



HOMES THAT WORK



THE ROLE OF HOUSING ASSOCIATIONS AS PROVIDERS OF LIVE/WORK ACCOMMODATION



TIM DWELLY

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PRODUCED BY THE LIVE/WORK NETWORK WWW.LIVEWORKNET.COM
ADDITIONAL RESEARCH FRANCES TRUSCOTT/FUTURE PERSPECTIVES CO-OPERATIVE
DESIGN NICK HARPLEY/SATZOOMA
PHOTOS STEVE TANNER/LEPHOTO
PRINT CENTURY LITHO, PENRYN, CORNWALL
PUBLISHED BY PEABODY TRUST AND THE LIVE WORK NETWORK

OCTOBER 2003

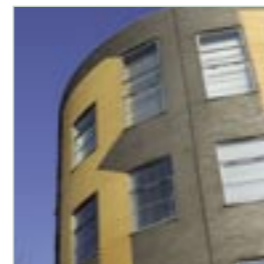
£20

THIS PROJECT WAS SUPPORTED THROUGH THE HOUSING CORPORATION'S INNOVATION AND GOOD PRACTICE PROGRAMME.
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WHAT IS 'LIVE/WORK'?

For the purpose of this report we mean live/work to be property that is specifically **designed for dual use** – a combination of residential and employment space. It often requires a mixture of residential and business rates. There are many ways that this can be achieved, but this is the common factor. Home working in property designed solely for residential use does not come under our definition, though there are obviously some overlaps

LIVE/WORK accommodation has rapidly made its mark as a new housing 'type' in recent years. The first properties designed and marketed under the live/work brand began to come onto the market in the 1990s, notably in Hackney and Tower Hamlets in London. Some housing associations caught this new wave early on, developing rented live/work schemes for people needing a helping hand to start and grow their business. Today more and more housing associations – and private developers – are looking seriously at live/work. Yet it remains a slightly mysterious concept. Few lessons are being learnt from other providers and schemes differ enormously.

Why is the live/work phenomenon gathering pace? The main answer is simple: it is **cheaper to run one property than two**. At a time of high house prices and office/premises costs, live/work property has an inevitable appeal. Another factor is convenience. As commuting has become more and more stressful and a waste of valuable time to a generation that treats time very seriously, not having to 'go to work' can be very attractive. And it can save money.

The third major factor driving live/work is technology. Advances in IT and broadband telecommunications have made the need for a separate office or studio less important. Countless work tasks – skilled, administrative and creative – no

longer require old fashioned bulky equipment or support staff. So much can be done relatively cheaply on a computer – building design, photo development, conferencing, music production, remote IT support, book keeping, ticket sales etc.

Those are the appeals to the live/workers. What about the providers and funders of live/work? They see a number of potential appeals:

Urban renaissance: Live/work can breathe life back into town and city centre property that is in decline. It can create communities of economically active residents in areas needing their business. It can also help achieve high density urban living targets.

Transport reduction: Live/work residents usually travel by car significantly less than others, especially during rush hours. This can help reduce fuel consumption and emissions. Other energy reductions can be achieved as only one space is being heated and lit instead of a workspace and a residence.

Sustainable development: It is environmentally preferable to combine work and home use in one property. Fewer resources are used to build and fuel/run one property than two.

Business incubation: Live/work's cost saving appeals particularly to those whose work or business is at a stage where separate premises are not possible. By combining these costs, it is easier for them to start-up and expand their business with lower initial overheads.

Business clusters: Creating schemes with a number of (often varied) resident businesses can help create clusters of business activity. Live/workers can gain skills, knowledge, contacts and contracts from one another. They can also reduce isolation and gain a sense of community. There is a strong potential for networking, providing that this is supported.

find out more...
The Live Work Network, established by the authors of this report, runs seminars and keeps members in touch with live/work issues.

visit www.liveworknet.com
or phone 0870 990 5151

Meet government objectives: Although live/work is an implicit rather than an explicit aim of government urban renewal policy, the new emphasis on mixed-use development (homes, work and retail all together) can logically be applied to mixed-use within a single property unit. See chapter 10.

Change of use: Some local authorities and economic development agencies see a more fluid and flexible use of property as an agent of renewal. Live/work schemes that are given the right to be flexible can help residents adapt to market conditions, increasing or decreasing their work use to fit the times. This can prevent areas emptying of businesses or homes when times are hard.

Future exploration: Linked to the point above, there is a sense that live/work might become a big thing in the future. Many developers and funders see schemes as an opportunity to test new ways of providing accommodation and new functions for property – the future today.

The factors above are likely to increase the incidence of live/work. High property prices, transport pressures, IT advances, the growth of knowledge based businesses, environmental and neighbourhood sustainability pressures all seem set to become even bigger factors influencing how property is used in the future.

The biggest growth in live/work, however, has been in loft and warehouse conversions in certain London boroughs. Some of these boroughs now see live/work as a **flag of convenience** used by developers to get around zoning restrictions preventing residential development in commercial and industrial areas. By applying for planning permission for live/work, some argue, it is easier for developers to profit from what are really residential developments which would not have been approved on that basis. This appeal of live/work to developers (though

far from always proven) is a significant burden to the new live/work sector, which must do much more to track and demonstrate true work benefits to persuade planning authorities that live/work does what it says on the tin...

Housing associations are uniquely placed to become lead players in the new live/work sector. Unlike private developers, whose interest in a live/work scheme will usually end at the point when the units are sold, associations are committed to the development and the area long term. They can encourage or even guarantee work use through tenancy or lease agreements. They are used to working in partnership with agencies wanting to boost enterprise and employment (see chapter 9 for more on this). But they will only be able to protect and enhance their reputation as live/work providers if the funding and regulatory framework governing their activities recognises and supports them to do so.

HOME WORKING?

'Live/work' is not the same as home-working, though the two are closely related. There are perhaps a few thousand purpose-built live/work units in the UK at the moment. But around 2.2 million people (one in 13 of the workforce) work at least one day a week from home – in properties that were never designed for that purpose, according to the latest Labour Force Survey figures. Home working is on the up for many of the same reasons that live/work is becoming more popular. The main difference is that live/work property often allows for a much higher intensity of work use than a normal house or flat. This could, for example, be in terms of expanding staff numbers or enabling types of work that require larger amounts of floor space – clothes design, client meeting rooms, photographic/video equipment, and so on

ACCESS ISSUES

Live/work schemes raise a variety of access issues. The original image of loft spaces in converted warehouses focused on artists, knowledge workers and a variety of self-employed professionals such as architects and web designers. Some schemes surveyed for this report have explicitly stated that they want to attract artists/designers or ICT-based knowledge workers. There has been an implicit, at times explicit, message from some schemes that manual workers and crafts like electronic goods repairing, small scale cooking etc, are not really welcome. This can create an impression of restricting access to live/work schemes to 'middle class' work. Some schemes however, are providing, often at ground level, open spaces that are convertible to workshops or retail units, thus widening the scope of the scheme.

Any housing association that enters the live/work market needs to be clear about its motives. Where the association is working towards improving the lifetime opportunities of its residents, a related issue is whether or not it enables its mainstream tenants to work from home (see page 8 on the barriers).

Government policy is to encourage people with disabilities to join the paid workforce. The growth of social enterprises shows this is having some effect, and the employment aspects of the Disability Discrimination Act are opening up many new possibilities for employment for disabled people. There is an opportunity for housing associations providing live/work to create units that are particularly suited to the needs of disabled people, thereby eliminating their requirement to travel to work which can be a barrier. This is already being considered by some housing associations, particularly those who are trying to provide a workspace capability in their lifetime homes



RURAL LIVE/WORK

A number of housing associations (as well as private developers) are now developing live/work in market towns and villages in rural areas. In this context, live/work can play a number of roles sustaining the rural economy. In areas of high house prices, the cost for local people of affording both a home and business premises can be prohibitive. Live/work can ease this. And by creating home based business, live/work can reduce the reliance on commuting, ensuring that more people work in their village as well as live there. This can help sustain local shops and services, and breathe 'daytime life' back into an area – reducing fear of crime and boosting the sense of community.

Some private developers are beginning to build rural live/work property for a target market of established businesses with a number of employees – the new build equivalent of a barn conversion. Like farms, these units are owner-managed micro-businesses, where the owner lives on the premises and employs a handful of local people. Clusters of these live/work units, like clusters of farms, can help recreate a sense of community and provide well-paid employment opportunities. Housing associations are well placed to offer an 'affordable live/work' element on these sites – linking more fragile local businesses (for example freelance IT technicians) to opportunities to work with and for the established businesses nearby.

Just as the urban renaissance seeks to create an 'evening economy' in revitalised urban centres where people once again live as well as work, so rural live/work can create a daytime economy, places where people work as well as live. This report is therefore relevant to rural based associations too

2 POLICY PROPOSALS

FOR GOVERNMENT

- Identify a unit and department within government with **responsibility** for leading policy development on live/work and championing best live/work practice – possibly the ODPM's urban policy unit
- Ensure any such unit has ministerial support to link policy on live/work across **Whitehall** – live/work is relevant to DTI, DfES, DEFRA, DWP, DCMS and DfT
- Produce **planning guidance** on live/work – but ensure that it enables and promotes flexibility for local circumstances. Current guidance implicitly supports live/work (see chapter 10). Make this support **explicit**
- Review and consider phasing out outmoded **planning use** classes which create separate residential and business zones. If this is not possible, consider introducing a designated **live/work use**
- Examine as a matter of urgency, in conjunction with English Partnerships and urban regeneration companies, how live/work can help create employment and mixed-use sustainable communities in the new **growth areas** (eg Thames Gateway) and in areas of housing market decline
- Consider piloting and (if appropriate) legislating for a specific live/work **tenancy**
- Encourage the **Small Business Service** and **Business link** to develop policies on live/work and see live/work business clusters as part of their remit
- Use the tax system and planning guidance to **reward genuine live/work** – differentiate between schemes where systems are in place (such as rented incubation tenancies) to ensure work use and those that cannot do so
- Linked to the above, recognise the **net financial benefit** to the Treasury and to the environment that live/work can signify – savings on fuel emissions and reduced congestion plus employment creation
- **Remove VAT** from genuine live/work schemes. Imposing VAT on the work space part of a scheme is an incentive to developers to minimise this work element
- Live/work does not necessarily require its own ongoing budget. But ministers could consider a **live/work pathfinder budget**. This could aim to create at least **one pilot scheme in each RDA region**, which can inform future policy development at a regional level. Such a budget should only be available to providers demonstrating genuine live/work use
- Identify appropriate existing DTI/RDA/Housing Corporation **budgets** – both housing and employment related pots – that can be used to co-fund a live/work pathfinder budget (as above)
- Consider extending the tax exempt **'rent a room' scheme** principle to 'domestic enterprise space' in homes and live/work property, both reduce transport use and make best use of scarce property space
- Initiate discussion in the European Community on live/work to ensure it develops appropriate policies for live/work and avoids conflicting or negative policies

FOR REGIONAL DEVELOPMENT AGENCIES

- Develop regional live/work **policies** as part of their economic development and innovation strategies
- Identify **target areas** – both urban and rural – where the RDA and English Partnerships will encourage and enable live/work
- Work with higher **education** sector to boost cluster links with live/work schemes – explore ways graduates on relevant courses might access live/work and business advice to kick start their business

FOR LOCAL GOVERNMENT

- Develop specific live/work policies
- Apply residential **council tax** only to 'guaranteed' live/work schemes
- Require housing associations and developers developing live/work to **monitor use** of the property. This is in their interest as proven work use will strengthen any future planning applications
- Consider **allocating sites** with live/work potential in local plans
- Establish connections with potential live/work developers including housing associations so that opportunities are not missed
- At the planning stage, **review** live/work schemes to see that they have applied for any appropriate grants, that the partnership structure and design enables effective marketing of the scheme and the tenant businesses will be provided with full incubation services where economically feasible
- Put in place systems to **measure the impact** of live/work on housing, jobs, businesses and transport

- Include policies for live/work in local development **plans and supplementary guidance**
- Take a **positive and flexible** approach to live/work when considering designations for employment land and residential areas
- When making development or planning briefs, include live/work as a particular **option for mixed-use** development
- Consider carefully conditions imposed at development control stage on live/work developments, to ensure they are neither too **onerous nor unenforceable**
- When considering issues of urban **density**, consider overall densities when joint employment and residential uses are proposed, rather than thinking only in terms of residential densities, or only employment floorspace

FOR THE HOUSING CORPORATION

- Further support **information sharing** on live/work
- Publicly support housing associations developing live/work, raise the **profile of the sector** as an appropriate live/work provider
- Consider ways that **grant** can support live/work with a more flexible application of TCI (total cost indicator) rules to reflect the different priorities in providing affordable workspace alongside residential

FOR PROVIDERS

- Create a visible **live/work sector**, share good practice and ideas – consider links with the Live Work Network
- Use the live/work checklist (section 3) from an early stage when planning to provide live/work

3 THE LIVE/WORK CHECKLIST

1 PRESENT YOUR ROLE CLEARLY

- A You are well placed. Planners are much less likely to suspect housing associations of using live/work as a cover for achieving residential value sales on employment use value land. Make this unique selling proposition work for you – show how you are developers of **genuine live/work**
- B Make it clear that live/work is not just another type of housing – it is dual use of a property, with the work use being just (perhaps more) important to those who live in it than the housing element. Show funders/partners that you appreciate and have planned for the management of the **workspace** not just the housing
- C Point out to funders/partners that housing associations are more likely to sustain their interest in a completed live/work development than most private developers – yours is a **long term** commitment
- D Make the case for live/work as a means to tackle **affordability**. Your role is to help business start-ups and fragile businesses afford to grow, by allowing them to combine workspace and living costs in one property
- E Show how live/work **pushes the right buttons** – it meets national, regional and local strategic targets. In particular, emphasise themes from the Communities Plan and Urban and Rural White Papers – traffic reduction, urban centre renaissance, mixed-use, rural sustainability and creation of business clusters
- F Promote live/work as a **sustainable communities initiative**. Where new housing is planned, for example in the new growth areas, show how live/work can help provide work as well as housing

2 MAKE BUSINESS GROWTH THE KEY OUTCOME

- A Manage the businesses not just the housing. Think outside your traditional housing management role – learn from organisations that **manage workspace**. Live/workers want a landlord that understands their work needs
- B Some or possibly a majority of the residents will be start-up or fledgling businesses. Their survival rate will be enhanced if business support and incubation services are offered. Have you identified a business incubation partner?
- C You will need to **identify a location** where live/work can have a significant impact on regeneration and central/local government will therefore be more likely to fund/support you to provide it. Pick an area where your scheme can create or grow a business cluster (see below)
- D **Research demand** for affordable workspace, not just 'need' for housing. Are there potential start-ups and small businesses in the supply chain?
- E Consult with **business support agencies**. How can you help them (and vice versa) grow fragile start-up businesses? You are offering their clients lower overheads – it is fair to expect something in return, for example regular on-site business advice sessions
- F Set up systems to **monitor employment use** once the scheme is up and running. This will provide essential evidence to improve future schemes and show planners the genuine work impact of live/work

BARRIERS FACED BY LIVE/WORK

Although live/work appears to push the right buttons in terms of the Government's urban and rural development policies, it is important to recognise that in practice live/work faces a number of barriers. Schemes are often developed *in spite* of the system, not because of it. Policy makers should begin any review they carry out by addressing the main barriers faced by live/work...

- Because live/work does two things it **does not fit traditional funding/planning/budget structures** (which tend to be 'silos'). So its key advantage – dual use of scarce property – becomes a disadvantage
- Private sector live/work has a poor reputation in some London boroughs, where planners think developers have used it as a **flag of convenience** to convert employment land into residential sales of loft/warehouse apartments
- There is huge confusion over **tax issues** – where should VAT apply, what proportion of a property should be taxed for business rates/council tax when space is dual use? Should capital gains be paid on a live/work property that is sold?
- There is **no one funding/monitoring agency** for live/work. Because no government department or agency 'owns' or champions... schemes can all feel like one-offs
- There is **no live/work budget** at any level of government or in any of its agencies
- Very few local authorities, RDAs or business support agencies have a **live/work policy**
- Too many live/work schemes are developed with **little or no knowledge of what works** (and doesn't) at previous sites. There is as yet no single information source on good practice
- There is no **planning guidance** on live/work. Support in planning guidance is implicit not explicit
- Planning use classes and zones reflect **outdated ideas** about use of property. Live/work can fail to slot into traditional views of what counts as a home or a workspace
- Some are critical that live/work provides '**fewer jobs per square foot**' than traditional employment use. But live/workers are part of a modern online network economy – work is shared and subcontracted within and between workplaces. Businesses can grow their turnover by supporting other businesses without necessarily taking on more staff
- There is no **live/work tenancy**. The options – shorthold, business tenancy, assured, shared ownership – all have certain disadvantages
- As with home workers in general, live/workers can face **red tape** with commercial services too. There is no competitive market for live/work mortgages, insurance etc
- The pressure is on many local authorities to support affordable housing for families in need rather than (often single) people in need of **affordable workspace**. Yet the latter can contribute much to local economies
- **Families** and live/work do not necessarily mix. Where grant is available it may not be available if the unit is used for work only. Conversely grant tends not to be available for live/work where families are not housed

G In terms of **appropriate tenure**, each site will vary. But remember that by keeping some control over the property (eg with assured shortholds), you can provide a business start-up resource for future generations of live/workers. And you can offer the property to a new resident if the previous one's business fails. However, enabling some to grow assets (eg through shared ownership) might help them grow their business. Make sure you strike the right balance

H Don't assume that 100% residential council tax designation is ideal. It may be cheaper for the residents, but having some element of **business rates** will encourage residents to take their business seriously from the outset. Try to establish a simple-to-administer system with the local valuers (eg 50:50), not an ongoing series of visits that makes residents feel wary about how they present work use of their property

3 CREATE A 'CLUSTER' OF BUSINESSES

A Have you considered the role of the scheme in supporting/developing a **business cluster**? Live/work can help create a small community of businesses that can provide a hub for business activity not just within the scheme but across a whole area

B Don't assume that a cluster means one type of resident (eg IT). A **mix of businesses** can potentially work better, as this can mean collaboration and skills/knowledge sharing – with less risk of too much competition

C Don't assume that struggling start-ups will do best next to only other struggling start-ups. If you can **include more established businesses** in the scheme, everyone will benefit – the established can access cheaper talent, the start-ups can learn and get work from their neighbours

D Don't forget higher education. **Graduates** seeking self-employment are ideal residents. Make the links with colleges that want to explore this possibility. You may be helping to lock talent into the area

E Use your live/work marketing to help identify micro businesses to one another. There may be a **hidden cluster** in the area already. The scheme can help not just residents but other businesses network with one another

F Consider siting schemes in **cluster areas**. If you develop where some clustering of business already takes place, you can help grow/protect an existing cluster. Demand may be higher and rent and capital returns enhanced

G **Incubate clusters** not just individual businesses. Regeneration will be boosted if areas chosen for live/work schemes are just beginning to show signs of clustering (see point above). Siting schemes in areas where this is clearly not likely may isolate tenants from the surrounding community, create resentment and reduce demand for places

4 PROVIDE APPROPRIATE FACILITIES

A Have you enabled high quality **broadband infrastructure** with lower shared cost for residents? Live/work residents on existing schemes commonly complain that they have been left to sort this out for themselves. This is a missed opportunity to make economies of scale and boost businesses with lower cost broadband as a selling point

B If possible provide a locally appropriate **shared space** – this might be used for meetings of residents, for shared facilities (eg photocopier), as premises for a scheme network coordinator, a space for visiting business advisers, a place to meet clients etc. It could even be a café or bar which encourages regular use, or a meeting room. Again, live/workers commonly complain that schemes don't have one focal point where they can meet. A physical centre of some kind is an important part of creating a cluster. Why give general needs tenants a community hall/flat but not live/workers?

