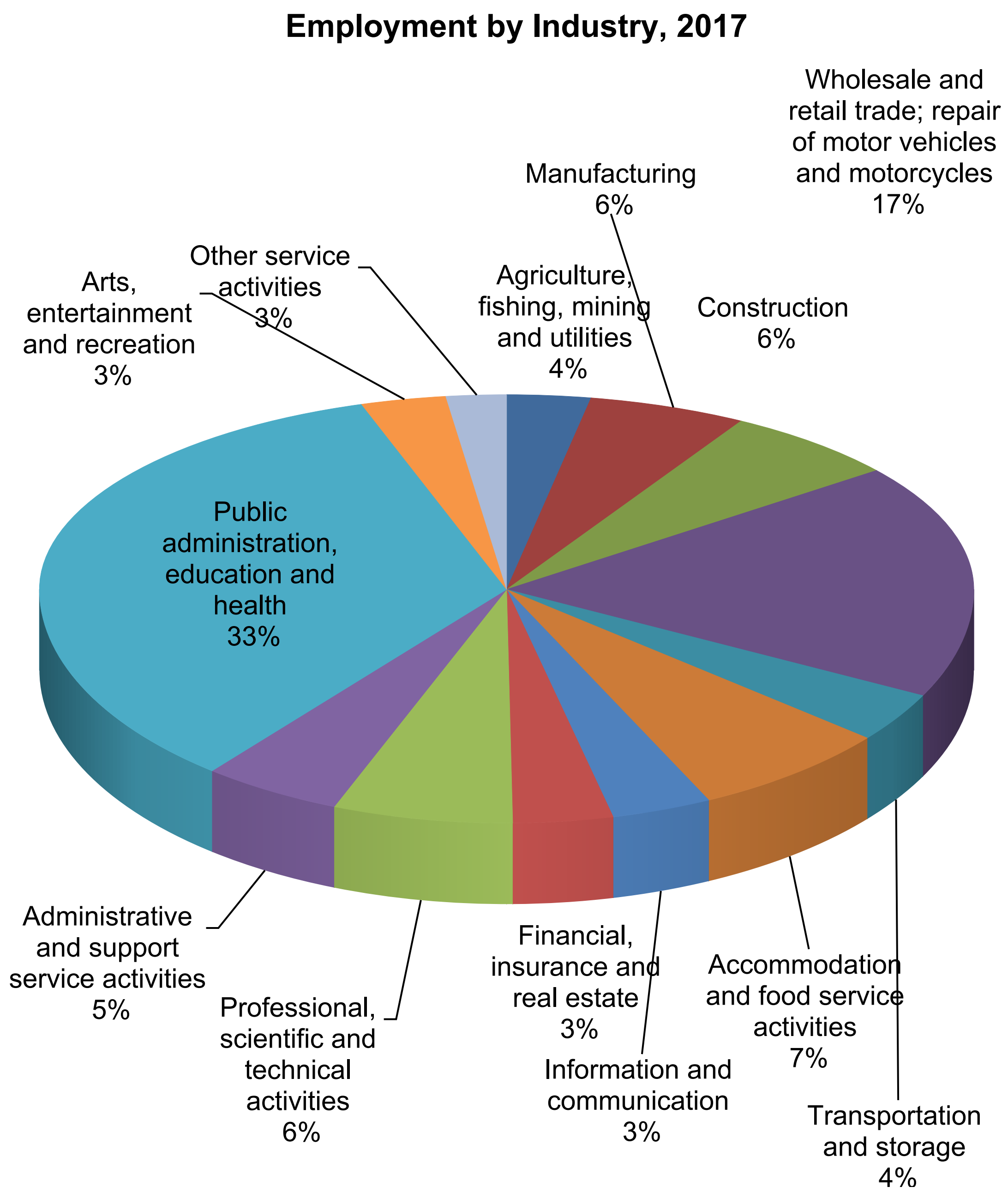
[3] Creative & Digital Economy in East Sussex report, 2018 – Companies House data and Creative businesses, 2018 - East Sussex in Figures - Office for National Statistics/Inter Departmental Business Register, via NOMIS UK Business Count

Table 1: Number of creative business enterprises and by sub-sector, 2018

	Lewes				
	Number	**%**	**East Sussex %**	**South East %**	**England %**
All creative businesses	635	14.4	11	13.6	11.6
Advertising and marketing	60	9.4	9.1	7.7	8.6
Architecture	45	7.1	7.5	4.8	5.4
Crafts	10	1.6	1	0.3	0.4
Design and designer fashion	65	10.2	9.1	7.3	8.1
Film, TV, video, radio and photography	90	14.2	11.5	9.8	11.4
IT, software and computer services	200	31.5	36.8	56.4	50
Publishing	35	5.5	6.7	3.6	3.7
Museums, galleries and libraries	0	0	0.6	0.3	0.3
Music, performing and visual arts	125	19.7	17.8	9.8	12.1
All industries	4410				

Source: East Sussex in Figures - Office for National Statistics/Inter Departmental Business Register, via NOMIS UK Business Count. Calculated by applying a detailed sector definition provided by the Department for Culture, Media and Sport (DCMS).

2.4 The largest sectors by employment are public administration, education and health (12,000 jobs) followed by wholesale and retail trade; repair of motor vehicles and motorcycles (6,000 jobs).



Source: Employment by industry, 2017 – East Sussex in Figures, Business Register and Employment Survey, ONS/Nomis.

2.5 There is a larger concentration of creative jobs in the Lewes District than East Sussex and England – see table 2. The largest concentration of creative jobs is in IT, software and computer services, however it is not as concentrated as in East Sussex, the South East and England.

Table 2: Employment in creative industries, 2017

	Lewes District			East Sussex		South East		England	
	Number of creative jobs	% of all jobs	% of creative jobs	% of all jobs	% of creative jobs	% of all jobs	% of creative jobs	% of all jobs	% of creative jobs
All creative sectors	1750	4.8		3.1		5.1		4.6	
Advertising	150	0.4	8	0.2	7.5	0.5	9	0.5	11.7
Architecture	150	0.4	8	0.2	7.9	0.2	3.5	0.3	5.7
Crafts	50	0.1	2.9	0.1	2.7	0	0.3	0	0.4
Design	100	0.2	5.1	0.2	5.4	0.2	3.5	0.2	4.1
Film, TV, video, radio and photography	100	0.2	5.1	0.2	7.9	0.3	6.5	0.5	11.8
IT, software and computer services	500	1.5	31.4	1.1	35.4	3.1	60	2.1	45.3
Publishing	200	0.5	12	0.4	11.7	0.4	7.9	0.4	8.6
Museums, Galleries and Libraries	125	0.3	6.3	0.2	7.1	0.2	3.2	0.2	3.9
Music, performing and visual arts	400	1.2	24.3	0.6	18.8	0.3	6.5	0.4	8.5
All industries	37000								

Source: East Sussex in Figures - calculated by applying a detailed sector definition provided by the DCMS.

2.6 It is clear from local surveys[4] of creative practitioners that much of the sector is small in nature. Although creative businesses account for 14.4% of the district's business base, they account for just 4.8% of jobs.

2.7 There is a high level of freelancing in the creative industries, many of whom are sole traders. It is estimated that freelancers make up around a quarter of the sector - although the levels of freelancing vary between the different subsectors. As the sector is dominated by small businesses, sole traders and freelancers (many of whom may not be classified under the Standard Industrial Classification or appear in official statistics) the true size of the sector is difficult to establish, so employment estimates should be taken as approximate[5]. 64% of respondents to the East Sussex Creative Workspace Enquiry (2017) were freelancers/ self employed creative workers and 25% were creative business owners.

2.8 The UK's creative industries are becoming more important in local economies across the UK in terms of creative employment and in the number of businesses. The most creative industries activity is concentrated in London and in the South East of England. The Lewes District falls within the boundaries of three creative clusters – Brighton, Crawley and Eastbourne[6]. There has not

[4] Made in Newhaven's group questionnaire, 2018 and Lewes Phoenix Rising survey, 2018
[5] Creative Skillset, Employment Census of the Creative Media Industries report, 2012
[6] The Geography of Creativity in the UK report, NESTA, 2016

been any growth in creative employment in the Lewes District between 2015-2017[7], however there has been a 55% increase (410 to 635) in the number of creative business enterprises between 2010-2018[8]. A challenge for the Council is to support creative enterprises to create more employment opportunities for local residents as part of the sector's growth.

3 Objective 1 - How can Lewes District Council engage and influence South East Creative Economy Network (SECEN) and other strategic partnerships to support the development of affordable workspace?

About SECEN

3.1 Established in 2013, SECEN works to accelerate growth in the digital, creative and cultural sector across the SELEP area. It is a working partnership between local authorities, creative businesses and education bodies.

3.2 SECEN identifies barriers to growth and implements practical and scalable initiatives to overcome these barriers and has developed a vision[9] for the creative sector within the SELEP area. The Prospectus sets out a portfolio of sector-led initiatives to build a more self-sustaining, creative and cultural infrastructure in the South East.

3.3 SECEN is also responsible for SECCADS – a two-year business support programme designed to support creative, cultural and digital businesses that ends in December 2020. It will include a small scale capital grants programme to support the creation of more shared facilities. SECCADS will be discussed further in section 4.9.

3.4 The Council is represented on SECEN by the Strategy & Partnership Lead (Growth & Prosperity). As such, the Council is helping to influence SECEN's strategic priorities. Much of this work is at a relatively early stage and so it is too early to identify if these relationships are being maximised for the benefit of the economy.

Definitions of affordable workspace

3.5 Appendix 2 - Key terms outlines a number of definitions or approaches on what is meant by affordable workspace by SECEN and others. There is no official or consistent definition. In essence it is when commercial rents and charges are below comparable market rates, however SECEN use the generic term "open workspace" whereby most tenants of such space are microbusinesses with a significant proportion being creative businesses, and costs are reduced by sharing space and resources.

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[7] Employment in creative industries, 2015-17 – East Sussex in Figures
[8] Business enterprises by industry group, 2018 – East Sussex in Figures - Office for National Statistics ONS/Inter Departmental Business Register
[9] Towards a National Prospectus for the Creative Economy in the South East, SECEN

Supply and demand for affordable and creative workspace

3.6 SECEN has identified a shortage of appropriate workspace as a barrier to growth and has developed a plan 'Towards a South East Creative Economy Workspace Masterplan[10]. It makes the case for investment in creative "open workspace" to support the growth of the creative economy across the SELEP area. The key actions in the Masterplan for SECEN to address are:

- Identify a minimum of three Creative Enterprise Zones
- Create a pipeline of projects through an investment strategy and toolkit
- Research and present existing and new options for financial and governance models
- Develop cultural planning policy that can be adopted by local authorities to support the inclusion of creative workspace in new developments and the re-purposing of under-used buildings as creative workspace
- Create a SELEP-wide "open workspace" property portfolio including under utilised premises
- Continue to grow the evidence base

3.7 Local research undertaken by this Review has also identified workspace as a potential barrier to sector growth. There appears to be a mismatch between the supply and demand of affordable and suitable workspace in the Lewes District for creative businesses. This exists due to the following themes: affordability, type of workspace and location.

<u>Affordability</u>

3.8 The amount creative businesses pay to rent workspace in the District varies, as well as the price enterprises are prepared to pay – see Appendix 3. This is due to the diversity of the sector and their differing workspace needs, as well as location.

3.9 Commercial rents in general do fluctuate due to type (office, industrial, retail, storage etc.), quality, and location (coastal, urban and rural and primary, secondary and tertiary) with the Lewes District being no exception. In the local area rents typically range from £7.50 sq ft - £15 sq ft[11]. Prime rents for industrial and logistics premises in Lewes are in the £8.50 to £9.50 per sq ft range, mostly for units of 2,500 – 5,000 sq ft, with rents of £6.50 to £7.50 per sq ft being quoted in Peacehaven. Rents are at a lower level of between £5.00 to £6.30 per sq ft in Newhaven, mostly for older and un-refurbished stock, however rents at Eastside Business Park are at £7.50 per sq ft[12]. Typically, rents for office space are closer to £15 sq ft and are more expensive in Lewes town than elsewhere in the District.

3.10 In Brighton & Hove, industrial and warehouse rents are generally in the £7.00 to £10.00 per sq ft range, although this rises to £15.00 per sq ft for small units up to 2,500 sq ft[13]. Office rents in Brighton are at £31.50 per sq ft and are predicted to

[10] Creative workspace masterplan draft v6, SECEN, September 2017
[11] Locate East Sussex, 2018
[12] South East Industrial & Logistics Focus, Q3 2018, Stiles Harold Williams
[13] South East Industrial & Logistics Focus, Q3 2018, Stiles Harold Williams

rise in the future[14].

3.11 The Lewes District and East Sussex is still more affordable than locations such as London and Brighton, and is attracting some attention from commercial occupiers in these locations that are considering re-locating to find larger / more affordable premises. By providing the right workspace for the sector in the SELEP area, SECEN plan to capitalise from this economic outflow.

3.12 Affordability and availability of workspace was cited across all sources as a key barrier, especially in Lewes town. This is not, however, exclusively an issue for the creative sector. It is an issue across the economy and reflects the pressures of higher-value residential development and other commercial land uses, as well as limited space and abnormal site constraints.

Type of workspace

3.13 The Review has collated details of the type of space in demand locally and a wish list of property features – see Appendix 4. Again due to the diversity of the sector, the types of workspace occupied and in demand varies but evidence suggests there is a need for flexible and basic low-spec workspace with:

- shared and private places: to exhibit, for maker space with or without office space, and/or office/desk space
- smaller units less than 250 sq ft, but also sufficient space for businesses to grow, or space to move on elsewhere in the District

3.14 Further discussions between the Scrutiny Panel and external contributors highlighted that a direct dialogue with the targeted business community is paramount when developing workspace to match local supply and demand. Also, creative businesses are capable of making their own space and need space to allow for self-build and collaboration. Both approaches help to ensure that overheads are reduced therefore making the space more affordable to tenants.

3.15 There are, however, no “open workspaces” or affordable workspaces in the District providing a range of unit types and sizes in demand by the sector (see Appendix 2 and 4). There is interest for such space from Phoenix Rising, Making Lewes and Made in Newhaven. From Locate East Sussex’s experience, an incubator model would address the workspace needs of micro and creative businesses; and/or a large workshop whereby creatives could rent a dedicated space, table or area within a larger space as reported by Basepoint.

Location

3.16 Businesses in all sectors want to be located in prime locations such as town centres, and in close proximity to their place of residence, but these properties, including privately owned creative workspace, typically come with premium rents. However, dependent on what was on offer and suitability, this Review has identified that creative businesses would potentially travel further for affordable

[14] South East Office Focus, Q3 2018, Stiles Harold Williams

workspace.

3.17 Newhaven as a location was not discounted by Lewes Phoenix Rising and Making Lewes, as well as the potential of greater work and living connectivity between Newhaven and Lewes. Although recognising the need for low-spec workspace by the sector, potential commercial properties in Newhaven are in need of significant investment to at least bring them to a lettable standard by law.