C Ensure there is significant and appropriate **signage**. Market the site as a place of enterprise, somewhere residents' clients and others have heard of. And make sure that when clients/customers visit the site they can easily find the business they are looking for. No decent office or workshop complex is complete without good signage. The same should apply to live/work schemes

5 DESIGN FOR GENUINE LIVE/WORK

A The design needs to **relate** to both the nature of work carried out in the development, and to the context of the surrounding community

B Ultimately it is the environment that is created that can be seen to control the units' work use. Try to make the site have credibility as a **workplace** – albeit one that is attractive enough to live in

C **Social isolation** is a potential problem for the live/work lifestyle. It is vital for developments to maximise interaction potential. Shared spaces such as meeting rooms, courtyards and atriums etc are very important

D Link with **intelligent homes** technology. There is a growing interest in 'intelligent' or 'smart' homes, which enable residents (and sometimes landlords) to monitor energy use, control previously manual house use tasks by remote control and generally run the home using ICT. Live/work could be linked to this, with smart homes residents enabled to work more easily too. This is particularly worth exploring for disabled live/workers

E **Maximise flexibility**. Don't be forced to specify a particular proportion of work space. This is too complicated. What happens if the business expands or contracts? When is a table a meeting space or a dining place? Try to allow an ongoing flexibility in terms of how each unit is used – provided work is taking place



4 CREATIVE LOFTS HUDDERSFIELD

FAST FACTS

developer: Places for People Group (North British Housing)

location: Converted derelict Mechanics Institute in Huddersfield, West Yorkshire

stage: completed spring 2002

scale: 21 units, 3 are currently work-only, 5 live-only

tenure: rented, assured shorthold – rents between £115 and £150 per week including service charge for business support facilities

funding: £2.1 million development cost. Funded mainly by private finance supplemented by grants of £240,000 of from EU creative towns fund, £225,00 from Huddersfield Pride single regeneration budget and £340,000 from Yorkshire Forward RDA/English Partnerships. The site cost £71,500

main partners: Huddersfield Media Centre – assesses business plans of applicants, provides business support and telecoms to residents

target residents: mainly ICT-based

defining features: strong link to established business cluster, the adjacent Media Centre, which has café, meeting facilities and over 200 people working for 80 companies

LESSONS LEARNT

- marketing the development under the social landlord brand (North British Housing) proved inappropriate. Live/work schemes need to be branded differently to attract the right tenants
- a mixed tenure approach is being considered, as some businesses want to invest in property to help them grow and this can affect marketing
- some of the most in-demand units, the larger mezzanine flats, were probably underpriced – higher rents for these (or possibly some sales) could help cut the cost of the less desirable basement units, which could then be let to graduates and other more fragile start-ups
- design is very attractive, but this could be a residential development. It is hard to network with other businesses behind closed doors. In contrast the Media Centre offices have windows. Suggestions for improved design include more designated meeting/network space in the scheme
- lack of signage for residents' businesses. Again, this does not apply next door, where Media Centre businesses are clearly identified in reception. Places for People has recognised this and is working with residents to develop a sign board



Creative Lofts is a prominent building which can be seen on the way into Huddersfield town centre

Creative Lofts has added to this process of cluster-creation. The live/work scheme and the Media Centre are shortly to be joined by a new venture, an adjacent office building with 20,000 sq ft of business space for 35 units. Known at this stage as Media Centre 3, it will receive Objective 2 ERDF and RDA funding. One of the plans is to provide movement between the three schemes, with the possible move up of start-up businesses from Creative Lofts into Media Centre 3. The other direction businesses may wish to travel is down. Some have found, if their customer base slips, that they can move down into smaller units within the same complex, retaining the same telephone numbers and services as before, therefore not creating any impression of problems within the business to outside customers.

'By developing Creative Lofts, Places for People helped provide extra momentum,' says Sansom. 'They have contributed to wider regeneration in Huddersfield beyond their own scheme, because it has helped boost the sense of the viability of the new building. To me, this is one of the best things that housing associations can do when they get involved with live/work, they can pump prime wider regeneration around their own scheme.'

For creative and knowledge businesses, the town centre location of the Media Centre and Creative Lofts, both a short walk from the train station, is very attractive. 'You can't assume that every kind of business wants to be on a business park off a motorway, although many do,' says Sansom.

Creative Lofts residents, a mixed group of freelancers and small businesses, would probably be able to afford separate home and work premises, but prefer to combine these costs and to be in the town centre. This way they can be close to other creative businesses at the Media Centre and save the cost and effort of travelling to work.

There are a number of directors of major media companies based in Leeds and Manchester who live in Huddersfield – designers, advertising agencies and architects, Sansom says. Many are considering relocating their business back to Huddersfield where they live themselves. The Media Centre, which has prominent brown signs pointing to it at the entrance to the town, demonstrates to others that Huddersfield is a place for creative and knowledge businesses.

WHAT WORKS

- The proximity to a visible business cluster around the Media Centre next door meant the scheme could hit the ground running. Some of the Media Centre tenants transferred their businesses to Creative Lofts
- Establishing a work support agency (not just managing the scheme as 'housing') is essential – this service is provided by the Media Centre as part of the service charge
- Broadband and telecom packages are working well. Residents share the 2-4 megabit connections available to Media Centre businesses next door, as part of their service charge
- The local authority planners welcomed live/work. They see change of use as a 'driver for renewal' – a progressive stance
- Flexible open plan designs (only kitchen and bathroom come ready-designed) suits the variety of uses desired by residents

CREATIVE LOFTS in Huddersfield was the first major live/work scheme developed in the north of England, leaving Places for People strongly placed to play a leading role in the emerging out-of-London live/work market.

Despite property costs being relatively low in Huddersfield, there is high demand for tenancies at Creative Lofts. This appears to be largely down to its close working partnership with Huddersfield Media Centre next door. The centre is at the hub of a growing creative and knowledge-based business cluster, which Kirklees Metropolitan Council and the RDA are keen to encourage.

Roland Sansom, property and investment manager for Kirklees, explains the economic context behind the scheme: 'We want to get local people into jobs which pay well. Many people here still do traditional manual labour in the textile and chemical businesses. But we know these sectors are declining. Rather than just putting our economic development efforts into protecting them from decline, we want to encourage a new kind of business identity here, particularly IT type businesses. We're also trying to retain the talent and the enterprise of students coming to our university, to lock in the university output.'

DEVELOPMENT

The Mechanics Institute, on the entrance to the town from the main Leeds road, was left empty for ten years, a derelict eyesore. A Grade II listed building, its owner had insufficient funds to renovate it. In the early 1990s the urban programme enabled the local authority to buy the building. The authority then began looking for a use for the building to make the most of its prominence and attract interest from English Partnerships as a landmark site.

Kirklees's planning department is notably happy to allow change of use in the town centre, in stark contrast to some of the inner London boroughs. 'For us, a major issue with change of use is environmental nuisance,' says Roland Sansom. 'People who live in Huddersfield town centre don't want 24 hour disturbance with vehicles arriving late at night. IT businesses tend to create less of this kind of nuisance, so we are much happier to encourage this sort of business.' The authority worked up the idea for a live/work scheme with Places for People when the association was approached as a possible provider of affordable housing.

Helen Lupton is Places for People's regional manager in Yorkshire. She recalls the process: 'Kirklees had considered a concierge-based business centre on the site, an atelier project, but this seemed too expensive. We however were cautious about providing ordinary housing here on a private rented basis without grant. We looked at the proximity to the Media Centre and decided to explore the live/work idea. Toby Hyam, the centre's director, was a major influence. We saw that he could offer our residents services like broadband and business advice. We knew how to do the housing management – the 'live' bit. He was able to help support the 'work' bit of live/work.'

Together the partners worked with Yorkshire Forward, which has a formal commitment to developing creative clusters, and Huddersfield Pride, the umbrella group for the town's regeneration funding. The £2.1 million development package was mainly funded with finance from

euro-bond and New York secondary mortgage markets, covered by rental stream projections. There was also over £800,000 of grants (see fast facts). This included £260,000 from the EU's Creative Towns fund, an article 10 ERDF urban pilot project – one of only two in the UK.

'It helped us enormously to have a member of staff, Joe De Swardt, who was good at identifying the right EU budgets within the overall maze of funding,' says Helen Lupton. 'The fund is now spent, but there are often pots of money like this available if you know where to look.'

How difficult was it to persuade funders like this to support a hybrid housing/employment project? 'It was a challenge because the EU fund was for employment only. But because the scheme was presented as 50:50 employment and residential, it could meet different fund requirements. Yorkshire Forward had to make a number of presentations to the parties separately to smooth the process. The main problem we faced was that English Partnerships and the EU Creative Town budget would only sign up when the other had signed. We had to find a way to get them to match each other's funding at the same time. Basically, by telling one that the other had agreed!'

This is not an uncommon story. Live/work has no obvious source of grant-funding. A hybrid between a housing and an employment project, it can easily fall between two stools. Associations need not only to identify appropriate funding but also to ensure that schemes do not fall foul of state aid rules and the often narrow requirements of particular budgets that were never envisaged as supporting something as flexible and all-embracing as live/work accommodation.

Why did Places for People use North British Housing, its affordable housing arm, to develop Creative Lofts? 'The housing association role was very much to act as developer. We never anticipated managing or marketing the scheme as an affordable housing product,' says Places for People head of group policy and strategy David Power.

Places for People speaks highly of Kirklees planning department for their assistance, not just in endorsing change of use, but in their approach to the rates. Residents are liable for council tax only, not for business rates, reducing these costs to aid affordability.

Peter Stenuilis, partnership and procurement officer with Kirklees, believes the authority is treading new ground here. 'Our only other live/work scheme that we are involved with is three units at the edge of 17 workshops in Heckmondwike – very much a craft-based workshop scheme. Planning policy is unclear on live/work space. There is no guidance or definition, which would help us. ODPM, DfT and DTI all need to understand live/work and how it should be funded and regulated. At the moment we are all left to do it ourselves. This doesn't help get schemes up and running.'

RISK

Creative Lofts as a development was undertaken by Places for People with some degree of risk. There was no northern live/work development to benchmark against. The London live/work environment, with its emphasis on high property costs and warehouse conversions in up-and-coming areas, was clearly different to Huddersfield. Would there be a market for this kind of property in a relatively sleepy town like Huddersfield, when buzzing Leeds and Manchester seemed a better bet?

Set against these risks, Places for People knew that the scheme design would enable easy conversion to residential property if necessary. Also, uniquely, there was an off-the-shelf business support agency next door. The Media Centre had already created a cluster of businesses and some of them had expressed an interest in live/work. With Huddersfield already established as a suitable place for creative businesses, it would be easier to market the scheme in these circumstances.

Policy director David Power explains: 'There was some research done by the Creative Towns

Initiative. This and anecdotal evidence suggested that recent graduates from the University needed affordable work premises. We knew that the cost of an individual live/work unit would compare favourably to two separate premises, even if house and office costs were low here. But this was in reality a supply-led scheme. We did not have strong market data, but trends showed that there was great potential.'

What were the main problems, in retrospect, with the Creative Lofts development? 'We did not anticipate the long lead-in time to let the units. We could have collected more on marketing intelligence and perhaps, looking back, we could have considered some properties for sale.'

However, there was still only a marginal market for live/work here. Roland Sansom of Kirklees: 'Live/work is for us a very small niche market, it can only happen on a modest scale here because people can acquire very high quality residential environments for a reasonable cost. And business property is cheap to rent, for example £7.50 per square foot. There is some tradition of live/work in the more rural areas of people working from home or running workshops, but now we're seeing it emerge as a least a small player in the town centre market.'

Was this a big enough market opportunity for Places for People to enter? Was there a risk that this scheme would remain a one-off, rather than the first of a growing number of similar projects that can learn from it as a pilot? Power argues that for the group to test the live/work market, some risks had to be taken. 'We have learnt an enormous amount about live/work from Creative Lofts. We know that the business cluster element is essential. We know that it is inappropriate for landlords to market live/work through a social housing brand.'

There are also borrowing issues to address. 'Our main headache on this scheme was with mortgage lenders,' Lupton says. 'We had great difficulty persuading them to lend us money to buy this site for the element that would be non-grant funded and repaid through rents.'

They just hadn't got a box on their computer for live/work! One of our main pleas is for mortgage companies to develop live/work mortgages both for major developers like us and for individuals.'

From a land value point of view, the signs are good for Creative Lofts. Roland Sansom: 'We have plenty of brownfield sites in Huddersfield. The problem we face is that the owners of

THE PLACES FOR PEOPLE APPROACH TO LIVE/WORK

Places for People has identified a number of key ingredients for a successful scheme:

- a cluster of businesses already identified, or hidden away from one another and able to be brought together easily once there is a focal point for their activity, some glue to hold them together, such as a business centre or live/work scheme
- university or colleges that are geared up to feeding into live/work, both in terms of graduates willing to stay in the area and use their skills to create businesses, and in terms of linking up through shared use of facilities
- the right 'feel' – usually an up and coming area with some existing evidence of people working from home in high paid sectors.
- a potential business support partner (like the Media Centre at Huddersfield)
- alternatively a regeneration product or a local authority or RDA strategy that supports the growth of clusters of creative businesses. In the latter case this would be able to support and fund a business support agency with which Places for People could form a partnership to assist its live/work scheme residents

Places for People is currently considering other live/work opportunities, including a possible partnership with the Creative Industries Quarter (CIQ) in Sheffield. It has preferred partner status with CIQ, which has commissioned DTZ to carry out a feasibility study on a live/work development in Sheffield. See page 87

the old derelict mills now know they are sitting on something of value. We are now seeing for the first time in many years some private sector residential schemes for sale being built in Huddersfield – £80,000 house prices have been achieved for new flats being built near the University.'

The value of the site is likely to have increased significantly with its at least partial residential use. Had it remained in industrial/commercial use this may not have happened. In London, surveyors Chestertons report that live/work property values quickly mirror residential values. The same may apply in Huddersfield.

Despite the early risk that Creative Lofts would be an experimental one-off exposed to risk of inevitable change of use to a more traditional residential or commercial premises, there are signs that it has in fact been a catalyst for further live/work development. 'There is now a lot of interest from private sector developers in converting old buildings for live/work,' says Peter Stenuilis of Kirklees.

MARKETING

Initial marketing of the scheme was based on a budget of around £10,000 to advertise on local radio and in the regional press in an arc including Leeds and Manchester. Specialist loft living magazines usually read in those cities were also targeted. 'We got a lot for our money because we tried to concentrate on the PR element and we kept photography costs to a minimum by taking part in the shots ourselves!' says Julie Rowley, Places for People media relations officer.

'Good photography, I think was the most important element of the promotional activity. We had two apartments dressed by an interior designer and got a 'lifestyle' photographer to take effective movement-based shots that showed people what it would be like to live and work there. Stylish materials are essential' There was no playing down of the work element in the text. Brochures said 'be part of a business community' and 'looking to save on office rent?'

Free PR was obtained through stories in the Huddersfield Examiner plus two separate feature stories in the Yorkshire Post. An open day invited target businesses – creative companies with less than five employees in the Huddersfield, Leeds, Bradford and Manchester area via a 'funky' postcard. Sixty people came. Posters were also put up in the Media Centre and in Creative Lofts windows.

The most effective advertising turned out to be the cheapest – a huge banner on the front of the building, which can be seen from the road when driving in from Leeds. 'This associated us with the Media Centre and its businesses,' says Rowley. 'Word of mouth through them was a major bonus. Now we have a waiting list for the flats.'

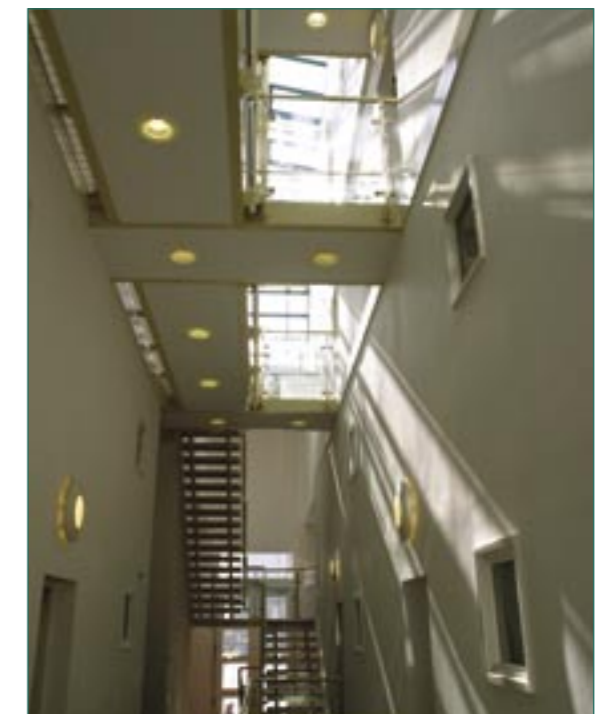
Branding a live/work building is very important, she says. 'If you can site a live/work scheme within or near an existing cluster of creative businesses and any kind of resource centre, this will help enormously. Word of mouth will provide you with most of your customers.'

There were two problems faced early on, however. Because the scheme was developed by North British Housing, there was some interest from people wanting social housing – not the target market for this product. 'The appeal of the loft name also brought in interest from people who wanted to buy not rent,' says Helen Lupton. 'And many of them at the open event were unsure about the open plan design. In a way that was good because we weeded out those only really wanting residential.'

David Power says that the group learnt a lot of lessons from how it marketed Creative Lofts. 'Now, we would always brand a live/work scheme separately from affordable housing. But this doesn't necessarily mean that we would brand new schemes as Creative Lofts 2, 3, 4, etc. We have looked at live/work and how it fits with our wider strategy as a group. We see it now as a flexible regeneration product rather than a housing product.'

But it is not easy for the group to choose a company from its existing members to take live/work forward as a product, he explains. 'We don't want to tie the live/work product to any particular part of our Places for People group yet. It could be linked into different parts of our group structure. For example, Blueroom, our market renting wing, could link up with it. Blueroom has a similar client group to our live/work property – typically people in a transitional form of accommodation, keen on city centre living, relatively skilled, etc. But Blueroom was set up to make a profit and cross subsidise other Places for People Group activity, so if there is some element of business support, etc, it might not be possible.

'If we were looking to link live/work to neighbourhood renewal areas, perhaps as part of mixed schemes, the live/work units could possibly be linked to PFP Regeneration, our group's regeneration company. So there is a choice here for us. One answer could be a company dedicated to live/work within our group structure. But with only one scheme completed so far, it is too early for this. More than likely we will see it as a further choice within mixed tenure development.'



The building has a residential feel

There are also questions about who to market live/work to. 'Transience is another factor we need to address,' says Power. 'We have noticed a growing market for people who may want to be able to live within their work unit for part of the week and then return to a home environment which is separate at the weekend – for example, people who work in London who live in the north of England. So we ought to consider the possibility of part time use of live/work.'

DESIGN

Creative Lofts is an off-the-shelf design which could easily have been a residential development. It has a door entry system into an attractive lobby and light atrium look. The 'work' elements are enhanced by installation of numerous telecom points, making phone and modem use easy throughout. But from outside the flats there is little to designate this as a place of work. There is an open plan feel to the flats, though all have separate bedrooms and bathrooms. Some of the larger flats have mezzanine floors, loft style. The building also has a meeting room space in the basement for use by residents.

But, perhaps because the design is residential, the overall feel is very much one of privacy. It would be hard for one resident on the ground floor to know what their neighbour does even next door.

David Power: 'There are design lessons we can learn here. It is not that easy for people to network with one another. This was a design and build scheme which, to be honest, looks like a residential development. One of the advantages of businesses within the Media Centre itself is that they can network quite easily. It is possible to walk past different units and see through glass walls and doors if anyone is in, etc. That's not possible at Creative Lofts. Perhaps we need to get something that's half way between the Media Centre accessibility and the privacy that people require when living in a property. For example, we could look at different use of the lower ground floor spaces.'

Networking is now being encouraged, with regular monthly wine evenings in the lobby hosted by the Media Centre. And the meeting room is being looked at again as a possible resource centre to help residents share costs of equipment etc. Toby Hyam: 'We accept that the lobby is underused and we hope to address this with better signage for the businesses, more literature to inform them what is going on, perhaps a notice board and some networking meetings.'

One of the issues raised by residents is the lack of glass at the front doors of each of the Creative Lofts units – in contrast to the Media Centre, businesses cannot see who is inside the other units. There is reportedly a strong desire of Creative Lofts live/work residents to network



Signage is high quality at the Media Centre but there is none at Creative Lofts



more with one another in the corridor or in the lobby. This presents a challenge to architects of live/work – how to create an openness during the working day to support networking and privacy in the evenings for the residents.

There are also no signs up at the bottom of the building, in contrast to the Media Centre which clearly signposts visitors to each of the businesses and where they are based.

SCHEME MANAGEMENT

Helen Lupton, regional manager for Places for People, acknowledges that turnover is higher than expected. 'We are putting this down to the

way that businesses grow or contract. Currently we're giving more priority to work-only than to live-only, although the majority are still live/work here.

'The cost of the rents was pitched between £115 and £150 per week, higher than a private rental cost would be in Huddersfield. Our own schemes offering intermediate private rented sector rents would usually cost between £75 and £95 per week. But the units are all residential council tax, without business rates, which has helped reduce the cost for residents.'

There are a number of major differences between managing a scheme like this and managing an affordable or mixed tenure housing scheme, Lupton argues. 'We found that the standard Places for People residents' newsletters are not appreciated by these live/work residents. They don't particularly see us as social landlords, in fact many are unaware that North British Housing is a social landlord at all. For funding reasons North British Housing was chosen as the owner of Creative Lofts, but from a management point of view it may not be the ideal vehicle.'