Other economic growth strategic partnerships

3.18 Lewes District Council is engaged with all of the relevant strategic bodies and partnerships that operate or have influence in the Lewes District area related to creative industries and economic growth - see Appendix 5.

3.19 With the Lewes District falling within the boundaries of three creative clusters – Brighton, Crawley and Eastbourne, partnership working on this agenda outside of the Lewes boundary is particularly important as creative neighbours appear to grow together, not at each other's expense[15]. To this end, the Council continues to play a key role in partnerships such as the Greater Brighton Economic Board, maximising opportunities for creative sector growth across the Lewes District.

4 Objective 2 - What can Lewes District Council do better to support creative businesses?

4.1 Working with strategic partners in developing affordable workspace is one approach to supporting the creative sector – see section 3. Other key areas are: working with strategic partners on the education and skills agenda; business support and advice; planning policy; broadband; and assets.

Education and skills

4.2 The Creative Industries Council has identified education and skills as a priority area for focus to reinforce the UK's place as world leader for the creative industries[16]. This means having an education and careers system that inspires and supports the next generation; increased employer engagement with schools and investment in skills; and better opportunities from people of all backgrounds. It is also recognised as a critical factor to increasing the productivity of the sector in East Sussex[17] and the SELEP[18] area.

4.3 SECEN, Skills East Sussex and the Skills East Sussex Task Group for the Creative and Digital sector all champion education and skills for the creative industries in the Lewes District. The Council is already involved with all three partnerships to ensure that the local creative and digital sector is able to benefit from emerging initiatives in this area.

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[15] The Geography of Creativity in the UK, Nesta, July
[16] Creative Industries Strategy, CIC, 2014
[17] Creative & Digital Economy in East Sussex report, 2018
[18] Towards a National Prospectus for the Creative Economy in the South East, SECEN

Business support and advice

4.4 There is already a wide choice of business support services available to residents and businesses in the Lewes District. A mapping exercise identified 37 different providers and networks, of which 13 are dedicated to supporting the creative industries.

4.5 The Council funds and supports a number of these business support services, amongst other activities. It should be noted that these services represent a significant financial commitment, as it is a priority for the Council to foster growth and prosperity. The key contracts delivered on behalf of the Council are the Local Enterprise & Apprenticeship Platform (LEAP) Programme, Locate East Sussex (see Appendix 6 for a case study on creative businesses they have assisted) and the Lewes District Business Awards. The Council also works closely with the government-funded Growth Hubs operating in the area – Business East Sussex and the Coast to Capital Business Navigator. All of these services are available to start-ups and established businesses from all sectors and there has been take-up from local creative enterprises.

4.6 The key business support needs and barriers of the creative sector which emerged from the findings of this Review (based on Scrutiny Panel meetings, Officer discussions, local surveys and published research papers) are outlined below, however, it should be recognised that some businesses don’t necessarily know what support they actually need in order to thrive. Secondly, in broad terms, creative businesses require the same support as any other business.

4.7 Key findings:

- **Low awareness of business support offer** – This was identified in all local sources. However, some who participated (small sample) had positive results, notably with the LEAP Entrepreneur Programme, the Lewes District Business Awards and LES.
- The specific areas of business support in demand by the sector is wide ranging but **practical support in running a business and access to and support in securing finance** was a recurring barrier, in particular for micro enterprises and start-ups.
- **Mentoring** that is sector appropriate and affordable, was identified as a key mechanism to addressing barriers in navigating business support and funding or grant applications; as well a need for general business coaching and mentoring by experts and peers/established businesses.
- **Networking** – it is considered a fundamental feature of the creative industries. It addresses local barriers of isolation, encouraging more enterprises to support local businesses, and a lack of customers/ method to develop a client base.

4.8 Areas of business support which were not reported locally but should be mentioned are in **intellectual property** and **exporting**[19].

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[19] Creative Together report, Creative Industries Council, June 2016

4.9 The business support services funded or supported by the Council do cover these areas but it is expected that SECCADS will be addressing specific sector needs and barriers. As mentioned in section 3.3, SELEP has supported SECEN to develop SECCADS – a two-year business support programme designed to support creative, cultural and digital businesses. In each of the three federated SELEP areas: Essex, Kent and East Sussex, there will be one FTE local coordinator and two local Cultural Hubs which will be the principle venues for the SECCADS business support programme. The local coordinators will work closely with the local Cultural Hubs to deliver networking and platforming events and secondly with the creative business support provider for the programme. The programme will work with the existing business support provision. There will be the option to offer a more tailored business support offer or event(s) if a particular local issue, opportunity or need is identified.

Planning policy

4.10 The Lewes District Local Plan Part 1 Joint Core Strategy 2010-2030 (Core Policy 4) and the pending Local Plan Part 2: Site Allocations and Development Management Policies (Policies DM9 and DM10) identifies that the local planning authority will take a flexible and supportive approach to economic development to provide a flexible range of employment space to meet current and future needs including support for sustainable economic growth in rural areas through the conversion of existing buildings.

4.11 The South Downs National Park (SDNP) Authority is equally supportive in The South Downs Local Plan (Strategic Policies SD34 and SD35), currently out at Examination in Public, and would permit small, flexible, start-up and move-on business units including incubator uses for small and micro businesses, or development proposals which safeguard and grow jobs without compromising the National Park.

4.12 As mentioned in section 3.6, a key action for SECEN is to develop a cultural planning policy that can be adopted by local authorities to support the inclusion of creative workspace in new developments and the re-purposing of under-used buildings as creative workspace. Research undertaken by this Review identified a number of London local authorities using their planning policy powers to increase the supply of affordable workspace (in the main not sector specific workspace but due to its set-up attracts creative enterprises) through new developments that SECEN could use as best practice examples. Officers will ensure that SECEN is made aware of such Best Practice.

Broadband

4.13 The preliminary findings of the East Sussex Business Survey report that 51% of Lewes businesses feel that broadband speeds need improving. Findings from this Review has identified that the importance of broadband to a creative enterprise depends on the type of business in operation and its location.

4.14 The 'eSussex' project, led by East Sussex County Council, was launched to improve internet connectivity for homes and businesses in East Sussex. The project seeks to provide and upgrade digital infrastructure (e.g. fibre, cables, wires) to enable residents and businesses to buy fibre broadband, also known as superfast broadband, at a speed of 24MB or above from their Internet Service Provider. By March 2020 the County is projected to have 99% superfast coverage.

4.15 It should be noted that in this scenario residential properties are equally as important as commercial units as a significant proportion of creative sector enterprises/ freelancers work from home.

Assets

4.16 Some local authorities have used their assets to set-up or operate an affordable or creative workspace. The Review identified models developed elsewhere with and without involvement from a local authority. To supplement these findings, the Scrutiny Panel was joined by the Devonshire Collective (a creative and cultural hub in Devonshire Ward, Eastbourne with studios, maker spaces, workshops, gallery and café – see Appendix 7); and Newhaven Enterprise Centre (managed small business space in Newhaven owned by the Council and operated by Basepoint. Offers a variety of offices of different sizes and light industrial studios/ workshops) provided a written statement.

4.17 What is clear is that there are a variety of models to learn from but the key findings are:

- The main affordable workspaces all offer: a range of unit types and sizes, some allowing businesses to grow and progress through the facility; access to shared equipment, networking, training and events and business support and advice; and flexible, easy in-easy out leases and membership arrangements; but the configuration and offer needs to be demand led.
- There is a reliance on external funding to set-up and underwrite the initial loss until a commercial plan is fully realised – this is likely to take a number of years.
- There needs to be a realistic business plan and sound governance arrangements in place.
- Tenants need business support to help them - and the workspace as a whole – to grow and achieve financial sustainability.
- The right physical location is important, including the consideration of attraction of tenants and funding. A potential area for a similar project to the Devonshire Collective could be Newhaven due its existing competitive commercial rents and population and labour market profile.

4.18 Due to the Council’s involvement with the Devonshire Collective and the Newhaven Enterprise Centre, the Authority has a wealth of experience and knowledge in setting up and running workspaces. It should also be noted that the Council has actively sought to enhance provision of such space within the District – including the extension to the Newhaven Enterprise Centre that was completed in 2016 with the aid of Coastal Communities Funding.

4.19 Some local authorities have used Meanwhile Use Leases[20] to fill vacant assets until such time it can be brought back into commercial use again, to create affordable and temporary workspaces or spaces for **short-term** projects for eligible organisations; or to assist private landlords with their empty premises. The delivery approaches vary but the space and tenants can be externally managed e.g. by workspace providers[21] and charities[22]. Appendix 8 provides a case study from a local authority that has successfully used Meanwhile Use Leases.

4.20 Neither approach should be considered in isolation to SECEN and their ambitions.

5 Objective 3 - How effective are the commercial property databases, and the Locate East Sussex service in searching for affordable, and creative workspace?

5.1 There are a vast number of online commercial property databases for entrepreneurs and businesses to search for premises. This includes market leaders such as Rightmove; commercial estate agents; and local providers - Locate East Sussex, the Greater Brighton Commercial Property Database[23], Wired Sussex and Creatives Across Sussex.

5.2 The findings from searching on these online platforms for affordable (not all databases allow website visitors to conduct a search on price or a login is required to access), and creative workspace (property types based on any of the terms listed in Appendix 2 Key terms) and known workspaces (e.g. Spithurst Hub) on the open market indicate that commercial property databases are not easy to use when looking for such space, and are not inclusive of all available commercial premises. This is not just a local problem, rather it is indicative of the nature of much of the creative sector and their workspace needs, and how the commercial property sector typically operates.

5.3 LES was engaged with this Review. They are contracted by the Council to make information on available commercial properties in East Sussex readily available in one place through their commercial property database. The database is limited to include only those properties offered by commercial property agents and so may not include some of the smaller, workshop type space favoured by early stage companies in the creative sector. However, the LES business managers have developed contacts and knowledge of local property owners.

5.4 Based on the evidence obtained from the Scrutiny Panel and online surveys, there appears to be a lack of awareness and low engagement with these tools from local businesses seeking workspace. Anecdotally, those that had engaged found that the results did not meet their space and/or cost requirements, or felt

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[20] https://www.gov.uk/government/publications/meanwhile-use-lease-and-guidance
[21] http://www.enterprisingwhitechapel.org/
[22] http://www.meanwhile.org.uk/
[23] The Greater Brighton Commercial Property Database has been included in this review not only due to its geographical coverage but also due to the Council's financial contribution in partnership with Brighton & Hove City Council and West Sussex County Council

the service was more geared towards larger businesses. The low success rate was seen as a reflection of the lack of suitable properties available rather than the search mechanism themselves. However, another source raised that businesses in the sector have more success in securing creative premises through networking and community links. This concurs with the findings in section 5.2 - that creative workspace listed on commercial property databases is not a true reflection of the actual supply.

6 Financial appraisal

6.1 It is recommended that funding be allocated of up to £10,000 in respect of consultancy and professional fees to investigate the feasibility of Meanwhile Use Leases and the development of a full business case for any new “open workspace” in the District. It is proposed that the resultant options will be the subject of a future Cabinet report.

6.2 There are no direct financial implications arising from the remaining recommendations of this report. All staffing resources would need to be met from within existing budgets

7 Legal implications

7.1 This report will be submitted to Legal by Democratic services after the report has been presented to the Scrutiny Committee.

8 Risk management implications

8.1 If the recommendations are not adopted or fail, there is the risk of not fully realising the economic potential of the creative sector in the Lewes District.

9 Appendices

9.1 Appendix 1 – Contributors to the Review
Appendix 2 – Key terms
Appendix 3 – Rents
Appendix 4 – Types of space in demand and property features
Appendix 5 – Strategic bodies and partnerships
Appendix 6 – LES case study
Appendix 7 - Devonshire Collective case study
Appendix 8 – Meanwhile Use Leases case study

10 Background papers

10.1 None.

Appendix 1 – Contributors to the Review

The Scrutiny Affordable Workspace Review Panel wish to thank the following who gave advice during the course of this review.

Name	**Organisation**
Abigail Burgess	Basepoint
Chelsea Renton	Lewes Phoenix Rising
Mark Beaumont	Made in Newhaven
Marc De'ath	Co-founder of The Waiting Room
Oliver Lowenstein	Making Lewes
Phil Evans	Director of Tourism & Enterprise at LDC and EBC
Philip Johnson	Locate East Sussex
Sally Staples	Cultural Strategy Manager at East Sussex County Council

Appendix 2 – Key terms

What is meant by affordable workspace?

There are a number of different approaches and definitions on what is meant by affordable workspace by different partnerships and organisations. For comparison, the definition of affordable housing is included.

South East Creative Economy Network (SECEN)

SECEN use the generic term “open workspace” in line with the IPPR report[24]. Open workspace includes incubators, accelerators, co-working spaces, managed workspace, makerspaces and artists’ studios. Most users are microbusinesses and a significant proportion are creative businesses; “open workspaces” also bring together professionals working in other sectors, including biotech, business services and the charity sector.

It is important to differentiate between the types of workspace and business models as they all offer slightly different things to meet differing business needs. “Open workspaces” have flexible terms of access; tenants may be members or pay-per-day, they do not need to sign a long lease, which reduces the risk to them of taking on a space. By the same token, a steady flow of multiple users means that risk to the landlord can be kept low. Some “open workspaces” also offer more ‘dedicated’ spaces that tenants can move into as they become established and scale up, and which are sometimes used to cross-subsidise other spaces.

“Open workspace” is the preferred model for creative businesses because sharing space and resources also reduces costs, tenants can afford higher-grade workspace, which is both preferred by staff and suitable to accommodate customers and funders. It also enables businesses to access more expensive equipment – which is especially important for artists and makers.

Islington Council

Cost and size are the two primary variables to consider in defining affordable workspace. These two variables are strongly related to each other. However, both are influenced by the type of workspace to be provided – which in turn is related to the occupant that the space will be marketed towards, usually determined by the economic clusters in the locality.

Islington Council’s policy considers affordable workspace to be where rent and service charges, excluding business support services, are less than 80% of comparable market rates. Realistically though, for many sectors and locations in Islington rents need to be much lower than this to make them affordable to target occupiers. The Council’s Business and Employment Support Team therefore negotiate rents with Affordable Workspace Providers on a case by case basis.

[24] Start me up: The value of workspaces for small businesses, entrepreneurs and artists in London, IPPR, 2016

An affordable workspace “unit” may be stand-alone premises or a component of a larger workspace area. To maximise flexibility the council encourages developments that comprise a large area of floor space to be managed as a series of smaller “units”[25].

Camden Council

Where workspace has been specified as affordable, the Council’s Economic Development Team work with developers to agree appropriate terms of affordability on a case by case basis. The following list gives examples of ways in which affordability has been defined on recent schemes in the borough:

- 20% of the workspace to be provided at 50% of comparable market values
- An element of the floor space to be offered to an affordable workspace. provider (to be approved by the council) at a peppercorn rent
- 20% of the desks in the open workspace (hot-desking) area to be offered at 50% of market value.
- an average of market rents paid by tenants in the area occupying an equivalent type and quality of space[26].