Helen Lupton, regional manager for Places for People: 'Currently we're giving more priority to work-only than to live-only use'



The central atrium at Creative Lofts



'At Creative Lofts we contracted out the work element of the management of the scheme to the Media Centre,' says David Power. 'It's very important that there is an agency with a responsibility for supporting the businesses that are in a live/work scheme. On the housing front it's a fairly straight forward matter of using direct debit for rent and giving a phone service for repairs. Many of the issues that people have at Creative Lofts are related to the business use of the facility.'

Although Huddersfield Pride, the local regeneration partnership, and other public sector agencies have funded Creative Lofts with employment as an output, there is little tracking of business success there. This makes it harder for all partners to demonstrate the economic impact of live/work when attempting to fund and get planning permission for future schemes.

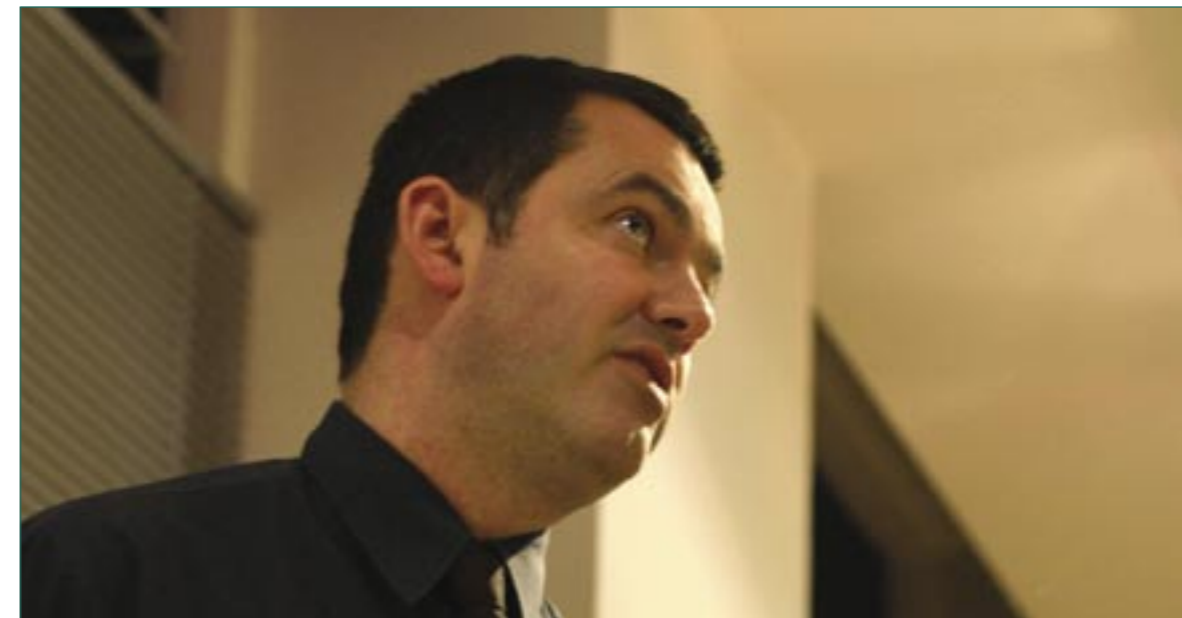
BUSINESS GROWTH

'A key ingredient for us is to have a business support partner on the ground,' says David Power. 'We are keen to play our part as a regeneration company helping to grow creative business clusters and creative industries quarters. We don't have the right skills within our group to do the support element for the businesses. We can manage the housing but the work element of live/work needs to be managed by an agency too. In our view, developing live/work schemes and then leaving everyone to get on with it is missing a huge opportunity and may not work well.'

Housing associations are a well known source of housing management, but there is no equivalent obvious place to go to get the work element of live/work supported. Small Business Service and Business link are not necessarily set up for this. They are used to focusing on larger (more than five employee) small businesses.

David Power: 'There is no standard business partner product in the market place for live/work schemes. You have to use whatever is on the ground. We find that the smaller Business Link type organisations are not geared up for this. Large scale locally-established business support organisations are better placed, particularly those with a relevance to the type of business – for example the Media Centre – clearly feels right for ICT businesses.'

In comparison with schemes such as West Ferry for example (see page 24), it may be that business advice and incubation services are too 'hands off'. There is a relatively high turnover at the site (24% in 2002/03). Presently the Media Centre signposts residents to these services, for example to Business Link. But generic business advice services may not be geared up to the specific needs of small creative companies and freelancers. It would be worth re-examining residents' access to bespoke business advice to see whether some such service might be worked into the service charge. On site monthly clinics (for example) could be helpful to start-ups in particular and might help prevent some businesses from moving out.



Huddersfield Media Centre director Toby Hyam: 'We can add value to those in the live/work units next door schemes by helping them avoid having to buy their own major phone systems and providing broadband'

Teresa Butler, chief executive of umbrella regeneration agency Huddersfield Pride is convinced that Creative Lofts has boosted the town's economy. 'It is an asset to Huddersfield and has lifted that particular end of town as it is on two arterial routes. It provides creative workspace wired up for the new economy. People who visit say 'I could live here.' How is success judged? 'It was filled in 15 months and all the tenants must have a business plan. They would probably have otherwise left for Manchester or Leeds. This is a good model. It is set apart from other loft developments which are just residential. We hope there will be more live/work schemes like this here. The demand is there. But the location and timing would have to be right – live/work is not an easy type of property to fund.'

However, Jim Farmery, digital cluster manager of Yorkshire Forward RDA is unsure whether the scheme has had a great deal of additional impact: 'There was already a lot going on in the area with the Media Centre. But we do recognise that local creative businesses were lacking the right type of accommodation. We are now looking to encourage living and working with mixed residential and industrial areas in town centres.' Yorkshire Forward is engaging with the housing sector. Its new housing strategy adviser Carole Cozens says that the RDA's strategy will include support for projects that get people to live and work in town and city centres, in line with the ODPM's urban renaissance agenda. 'Live/work could well be part of this process,' she says.

THE CLUSTER FACTOR

Creative Lofts residents may find it hard to network with one another in what is essentially a residential-look scheme. But they are all linked to the Media Centre next door, which provides them with telecoms and broadband connections of up to 2 to 4 megabits (four to eight times faster than standard ADSL). They are therefore physically part of a business cluster.

The Media Centre currently has around 80 companies based within its premises, employing over 270 people. These numbers include the live/work businesses in Creative Lofts. It also provides state-of-the-art meeting facilities plus an attractive modern café and digital art space.

How is it managed? Director Toby Hyam: 'We no longer have a local authority influenced board. We have brought in some quite senior executives from business, including the head of small business at BT, a partner in a major legal practice here, and a senior manager from Orange, as well as consultants from Comedia and people who run creative companies. One of the things we had to turn round here was the idea that not-for-profit meant no profit. We now have no revenue grant funding and are sustainable based on our rents and our other income.'

'We supply serviced office accommodation and high quality telecomm and broadband services. Broadband is 2-4 megabit, with a contended shared line across the Media Centre and Creative

Creative Lofts was deliberately sited next to the Huddersfield Media Centre



Lofts. We sell voice data at around 25 per cent less than BT standard prices. We can help add value to our businesses and those in the live/work schemes by helping them avoid having to buy their own major phone systems, routing it all through our own shared system. We are also now offering virtual private networks which give our member businesses access to our local network from remote points, including their homes.

Other services include virtual office services, where members of staff at the Media Centre answer phones on behalf of the businesses when they are not present. There are also free 0870 numbers provided to those who wish to have non location-specific phone numbers.

The cluster is also linked to Huddersfield University, which has a business incubator service within the Media Centre. It notably produces high quality graduates from its textile centre of excellence, a sector that is both part of the town's industrial heritage and linked to modern fashion design and retail activity.



Work only: Recruitment company Moves relocated to Creative Lofts from larger premises at the media centre when business dipped after 9/11

RESIDENTS' VIEWS

MOVES, an online recruitment consultancy, struggled in the wake of September 11th to continue letting in its large space business unit at the top of the Media Centre – one of the most attractive in the whole complex, with views of the hills around Huddersfield. It has been able to relocate into Creative Lofts as a work only unit. This demonstrates that live/work schemes when properly run are more likely to be used for work only than for live only.

Dee Farrell explains: 'When we had to downsize it was important to us to maintain the same address and the same services. We found in the wake of 9/11 that major parent companies who were using us were cutting budgets. We're very happy with the unit we have now, the fact that we continue to be part of the Media Centre cluster and its services. But I would say that the sense of community of businesses was probably stronger at the Media Centre than it is here at the moment in Creative Lofts.'

Rakesh Sinha co-ordinates the UK arm of US-based IT company **FULCRUM LOGIC**. A firm of internet technology consultants, they use their two units at Creative Lofts as transitional accommodation for visiting staff. 'Four people at any

one time stay here. I live here full time,' says Rakesh. One the day of our visit for this report, colleagues had just arrived from New York to work with clients in the north.

'Initially we were working in a two bed unit here, but we found we became too busy so we expanded to take on two. We found out about Creative Lofts when we came to visit from the USA. We were looking to service our customers in the northern cities and we needed a central location across the north of England. We looked at Manchester and Leeds but live/work here at Huddersfield appealed to us.

We saw the banner when we drove to Huddersfield from Leeds – one of our friends based here in the UK told us about the site. It is very close to the train station and we can get across the north quite easily. The time and energy we have saved not having to travel to work is a major factor for us. We also very much appreciate the broadband and the virtual private network. It's also great that there are so many phone connections in the units!'

Is the space better than Fulcrum could afford elsewhere? 'No, this may not be the cheapest available, but it is very good value. The ambience is right. We're close to the middle of the town and we are saving money – for example on the costs of three people travelling to and from work and on being close to services such as stationers etc.'

Rakesh would also prefer the option of buying, to enable the company to build up assets, though the rental arrangement is not a problem for them. 'I like the atmosphere here,' he says. 'We are surrounded by other people who are all professionals running businesses. Perhaps that is partly because the units are rented?'

If they were not here, where would they be based? 'We would probably have separate office and living space, perhaps in somewhere like Leeds. But we find that Huddersfield and its costs are right for us at this stage of our business growth'



Debra Munt of Open Art: 'The way we can all help one another here could be important, but you don't go around knocking on other peoples doors. It doesn't feel like that kind of space'

Debra Munt runs **OPEN ART**, an arts in health organisation. A common misconception by those who are sceptical about the work value of live/work units is that they can appear to be empty in the day, suggesting residential use. In fact, Debra often works away from the live/work space, with clients.

The things that appeal most to her are 'the quality of the space, which is light, bright and uplifting. Being close to town facilities is great but I do miss being out in the hills, that might be my next move. I see living here as time-limited. If I wasn't here, I would probably be in a rented two bed terrace and have a studio in an old mill complex. Town centre offices are prohibitive in price. This is a good deal.'

The broadband connections were a major selling point. 'I have a high need to work online for research purposes and. I am also part of a network of freelancers who work on new health centres together. In rural areas it is hard to get decent connection speeds.'

One problem she cites is the assumptions made by outsiders: 'Workmen assume this is a commercial building so feel free to dig up the road outside at the weekends. Would they do that next to a residential complex?' She also thinks that the business support service is not geared up for the arts.



Rakesh Sinha of software company Fulcrum Logic and colleagues that have just arrived from the USA to see clients in the north of England. They will stay in Fulcrum's live/work units

5 WEST FERRY STUDIOS LONDON DOCKLANDS

WEST FERRY is one of the UK's flagship live/work schemes. It was the first to be developed by a housing association. This has helped place the association sector – and Peabody – at the forefront of this market. Many valuable lessons have already been learned from West Ferry which will make future development easier for other associations.

From the outset Peabody grasped that the work element of live/work was the critical part of the equation. They describe West Ferry as a 'work/live' scheme to emphasise this.

FAST FACTS

location: Opposite West Ferry light railway station, near Canary Wharf, London docklands
stage: Completed November 1999

scale: 27 'work/live' studio units, all let to micro businesses. Nine B1 work-only units at ground level

design: 18 of the 27 studios are undivided studio spaces, with 9 subdivided more conventionally like apartments. Floors and doors designed to allow light industrial machinery to be installed
tenure: business lets, current aim is for 50% market rents with 50% on sub-market subsidy scheme

funding: Former housing land donated by former London Docklands Development Corporation. The £3.45 million development cost was funded by Peabody private finance

partners: East London Small Business Centre, provides tenants with business advice service as part of service charge package, plus start-up loans

target occupants: Subsidised studios aimed at start-up businesses demonstrating simultaneous need for affordable premises and viable business plan. Market rent studios: no restrictions other than good business references and credit check
defining features: work-dominated business incubation scheme with maximum five year stay

WHAT WORKS

- Providing shell accommodation has enabled residents to create their own look and feel. Each unit is unique, from mezzanine 'live above work below' to open plan and traditional rooms
- The package includes a business adviser who vets business plans upon application, provides access to unsecured loans and holds advice meetings with residents to help establish and grow their business. This service is highly valued
- As a rented scheme, West Ferry continues to support real work. Change of use is more likely to be towards work only, not residential only
- The light industrial look, and proximity to business centres like Canary Wharf has also contributed to the work environment
- Some residents have collaborated with one another, sub-contracting work and sharing/swapping services. A number have gained access to important new markets through these contacts
- The location has proved successful. Next to a docklands light railway station and near the City and the creative East End in a quiet area out of hours, many residents find it appealing
- There is a good mix of business types at West Ferry, including IT consultants, physiotherapists, architects, fashion designers, photographers etc
- The basic product is viable. Current tenants like the product, with some criticisms – see below. The main unmet need is a place to network
- Voids at 5% are well below the current vacancy rate in the City of 17.5% and the West End of 8.2% – at the bottom of the current economic cycle (FPD Savills, summer 2003)
- The scheme is now on target to 'wash its face' financially but will need to let half the units at market rents to produce an 8% return

LESSONS LEARNT

- Demand can change – current oversupply of office accommodation in London has increased the choice for small companies, while London's current downturn has reduced start-up demand
- Current marketing needs to step up from low key referrals and tenants' word of mouth to high profile internet presence and explicit signage on the site
- The business centre function – a community of business people who share skills and costs – needs development
- Incubating business is risky and leads to higher arrears from the struggling tenants. This means the developer/investor needs a higher return than the break even position initially adopted
- New schemes will need to work at market prices or receive similar subsidy
- No broadband was provided when the scheme was developed. This was a missed opportunity to help the businesses grow rapidly with lower telecom and internet costs (via economies of scale)
- The light industrial structure design has not been utilised by tenants – most craft users do not need more than a residential floor loading. However the building is very solid and quiet
- The minimalist 'bare shell' fit out required tenants to invest thousands to make the units habitable. This diverted their limited funds away from business priorities at a critical time
- There is very poor TV reception, virtually forcing residents to subscribe to satellite. A combined internet /phone/TV facility could have saved residents money at a time when they most need it
- The special business tenancy with residential use is not exempt from residential protection in court when possession has been sought for arrears. Judges will not permit possession where contested without a possession order. This has increased costs
- Opportunities to help residents network with one another may have been missed – though this would have had a cost. Some residents do hold meetings and work with one another where they see shared or compatible interests. But these activities are sporadic and are 'DIY'
- The ground floor units are normal business lets. Residents use the services of the courier firm and the printer but do not frequent the restaurant that has recently opened.
- Lack of funds prevented a space for shared facilities, services and equipment. There is no 'heart' of the scheme
- Signage is poor both in terms of the function of the building (which could project its business function to large numbers of clients passing by train to Canary wharf etc) and for each unit. There is no easy way to find each business upon entry
- It is not clear whether and how tenants will be reimbursed for the improvements they have made to their unit. This is the downside of providing basic shells
- The allocation process for subsidised studios is complex. Residents must simultaneously demonstrate low income and a viable business plan – a potential contradiction
- In retrospect, the phasing out of rent subsidy did not allow for economic downturn. As London dips, higher business costs come at a bad time
- The initial aim to let all the units to struggling start-ups missed an opportunity to enable them to network with more established successful businesses. These could have provided better contacts for lucrative work, mentoring and a sense of being within a successful cluster. This is now being addressed
- Not quite close enough to the City to provide lunch time services to City workers on site

The look is deliberately industrial, with none of the residential trappings common to many private sector London live/work developments. By design, the units are much more likely to appeal to people who genuinely want to work there. This is in any case guaranteed by tenancy conditions. Residents must demonstrate a viable business plan to be accepted. They can then get support from the East London Small Business Centre (ELSBBC), which is covered in part by the service charge.



KEY FEATURES OF WEST FERRY

- There are 27 studios of about 750 square feet with deck and lift access
- All rents are quoted inclusive of service charges, but exclusive of rates
- Subsidised rents are £150 per week in year one, rising to a market rent of £300 per week by year five. Council tax and uniform business rates add £34 per week. Total cost to year one tenants are therefore £184 per week
- New market rent tenants pay approx £303 per week in rent inclusive (£15,810 per year or £20 per square foot for a 775 square foot unit)
- Market rent leases are let to businesses with either a trading track record for tenant covenant or to a self employed individual with a good credit history
- Subsidised tenants are required to prepare a three year business plan to be eligible. This must demonstrate their commitment and financial viability
- Business adviser support is included in the package as part of the service charge, which is included in the rent. This is provided by a specialist agency at 50% of full cost – a charge that depends on local agencies' subsidy
- Tenants accept a primary obligation to use the space to develop their business, and to consult with the business adviser
- The subsidised lease requires tenants to submit annual audited accounts to provide evidence they are still operating as a business and on track with their plan
- Tenancies are a hybrid of a business tenancy and a residential assured shorthold tenancy
- Length of stay was originally restricted to five years to provide time to establish the business but requiring move on. This is under review
- Notice to quit by either party is three months after first year
- The target market is those who are ready to start-up (pre-start-ups) or have recently started up a business. Originally individuals had to be earning less than £16k pa and have no collateral for a loan
- As the business expands, the tenant can move out to a residential flat and continue business at West Ferry with minimum disruption

ELSBC adviser David Burnikell's monthly incubation and advice sessions with residents are much appreciated and have undoubtedly helped many businesses there to survive and grow. But the fairly cumbersome application process and five year stay limit, agreed at the outset, have not really worked out. These are now being modified as a more flexible approach is adopted.

No public grant was available for this scheme. It was made possible by the former London Docklands Development Corporation (LDDC), which transferred the land to Peabody as part of a package including social housing nearby. This limited facilities and finishes on site.

DEVELOPMENT

In the late 1990s Peabody saw a need to help people struggling against the odds to establish small businesses in the heart of London, under intense pressure from developers and the residential market.

The trust had good links with the LDDC, which wanted to help start-ups in the booming service economy in London, symbolised by Canary Wharf nearby. It contributed the site – a former council estate cleared for the entrance to the Limehouse Link, but conveniently positioned next to a Docklands Light Railway station – as well as grant to subsidise the development costs and rents.

Peabody has a commercial portfolio (mainly retail) with an annual rent roll of approximately £2.1 million. This is integral to its residential estate. It intends to expand commercial property investment as part of a commitment to invest in the London economy. Many existing commercial tenants are start-up retail businesses. These factors led to the West Ferry development as Peabody's pilot live/work scheme.

The site was previously residential, and was acquired for £1 from LDDC. The development cost – £2.25 million – was financed directly by Peabody private finance based on rental income projections.

West Ferry is well positioned by a docklands light railway station and is near Canary Wharf

Tax issues were an early challenge. The scheme's use of business tenancies and the mixed-use nature of each unit mean that both council tax and business rates apply. Business rates are roughly double council tax.

The local authority initially had great difficulty with this and were not quick to send out council tax and business rate bills. Tenants let sleeping dogs lie. But, perhaps inevitably with a shell scheme, different tenants have different floorspace usages and ideas on what is fair. So this is an ongoing issue.

Tenants of undivided studios who use their space in a flexible way without a clear space for business are able to appeal against the business rates – three have succeeded in securing 100% residential council tax treatment.

The residential use appears to take precedence for tax purposes. While this works for those who have limited work apparatus, and can double use space, this effectively taxes those who work from home – and give up precious domestic space to dedicated office use. This is unfair.

But the combination of work and live space does provide leeway for tenants to argue for most of the occupational costs to be treated as business expenses and offset against income tax. Accountants are important at West Ferry. So once you have taxable income you can recover many of the shared costs before tax is incurred.

By providing unpartitioned shell space Peabody was able to save on its VAT liability on the construction costs because VAT is only charged on clearly defined workspace areas.

Private developers in contrast report an incentive to reduce the 'work' element of new schemes to reduce VAT costs which are then passed on to buyers. 'On guaranteed live/work schemes it would be reasonable to see VAT zero rated to help start-ups with low turnover who find it difficult to recover the VAT,' says Peabody's commercial initiatives director David Tannahill.



The building is located on a former residential site – preserving existing employment was not a planning concern. So the planners were supportive in principle. However their responses were conditioned by other applications. Scheme manager Steve Hancox recalls that planners were worried about the work/live concept at first:

'They weren't sure how to police the mix. But they have been supportive, and satisfied that Peabody could exercise proper control. They were also reassured by the involvement of our business adviser.'

At a recent seminar on site, the local planning policy officer expressed great interest in the rental tenancy which clearly supports a business use.

RISK

The main risks now are that, as the service sector struggles in London, the target market (fragile business start-ups) will be less viable, increasing rent arrears and turnover. Economic cycles must be considered when schemes are planned.

West Ferry is certainly not a simple proposition in cashflow terms. The five year limit and the phasing out of rent subsidy have restricted commercial flexibility. In addition, the complex original allocation system (see management section below) has effectively cancelled out the advantage of having high demand for the units. Letting up to 50% of studios at market rents will address this.

There is a risk that management resources can be underestimated at the set up stage. Management costs for live/work units can be hard to quantify – as they do not fit neatly into traditional property systems. Steve Hancox estimates that lettings originally took up between 35% and 40% of his time. This included viewings, sitting in on business plan interviews, providing a full explanation of the hybrid tenancy, dealing with a tenancy sign up and applying to the Court for court exclusion from security provisions of the 1954 Landlord & Tenant Act. This is recovered by a 10% letting fee on each letting.

After an intensive set up period, management time now stands at 5% of his time. Including salary and overheads, the 27 units would cost roughly £91 per year in property management – 2% of the average £5,168 annual rent excluding service charge. The service charge averages £2,084 pa. It is an element of the ‘rent’ charged (an average £7,252 pa).

Hancox notes that ‘90% of these tenants have come straight from home to these business units. It is all totally new to them and it has been necessary to ‘hold their hands’ on several occasions. It will take them time to adjust to the requirements of a commercial scheme – for example, the need to arrange for certain items of rubbish to be taken to the tip.’

The scheme is more costly in terms of business support. Half of these costs are paid for from Business Link and corporate sponsors via East London Small Business Centre. These costs are largely hidden. However, the high cost seems to be largely down to the type of businesses being catered for – often young creative people with little or no business experience or experience of housing themselves.

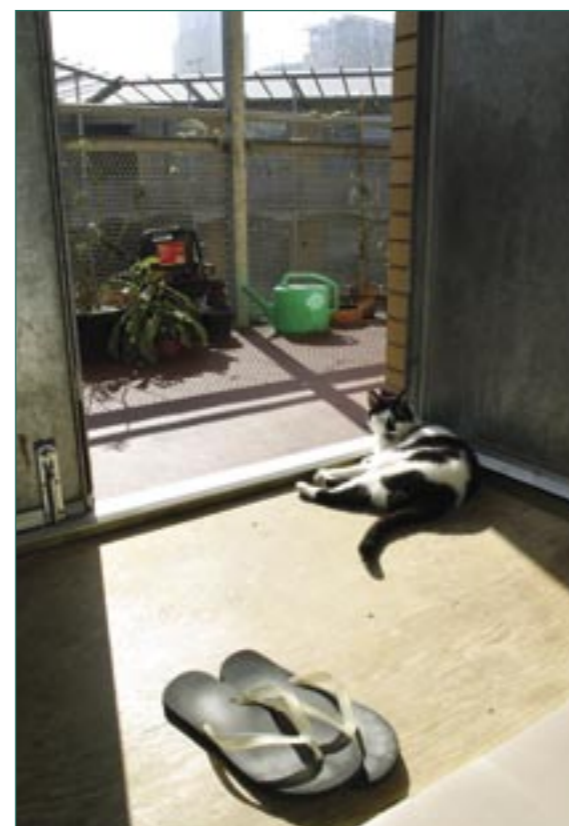
Set against these risks, there is a strong demand for the properties for rent or sale. A large number of tenants have expressed interest in buying. It may be worth Peabody considering some sales as part of its attempt to build a stronger base for the West Ferry business cluster.

But this raises a classic live/work dilemma – how can associations and other developers ensure work use in a property they have sold? For this reason Peabody prefers to let some units on market rents and retain control.

‘Currently we have no further development proposals for live/work on a rental basis,’ says Tannahill. ‘To repeat West Ferry will require grant – as the rental return is inadequate for a new development. Grant will hinge on the particular niche role of live/work for rent as start-up space – over standard affordable work-space. The lessons here are likely to be applied in a new build project for sale – preferably on shared ownership terms to keep control and increase affordability.’

MARKETING

At the time of the development, Peabody had to operate under strict Charity Commission rules which required it – in effect – to target people on low incomes. Residents had to have no collateral and earn under £16k pa. (These rules have since been loosened, enabling charitable associations to pursue wider regeneration objectives.) This straightjacket meant that applicants for West Ferry had to simultaneously demonstrate their poverty and a viable business plan – a potential contradiction.



There are large metal doors to each unit, allowing for materials to be brought in and out with ease

West Ferry shell units allow a variety of uses. Left: graphic designer Mayumi Ogiwara has created a mezzanine floor for her bedroom

Letting the units was extremely time-intensive compared to other sites, says Steve Hancox, scheme manager. Peabody had not accounted for the length of time it would take for applicants to produce business plans robust enough to get through the ELSBC requirements. ‘Tenants were given too many hoops to jump through.’

High demand was over-ridden by the tough criteria. ‘An initial list of 1,100 potential applicants was whittled down to just 30. It took a lot of hard work over 18 months to let. This has had a massive impact on the financial projections. With money running out there was some cutting back on finishing touches, some of which have been sources of complaint for tenants.’

The scheme was first marketed in August of 1999, prior to handover from the contractors. The first tenant moved in on 19 November 1999. The last unit was let in January 2001. Business adviser David Burnikell: ‘We get four or five inquiries a week still. The sign outside the building is probably main reason, since we stopped marketing when the scheme was filled.’

DESIGN

The building was designed by architects CZWG. It is unashamedly light industrial. Units are not ‘offices’ – though they can be used for this. Some storage is enabled. The design was a success with the planners, who appreciated its warehouse aesthetic and are now very protective of its external visual integrity. But this makes it harder to advertise activity in the building.

One of West Ferry’s strengths is the open shell approach in each unit. This is appreciated by tenants, who have created a very diverse range of uses of their space, ranging from loft style mezzanine floors to fully open plan and separate work and live spaces. The downside of this flexibility is that tenants themselves must pay for changes. The units initially came with bare MDF floors, bare chipboard and brick walls, concrete ceilings, industrial lighting, galvanised metal doors and window frames and no blinds on tall windows. The kitchens had only a sink. Many



tenants spent over £2,000 making the space liveable. They feel have improved the property yet cannot recover these costs or see them as an investment – they cannot buy the units.

There are large metal doors to each unit, allowing for materials to be brought in and out with ease. However, tenants feel that the lifts are far too narrow, undermining the advantage of the wide unit doors. And the numbering of units is complex, based on vertical positions rather than the classic floor based approach used by hotels (eg B1, B2 etc on floor two).

The building has a landmark feel, with the name West Ferry built into its structure in huge letters. As with many live/work schemes though, West Ferry has not been well-branded since the early marketing finished. There is no sign explaining to potential clients passing on the light railway

THE BUILDING

- A landmark site, with large lettering on the front elevation and beacon lighting at the top
- Design allows small scale craft production, light assembly and information and knowledge-based services
- Floor construction is load-bearing and the windows are as large as possible
- The courtyard design shields the site from adjacent traffic noise and provides security
- The ground floor is let to business-only occupiers on standard commercial terms. Users need to respect the live/work nature of the building above



Tenants have had to create their own signage

MANAGEMENT ISSUES

'West Ferry rents are higher than schemes like this could charge in other areas,' says David Burnikell. 'This is a prime location, near Canary Wharf. It is safe after dark, easy to get to, has excellent access to the West End and the City and is a good place to bring clients. If a similar scheme were set up in a poorer area, the tenant mix might change, but what might be a less attractive area for business and visiting clients might be offset by lower rents.'

'Unlike commercial leases, rent can be paid monthly, says David Burnikell. 'This helps new businesses. Quarterly in advance [the usual arrangement] could seriously damage these tenants' business. If you miss a quarter it takes you six months to catch up. That can put new ventures out of business.'

'About a third of tenants here struggle with their rent,' says Steve Hancox. 'Peabody is on new territory here. We can't just employ the standard housing management follow up letters and techniques – or the commercial sector approach. We are supporting business, but getting the balance right has been difficult. The landlord does the tenant no favours if we are slow to chase rent payments.'

Tenancies are generally for five years, based on a reducing rent subsidy. Subsidy is 50% in year one, 45% in year two, 40% in year three, 30% in year four and 15% in year five. However, the downturn in London's service economy since the scheme opened has made the rent rises hard for some tenants to achieve.

David Tannahill: 'At a time when the private rented sector has seen rents dropping in London and with recession in certain business sectors, we cannot increase rents beyond the market rent and businesses cannot pay higher rents automatically. The lesson is that live/work incubators for rent need to be flexible. We will not help businesses by adding to their costs just as they are losing share of their markets. The poor economic outlook has increased arrears.'

that there are service businesses here. Even if the large West Ferry letters can be read, this is the same name as the DLR station and does not explain what happens in the building.

Unit signage is also a problem. Ease of access to each business for visiting clients and collaborators has not been addressed. There is no way of knowing who is where at the site. A number of tenants have put their own logos up in the windows (some facing into the courtyard, others outside too). This 'do it yourself' approach is perhaps inadequate. During our visit to the scheme we found a photocopied sheet of paper in the lift detailing who is based where – a tenant had done this themselves and stuck it on the wall.

Security also proved a particular problem. The open courtyard and fire escapes allowed easy access to casual thieves who traded on the coming and going associated with commercial premises. Following a spate of burglaries, a series of security improvements were made. The low cost fit out included basic door locks with simple four lever mechanisms. These had standard keys that could be purchased ready cut from any locksmith and the local shoe mender. Most tenants have now installed their own large external padlocks. However, the steel doors on some units have the door hinge bolts exposed which limits the security of a big padlock.

Since its original plan, Peabody has decided to increase the proportion of residents at the scheme on market rents to 50%. This is meant to ensure that there is a larger proportion of strong viable businesses on the site. This will help provide a sound rental income base. It will also help the subsidised start-up businesses. They will be able to network with more successful businesses as well as with others like them struggling to get started.

As at July 2003, the arrears as a percentage of rent roll stood at 13%. Peabody's business plan set an average commercial arrears target for the year of 8% for all commercial property. However, the average arrears figure on the commercial portfolio at that date was about 7%. Live/work arrears should not exceed the commercial stock average.

The high arrears reflect the low income business client group. Adviser David Burnikell has advised some tenants to pay some but not all of their arrears, to ensure they can keep buying materials. 'It is difficult juggling business priorities against housing ones. This is the down side of live/work: double debt not just double savings.'

Voids are being let within an average 2.5 months. Neither Peabody nor East London Small Business Centre maintain a waiting list, but any enquiries for subsidised studios are referred to the business adviser David Burnikell for an assessment of their business proposition, and if they are serious, preparation of a business plan.

Peabody chose a tenancy agreement instead of a lease, a hybrid between a business tenancy and an assured shorthold. The agreement is 'court excluded' and therefore offers no security of tenure. It includes many commercial clauses typically associated with a business tenancy.

David Tannahill: 'An important point is to allow the tenants to get used to operating under the obligations of a commercial lease. When they expand and move on from West Ferry to larger commercial premises, they need to be familiar with business tenancies.'

However, in three possession cases (for arrears), judges have been persuaded that these are de facto residential tenancies as they are people's homes. 'This requires the Trust to obtain a possession order rather than simply change the locks once the current tenancy has expired.'

The lease itself reserves the right for either landlord or tenant to serve notice of three months on the other to end the tenancy, so repossession cannot be disputed by the tenant, but clearly it will take longer if the tenant remains in occupation after the tenancy expiry date. This difficulty in repossession results in higher arrears – as all three repossession cases have been high arrears cases, due to business difficulties.

An annual management charge of 10% of the rent roll is made by Peabody to cover its management expenses. This allows the property manager to spend an average of two days a week on the property. This is sufficient to cover his time on average and is line with commercial practise. This fee is included in the service charge within the rent.



Peabody commercial initiatives director David Tannahill: 'The whole point is to get the tenants used to commercial leases. When they expand and move on from West Ferry to larger premises, business tenancies will not be totally alien to them'

Business adviser David Burnikell: 'Because we have no collective location for tenants to meet, we've had to look at other ways to help them network'

The service charge of some £2,000 per year is inclusive – so tenants know exactly how much they are liable for – so extra costs fall to the landlord. In addition Peabody funds its share of the business adviser cost out of the total rent income. This reduces its return, but is a key to the scheme.

BUSINESS GROWTH

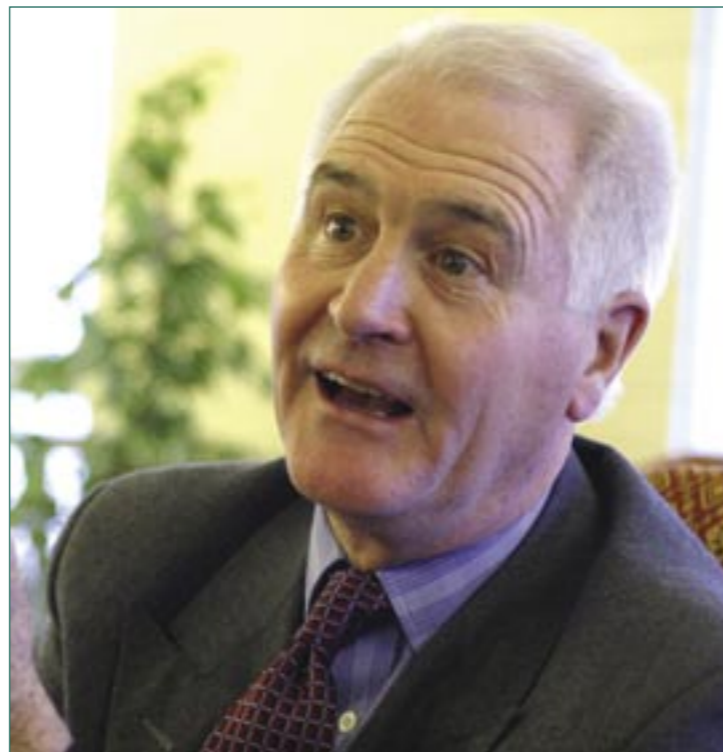
Overall, of the 26 original tenants, 19 remain. Three have moved on to take advantage of new growth opportunities. Three have moved out because of business failure and one for personal reasons. Of the original 19, three are now moving out, one to take on a mortgage and two to re-trench to lower cost accommodation in the face of adverse market conditions.

West Ferry's business adviser David Burnikell, of East London Small Business Centre (ELSBC) is part-funded by a service charge included in the tenants' rent. ELSBC is a charity with dozens of sponsors, mainly City/financial, ranging from ABN Amro to The Mercers Company.

At West Ferry most businesses employ two or three people. Once they get to five they would be transferred to East London Business Link for support. Adviser David Burnikell gives West Ferry tenant clients two half days a week. He has many other non live/work clients in East London.

Part of the package is a loan fund. ELSBC acts as a lender of last resort not requiring collateral. The maximum lent is £15k, typically £5 – 10k. Around half of the tenants have been assisted this way. The only security required is a personal guarantee by the borrower and the comprehensive business plan David Burnikell helps the businesses draw up.

ELSBC has a standard business plan checklist, with boxes checking each item has been supplied and any action required. There are 40 items required, ranging from cashflow forecasts to SWOT analysis and descriptions of legal structures, competitive edge, market gap etc.



Tenants' business plans are weighty documents, often over 60 pages. Many have made attempts to make them not only comprehensive but attractive. This process is an important hurdle for tenants to cross, one which emphasises the serious responsibilities of running a business and identifies the serious applicants. This process can take them many months. It is a useful entry requirement to a managed live/work scheme of this kind.

One dilemma faced at West Ferry is whether to protect existing businesses or to help new ones, given the more difficult state of the economy in the area and across the UK. David Burnikell believes that big businesses are not outsourcing work as much as might have been expected given downturns in some sectors. 'Where they do outsource they will often outsource to an ex-employee, someone who has in effect been taken off the payroll, even made redundant, but who they have protected by giving contracts to. That means it is hard for start-up businesses, such as those at West Ferry, to break into these markets to take some advantage when bigger businesses scale down their employee costs.'

How have earlier residents' businesses performed? 'They have been a mixed bag,' he says. 'There are some who are very well established here now and are achieving rising turnover in difficult times. But others have been unable to

make a go of their business. Some of these have been very talented and were just unlucky.' One example was a fashion designer working at the very top end of the market who established clients in California and Italy. He came very close to success and was close to a deal with the Formula One organisation to design clothes for them. However, the tragedy of September 11 completely turned the market and the big buyers withdrew. Without the necessary volume, his business collapsed.

'He could have gone big, but the fact that one or two important buyers pulled back for a season made all the difference and illustrates how vulnerable small entrepreneurs can be,' says Burnikell. 'Yet another West Ferry resident, Mark Okoh, a photographer, has successfully teamed up and networked with a number of other businesses here. He helped this designer out with affordable publicity shots of the original samples and in the process got to know the Formula One people. He has since secured an on-going relationship with them. This year he was twice invited to Spain to photograph all the Formula One drivers at the Spanish Grand Prix. The photographs appeared in the F1 magazine.'

How is business success measured? 'It depends upon how you measure success,' he says. 'Remember that all the West Ferry tenants were selected because they faced high odds. Many were refused loans by the commercial lenders and have secured loans of last resort from ELSBC. Two tenants have made sufficient money to move out to properties on mortgage. At least six now have strong viable businesses on site. Three or four are doing very well to recover from difficulties caused by 9/11, which hit PR and recruitment budgets hard and caused havoc in the fashion sector, with Americans staying away from fashion shows here. Others are still struggling – if they fail this will be down to harsh market conditions, not how they ran their business. They have learnt a huge amount. Some have continued business, cutting costs by moving to cheaper smaller premises. Overall I think they have done perhaps better than we might have expected at the outset.'

THE CLUSTER FACTOR

The business advice element of West Ferry is clearly working well. But there has been little attention paid to networking tenants with one another or helping them share costs and collectively market their services to the wider business community.

One of Peabody's aims in developing West Ferry was 'to create a community of enterprise, enabling a cluster effect, with tenants addressing stress and isolation through mutual support.' Yet the community has been left to create itself. The more confident tenants are networking, but support has so far been one-to-one rather than to the group as a whole. This is a missed opportunity that still needs to be addressed.

In London, people living next door to one another often know little about their neighbours. The risk is that the same applies to live/work schemes, although the potential for links is much stronger. David Burnikell: 'They may have much in common as small businesses and start-ups, but many of these people do not commute and therefore do not meet each other on the way to work or at the station, so, because we have not had a collective location for them to meet, we've had to look at other ways of helping them network with one another.'

'We are now starting to have regular networking meetings. Plans now are to hold quarterly business meetings either at West Ferry itself or possibly at Brick Lane where the East London Small Business Centre has an office. Up for discussion in early meetings are subjects such as broadband, lease renewals, and general landlord and tenant items.'

There has been a fair amount of collaboration amongst tenants, but this is sporadic. For example another photographer has done marketing photos for a fashion designer and others. A jeweller makes belts for a dressmaker, people have used the IT and business consultants and so on. David Burnikell gives an example: 'Annika Burman's jewellery design business recently slowed down. She has now taken a part time

admin job with Jane Reucroft, who retails a special range of women's clothing called Gift from the Gods. Annika prepares customer lists of small new boutiques from press cuttings for Jane. This know-how is helping Annika understand the sales end and Jane is now taking her jewellery to new outlets. Jane told me she needed help. I emailed them both to establish whether they would be interested, then put them in touch. Interestingly they live virtually one above the other, but they had not really previously met. It was the usual story – both very busy, either out or working and not interested in gossiping.'

Burnikell says he can help enable these links, but can't force small start-ups to work with others in the same boat. 'It is right we are now aiming for a better mix, with more established businesses staying beyond year five and some market rent tenants. They will provide the glue for this cluster.'

If a new scheme were to be set up along similar lines, what would he advise? 'I think it helpful for the counsellor to have a workspace on site and that this should be used on a regular, predictable basis. Such an arrangement encourages a sense that the counsellor is an integral part of the community, is sharing the same space experience and can be readily approached on small issues. Such contacts forge good relations, help to quickly resolve potential problems and make it easier to catch up with clients who may be 'going to ground' – always a danger signal.' He also believes central services, particularly photocopying, fax and email, would be very helpful.