Tower Hamlets Council

Definition of flexible workspaces:

“managed, commercial premises, particularly suitable for small or start up enterprises and which are divided into a collection of small units held by occupiers on a short-term, easy-in, easy-out basis and which communally-shared services, facilities and support for the entrepreneurial or vocational activities of the occupiers.”

Definition of affordable workspace:

“flexible workspace which is let to a workspace manager, and which will allow for occupation by the end users in one or more sectors on terms:

- substantially below market levels of rents and charges when compared with an equivalent letting of the space and facilities on the open market
- at a rate comparable with similar facilities available in Tower Hamlets or (if sufficient comparator premises do not exist in the borough) across London as a whole
- at rates which mean that occupation is feasible to a large number of small/start-up businesses in the relevant sector(s)

An affordable tenancy rate which would allow a letting to end users at “substantially below market levels” here will be designated according to guidance given at any point in time by Tower Hamlets Council, and in the absence of such specific guidance will at any relevant time mean no less than 10% below prevailing market rates[27].

Local comments

[25] Islington Guidance on Affordable Workspace, December 2014
[26] Camden Planning Guidance employment sites and business premises, November 2017
[27] Tower Hamlets Workspace Strategy: Initial Statement Local Plan Evidence Base, June 2017

- “Low cost accommodation for the creative industries that competes with the open market.”
- “Workspace that meets the needs of different stages of business from start ups to fully functioning businesses. Pricing points that meet all needs and does not exclude anyone.”
- “Good value (cheaper than what is commercially available); flexible; provides shared resources such as kitchen and toilet facilities; Wi-Fi enabled; allows short-term rental opportunities and break clauses to leases.”
- “The word ‘affordable’ is one that LES would avoid in order to minimise any confusion when working with companies, property owners and commercial agents in a commercial market where property and space is at a premium.”
- “Not just a place of business that is "cheap", but cost effective. Workspace that is flexible and can grow with licensees business needs, but also provide a range of services on-site such as postal service, reception, security, meeting rooms and networking events. Offering licensees not just a place to work but also a place to build connections and be part of a business community.”

Affordable housing definition

“Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.”[28]

What is meant by creative businesses?

The Creative Industries were defined in the Government’s 2001 Creative Industries Mapping Document as “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”.

Based on this definition, the DCMS works closely with stakeholders to determine which occupations and industries should be considered creative.

This definition and the classification of creative occupations and industries is nationally recognised and widely used including by the SELEP and LES.

Creative occupations

The Standard Occupational Classification is a means of classifying the occupation of a person according to the work they do and the skill level required. Table 1 contains a list of occupations considered creative.

Table 1

Creative occupations group	Description
Advertising and marketing	Marketing and sales directors Advertising and public relations directors

[28] National Planning Policy Framework, 2018

	Public relations professionals Advertising accounts managers and creative directors Marketing associate professionals
Architecture	Architects Town planning officers Chartered architectural technologists Architectural and town planning technicians
Crafts	Smiths and forge workers Weavers and knitters Glass and ceramics makers, decorators and finishers Furniture makers and other craft woodworkers Other skilled trades not elsewhere classified
Design: product, graphic and fashion design	Graphic designers Product, clothing and related designers
Film, TV, video, radio and photography	Arts officers, producers and directors Photographers, audio-visual and broadcasting equipment operators
IT, software and computer services	Information technology and telecommunications directors IT business analysts, architects and systems designers Programmers and software development professionals Web design and development professionals
Publishing	Journalists, newspaper and periodical editors Authors, writers and translators
Museums, galleries and libraries	Librarians Archivists and curators
Music, performing and visual arts	Artists Actors, entertainers and presenters Dancers and choreographers Musicians

Creative businesses

The Standard Industrial Classification is a means of classifying businesses according to the type of economic activity that they are engaged in. The Creative Industries is made up of the list of businesses in table 2.

Table 2

Creative industries group	**Description**
Advertising and marketing	Public relations and communication activities Advertising agencies Media representation
Architecture	Architectural activities
Crafts	Manufacture of jewellery and related articles
Design: product, graphic and fashion design	Specialised design activities
Film, TV, video, radio and	Motion picture, video and television programme

photography	production activities Motion picture, video and television programme post-production Motion picture, video and television programme distribution Motion picture projection activities Radio broadcasting Television programming and broadcasting activities Photographic activities
IT, software and computer services	Publishing of computer games Other software publishing Computer programming activities Computer consultancy activities
Publishing	Book publishing Publishing of directories and mailing lists Publishing of newspapers Publishing of journals and periodicals Other publishing activities Translation and interpretation activities
Museums, galleries and libraries	Library and archive activities Museum activities Music, performing and visual arts Sound recording and music publishing activities Cultural education Performing arts Support activities to performing arts Artistic creation Operation of arts facilities

Source: Department for Culture, Media and Sport (January 2016) Creative Industries Economic Estimates

Types of creative workspace

No single term perfectly captures all spaces[29].

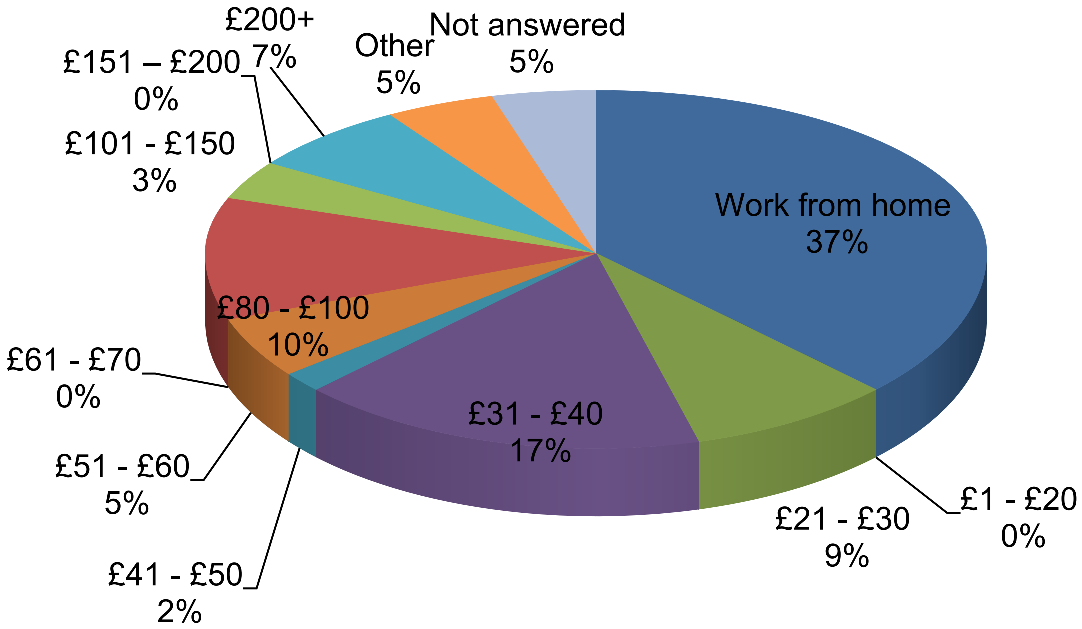
Terms linked to types of creative workspaces are: incubators, accelerators, co-working spaces, managed workspace, makerspaces, fab lab, hackerspace, artists' studios, serviced offices, temporary desk space in existing office/studios and can include exhibition/ events space and retail units.