The ground floor of the West Ferry scheme has always been exclusively for business use. One of the weaknesses identified in previous consultancy studies of West Ferry was the lack of a communal meeting space for West Ferry residents.

Partly in response to this Peabody responded positively to a proposal to open a restaurant in one of the units. This is called Merchants. One of the problems from the residents' point of view is that the restaurant is probably too

expensive to be a regular drop in and is not really a café. This is a dilemma for Peabody and any other live/work developer. How can a communal facility be provided that will enable residents to cluster together but will also pay its way in a commercial sense?

RESIDENTS' VIEWS

NIGEL HEPPLER runs a senior level recruitment company he set up with a colleague from a larger firm. He did have four employees, but reduced the number after 9/11, when the recruitment market collapsed. 'Being based here has been a really interesting experience. The downside of living and working in the same space is that I don't get out enough! But I've always worked silly hours – this just makes it easier to do it. Not having to travel is a major plus. And I like the space itself – this is a nice, relatively quiet location to live and work – especially in the summer.'

Cost is another positive factor: 'Sharing both home and work is definitely cost effective. But I've been kept off the property ladder by being a tenant here. The outlay makes it difficult to buy a home. If I wasn't here I'd probably be in a residential place working from home – though my ambition is to separate home and work.'

What would he like to see improved? 'A good meeting space would be helpful. I use the café up the road – maybe for 100 meetings a year. The new restaurant is unsuitable – it's expensive and is closed in the afternoons.' He also feels that some of the management service is not up to commercial scratch and is too similar to social housing. 'As tenants we get plenty of letters telling us off for things like dumping of rubbish. But I don't want a letter, I want someone to move it!'

He would have preferred broadband to be part of the package (he has signed up for his own ADSL service). And he is unsure that the bare walls and floor approach is the right one: 'It was very expensive to kit this place out – there was a lot to do to make it basically acceptable.'

Architect Noel Isherwood:
'Live/work has helped me save time and money'

I am not sure how Peabody views the money that has been spent, whether one can get anything back on leaving?'

NIA ARCHITECTS Noel Isherwood (resident here) and Colin Munsie have used their experience at West Ferry to specialise in live/work design, which is becoming their main market. They are now undertaking master planning consultancies UK-wide and sense of place studies.

One client includes the Welsh Development Agency which is running a live/work project at Barry in the Vale of Glamorgan. The property is owned by Vale of Glamorgan and is being transferred to a developer for a live/work scheme. It had links to lifelong learning centres and will give preferential treatment to students.

NIA believe that local authority planners and economic development staff would gain confidence in live/work if developments there were:

- better links with urban regeneration initiatives and universities
- more provision of work space within the scheme, not just live/work
- developers who don't just develop residential property normally
- a higher proportion of business rates on the property
- a small area to meet from day one of the scheme
- the right size for economies of scale – eg 50 units could afford a concierge system

Noel Isherwood: 'Live/work has helped me save time and money. It would cost me £16k pa for a house and £16k pa for workspace.'

'We spent about £2k adapting this unit but it was worth it. It is very hard to find a small start-up space in London.'

'Rental is a good idea for start-up businesses,' he says. 'But when they do better they should have some option to buy or to expand into another perhaps next door property. Another option might be shared ownership.'



MAYUMI OGIWARA is a graphic designer with strong links to the Japanese business community in London. Her business, Penguin Dream, expands and contracts flexibly based on the amount of work coming through.

'When I lost my previous warehouse space for my business when the lease ran out, I was looking for both somewhere to live and somewhere to work. It is so hard to find both near to each other in London and the costs are very high. I think it would be costing me at least 50% more if I had two places, and that is not including the cost of travelling to and from work and the time that that involves.'

Her unit is divided into live space and work space by a mezzanine floor which her partner, an architect, built into the unit. At least half of the 'downstairs' work space is dual use, for example a table that can be used for either meetings or dining.

Her niche market is providing design to companies where there is a link to the Japanese market, either Japanese companies or UK based companies selling to Japanese clients. Her bilingualism is an asset here. Some of her clients include the Japanese community's school in Ealing where she has been commissioned to make books for children. She also works for blue chip companies in the City and Canary Wharf.



Mayumi Ogiwara: 'I think it would be costing me at least 50% more if I had two places'

ANNE ROEBUCK's physiotherapy business is reasonably new. She moved to London three years ago as a contractor and in 2002 chose to set up her own business and is now one of West ferry's first market rent tenants.

'I consider this a very good deal. I can share the costs of living and working all in one place. Live/work is just right for me. It enables me to combine overheads of home and business all in one space, and it gives me flexibility to change how I use the space. Many of my friends I visit live in smaller spaces than I live in here but pay more for them. And they also have to travel to work.'

Previously Anne had a bad experience at West India Quay. 'I was going to rent a place but the letting agent didn't tell the owner that I was going to work there. I was told it was OK only to find that the freeholder wouldn't allow it. By then I had already quit my job to start my business and was staying with my parents. West Ferry came at just the right time. I simply wouldn't have set up my business by now without it.'

'I saw the signs up outside West Ferry but wasn't clear what was involved. They should shout out more about this, in my view.' Anne also feels that networking between businesses at West Ferry is too limited. 'Some socials are organised but it tends to be the same people organising them.'



Physiotherapist Anne Roebuck: 'West Ferry came at just the right time. I simply wouldn't have set up my business by now without it'

Penguin Dream Design uses up to three people at one time. There is a work station with four terminals at it. 'I heard about West Ferry from friends of mine who are in one of the units at the site. I was thinking of doing a business plan but the requirement to do that through East London Small Business Centre meant I really did, as a condition of getting this unit. The business adviser here was very helpful. I'm not sure I would have done it without them.'

She likes the location: 'Being near Canary Wharf and the East End is ideal for me. It means I'm near to clients but also near to places I can get materials.' But she feels that networking between tenants should ideally be easier than it is.

'I particularly like the way we can help each other here at West Ferry, but this isn't made easy. When the architects designed West Ferry they didn't seem to take into account the use of glass very much. Had we been able to see each other a bit more easily walking past we might have networked better. It's very important that we create a community here, to feel less isolated. Perhaps a newsletter might be an idea, or a communal facility. I think signs could be done properly too. It would be good to demonstrate to the world outside that this is a business centre. We should be signposted properly at the bottom of the building.'

There are one or two drinks evenings occasionally at some units. It's partly up to us but for me as a new tenant I do feel that if Peabody was able to make this happen without spending much on it at all it would be in everyone's interest. There's a definite possibility of me using other people's skills here. I can imagine using website designers from here.'

Anne uses a website www.physiotherapy-specialists.co.uk and www.yell.com where her company has a mention, as the main marketing tools. 'With new patients I always do a questionnaire and I discovered quite quickly that it was through the website that people were finding me, not through adverts. This just goes to show how important broadband can be for a company like mine that isn't apparently IT-based, and it also shows how important good connections are which I hope Peabody will consider here for West Ferry.'

What are her plans? 'When the business expands I want to convert some of this unit into a second physiotherapy space. If things go according to plan I would hope eventually to move out to live somewhere else and continue to expand the work use of this unit, which I presume is not a problem. I am very pleased with the flexible attitude taken by Peabody towards space here.'

How does she feel about the market rent package? 'I was required to find a £6,500 deposit which I think was very hefty. It took a large part of my initial £10,000 start-up loan from the bank, which meant I had to borrow more.'

ELAINE HOWSON runs an IT training company from West Ferry. 'I love the location. We are just eight minutes from Bank. I have a lot of clients in the City and at East Aldgate which is close too. There are lots of riverside restaurants and pubs here which appeals.'

The apartment itself is very sunny. I like the space, with its high ceilings etc. And it's good to be close to people doing similar things from similar backgrounds. It is neighbourly here, and tenants are friendly and informal. There was lots of lending each other things in the early years. But there's not much of an overlap or business networking.'

She is less happy with some of the finishing touches at the development though. 'It is as if they ran out of money at the end of the project. There is only one lift for 27 businesses and it often breaks down. The door bells have never worked, which doesn't look good to customers.'

As the rent subsidy is phased out, she believes that services should be improved. 'The TV reception is appalling and we could do with better infrastructure, like broadband. It is worth Peabody remembering that residential developments near here often have 24 hour concierges, parking, etc.'



IT trainer Elaine Howson: 'It's good to be close to people doing similar things from similar backgrounds'

6 FOREST GARDEN MEWS HARINGEY

FAST FACTS

location: Converted workshop yard in Tottenham, north London

stage: Completed November 2002

scale: 8 units, 6 one bedroom (above workspace) plus 2 larger properties that are mainly residential

tenure: assured shorthold tenancies

funding: social housing grant-funded, plus SRB conservation/regeneration funding

partners: scheme managed by Mace housing co-op

target residents: members of Mace and ACME (artist studio organisation) with combined need for housing and workspace

defining features: live/work with straightforward upstairs live/downstairs work design in attractive mews restoration, tenants mainly in creative sectors

WHAT WORKS

- Impressive and sympathetic restoration – a run down yard (see photo p 40) converted back to a modern equivalent of its original mews use
- Previously noisy and dirty businesses have been replaced by quieter cleaner creative/IT workers: the old and new face of business?
- Popular live upstairs/work downstairs design – a good model for small live/work new build?
- Bright sunny ground floor workspace with large doors or windows – allows for open display when required
- Responsive local management agency – Mace co-op is small enough to know its tenants' work needs not just their housing needs
- Large pleasant courtyard will enable community use: barbeques, exhibitions etc – this will aid networking
- Haringey, unlike some other London boroughs, is prepared to support live/work as part of a pattern of mixed-use and mixed tenure in the borough
- The scheme has already demonstrated to Haringey how live/work can deliver genuine workspace and help revive brownfield sites
- Solon and Mace were able to access Social Housing Grant from the Housing Corporation for the scheme as well as single regeneration budget money, mixed funding streams for mixed-use

FOREST GARDEN MEWS in Tottenham is the third live/work scheme developed by Solon CHS, the co-operative development association. Unlike the larger West Ferry and Creative Lofts schemes (see previous sections), this development was funded as affordable housing and has more of an artisan than a business incubation feel.

With its close links to smaller housing co-ops, Solon is well placed to develop live/work that responds to pockets of demand. London Fields in Hackney is a notable example – a scheme that was once 19 run-down squatted houses where residents negotiated for live/work tenancies with Hackney and have made a true live/work environment (see page 85).

LESSONS LEARNT

- This is a very small live/work scheme – is the scale big enough to create a meaningful cluster?
- The site is not apparently near tenants' clients and customers or a thriving enterprise cluster – is Tottenham the right location for live/work?
- There is little infrastructure to help tenants work – no office or creative materials shops, meeting places etc
- By letting as affordable housing on a housing need basis, the tenants are mainly running fragile businesses/freelance operations
- The creative emphasis means many tenants regard themselves more as artists than businesses – does this reduce their income potential? Can schemes designed to create employment/enterprise be successful if tenants reject business notions?
- Tenants have no stable businesses on site or nearby to learn from or obtain work from
- There are no links to business advice/support offered to tenants as part of the package, though this is now being addressed – a missed opportunity?
- Concrete work floors are porous and get stained – making paint and material work difficult
- Larger washing area required for many tenants' uses (photo work, fabric staining, paint) – toilet not best use of space?
- Environmental and security works are still needed to make courtyard clean and safe. Haringey has offered 50% funding for a security gate but an access dispute with neighbours has delayed action

London Fields was acknowledged by surveyors Chestertons – in a 2002 report commissioned by Hackney to explore misuse of live/work permissions by developers – as a genuine workplace: 'On inspection, there was strong evidence of business use with accommodation for over 10 employees in some units.'

So Solon has (in planning application terms) a marketable track record delivering real live/work in parts of London where loft style residential apartments have been developed in industrial areas under the live/work brand.

At Forest Garden Mews there was no initial cluster of residents demonstrating demand. This was a property-led scheme. The question is whether this – and its affordable housing route – may cause some difficulties.

The previous car repair yard had been very disruptive to neighbouring residents. There were loud and environmentally unfriendly workshops on the site. The residents were therefore against the concept of work being part of the development at all and took some persuading that a live/work scheme would be appropriate. Now there are few complaints.

This is a fascinating illustration of the difference between old and new styles of work. Yesterday's

grimy noisy and disruptive work – which zoning and planning policies were designed to keep away from residential areas – has been superseded by quiet creative and knowledge activity requiring much less heavy transportation.

Arguably nearby residents are better off having these new neighbours, who can bring more security to the daytime environment with their presence. Here, in a nutshell, is a lesson for planners who still see the separation of work and live as their duty – this is an outdated concept in today's work environment.

DESIGN

This is unquestionably an attractive looking scheme, the result of a thoughtful restoration of a 19th Century stable mews with cobbled yard that had ended up as a dilapidated and dirty old yard.

The refurbishment retains the period character of the original properties, with many of the materials used being chosen in consultation with Haringey's Conservation department. The cobbled surface of the courtyard has been cleaned and restored, with small garden areas let into the cobbles.

Lighting in the courtyard has been provided with minimal intrusion.



Natural light helps residents work in the ground floor of their units.
Above: Fashion designer Julia Kalashe



Before and after: old style employment use at the mews when it was a run down vehicle yard and today's live/work scheme



The one-bed units retain the façade of the original stables. Double ground floor doors conceal a modern double-glazed entrance to open plan ground floor workshops, so tenants have the option of full daylight. All the units face south. The workshops also have a toilet/washroom fitted under the stairs. The residential area is on the floor above. Upstairs there is a kitchen/living area and a separate single bedroom with en-suite bathroom. At the site there are also some 2/3 bed units at the foot of its 'L' shape. These have been let as mainly residential, though both these units contain workspace.

One missed opportunity may be the lack of broadband. Although tenants are arts-orientated, use of the web and email is ubiquitous in creative and business practices. A shared cost wireless broadband scheme could have been cheaply built into the capital costs and covered in a service charge. This might have helped tenants develop IT skills at minimal cost. The shape of the terrace is perfect for a low cost 'wi fi' system. This is, however, still possible. Solon argue that it is expensive if done by contractors and difficult to fund. Its London Fields Solutions site has a DIY system and has registered a company – digcoop – to run the network. However they are currently seeking sponsors for upgrades and hardware to fully enable the system.

In many ways the upstairs live/downstairs work look feels appropriate from a heritage point of view. This was, after all, how many people worked and lived in previous centuries. With its shared cobbled yard, there is a strong potential for community spirit. Coupled with the option of glass fronted work space, tenants will find it easier to network with one another and avoid isolation. The design of other schemes visited for this report did not enable this to the same extent. This scheme could be a model for other new live/work developments, especially in areas where high rise is unnecessary.

DEVELOPMENT

The site's owners – private individuals – could not afford to renovate the units themselves. After protracted negotiations Solon CHS entered into a 14 year lease with them. In year 15 the site will revert back to the owners and probably get sold on the open market.

Survey and Design partnership were commissioned as architects. Solon accessed funding from a variety of sources to cover the £682,000 development costs. The Housing Corporation contributed £323,000 towards the residential elements of the works. SRB funding via the conservation and regeneration department at Haringey contributed £145,000 towards the commercial space.

The remaining amount was contributed by the landowners who will reap the benefit of the increase in value at the end of the lease.

Originally a plan was put forward by Haringey Umbrella housing association for a training approach to live/work. Target resident ideas included single mothers and/or artists on the waiting list of Acme, the affordable studio space co-op. But during the negotiation period Haringey Umbrella ceased to exist.

Before Forest Garden Mews, Solon was used to developing live/work to meet existing demand. What was it like dealing with a scheme where neighbours were against the idea? Mike Cox, Solon CHS development director: 'They associated live/work with work – which they saw as being the wrong kind of business, noisy, smelly and disruptive. In a way the fact that they formed themselves into some kind of resistance group was helpful to everybody. We could meet them and discuss their concerns face to face.

'There used to be chemical pollution here and even rats, because there was some food storage on the site. I think we have proved that this is a radically different kind of workplace and reassured them now.'

RISK

Tenants at the mews are currently paying their full rent and are presumably earning enough to do so without benefit. But because they were offered units due to being in housing need, many are not in secure businesses. Indeed the emphasis on arts (rather than broader creative/IT) means that the tenants do not necessarily regard themselves as 'in business' at all. There is a risk that their insecure earnings (often a combination of freelance and part time work) could lead to arrears.

This is exacerbated by their ineligibility for full housing benefit. Because the property is split clearly between live and work floors, the tenants cannot claim housing benefit on the part of their rent that pays for the workshop.

LOCAL AUTHORITY HOUSING ENABLING AND LIVE/WORK

Barry James is RSL programme manager for Haringey. Previously sceptical about live/work, Solon's schemes have converted him to the benefits of this kind of accommodation.

'What we've been against here is scam live/work,' he says. 'This has given it a bad name locally. Some of our members and the planners asked us to go through the application for live/work here at Forest Garden Mews with a fine toothcomb.'

Why the scepticism? 'I can give you one example of a supposed live/work scheme of around 20 units in a cul-de-sac. The developer applied for regeneration money to convert properties to the rear of a parade of shops that were previously warehouses. The whole scheme fell through eventually and ended up mainly being used as private sector leasing for homeless families.'

He believes that live/work can play its part in diversifying tenure as well as helping enable business growth. There is a housing benefit too: 'I'm constantly telling people that non traditional housing is important to an area like this as well. Balanced mixed tenure is good. Shared ownership is worth pursuing. Key worker housing is now an important part of the local as well as national agenda, but live/work can play its part too in creating a balanced community. I'm something of a convert to live/work.'

Apart from dubious live/work applications, what are the barriers? 'Unless we get planning guidance nationally on live/work we will always be concerned about genuine work use. But there is a much greater degree of comfort on our part if this scheme is developed by a housing association.'

Unlike some planners, he is not convinced that work use can be easily policed: 'Covenants might be an answer but they are easier said than done. They are legally complex and can delay a scheme considerably. They can also reduce the viability of the scheme if it is for sale.' He agrees with those who suggest that the design and the provider of the scheme are the critical factors

What happens if people can't pay? Project manager Andy Rigby: 'Ultimately they would be evicted and the unit would be let to someone who can pay. If the business is unable to generate sufficient income to pay the basic expenses of rent then it is obviously not economically viable. A large proportion of all new business fail within a very short timescale and there is no reason to expect that this scheme will be any different. The tenant could then move out to



Solon development director Mike Cox: 'We have used shorthold tenancies here so we have no long term responsibility to the tenants. These units are meant to help residents get their businesses off the ground and then move on'

to maintain the uses of the planning consent thereafter – but of course these uses may be altered depending on local planning priorities at that point. It could be said that this project takes similar risks as flats over shops on high streets.'

MARKETING

Because Forest Garden Mews units were allocated, there was no marketing as such. Mace and Acme scoured their waiting lists for people with a Haringey connection and with a known interest in studio working. This itself raises questions about the scheme's work impact. Marketing can also help put schemes 'on the map'. Potential clients and partners are less likely to be aware of the scheme and the people working there if there is no marketing process.

The lesson for housing association live/work providers is that marketing tenancies and/or sales has an additional value in boosting the cluster's profile. If a live/work tenant says 'I work at ABC live/work centre' and clients and contacts have heard of it, this can help boost their credibility. Without site marketing, the tenants may have to say they work from home, which is not necessarily as impressive.

However, there are advantages to the very local approach that was adopted in the allocation process. Solon is a development agency which develops property for local housing managers, particularly housing co-ops. Mike Cox believes that one of the advantages of using co-ops to manage live/work is that they often know much more about their tenants' work needs and what they do than larger landlords, particularly local authorities. 'Co-ops have members,' he stresses. 'They take a broader view of their needs.'

Mace, the housing co-op which manages Forest Garden Mews, has a large number of tenants who are in the music business with a tradition of working from home. 'This is not an alien concept to them,' says Cox. 'These units just make home-based work viable and better organised.'

residential accommodation, perhaps getting a regular job, or try again with another new business idea – financing permitting.'

The other risk the scheme faces is based on its location. This is a part of Tottenham with few existing clusters of creative businesses. There are, for example, no obvious facilities nearby for meetings and conferences. This is not a part of London with a great deal of business service shops, and it is not near the kinds of clients the tenants we spoke to expect to visit. Given that this is not a large scheme, the lack of other business networks and facilities nearby may not help the tenants' prospects.

No matter how attractive the site, is it in the wrong part of town? Mike Cox: 'It is difficult to assess whether the location of small scale businesses should be close to suppliers and customers, especially where the businesses are 'cultural' ones and can lead specialist regeneration, bringing business into an area. The site can be seen to be an extension of the adjacent High Road and is close to Bruce Grove rail station.'