[29] UK Dataset of UK Makerspaces A Users Guide, NESTA, April 2015

Appendix 3 - Rents

East Sussex Creative Workspace Enquiry, 2017

Respondents pay the following per week for their workspace (type and size not asked):



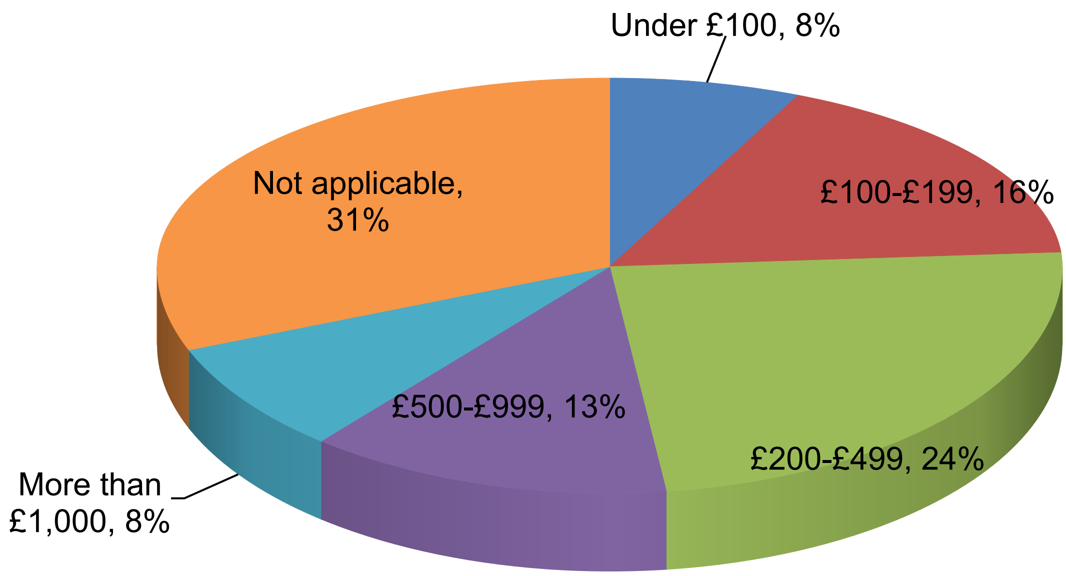
17% pay £31 - £40 per week which equates to approximately £134 - £178 per month.

What creative businesses in East Sussex would be prepared to pay by workspace type (size not asked):

- Desk space: between £10 and £200 per month
- Studio space: £25 to £250 per month
- Meeting space: £25 - £100 per month
- Storage: £0 - £300 per month
- Rehearsal space: £5 - £10 per hour
- Workshop/production space: £20 - £400 per month

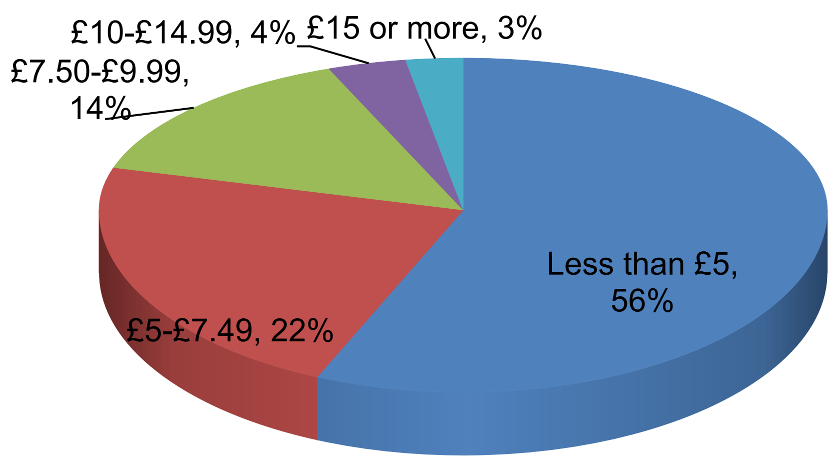
Made in Newhaven survey, 2018

Respondents pay the following per month for their workspace (type and size not asked):



Lewes Phoenix Rising, 2018

Respondents think is an acceptable inclusive rate to pay per sq ft per annum for their preferred workspace (type and size unknown but 69% of respondents need or currently use basic, insulated space with electricity, running water and Wi-Fi; 15% higher specification space and another 15% very basic, insulated farm building or shed):



On the open market

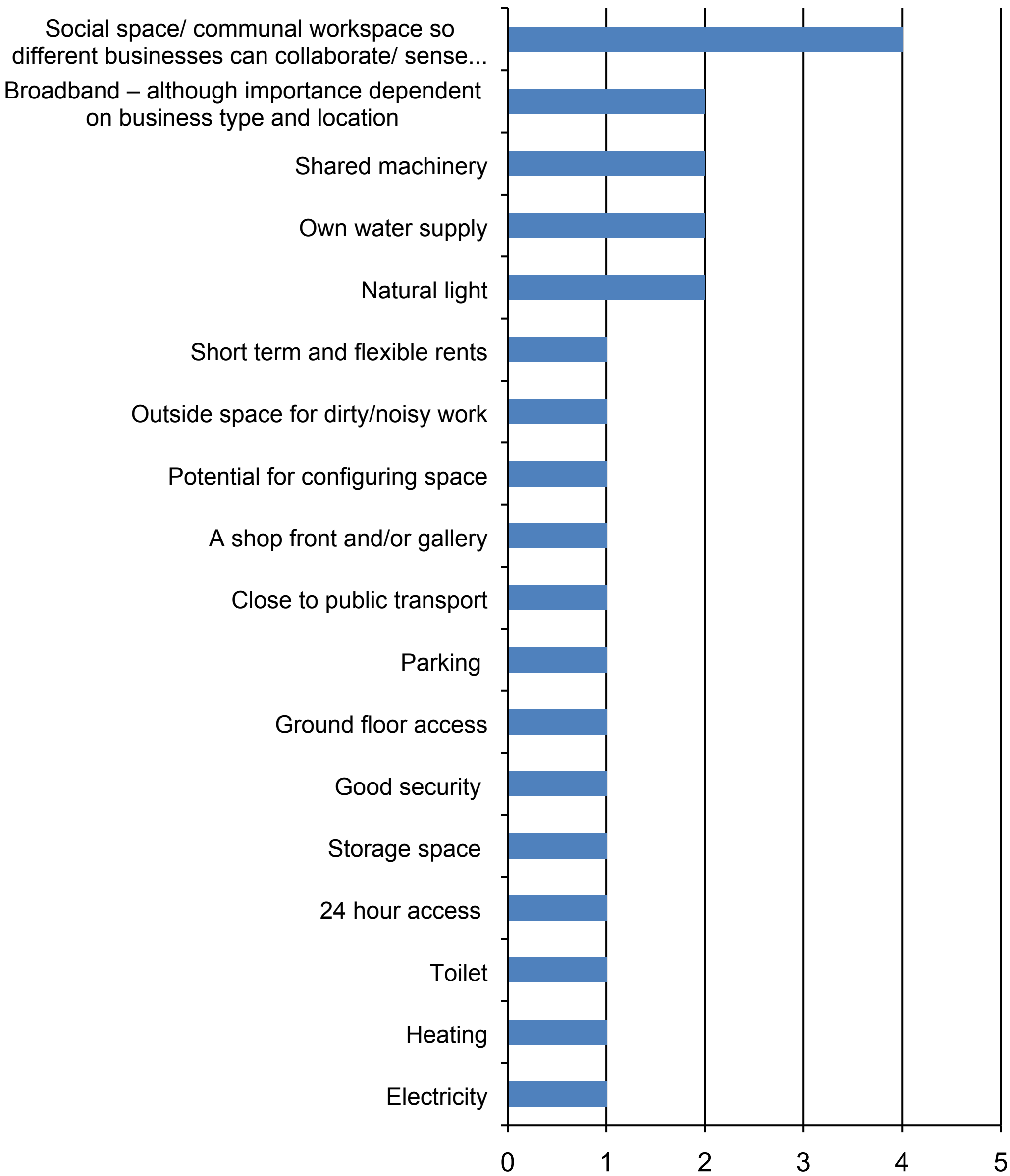
	OFFICE	PRIVATE DESK	HOT DESK	LIGHT INDUSTRIAL/ WAREHOUSE UNITS	STUDIO
15 Malling Street, Lewes (Oakley and no longer available)	£950 pcm (for 448 sq ft) £25.45 per sq ft pa				Looked like used as a studio
Artist's Studio Workspace - Lewes/Ringmer area (Gumtree)					£200 pm (for 115 sq ft) £20.87 per sq ft pa
Bevan Funnell House, Newhaven (Flude Commercial)				£150,000 per annum exclusive (for 39,309 sq ft) £3.82 per sq ft pa	
Former retail workshop, Ringmer (Oakley)				£30,000 per annum exclusive (for 3,754 sq ft) £7.99 per sq ft pa	
Newhaven Enterprise Centre, Newhaven (Flude Commercial)	£365 pm (for 156 per sq ft) to £905 pm (for 458 per sq ft) £28.08 and £23.71 per sq ft pa			£700 pm f(or 403 sq ft) to £995 pm (for 545 sq ft) £20.84 and £21.91 per sq ft pa	
North Wing, Unit 3, The Hub, Newhaven (Oakley)	£125 per week (for 493 sq ft)- £13.18 per sq ft pa				
Overs Farm, Barcombe (Oakley)				Guide rent based upon £8 per sq ft, subject to the amount of accommodation required. The rent may be higher in respect of smaller units.	
SM Tidy Industrial Estate, Ditchling Common (Oakley)				£7,200 per annum exclusive (for 720 sq ft) £10 per sq ft pa	
Spithurst Hub, Spithurst (website)	£400 + VAT pm (for 3.70 m x 2.60 m or 103.5 sq ft) £46.38 + VAT per sq ft pa	£200 + VAT pm	£100 + VAT pm		
Sussex Innovation Centre, Falmer (website)	From £485 + VAT pcm (for 239 sq ft) £24.35 + VAT per sq ft pa				
The Hive, Lewes (website)	From £300 pm (size unknown)	From £200 pm			
The Malthouse, Daveys Lane, Lewes (Oakley and no longer available)				£26,500 per annum exclusive (for 2,919 sq ft) £9.08 + VAT and service charges per sq ft pa	
Unit 3, Lower Hoddern Farm, Peacehaven (Oakley)				£30,000 per annum, exclusive (for 3,969 sq ft) £7.56 per sq ft pa	
Waterside Centre, Lewes (Stiles Harold Williams)	£12.50 per sq ft pa				
Workshop and storage, Newhaven (Friday-Ad)				1. £575 + VAT pm (for 550 sq ft) £12.54 + VAT per sq ft pa 2. £900 + VAT pm (for 1,100 sq ft) £9.82 + VAT per sq ft pa	

Appendix 4 - Types of space in demand and property features

The types of workspaces occupied by creative businesses in the District are: studios, workshops, offices, home or a combination. There's an expected high proportion of entrepreneurs working from home but there is not a consistent result between the surveys reviewed, possibly due to their different geographical coverages.

There is demand for flexible and shared workspace with shared and private places to exhibit, dirty/maker space with or without office space and office/desk space. According to one survey 69% of respondents need or currently use basic, insulated space with electricity, running water and Wi-Fi; 15% need higher specification space and another 15% very basic, insulated farm building or shed. Again, the size of space entirely depends on the type of business. Evidence points to demand for smaller units less than 250 sq ft, but also the need to provide sufficient space for businesses to start-up and grow.

The wish list of property features in demand by the sector is extensive but the most popular and reoccurring qualities are:



Sources: East Sussex Creative Workspace Enquiry, Lewes Phoenix Rising, Locate East Sussex and Made in Newhaven (total of 4).

Appendix 5 – Strategic bodies and partnerships

Other strategic bodies and partnerships that operate or have influence in the Lewes District area related to creative industries:

Name	Function	Are we engaged?
Creative Industries Council (CIC)	A joint forum between the creative industries and government. Set up to be a voice for creative industries and focuses on addressing barriers to growth. The government and the creative industries sector, through CIC, have agreed a Sector Deal to unlock growth for creative businesses.	No (no need)
Creative Industries Federation	A membership body which represents, champions and supports the UK's creative industries. Through policy and advocacy work and extensive, UK-wide events programme, they support and celebrate the work of their members.	No (no need)
Creative & Cultural Skills	An independent charity that provides careers advice and guidance, promotes apprenticeships, and delivers activities for young people through their National Skills Academy network of industry and education supporters.	No (no need)
Arts Council England	Invest money from Government and the National Lottery to support arts and culture across England.	No (no need)
Coast to Capital Local Enterprise Partnership	A business-led partnership between local authorities and local private sector businesses. Plays a central role in determining local economic priorities and undertaking activities to support local authorities in driving economic growth and job creation, improve infrastructure and raise workforce skills. The area includes the London Borough of Croydon, East Surrey, Gatwick Diamond, Brighton & Hove, Lewes District and West Sussex.	Yes
Greater Brighton City Region and Greater Brighton Economic Board	The overarching body behind the growth of the Greater Brighton City Region with the aim of protecting and growing the Region's economy through economic development activities and investment at City Region level. The area includes Crawley, Mid Sussex, Lewes District, Brighton & Hove, Adur and Worthing.	Yes
Newhaven Enterprise Zone Strategic Board	Provides strategic oversight and direction of the Newhaven Enterprise Zone.	Yes
Team East Sussex	The federal East Sussex sub-board of SELEP comprising of private and public organisations. It aims to drive forward economic growth and prosperity in the county.	Yes

Workspace East Sussex	A sub group of Team East Sussex looking at the workspace needs of businesses in the County.	Yes
Skills East Sussex	A sub group of Team East Sussex, and the county's strategic body for employment and skills. Has an employer led Skills East Sussex Task Group for the Creative and Digital sector.	Yes
Culture East Sussex	A sub group of Team East Sussex to enhance cultural experiences, stimulate the expansion of the cultural and creative economy and attract more visitors and businesses to the County.	Yes
East Sussex Arts Partnership	Formed of cultural officers from each of the borough / district councils in the East Sussex area together with East Sussex County Council and Arts Council.	Yes

Appendix 6 - Locate East Sussex case study

Locate East Sussex (LES) is the county's inward investment service. It is the first point of contact for any international, UK and East Sussex based company and start-up looking for location and commercial property support, and funding and support with applying in particular to the East Sussex Invest grants and loans offered by East Sussex County Council for capital investment or to refurbish an empty commercial property. The Locate East Sussex is managed and funded by East Sussex County Council, with annual financial support of all 2nd tier local authorities, including Lewes District Council.