With a 14 year lease, the main property risk is that the investment will create only a short term facility if the owner wants to take possession again in 2017. Mike Cox: 'We have used shorthold tenancies here so we have no long term responsibility to the tenants. Mace can terminate any tenancy with two months' notice. The property owner can also terminate Solon's lease at any time with six months' notice. The level of funding provided for the development was related to the foreseen lease length. It's important to note that the owners will be required

Strict needs-based allocation cannot be used on a live/work scheme. Instead the partners behind the mews looked for a combination of suitability and housing need. Felix Okene, housing manager for Mace co-op: 'We usually allocate through a waiting list but this was a unique development.' Five of the tenants were nominated by Acme, the artists studio agency, and six by Mace. The emphasis is on artistic and music based businesses/activities.

Roland Ekperi, head of finance at Mace housing co-op: 'Housing associations doing live/work need to change their culture to address their tenants' work needs not just their housing needs'



Roland Ekperi, head of finance at Mace: 'In 2001 we wanted to look at our tenants' problems and address their work needs as well as their housing needs. We now have evening meetings for our tenants who are self-employed where we can offer them informal support on business matters. We are creating a possibility of our members moving up to live/work units. Housing associations doing live/work need to change their culture to address their tenants' needs more widely than just the housing needs.'

Mike Cox: 'We've always known that co-ops know more about what their members do – that was one of the reasons we went for Mace. We would have liked to have done a non arts-based small business approach but we also wanted to address housing need and we felt we could put the two together going through Mace and other agencies.'

MANAGING THE SCHEME

The choice of a managing agent to replace Haringey Umbrella was made by Solon in consultation with the council. Mace housing co-op were the final choice. Mace already managed many properties in Haringey, had members on their waiting list looking for live/work units and already had a business relationship with Solon. 'When Haringey Umbrella closed, this did leave us all with some challenges to face' says Cox. 'Getting Mace in quite late in the day deprived them of a significant input into the design and finish of the units.'

The tenancies are assured shorthold, with varying rents (between £106 and £133 per week. Of this amount, just over half pays for the ground floor workshop – for those that have them. The scheme has only recently been let, so it is too soon to report on any unique management issues. These will emerge, as they do on all live/work schemes, in due course. Early soundings with tenants, however, suggest that they are extremely happy with their new homes and the workshops below.

Security is a concern though (see interview with Julia Kalashe 45). And Solon itself wants to do more to enhance the communal area, which tenants are keen to make the most of. Mike Cox:

'There is no Housing Corporation funding available for landscaping, but we are hoping to use our parent association Network's resources to enhance the look and feel of the courtyard. As any funding will have to be repaid, the scale of the communal works, how they will be carried out and repayment commitments must be agreed with the tenants.'

EMPLOYMENT IMPACT

Forest Garden Mews is one of the first live/work schemes in this part of London, where any employment impact it has will be welcomed – especially as a contrast to the environmentally disruptive work that preceded it. But Tottenham is not that far from parts of Hackney where planners have been resisting live/work, seeing it as a threat to employment in B1 zoned areas.

Did this scheme suffer from similar misgivings at Haringey? Andy Rigby, Solon project manager: ‘Thankfully not. Live/work developments are often viewed with distrust by many agencies who have an interest in regeneration and planning, sometimes with due cause.’

‘Private sector live/work planning applications are sometimes seen as a way of bypassing income generation requirements of commercially zoned areas, or conversely – though less often – of enabling commercial development in a residential area. We think that mixed-use of property like this can have a double benefit to the area. Rather than being neither fish nor fowl, live/work can be fish and fowl!’ He points to the enlightened approach by the council’s housing enabling staff, who took a similar view (see interview, page 41).

This scheme could have wider regeneration benefits beyond its impact on tenants themselves, Solon believes. Rigby: ‘This kind of live/work development need cause no neighbour nuisance. Having people working here adds to the life of the area.’

Bob Colenutt, regeneration manager at Haringey, explains that in principle the borough doesn’t have a problem with live/work developments.

It is however currently resisting a live/work application in one of their earmarked employment development areas, where it feels the real aim is to convert land into entirely residential use. ‘Some developers are not really thinking about work but land values. Planning is inherently suspicious – they always think people are trying to pull a fast one. And they often are!’

The borough is, however, supportive of ‘genuine’ live/work – where genuine employment activity will take place. Colenutt points out that as an authority, they have to operate within their urban development plan. ‘The UDP largely defines things in terms of the negative: specifying what cannot be done and where. It is being reviewed now though and I expect live/work will be in there, but in which chapter – employment or residential?!’

In its city growth strategy Haringey defines three employment growth strands: clothing/textiles, food and drink and cultural industries. ‘Cultural industries is the sector that has been taking off,’ he says. ‘There is a very successful arts and cultural centre at Wood Green and this is also the sector represented in Forest Garden Mews. So we can potential for more live/work targeted at this sector.’ If this happens, the rather fragile cluster at Forest Garden Mews will be able to link up with other live/work residents in the borough, creating a stronger network.

More generally, the council is considering allocating significant live/work development on certain designated employment area sites. ‘Mixed-use development is mostly carried out in unimaginative ways,’ he says. ‘There could be a place for novel ideas incorporating live/work. There is a need to get some energy into positive planning – galvanising the stakeholders to take forward innovative ideas, rather than being reactive and restrictive.’ This, of course, is a national problem, but it illustrates how important housing associations can be in promoting live/work. The success of association schemes in promoting employment will create a strong track record in future applications and will help associations access section 106 resources to provide live/work on large sites.

For associations like Solon, being seen as leading live/work developers will also put them in a strong position in their own area. This makes it all the more important that the work element of sites like Forest Garden Mews is well planned and well supported.

RESIDENTS’ VIEWS

JULIA KALASHE is a fashion designer, a recent graduate of St Martin’s art school. ‘I was sharing a flat in Turnpike Lane and had no space to work. I pay just over £100 a week for this place, which is way better than I would get if I had to separately rent a studio and a property. If I wasn’t here I’d be in a room for about £85 a week with a separate studio costing me maybe £100 a week. I would expect them to be far away from each other which would leave me with much less time to do what I do.’

‘When I left art school I wanted to set myself up doing textile design and fashion. I tried all the housing associations for somewhere to live and couldn’t find anywhere at all. I also contacted ACME for a studio space but didn’t pass their criteria to be accepted – you have to have exhibited at a certain number of places first. When I was contacted by ACME for a live/work unit here in Tottenham it was like a dream come true. I was just lucky to fit the bill for this particular scheme.’

The light in the work space appeals to her: ‘It’s so light here. The window faces south. It creates a great atmosphere and makes me more productive. I love the look of the scheme.’ The communal atmosphere appeals too, but ‘the contact with others seems to be informal. There are no regular meetings planned, no business support links. It’s pretty much run as a housing scheme. But we may do quite a bit ourselves.’



There’s talk already of open studios in the summer, for example.’

She has some concerns about the general location though: ‘The facilities here to help me do my business are not particularly well developed in terms of say stationers and IT shops. I like being close to some of my customers but mainly they are elsewhere.’ She has already established clients such as the Crafts Council, the Brazilian Embassy and the V&A, but none are nearby. ‘I’d also prefer it if there were better security facilities such as a gate with a speaker. The lighting could be improved too. I love the tranquility here, but the downside is that we have to walk down quite a dark alley area to get home.’

Her plans are to stay for five or six years, ‘get established and then move on as my business does better, or maybe for family reasons. This space is too small for a family.’

Does she mind renting rather than having a mortgage and getting on the property ladder? ‘I would rather concentrate at this stage on my work than on getting a mortgage! I’m going to have to do a business plan in order to get onto a scheme run by the Crafts Council, which is challenging but I’m looking forward to it. There is a clear difference between artists and business in terms of our outlook but I do believe that some business skills are important for creative people too.’ The option of having some business support help at the scheme would have been appreciated, she says.

Fashion designer Julia Kalashe likes the separation of live and work space: ‘All my work is done downstairs. I still ‘go to work’ and switch off when I go upstairs to my live space’

7 BROADHEATH YOUNG ENTERPRISE CENTRE, COVENTRY

SUZANNE O'NEIL is a music teacher and musician. She also produces websites and writes – very much a portfolio worker. 'For me being able to work at night is a huge bonus. Because this is a workplace as well as a residential community, some noise is acceptable. But the main thing is not having to travel between two separate places for work and live.

'The rent is maybe half what it would cost to get this space commercially, but it's still more expensive than having, say, a bedsit. It's a fair deal, especially when you can combine two premises in the price of one. If I wasn't here I would be sharing a house with no opportunity for teaching music! I would have probably gone to live with my parents in Nottingham if I hadn't moved here.'

She feels that a community spirit will be created more quickly because this is a live/work scheme: 'We are just more likely to meet each other and look out for one another. That's unusual in London. I like the fact that we are part of a co-op too. This is a great scheme.'

She would have preferred broadband as part of the live/work package: 'My work depends heavily on the use of computers and telecommunications. I often work online, doing web design and making CDs. It wasn't ideal that there were no phones fitted. For ADSL speed links I have

to go to internet cafés.' Solon do not provide white goods as this would incur service obligations. But she says she would have preferred a furnished flat upstairs, with fridge and cooker. 'It would have been cheaper for me to repay the cost in rent than to buy them.' One other problem she cites was lack of clarity over business rates: 'I wasn't aware that I would have to pay 40% business rates and be required to run a business.' However, Solon insists that all tenants were made aware of this and in fact the liability is 20% for a new business.

WHAT CAN WORK

- Siting the live/work units next to business incubation and training facilities will provide a strong support framework for tenants
- If properly resourced and supported, this scheme could have wider benefits to the Foleshill area, creating a modern business buzz
- Touchstone has established strong links with business support agencies, notably Business Link. In turn the regional Business Link team have a strong commitment to neighbourhood renewal – the glass divide between business and neighbourhood support is being removed
- Connections are being established with a major private sector mixed-use and live/work development at Electric Wharf in Coventry. Links between the two sites could prove mutually beneficial

FAST FACTS

location: Foleshill, Coventry
stage: viability study underway, building work has already commenced.
scale: 8 live/work units within larger enterprise centre on mixed-use site, an old school
tenure: to be decided, probably shorthold
funding: Whole site development funded from a combination of RDA (SRB and Regeneration Zone), Touchstone, Housing Corporation funding. Capital costs of live/work units anticipated to be £532,236 – £300,000 social housing grant, £58,000 subsidy from Touchstone and £174,236 of private finance
partners: Coventry city council, Bullocks Construction, Advantage West Midlands/Regeneration Zone/Foleshill Regeneration Board
target residents: young business start-ups
defining features: live/work as part of an all-embracing enterprise centre in a deprived area, adjacent to work units and training facilities

The often complex nature of live/work funding means that each scheme will have its own characteristics. This old school site, which is in the early stages of redevelopment, will see live/work provided within a complex including an enterprise centre, young people's facilities and some social housing.

Touchstone is the leading housing association live/work provider in the West Midlands. Part of the Keynote Housing Group, the association has a strong track record running wider regeneration projects. This has made the leap to live/work development easier. It currently has three live/work schemes in the pipeline – more than 20 units in Leicester, six units at Stoke-on-Trent and this site at Foleshill in Coventry, which is at an early stage of development. All have a different emphasis, but the common thread is a desire to bring enterprise opportunities into deprived areas.

THE BROADHEATH ENTERPRISE CENTRE is an ambitious project to link business development and neighbourhood renewal – two traditionally distinct activities. The culture and work practices of the agencies that deliver these services are often quite different. A board with representatives of eight different agencies, ranging from Business Link to the Youth Service, is drawing up plans for the centre, on the site of a closed school. The live/work units are meant to benefit tenants by giving them their own affordable live/work space but also a range of facilities on the site nearby – ranging from discounted photocopying to 'on tap' business advice, and also including links with other businesses, particularly live/workers, in the locality.

The Bangladeshi community is prominent in the Broadheath area. The scheme will also aim to make an impact within this group.

Musician Suzanne O'Neil needs work space for her instruments and teaching sessions



EARLY LESSONS

- Combining business support and welfare agencies in a partnership to deliver live/work requires can produce a culture clash. A great deal of flexibility and open minds are required of both sides
- Establishing live/work with a strong education/training focus could prove too rigid. However, a very informal curricular approach is planned
- Some of the agencies involved in the project favour a 'protect from failure' agenda. This can reduce risk but could undermine attempts by tenants to become businesslike, which includes taking risks
- It is not clear whether successful existing businesses will be located on the overall site. If they are not, opportunities to help the live/workers network with and learn from established businesses could be reduced
- This scheme is very much grant-reliant. It is not clear how private sector investment will be accessed in the future, making the site more viable. For example, due diligence could be offered to potential investors in resident businesses along with other classic business incubation services

Dianne Williams is director of operations for Business Link in Coventry and Warwickshire, a key supporter of the project: 'We find that many Bangladeshi parents don't want their children to work in "Indian" restaurants, but to be professionals. This means that less academically successful children often end up working in the restaurants, leaving a gap with few opportunities in between. We have seen many Bangladeshi young people coming out of university increasingly keen to run their own businesses rather than be a traditional professional or work in the family business running restaurants. Foleshill has a strong potential for a scheme encouraging business start-ups because the interest in self-employment is already strong here.'

One of the big debates to be had is over who chooses the live/workers for the scheme: should it be an agency looking at their business prospects or a more traditional youth service type agency, or perhaps Connexions? Clearly whoever gets this role of supporting the young businesses will need two different skill sets. Will it be best to train youth workers in business skills or business advisers in youth work skills? In Dianne Williams' view, 'this will be down to the individuals rather than to who they work for'.

Touchstone and its partners face a number of other dilemmas as they prepare to develop this scheme. These include:

- what should be the overall balance in activities undertaken at the centre – advice, incubation, provision of facilities, showcasing, etc?
- how can the distinct contributions of each agency behind the scheme be clarified? Many will not be familiar with the others' approach
- how can the site be made simultaneously attractive/unintimidating but also businesslike?
- how will social housing fit in? Is there, for example, an opportunity to let to families with school age children who can use broadband etc for homework and benefit from enterprise role models nearby?

- how can the wider community 'outside the gates' be involved in the scheme without putting off potential investors/business users from beyond the immediate neighbourhood?
- what relationship will there be between the live/work units and the rest of the site – eg the management and financial relationships on the one hand, and how residents attain independent living/access on the other?
- given the limited business appeal of the Foleshill area at present, how can the centre avoid becoming an isolated 'island' of enterprise with no wider impact/roots?
- what will be the unique selling points – what will attract a core of successful young businesses to the site from the wider region?
- to what extent can ICT and broadband be a major attractions at the centre, without discouraging non-ICT business activity?

DEVELOPMENT

The scheme has been worked up to make best use of an empty brownfield site, the Broadheath school in Foleshill, with a land value of £271,162. Coventry city council, which owns the land, originally envisaged a mix of social housing, a young persons centre and unspecified other uses. When Touchstone, a leading local association, was brought in to discuss the site's possible uses, it proposed the enterprise centre and live/work units concept.

There will be mainstream social housing on the site – currently four four bed affordable homes are planned. These will help local housing needs in an area where there are significant numbers of large families, notably in the prominent Asian community.

Very much a mixed-use site, the project will help all the agencies involved meet their strategic aims. Sited within the West Midlands RDA's regeneration zone (and therefore eligible for funding from a single pot of pooled English Partnerships, neighbourhood renewal, single regeneration budget and RDA funds) its planned facilities and activities fit a wide range of strat-

gies. These include Coventry's community plan, local strategic partnership neighbourhood renewal inclusion targets, the local youth work strategy and two single regeneration budget projects (Foleshill Regeneration Partnership and COPY – Coventry Partnership for Youth)

Touchstone Regeneration manager Liz Griffiths explains: 'The scheme in aggregate has a close fit with many public sector driven strategies in the



area.' Is there a risk it is trying to be all things to all people? 'Its remit is to increase the propensity of young people to become entrepreneurial, both to help them become better employees and to encourage and sustain business start-up. All the partners feel that this 'clicks' with much of what is already going on. The centre's aims and objectives are clear and specific. Its operational plan has been based on best practice to meet the needs of the target group, rather than as an agglomeration of strategy fits. Although the live/work units are being funded separately, they form part of the follow-on support which the centre will provide to young people who wish to move into business.'

Despite the complex mix of funders, progress is good. Liz Griffiths: 'So far grants have all been successfully accessed. There have been no refusals. We have secured £300,000 in social

Time for homework: the part of the school where live/work units are likely to be sited

Self employed community artist Bharti Gohil: a possible future resident at the site, where she incidentally once went to school



housing grant for the live/work units, as well as £30,000 from the RDA's Regeneration Zone for consultancy on the most appropriate way for the Enterprise Centre to operate. The Regeneration Zone has already approved an outline application for refurbishment of the centre with a full application imminent. The business plan indicates that the centre can be self-sufficient within three years. A marketing strategy is currently being implemented to attract tenants for the live/work units. Initial research suggests there will be over-demand for them.'

Business-related agencies who are helping to plan the work of the centre may also contribute resources in cash or in kind. These include the Small Business Service, the Women's Business Development Agency, Warwick Science Park, CBED (Community Based Economic Development) and Coventry and Warwickshire Education Business Consortium.

How difficult was it to persuade funders to support a hybrid housing/business project? Griffiths: 'It was not difficult in concept terms, but the eligibility criteria of various funding streams – some are strictly for housing, some strictly not – means that some fairly esoteric calculations are required to satisfy rules and audit requirements.'

The most supportive agencies in terms of the live/work element at the site seem to be the business-related agencies. Housing agencies at local authority level and at the Housing Corporation have been less sure. The concept of housing association live/work is a new one for the Midlands. So traditional funders of housing activity need to be sure that such accommodation fits within their *raison d'être*. It is envisaged that, as such schemes become more common and their social benefits can be demonstrated, there will be more enthusiasm for this type of development.

RISK

For the more traditional welfare service elements at the site – social housing and the young person's centre – evidence of need has been clearly identified. But, given the early stage of the project, the character of the live/work and enterprise facilities have not yet been finalised.

Part of the ongoing scheme planning includes consultation and research to identify demand for the units. Liz Griffiths: 'Often the public sector identifies a need – say for more people to take regular exercise. But it fails to quantify demand – how many people would actually access exercise provision if it were available. We can't make that mistake here with live/work and workspace units.'

The major risks to the live/work elements of the scheme would appear, at this early stage, to include:

- allocation based on need could mean that each business is less viable
- impact of any failure of other aspects of the centre on the live/work residents
- poor business performance could lead to arrears difficulties as benefit will not cover the workspace element of each unit's rent
- low demand (is this the right area for entrepreneurs if the centre is generally risk-averse and curricular in its culture?)

Currently it is not clear what the exact mix of businesses should be. Although there are strong voices calling for the live/work units to be allocated to 'young people' as defined by the youth or education agencies (under 25 for example), some of the business agency partners are calling for a more flexible approach – perhaps based more on the age of the business than the person.

Liz Griffiths: 'The average age of starting a business in Coventry is 42. Personally I think that the idea of 'young' for this scheme could be applied to the age of the business, or perhaps if age based could be say up to 35. Longer term I see no reason why we couldn't apply the concept of mixed tenure housing to live/work



Liz Griffiths Touchstone regeneration manager: 'We could apply the concept of mixed tenure housing to live/work schemes – some owners, some tenants, some shared ownership'

schemes – some owners, some tenants, some shared ownership. This could reduce crime, increase security and provide role models for success for some of the more fragile businesses.'

A flexible approach to age would seem to reduce exposure to risk. But even with this scenario, there are risks aiming at a target market of fragile businesses. Having some more established business tenants and creating a mix might help the whole site become more viable.

There is as yet no exit strategy for residents to move on so new businesses can enter. One of the risks to the scheme is that successes will be lost, with viable businesses forced to move away from the area. But Touchstone is working closely with the much larger Electric Wharf private sector live/work scheme nearby to create a potential path to workspace and higher cost live/work, plus links between the two business communities.

MANAGEMENT ISSUES

Tenure and other key management issues have still not been decided for this scheme, but with social housing on the site (29 assured tenancy units provided by Touchstone housing association), there is a risk of some confusion if (as seems likely) the live/work units are let as shortholds and notices to quit are issued to

failed businesses. Liz Griffiths: 'Whatever we decide we will need to link the tenancy with the work opportunities. There will have to be a high degree of flexibility – for example leaving after only one month's notice. Shortholds would allow turnaround so we can ensure the units are a resource for future live/work residents.' The idea, Touchstone say, is that the units will be a resource to help launch businesses, rather than aimed at a permanent end user. Allocation will also have to be carried out very carefully. Creative/artistic tenants would be easy to find, as they are often grant-funded already. But artists can be ill at ease with business thinking, which could make it harder for them to cover their rent. Bharti Gohil (see photos): 'You see yourself as an art person, not a business person. There is a difference. I could do a business plan for an exhibition or an organisation and would feel that was completely appropriate. But I would feel awkward having one for myself.'