Examples of companies based in the Lewes District operating in the creative sector that LES has worked or are working with by providing funding, property searching and/or business planning support include:

- Paul Cox – a Newhaven-based sculptor acquiring new premises to expand his studio.
- Tin Tab – designs and manufactures kitchens, furniture and staircases. Company looking for larger premises to expand manufacturing production.
- Wild Bangarang – Designs, prints and sells specialist closthing. Relocated from Newhaven to a larger premsies in Seaford to bring manufacturing in-house.
- Pixeldot – a brand design agency. Relocated to larger premises in Lewes.
- Boutique Modern – A modular building company. Acquiring an additional manufacturing unit in Newaven to double their production area.
- Inglis Hall – Bespoke kitchens. Support provided to increase production capacity, and will also be working with the company to support relocation when the North Street development progresses.
- Quintessance – Specialists in fine fragrances. Expanded manufacturing in Newhaven to three new units.
- AYM –

  Womenswear label (All Your Moments) is a fashion studio based in Lewes aiming to create unique, bold and minimal pieces that can be moulded into the style of the woman wearing them.

  The studio was founded by Central Saint Martins' graduate Alie Mackintosh. Her business has the ability to pick up on what young fashion conscious women around the world want to wear next weekend. From the moment Alie spots a trend on social media, her operation in Lewes has the agility to design and manufacture a dress within a week and ship to customers worldwide.

  She currently has a team of 14, bringing a full set of fashion skills together under one roof: designers, machinists, publicists, distributors and customer care, but uses freelancers when specific specialists skills are needed.

  Sales at her fashion brand, AYM, formally Boom Boom The Label, are now £1m. Next year the target is £1.5m and £2m the year after. Ultimately, Mackintosh, is looking to open stores in London, New York, Los Angeles and Sydney, giving her customers the chance to feel her stretchy fabrics and try-on her figure-hugging double-layered dresses for themselves. Sales are up 47% compared to last year with over 287K Instagram followers worldwide and growing. Some of the biggest names in reality TV are already fans.

LES is continuring to support AYM in the search for additional manufacturing space in the local area but the company has received an initial start-up loan for £8,000 from LES to buy machinery and set up the infrastructure of the business, plus an additional £10,000 to fit out the Lewes studio. They are also now applying for a follow-up loan of £15,000 to invest in assets for growth.

Appendix 7 – Devonshire Collective case study

Phil Evans, Director of Tourism & Enterprise at Lewes District Council and Eastbourne Borough Council, was invited to a Scrutiny Panel meeting to provide an overiew of the Devonshire Collective in Eastbourne.

Could you please provide us with an overview of your area of work?
Devonshire Collective is a creative and cultural hub in Devonshire Ward, Eastbourne.

Eastbourne Borough Council and Eastbourne Housing Investment Company supported the transformation of three of its properties on Seaside Road and Seaside into creative spaces (DC1, DC2, DC3). These properties are leased to leased to the Devonshire Collective CIC.

DC1 at 67-69 Seaside Road houses a contemporary café and gallery with space available for events, workshops, seminars and training. DC2 at 137-139 Seaside Road houses four artists' studios, four pods and two makerspaces - Eastbourne Studio Pottery and The Print Room, offering a wide range of accessible courses for all levels. DC3 at 1-5 Seaside houses the Workshop, a multi-purpose space for making, building and classes.

Studios range from £250-£460 per month (with first month rent free), while pods are £25 per week, both on flexible terms. Tenants receive discounts of up to 50% on hires of all spaces, as well as at Associate Member venues, Leaf Hall and the Royal Hippodrome. Payment holidays are offered.

The Council has been successful in receving the following funding to aquire and modify the sites, and to help with running costs - Coastal Communities Fund, Devonsire West Big Local, East Sussex Investment 5 and Arts Council funding.

According to your network, what is meant by affordable workspace?
Good value (cheaper than what is commercially available); flexible; provides shared resources such as kitchen and toilet facilities; Wi-Fi enabled; allows short-term rental opportunities and break clauses to leases.

Could you please describe the workspace needs of creative businesses?

- Access to funding opportunities and signposting
- Business support activities including business planning and book-keeping
- Marketing and awareness
- Communication and dialogue with like-businesses/network support
- 'Beacon' businesses which offer examples of best-practice
- Awareness of statutory responsibilities
- Access to training
- 'Kick-start' support; payment 'holidays'; support with cash flow

What were the challenges/successes of Devonshire Collective?

Challenges	Successes
▪ Capacity ▪ Engagement with local residents ▪ Turnover of artists and residents	▪ Varied and well-recognised programme ▪ Work experience and college

▪ Location and reputation of Seaside ▪ Sustainable resourcing/allocation of resources ▪ Lack of dedicated Council officer support ▪ Engagement beyond Devonshire ward ▪ (Historic) relationship with Towner ▪ Competition (both café and community centre space) ▪ Scale/viability of spaces ▪ Split sites ▪ Multi-cultural audiences ▪ Long-term planning and advance promotion ▪ Dealing with inexperienced businesses	placements ▪ Extensive volunteer network ▪ Guest Curators programme ▪ Regional media attention ▪ Near-full work space component ▪ Some sell out events at DC1 ▪ Attracting inward investment and business development in Seaside

Could a project such as the Devonshire Collective work in the Lewes District?
Whilst no areas in the Lewes District were similar to Devonshire Ward, a potential area for a similar project could be Newhaven. Due to the transient population of Devonshire Ward, it was easier to sustain grants which helped with cash flow for the project – but this may not be the case if a similar project was undertaken in Lewes.

If Lewes District were to begin a project such as the Devonshire Collective, what would you advise be done differently?

- A 5 year plan instead of 3 year plan to accommodate the long term needs of the businesses, raising awareness for the project, and engagement with local residents
- More consideration for the workspace sizes and locations; bigger units would allow for workshops or classes which could add an additional revenue opportunity for the project
- A dedicated arts development officer for additional support

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Appendix 7 – Meanwhile Use Lease case study

The Waiting Room - Colchester[30]

A former derelict bus station waiting room owned by Colchester Borough Council was leased to the Colchester Institute and transformed by the creative economy into a:

1. Community DIY Performance Venue for exhibitions, events etc. to help the community and creative sectors run low cost and low risk events. Attached was a licensed bar to raise additional income.
2. Community Kitchen to give chefs an opportunity to run a restaurant.
3. Makerspace offering affordable low cost rates and flexible memberships with access to shared tools for those in printing, textiles and ceramics.

Once the Meanwhile Use Lease agreement was signed between Colchester Borough Council and the Colchester Institute the space was opened to the community to take ownership of repairs and the transformation of the space based on their needs.

The space brought the community together and ran regular events and workshops.

It was originally intended to be a 12 month pop-up style project, to test the viability of a 'do-it-yourself' style events venue but it was operational for 3 years and closed in 2016 in advance of forthcoming regeneration of the wider area.

Funding

The venue was successful in obtaining many streams of funding including monies from Colchester Borough Council and an Interreg programme called CURE (Creative Urban Renewal in Europe), but once the peppercorn rates were agreed by Colchester Borough Council and £40,000 was awarded from the Mary Portas Review it was easier to secure this additional funding.

As Colchester Institute is a registered charity they were able to achieve reduced business rates to enable activity to take place.

In kind support from the community was important.

Outcomes

Led by the community, a permanent creative and community workspace opened in 2018 - Trinity Works with a makerspace, events space and cafe. The temporary space at The Waiting Room allowed demand to build up and to test the concept.

Lessons

Lessons for other local authorities who want to use Meanwhile Use Leases:

- The need to link the project to a broad corporate strategic aim to validate purpose, goals and long term vision; rather than using as a convenient use of filling empty spaces.

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[30] https://www.facebook.com/WaitingRoomColchester/

- The need to have an exit strategy from the outset that outlines what will happen to the project and tenants when property ceases to be available.
- The need to be clear from the outset what types of businesses/tenants are able to occupy premises.