The concept of 'business plan' can be alienating to many people. This may be a matter of the language used. A term like 'work plan', for example, could sound much more appealing. Both potential tenants interviewed for this report liked this idea. They also agreed that if they were to meet other people in creative businesses who had gone through a business plan process and could show them what it had done for them, they would be much more open to the idea.

Enforcing work use is a perennial problem for live/work schemes. In this case, Touchstone hope that the proximity to – and anticipated heavy use of – business support facilities will make residential use harder to carry off. This will especially be the case if demand is high for the units.

AGENCY CULTURE CLASH?

It is hard enough for live/work schemes to successfully combine their living and working elements – and find budgets and agencies willing to meet half way. One of the additional dilemmas faced by the Broadheath scheme is its emphasis on youth. The different partners at this stage still have different ideas of what should be categorised as young people.

Dianne Williams of Business Link believes that the youth service's emphasis is very much on individuals and on helping to protect them from social and economic forces. 'We don't have a common language. They think we're hard encouraging people without skills and the necessary background to do this kind of thing. But should we protect kids from failure, or should we encourage them to aspire to success through running their own business? Housing associations can often be a good bridge between business agencies and agencies like the youth service.

'We have explained to our partners that the voluntary sector may be very good at engaging young people to take part in a scheme like this but it is unlikely to be the best place to provide sound business advice. In my view everyone on this scheme should identify their own role and be aware of the best time that they can do their bit. But the youth service and other agencies which are traditionally welfare-based need to learn, in my opinion, to let clients go once they are up and running. One of the problems which I fully understand is the need for agencies to get grant money by hanging on to clients and demonstrating that they have enough on their books.'

Dianne Williams of Business Link: 'Should we protect kids from failure, or should we encourage them to aspire to success through running their own business?'

BUSINESS AGENCY INPUT

However, Williams believes the Broadheath site heralds a new way of working, linking the worlds of business and renewal. 'Touchstone and its partners for this scheme, including Business Link and the head of the Warwick Science Park, are in many ways unlikely agencies to work together on a scheme. Our common ground though is a commitment to business start-up.'

The Chamber of Commerce holds the Business Link contract for the Small Business Service in this area. Before March 2001 Business Link had a brief to help growth businesses of more than 10 employees but less than 250. Generally these were manufacturing businesses and were unlikely to be social enterprises or small creative micros. From April 2001 all businesses came under the Small Business Service remit. This includes prestart businesses, micros, and organisations carrying out social enterprise.

Business Link was criticised for helping only companies with a certain size and having a feel to their service that was inappropriate for certain types of business, but this was their previous brief and it has taken some time to change the feel of the organisation.



Dianne Williams: 'Previously Business Link had little understanding of how businesses in different scenarios operated. We became siloed.'

Initially the nearby University of Warwick Science Park thought that the idea of business incubation in a community setting was not relevant. But they came to realise that the same expertise was required to the process used at the Science Park incubation centre. The trick would be to make business incubation relevant in a community setting. Common ingredients include business plans, getting finance and finding the right premises. 'These apply no matter whether you are a high tech business on a technology corridor or a small creative business starting up in a deprived neighbourhood,' says Williams. 'Even in a social environment we are doing no favours to people encouraging self employment without getting the basics right.'

David Rowe, the director of the science park, is on the Broadheath scheme's steering group. He first heard about the project through Touchstone.

'Given the site's location in a regeneration zone, and the business incubation activity that was being mooted, I thought it was ideal for me to get involved. There is a wider need in Coventry and Warwickshire to improve access to business start-up support for people from less privileged backgrounds.' His benchmark, he says, is the Wandsworth Youth Enterprise Trust, which helps people between 17 and 30. 'I'm hoping that some of their methods can be learnt here.'

At the Science Park we do business incubation but this tends to be for high growth technical businesses. Typically these will be white middle class people with a high amount of confidence.' A director of the Business Incubation Association nationally, he believes that the standard business incubation package is a useful way to help businesses start-up. Provided the process can be modified to the client, it can be made to work in different environments. We can transfer the business incubation processes we use here at the science park to Broadheath.'

THE CLUSTER FACTOR

Unlike many live/work schemes, Broadheath already has a built-in 'cluster' approach, as advocated in other parts of this report. There will be access to communal space and facilities, an intranet, probably linked with the enterprise centre and perhaps the Electric Wharf live/work development nearby. A web site for skills sharing and networking will extend well beyond the Broadheath development, Touchstone say, hopefully being used by creative industry throughout the sub-region.

But could there be a risk of coercion/overkill? With the live/work units likely to be sited directly above space used by the enterprise centre, won't it be hard for residents to gain privacy and to see themselves as independent? David Rowe, director of the science park, is positive: 'I see the live/work role at the site as being entirely appropriate. This is because live/work can produce a community effect quickly. It can ensure that a business cluster puts its roots down in a way that just having business units might not achieve.'

But how will the fragile start-up businesses proposed for Broadheath network with more successful businesses? 'If obviously successful businesses come to Broadheath they would probably be referred on to other facilities fairly quickly,' says Rowe. 'We see the process as being perhaps a longer period of support and guidance to ensure that we don't frighten the people starting businesses, that we allow them to go at their own pace. The business plan created under guidance can take some time – a year, even two years. Although it will be good to link the live/work residents of Broadheath with more successful businesses perhaps at the Science Park or at the Electric Wharf complex, it is important that we do not put people off. Confidence can be very fragile and needs to be nurtured. In my experience people from underprivileged backgrounds need more time and attention before they are ready to integrate with the wider business community and move on.'

Bharti Gohil, a potential tenant, thinks that aiming a scheme like this at arts-based businesses – often the easiest to find – could have downsides: ‘If it was just fine artists I think there would be a lot of competition between them for contracts and for gallery exhibition space. There would also be a fear that people would steal ideas off one another.’

Liz Griffiths agrees: ‘I think ideally we would want a balance between artists and the more creative end of businesses, media etc. You wouldn’t expect 10 accountants to share the same facilities. Because artists are creative it is assumed they will all want to work together, but there are disadvantages.’

Arguably there are also advantages in artistic and other start-up businesses clustering with completely different kinds of business, for example a web site designer may need some IT training, an IT trainer may need a graphic designer to design their literature and their logo, a photographer could work for all kinds of different clients and nearby colleagues, a fashion designer could use the nearby photographer or website designer to help promote their work. A book-keeper or accountant could help the other businesses with their books, and so on.

POTENTIAL RESIDENTS

For a year BHARTI GOHIL has been self-employed as a community artist. A graduate from Loughborough University with a degree in fine art print making, her self employment was initially assisted by Arts and Media Training, a council scheme linked to various Coventry galleries. Training included a ‘making it pay’ course on making a living as an artist. She has also had advice and mentoring from established community artists. Bharti’s work includes commissions with Groundwork, the environmental improvements charity, and Herbert’s art gallery. The Groundwork contract includes a workshop with after school clubs during half terms at a school.



Bharti Gohil: ‘I can’t really work from home. Print making requires a certain amount of space. To me the idea of live/work, if it were possible, would be ideal because it would enable me to do this kind of work at a time of my own choosing’

Bharti’s work can pay around £200 per day but work is sporadic. She attended Broadheath school and still lives with her parents in the Foleshill Road area. ‘I stayed on at Loughborough for a year after university but I found it very hard to afford my own accommodation so I returned to my parents. I can’t really work from home. Print making using chemicals and requires a certain amount of space. At the moment I am part of a scheme at Coventry University. This gives me and others 100 hours of use of their facilities to do print making. But this is only available between 9.00 and 4.00 each day. As I have been working part time it has been hard to go there to use the facility. I never thought of combining live and work in one place. I always imagined I would have to travel to a studio and stay late at night until I had finished my work. I am really excited about this scheme – it’s amazing seeing my old school like this and thinking what can become of the buildings’

CREATING A SUSTAINABLE BUSINESS CLUSTER

Some of the challenges faced at Broadheath include:

- how a cluster of businesses can be established and grown on and near the site
- location issues – this site is supply-led, not the heart of an existing business environment. How can the area be associated with a potential change of identity in a way that is accepted by the community?
- how the site is branded to businesses as well as the community, to maximise revenue – across the sub-region and possibly beyond
- which services will be provided (only) on site and which can be accessed remotely?
- which business services can be provided to boost revenue?
- the extent to which established enterprise can be attracted to the site to assist networking and provide ‘live’ mentoring to fragile start-ups
- what links can be made with other relevant enterprise centres and live/work schemes as benchmarks and possible networking partners?
- which grants and programmes can be accessed to fund the services that cannot be self-financing?
- how can successful incubated businesses be retained at or near the centre to build up a critical mass of business activity within this deprived area?
- what links can be made with initiatives such as the nearby Electric Wharf live/work development, to provide networking opportunities to young entrepreneurs and possible ‘next step’ premises



8 WHY HOUSING ASSOCIATIONS?

Why should housing associations develop live/work schemes? What particular benefits can they bring that other developers find hard to match? Plus an interview with Peabody Director of Development and Planning Dickon Robinson

ONE of the main appeals of a housing association-led live/work site is that planners are reassured that their scheme will genuinely support work activity. There remains a suspicion, particularly in London, that private developers often use the live/work brand to obtain residential sales profits on employment use sites where land was cheap.

Where associations are involved, particularly if the properties are rented or are shared ownership, control over their use is seen to be more easily exercised.

A 2002 report by surveyors Chestertons for Hackney recognised Peabody's West Ferry scheme in Tower Hamlets as a model for planners to consider in London. This is because the scheme guarantees work use. It is also, unusually, a site dedicated entirely to live/work. Chestertons went so far as to conclude that 'proper enforcement and implementation of live/work units is required by registered social landlords if true live/work is to be achieved'.

This is, however, somewhat a jaded London perspective. Outside the capital there is fast growing interest in genuine live/work property, with private developers increasingly committed to providing real work use.

INNOVATION

Housing associations are well placed to lead supply-side innovation, working up live/work models than incorporate ideas in this report such as the establishment of business clusters around schemes. The live/work market potential is clearly there, but to date there have been few developers able to establish working models that others can emulate. The private sector has, for example, failed to monitor what happens to their live/work units after development.

Yet there is an obvious reason to do so: to demonstrate a track record of true work use at future planning applications. Associations have generally been much better at this kind of 'follow up' and have positioned themselves as market leaders, finding favour with planners when they propose to provide live/work.

If the funding and will is there, associations could yet become the preferred choice of live/work providers in many areas in the UK. Live/work works best where there are mechanisms to support what happens once the properties are sold/let. Associations could capitalise on this and not only lead the live/work market but make it a growing part of their portfolios.

AFFORDABLE LIVE/WORK

One likely trend – with mixed blessings – is that associations may be asked to provide 'affordable live/work' as a section 106 (planning gain) alternative to social housing on large private live/work or mixed-use sites. Developers will often prefer this option to what they regard as problem families.

The plus side to providing pockets of affordable live/work is that the residents may well gain from proximity to more established businesses in the properties sold nearby. But this assumes some element of business cluster or networking support. Associations may want to offer this service – at a price – to developers keen on this route. The more established businesses can also gain – by using the young talent of their start-up neighbours at lower prices.

The downside is that there is a risk that the private properties, once sold, will revert to residential at a later date – leaving quite small groups of live/workers rather isolated on a development that has lost its live/work 'feel'. If associations can create larger sites themselves, they can still achieve a mix of tenures and a healthy mix of experienced and start businesses. Why not go it alone?

One weakness that private sector live/work developers usually face is their difficulty proving that people will work in the property. This could be countered with better evidence from previous schemes. But this evidence is usually not gathered. This is a potential own goal because the time/hassle saved is often outstripped by the time/hassle persuading planners at each application that work use is genuine.

If developers could show evidence of work use in previous schemes, this would be much easier. Usually though, once the properties have been sold, little or nothing is done to follow up. In contrast, because they are involved for regeneration reasons, housing associations will usually have some information of this kind.

THE TENURE DILEMMA

Rented units are obviously easier to manage in terms of work use. Most associations opt for shorthold tenancies, since they intend the units to be a resource to help grow businesses. Once incubated, residents move on creating a new opportunity for their successors. But if it is important to bed in some experienced and successful businesses on the site, looking at sale

or shared ownership may be necessary. Yet this might put planners off. It's a catch 22.

Both Peabody and Places for People are currently considering this dilemma. Places for People policy director David Power: 'We just haven't had problems with planners so far. In Kirklees they were very open minded and very supportive. 'Having said that, we are generally well disposed towards renting as the tenure for live/work, but we don't want to be inflexible. We know that we must consider tenure carefully to make the scheme viable. We are now applying these lessons to our future plans for live/work.'

Helen Lupton, regional manager for Places for People, thinks that mixed tenure might be the answer for live/work. 'Selling some of a scheme's units might provide stability, a glue to hold together the scheme as others move on. But at present the advantage of having rented units is that the lease conditions include a condition that work is carried out in the property. It's about getting this balance right.'

HOME WORKING SOCIAL TENANTS

There are signs that some associations are beginning to take their work needs seriously. David Power of Places for People: 'We recognise that our general needs tenants in our affordable housing schemes will increasingly need to work from home.'

'This is particularly the case with school children. For example, here in Manchester where I am based there are on-line hubs linking schools across the area with broadband, and the trend towards people doing on-line homework has potential wider benefits, such as reducing the pressure on house prices in areas near good schools because people will be able to work increasingly on-line and distance will be less of a factor.'

Social housing landlords need to move up a gear on IT and their tenants. With the lower cost of IT there are huge possibilities for providing decent IT and broadband to tenants.'



Housing associations are well placed to link business support and housing in one scheme. Above Toby Hyam, director of Huddersfield Media Centre with David Power, Places for People's policy director

Places for People responded to the publication of *Disconnected*, a previous IGP report for the Housing Corporation on social housing tenants and home working, with a survey. In 2002 it surveyed a random sample of those who had contacted its customer contact centre in the previous three months. Of 836 respondents, 2 percent were already working from home and 23 percent stated an interest in doing so. 14 percent thought that it was fairly likely that someone in their home would be working from home within two years.

Power: 'Given that only a third of those respondents were in work, these are quite high figures as a proportion of the total working population within our homes. We would encourage other housing associations to do similar surveys. There does seem to be a bit of a myth that people who live in social housing are less likely to work from home. If they do so less than others, this is partly because few of them work, but also because they have difficulty accessing the space to do so. Clearly there are a lot more people working from home in association properties than have ever got permission because their tenancy agreement requires it. In this sense, almost all home working in the social housing sector is surreptitious. That's a very bad message for us to be sending to people – that work is something you have to do secretly. And a wider issue for us is because we are no longer just a housing organisation, we are about helping people in other ways, we should therefore as landlords be looking to enhance our work services and products, whether it be in partnership with others or not. Providing decent IT facilities has to be something we look at in the future, I think.'

REASONS TO PROVIDE LIVE/WORK

- Housing associations such as Peabody and Places for People are already seen as market leaders in live/work provision. The sector as a whole can exploit this reputation and, as it expands its remit beyond a narrow social housing focus, present itself as a suitable provider in many areas – including the new growth area sites in the south east, where live/work may well appeal to master planners
- There is a 'housing' need that live/work can meet. Many live/workers consider this type of property because they cannot afford both residential housing and suitable work space. Associations can help this intermediate housing market
- Unlike private developers, associations can reassure planners that their units will genuinely be used for work use. This is particularly the case where properties are rented or available as shared ownership
- As Chestertons' report for Hackney on live/work argues: 'The control of live/work developments through the use of a social landlord could be used as a method to ensure the work element in the development is maintained.'
- Live/work fits well with key government policies on sustainable communities. Associations will benefit from being associated with property that reduces traffic, boosts enterprise in deprived areas, helps urban renaissance/makes rural working easier and takes the mixed-use principle into a single property
- Affordable workspace is a growing problem in many areas. Housing associations should consider extending their expertise providing affordable housing to *affordable working*. By combining home and work costs in one property, residents are helped to start and build their business. And the environment benefits from a one unit doing the job previously expected of two
- Associations remain involved with schemes after their development. They are well placed to lead and manage business cluster activities as outlined in this report
- Associations are also experienced in combining social and business targets. They are well placed to act as intermediaries between, say, business support agencies (who want to incubate live/workers' businesses) and welfare agencies such as the youth service (who want to protect young people from failure) – see the chapter on Broadheath

HOME WORKING IN SOCIAL HOUSING

Live/work is all very well, but what about the homeworking opportunities for millions of associations' general needs tenants? A previous report for the Housing Corporation by Tim Dwelly, *Disconnected* – social housing tenants and the homeworking revolution found that:

- associations routinely bar 'business use' of their properties in the tenancy agreement
- very few have ever promoted home-based work in newsletters or handbooks
- tenants feel they have to hide their home-based work, a worrying verdict on agencies meant to be reducing social exclusion
- 1 in 14 working association tenants is a home worker, yet hardly any do so with permission
- homes are almost never allocated with home work (or children's need to study at home) in mind
- many associations had considered or were developing home working policies – for their own staff
- there is a growing 'digital divide' between home owners who routinely have a spare room with a PC for all to use and social tenants who are denied this opportunity
- despite low demand problems in certain areas, no association had so far considered using properties for work use or marketing them as live/work
- for all these reasons, social tenants lag far behind other groups in PC ownership, internet use and home working

The report can be downloaded at www.timdwelly.com/portfolio





9 BUSINESS IMPACT

Live/work can help create or protect small business clusters if properly planned. Yet this aspect of a live/work scheme is often overlooked. Here, **Stephen Aitken** looks at how housing associations can build business support and incubation into their schemes – and how live/work can be effectively marketed

The lack of any one agency nationally to support the work element of live/work is a potential weakness in the sector's further development. However, business incubation is a growing trend across the UK and there are usually business incubation services available in most larger towns and cities. Some of them may be better geared up to supporting live/work than others. Often business-led organisations, such as those that have been set up by local businesses in a cluster of creative businesses themselves, will be as effective as anyone in supporting the work element.

MARKETING THE UNITS

Units need to be marketed to individuals who are considering starting or have already started a small business, which could be run from home but really requires more workspace than found in a home. They are probably in rented accommodation rather than owning a home. They probably don't have children and are not planning to have children in the near future.

The promotional messages should explain the live/work space concept, identify any target industries and sell both the business and residential benefits of live workspace using words and pictures. They should be available as leaflets, letters, emails and webpages and any other medium suited to the channels to be used that can be justified economically.

The housing association needs to decide how prominently it features as it may be only

POTENTIAL BUSINESS SUPPORT PARTNERS

- the Local Enterprise Agencies who provide business counselling and training, consulting and often workspace to start-ups and other businesses
- Business Link, especially those involved in the SMART awards scheme (grants for innovative individuals and SMEs)
- Any local or national business association or club that has been set up to network firms and support growth in this industry or cluster
- the Prince's Trust helps 18-30 year olds to develop confidence, learn new skills and get into work including self-employment and offers loans, business mentors and ongoing advice and sales opportunities to help the business get started
- Shell LiveWIRE encourages young people aged between 16–30 to consider the option of starting a business by providing free advice and support.
- local incubators and the local BIC. Their own incubation units may be full or they may be rejecting businesses that don't meet their requirements or are not yet big enough to use and afford their units.
- selected managers in the RDA, and those involved in funding innovative projects like the clusters fund
- educational institutes, from schools to higher education, especially those providing courses in business and operational skills of the target industries of live/work space and business start-up training
- local job centre
- chambers of commerce and industry

associated with housing so putting off businesses. Also it will probably be repositioned by the messages and this may or may not be desired.

The housing association will usually have access to lists of people requiring re-housing and a percentage of these may need live/work space. However if they are to fill the units soon after they become available they will need to promote the units months in advance of their completion and use a selection of other business support partners to get their messages to the market of new and young micro businesses (see box).

INCUBATING SUCCESSFUL BUSINESSES

Housing associations want to have successful live/work spaces and tenants who can pay their rents and rates. It is important therefore that the tenant businesses are successful and some grow and have to move to new larger premises, making way for new start-ups. Business incubation services help ensure that new and young businesses succeed.

Housing associations are usually not skilled or resourced to provide business support and business incubation services. So it is important to find suitable local partners who can provide them and ensure that the live/work space architects allow for the provision of these services in the design. Full business incubation includes business support, shared property services and financial services.

Business support services that most incubators provide, which the association should consider finding partners to deliver, are:

- business planning
- mentoring
- financial advice
- marketing advice
- networking opportunities
- management training
- book-keeping and legal advice

Generally if there is a cost for these services the businesses will pay for them directly – the association is just making its tenants aware of the need for these services and helping them get access to them. In many cases some of the costs can be included in the service charge element of the rent.

Finally helping tenants find appropriate local financial services providers who provide loan capital (eg banks) should not be difficult. But finding equity via business angel and venture capital for tenants looking for larger unsecured funds will be difficult unless the scheme is focused on a specific business sector.

In addition to arranging business planning and financial advice, some incubators use agents to provide start-up capital via loans, equity or royalties. They combine this with low start rents to help new businesses get started. At West Ferry (see chapter 5) all the initial tenants came via East London Business Centre where the business adviser had helped each produce a realistic business plan, provided loan finance and subsequently mentored the business.

PRESENTING LIVE/WORK DEVELOPMENTS AS BUSINESS SCHEMES

It should be possible to present any live/work scheme as both a housing and business incubation scheme in order to get both funding for the construction and business support for the businesses. The key is to inform and involve all the relevant agencies at the early planning stages starting with the RDA and the economic development section at the local authority. This can help schemes access funds such as SRB and ERDF to support the work and enterprise elements. There may also be private sector professionals willing to volunteer help. If this appeals, it is worth contacting Business in the Community to look for mentors – www.bitc.co.uk.

ORGANISATIONS TO FUND/SUPPORT BUSINESS SERVICES

Associations may want to contact these agencies to access business support resources:

UKBI (UK Business Incubation), which provides advice on best practice to business incubators, is aware of live/work projects but so far has not included them in any studies or given them advice. It says that while it would perhaps be difficult to describe the live/work space units as incubators in their own right they are very much part of the overall incubation landscape and form an essential part in the incubation pipeline

The **Small Business Service** has no policy on live/work space but it has become involved in incubation, as it manages the Business Incubation Fund which is planning to give £75m of loans at 6% to support the building of new incubators (once it has EC clearance). There is also a social inclusion team in SBS, which is interested in the role of housing associations in social enterprise promotion in disadvantaged areas and for disadvantaged groups

Business Link has tended to focus its support on businesses with more than five employees, so doesn't normally get involved in live/work space tenant businesses – except under the SMART awards scheme which provides grants for the development of innovative products to individuals and SMEs. They subcontract initial vetting of start-ups to the local enterprise agency which gives initial advice and then passes back the viable ones to the personal business adviser from Business Link

BICs, Business Innovation Centres support innovative start-up businesses providing business advice, funding in the form of equity and sometimes business accommodation. They are funded by the EC and there are 13 in the UK. So far there are no known instances of collaboration between a live/work space and a BIC but they might make good business support partners where the tenant businesses are mainly innovative

The **Institute of Directors**, although it has a lot of micro-business as well as large business directors as members, has not been involved in discussing live/work in any of its journals or seminars, but may be worth cultivating

Some **regional development agencies** are aware of the live/work phenomenon, particularly Yorkshire Forward, but none is known to have highlighted it as a part of its economic development strategy or its innovation strategy, even London where it is most prevalent.

Any relevant **Faraday partnership**. There are 24 targeting different processes, technologies and industries (see www.faradaypartnerships.org.uk). These partnerships aim to improve the competitiveness of UK industry through more effective interaction between the science and technology base and industry. Each employs a number of 'technology translators' – people with broad experience of knowledge transfer – who can facilitate projects between partnership members and support and advise businesses on technology.

The **Prince's Trust** and **Shell LiveWire** (see main text)

GETTING GRANT SUPPORT

As well as the possibility of social housing grant, there are over 60 types of regeneration funds. The most relevant for live/work are as follows: RDAs now have a large single pot fund (£2 billion total for the UK in 2004/05). This replaces the single regeneration budget. Targets include: jobs created and safeguarded, business start-ups, brownfield land reclamation and learning opportunities created. Almost all the RDAs' funding is now channeled through this fund, giving RDAs great flexibility in

how they go about achieving their targets. Live/work schemes might be able to help them achieve several.

Local authorities can apply for European regional development fund (ERDF), about £500m in 2004/05. This is meant to stimulate their growth through diversification providing they are in Objective 1 or 2 areas (the most deprived). They can also apply for European social fund (ESF) for projects that help to create or protect jobs in these deprived areas.

In the 88 most deprived districts in England, associations could also apply for funding from the neighbourhood renewal fund, £450m in 2004/05. The neighbourhood renewal strategy specifically calls for support for entrepreneurs in deprived areas and key wards. There are a number of pilot business brokers working on these themes across the country. If your scheme is in an area with a business broker, they would be an excellent first port of call.

Developers working on brownfield, derelict or heritage sites can apply for gap funding to fill the gap between, for example, development costs and end value on brownfield housing estates.

Any projects regenerating areas on the fringes of towns and cities can also apply for the English cities fund and similarly any rural communities can apply for the market towns initiative.

MONITORING/ENCOURAGING WORK USE

For some live/work developments it may be important or even mandatory to have businesses running on the premises. Where this applies it is advisable to do one or more of the following:

- make it a condition of entry to the scheme and a reason for expulsion
- charge and collect business rates on a significant % of the accommodation the responsibility of the local authority
- have a business adviser who can visit each business several times a year
- provide start-up loans or take equity in the businesses, probably through a partner, who then has the right to review the business regularly.

All of these are easier to manage if tenants are renting than with owners who have bought their live/work space. However in times of rapid property price increases, many tenants wish they were owners or at least part owners, so a shared ownership option might be attractive to both sides.

Siting live/work next to an existing cluster facility can help. Creative Lofts is next to Huddersfield Media Centre

COLLABORATION BETWEEN LIVE/WORKERS

From what we have seen, live/workers do not naturally talk to each other socially and/or collaborate in business – especially if there is no communal space or community event organiser. Although tight inter-dependence between start-ups is not recommended, a degree of business collaboration should be beneficial as follows:

- joint bidding for work and subcontracting parts of larger contracts to neighbouring complementary businesses
- economies of scale in sharing equipment and services including their installation eg telecommunications.
- exhibitions and events to market their services using the shared workspace

WHERE TO BUILD A LIVE/WORK SCHEME

Live/work schemes are often part of a regeneration scheme, regenerating derelict old industry areas with new knowledge based and creative industries. These don't require the large work-spaces of the old industry and so it makes sense to have a part allocation to residential space.

This sounds ideal but it may not be for the tenants: It may not have good access to domestic provisions and an appropriate neighbourhood lifestyle. It may be difficult to arrange business supplies. And, most importantly, it needs to be close to potential customers for some industries.

It may be impossible to provide all this at the outset but these factors may improve as the surrounding area also regenerates, so synchronising the live/work scheme planning with other redevelopment is important.

As the businesses grow they will want to move on to larger premises and if they are not to be lost to the local economy suitable premises will need to be sourced.



THE CLUSTER FACTOR

At their best, live/work schemes can create or sustain business clusters. The official government definition of a cluster includes proximity to higher education agencies engaging with business and a group of similar business types working together – one sector clusters.

In our view, real world ‘clusters’ often have a different feel. Places where there are strong networks and clustering often have these common factors:

- a mix of micro businesses benefiting from proximity to one another
- sharing of contracts and skills
- places and means to network and meet – often informally
- a creative business buzz feel to the area
- collaboration and combined buying power – sharing costs
- agencies, groups or meeting places that act as the hub or focus for the networking
- some clusters have their own websites and regular meeting venues
- some kind of shared identity based on place – city, district or single development – the modern equivalent of, for example, a ‘jewellery quarter’

They may well also have strong links with colleges – for example offering graduates of certain courses a rapid connection with like-minded businesses who may want to take them on as staff or subcontractors.

The growing interest in cultural industries quarters provides one obvious link for associations planning live/work.

A live/work scheme is an opportunity to help create such a cluster – or to sustain and grow one. With this in mind, where should a live/work scheme be sited? Should it be within an area where there is an existing visible cluster of businesses – in other words where there is a clear market need for it? Or should it be used as a tool to grow clusters in deprived areas which previously had no such network of business activity? This report shows both types – Creative Lofts and Broadheath.

NEW INDUSTRIES AND LIVE/WORK SPACE

Live/work space can provide ideal accommodation for some of the new knowledge-based and creative industries. Management and staff in these companies often work at unusual hours, eg if serving global markets or working late into the evening in a creative workshop. ‘Residential’ features like soft furnishings, a proper kitchen and a place to take a nap can be used to advantage by these types of business.

David Power of Places for People: ‘If there is no existing cluster for the live/work scheme to support, we would need to be sure that there was a separate initiative to create the conditions for this. We would not regard a live/work scheme alone as sufficient to build up a community of businesses that a cluster is all about.’

Noel Isherwood, a live/worker and architect at Peabody’s West Ferry scheme adds another dimension: ‘The concept of live/work is not really understood anywhere,’ he says. ‘It’s important to make it clear that live/work networks are just as important as live/work schemes. When developers build live/work they should build a network of businesses and create an atmosphere of business growth around their scheme. It’s very important to link existing business network specialists to live/work schemes. Existing networks of businesses in the area where the live/work scheme is developed can provide a very rapid way for businesses at the live/work unit to share ideas and contracts with others.’

10 LIVE/WORK, PLANNING AND TRANSPORT

The planning system struggles with live/work, which refuses to fit neatly into either traditional employment or residential use categories. It can therefore meet resistance from agencies unwilling to be flexible or responsive. Yet live/work does neatly fit with a range of government policies – it hits all the right buttons on mixed-use, reduced reliance on the car, sustainable communities and urban/rural renaissance. Here, **Andy Lake** looks at how planners and providers can tackle this dilemma – and calls for a more flexible planning system

Living and working in the same place is bound to have an impact on the spatial organisation of our towns, cities and villages, and on our travel patterns. By its nature it has planning implications. It affects how we need to think about the location of work, and how we plan for economic development. And it affects how we think about the current uses of land, and whether that can change. Should buildings, and areas, that have historically been used exclusively for work purposes now be considered for combined residential and work use? Can more work be allowed, or even encouraged, in residential areas?

One of the key advantages of live/work from the planning perspective is that it has the potential to reduce, or even eliminate, the need to travel to work. In this respect it accords with recent planning and transport policies. Amongst the residents we have surveyed, cutting out the commute was cited as a major advantage for them.

Yet despite the apparent advantages, the concept of live/work poses a challenge to the UK planning system. The planning system for the past 50 years has to a large extent been based around a desire to separate different kinds of land use into different locations, leading broadly to des-

KEY ISSUES

The key issues arising from our review of the planning implications of live/work can be summarised as follows:

- While central government planning and transport advice strongly recommends mixed-use development, it is somewhat out-of-date with regard to recent trends towards live/work. Clearer advice is needed about the opportunities that live/work provides
- While ‘use classes’ have provided a convenient tool for planning authorities, they are a practical and conceptual straightjacket when it comes to dealing with innovative integrated forms of land use. Live/work, as a hybrid of residential and business uses, poses a problem both for strategic land use planning and for development control. It always runs the risk of falling foul of one policy or another
- Planning authorities are more likely to be sympathetic to housing associations as developers of live/work units than private developers. Housing associations in principle have the ability through management to address concerns about the units slipping into residential-only uses, or the business use intensifying to an un-neighbourly level
- Planning authorities need to become more positive and creative in designating land for residential and employment uses. Allowing live/work development need not mean the end of civilisation as we know it. Housing associations can assist in this process as important consultees and stakeholders in the local planning processes.
- Both planners and housing associations need to look at what makes for ‘vital’ and ‘balanced’ communities. In particular, what could be the contribution of domestic entrepreneurship to thriving local communities?
- Planners and housing associations need to look closely at how the current trend towards higher densities is interpreted. Are people, particularly in Housing Association accommodation, being allowed the flexible space they need to take advantage of new home-based working opportunities? And can purpose-built live/work be designed in such a way as to be compatible with higher levels of urban concentration, or ‘the compact city’?

ignated areas for work, homes, shopping and leisure. Only in town centres is there found significant incidence of the mixing of land uses, and very often housing is missing from the mix.

Recent planning policy has moved towards supporting 'mixed-use' development (ie locating compatible uses close to each other). However, planning policy at national and local levels remains based on assumptions of separating home and work. The different 'use classes' provide a practical way of controlling development, keeping different uses apart and preventing inappropriate changes of use. So combining work and domestic premises in the one building doesn't easily fit into the way the planning system currently works. In practice, live/work is often treated as at best an oddity, at worst a threat to established policies and practice.

NATIONAL PLANNING GUIDANCE

Nationally, there is no policy that seeks specifically to define or control live/work space.

Updated planning guidance since the later 1990s has tended to support mixed-use development for the benefits it can bring in promoting 'urban vitality' and 'sustainable development'. Some recent and emerging policy supports home-based working and/or teleworking. Guidance is issued by the government in the form of planning policy guidance (PPG) documents. Below we summarise guidance in the PPGs that is most relevant to the development of live/work.

PPG1 – General Policies and Principles (1997) sets out the basic principles that Planning Authorities should consider when developing their local planning policies and carrying out development control functions. The 1997 revision lays considerable emphasis on the value of mixed-use development, in order to limit car travel, promote economic development and create communities with vitality.

PPG6 – Town Centres and Retail Development (1996) similarly encourages mixed-use development in town centres, specifically mentioning mixed-use within buildings bringing housing closer to services and employment. Though this guidance stops short of specifying live/work, the encouragement of a flexible approach to the

uses of buildings, and the conversion of all or parts of offices and shops to housing, reflects a favourable view on tighter integration of mixed-uses in central urban areas.

PPG3 – Housing (2000) also encourages changes of use to housing from non-housing allocations. This is in effect advice to planning authorities not to be dogmatic and inflexible about their land allocations, and that:

'... it is important to help create mixed and inclusive communities, which offer a choice of housing and lifestyle. Local authorities should promote developments which combine a mix of land uses, including housing, either on a site or within individual buildings such as flats over shops'.

The PPG also speaks of different types of tenure – referring primarily to resisting the temptation to separate social housing from owner-occupied housing, rather than mixing business and residential forms of tenure. It can be argued, however, that creating 'mixed and balanced' communities is not going to be possible if planning policy effectively prohibits domestic small-scale enterprise.

PPG4 – Industrial and Commercial Development and Small Firms (1992) takes a positive approach to small business development, and advises planning authorities not to prevent business development in residential areas where it is of an appropriate scale:

'It is now generally recognised that it may not be appropriate to separate industry and commerce – especially small-scale developments – from the residential communities for whom they are a source of employment and services... Planning permission should normally be granted unless there are specific and significant objections, such as a relevant development plan policy, unacceptable noise, smell, safety, and health impacts or excessive traffic generation. The fact that an activity differs from the predominant land use in any locality is not a sufficient reason, in itself, for refusing planning permission.'

While not specifically mentioning live/work, this advice perhaps best outlines the principles on which live/work developments can base their case within existing planning regulations. Small business development can be appropriate within residential areas if it passes the tests of nuisance and appropriate scale.

The PPG also goes on to support in principle small-scale ICT-based home working in residential areas. It adopts a pragmatic approach as regards planning permission, focusing on the intensity of the use as a key indicator.

PPG13 – Transport (2001) recognises the connection between land use planning and transport. It specifically encourages mixed-use development, and even encourages home working (although somewhat vaguely). Once again the emphasis is on proximity of uses rather than an integration of uses that cuts across use classes. In rural areas, the PPG goes on to say that planning authorities:

'... should not reject proposals where small-scale business development or its expansion would give rise to only modest additional daily vehicle movements, in comparison to other uses that are permitted on the site, and the impact on minor roads would not be significant.'

In this context live/work development would in principle seem to be an ideal kind of development.

Summing up the national planning guidance, it would be fair to say that there has been considerable movement over the past decade towards the principles of:

- mixed-use development
- reducing reliance on the car
- promoting land use measures that enable accessibility by public transport, cycling and walking
- cautious encouragement of home working, particularly teleworking
- greater densities of development

Similar principles are to be found in the transport (1998) and rural (2000) white papers. In many ways, live/work is the logical extension of much current government advice. It just isn't mentioned by name. The PPGs we have cited here, however, can legitimately be used to support live/work planning applications. However, these PPGs need to be amended to specifically recognise live/work.

The Use Class Order also needs revision to take account of live/work. Currently the government is consulting on changes. However, the parameters of the discussion do not go as far as considering combined uses. Breaking out of the traditional framework may take some time.

POLICIES AND PROPOSALS FOR URBAN RENAISSANCE

In the later 1990s the government's Urban Task Force developed a concept of 'Urban Renaissance'. With the projection that some 3.8 million new homes are needed in the South of England to meet demographic trends, the view has been taken that the time is ripe to tackle urban decline, and deal with the quality of urban living as well as the quantity of new homes required.

Key aspects of this new approach are:

- high quality of urban design
- integration of uses
- vibrant local economy
- support for small business development
- easy access to shops, facilities and services

The 'reborn' town is contrasted with the 'anywhere town' which, amongst other signs of malaise, is characterised by 'single use, low density zoning'.

Elements of this vision have now become standard fare in the worlds of planning and regeneration, taking more solid form in the urban white paper, and more recently in proposals for massive house building in

parts of the South-East – the Thames Gateway (120,000 new homes), the London-Stansted-Cambridge corridor (250,000 to 500,000), Milton Keynes/South Midlands (370,000), and Ashford (31,000).

These areas of development are only the most spectacular of the plans for growth across the country. According to the government's regional action plans such developments 'will offer the opportunity to live and work within close proximity, reducing travel and improving the quality of life.'

There will also be high provision of social housing – and also a preference for higher density housing and mixed-use development. In many ways, live/work development is tailor made to fit the needs of revived urban living – although there is a need to think in terms of urban concentration, rather than high density single uses.

It is particularly appropriate in this context of planned growth for social landlords to look at the opportunities for innovative kinds of development that bring real opportunities for economic growth and activity, and contribute to the kinds of lively community life, and (where appropriate in urban centres) a 24/7 economy.

LOCAL PLANNING

It is at the local level, however, that the real decisions are made about live/work. This happens at the strategic level – in local development plans, and through the development control process – planning committee decisions and appeal decisions.

Local development plans reflect the national preoccupation with distinct single uses. Local plans usually have policies that resist any development leading to loss of employment floorspace in employment zones, and loss of residential space in residential zones. Live/work proposals can and do fall foul of either of such policies.

There are only a few examples of live/work being specifically mentioned in local development plans, such as the unitary development plans (UDPs) of Haringey, Hammersmith and Fulham, Lewisham, Brent, Tower Hamlets and Southwark. It is no coincidence that it is in London that live/work is more of an issue, as there have been many more applications there, and considerable concern on the part of planners about the pressure on former employment 'brownfield' sites.

So while in all these UDPs the intention is to clarify the planning framework in which live/work planning applications are processed, in some there is also a clear emphasis on preserving the employment use. This is done either by having clear criteria for rejecting such applications, or processes by which subsequent changes of the employment use can be countered through enforcement action.

The types of mechanisms found include:

- restricting the living accommodation
- quantifying the residential and business space in percentage terms
- forbidding future sub-division of the unit without further planning permission
- removing residential permitted development rights
- ensuring that the live/work unit complies with the full business standards for parking, servicing and floor loading

The policies in the Lewisham UDP are the closest we have seen to an appropriate set of policies for live/work, focusing more on real-life issues to do with intensity of use (along the lines of PPG 4) than simplistic classifications.

However, it is worth noting the concerns mentioned in some UDPs that relate to resisting (future) change of use to residential in employment areas. Is this resistance justified? And is it practical in all circumstances to seek to enforce continuity of uses?

It is necessary to ask the question whether in principle flexible use of premises should be prevented. In earlier times, before the current powers of intervention were accorded to planning authorities, if a family closed down its business and reverted to residential (for example, on retirement), it was not an issue – just their right to use their premises as best they saw fit. Similarly if someone started a business from home it would have been accepted as something within their right to do.

With the emergence of new forms of working, and the relative decline of manufacturing industry, the kinds of protection and segregation applied to residential areas may be becoming anachronistic. In effect, they act as barriers to developing the kinds of mixed and vital communities envisaged in central government planning guidance. It is time for local planning authorities to adopt more flexible approaches.

Decisions about live/work are often made 'on the hoof' by planning authorities faced by a particular application for planning permission. There is a variety of practice here, very much dependent on local circumstance and the outlook/preconceptions of local planners and planning committee members.

Usually reasons for refusal centre around local planning policies that resist change from residential or from employment uses. Suspicions about developers' intentions can lead to outright refusal. Or they can lead to permission being granted, but with tough conditions being placed upon the development to preserve the split of uses.

While understanding the reasons for such conditions, one wonders what would be the situation if the live/worker retired, or became unable to work, or even died. Would the planning enforcers then be round to drive the family from their home, or force them to get someone else to work there?

EXPERIENCE AT CASE STUDY SITES

The experience of the Housing Association live/work sites visited, in contrast to some of the private developments that have run into the buffers in the planning system, was quite positive. Creative Lofts in Huddersfield was strongly supported by the local authority, Kirklees, despite the absence of local policies on live/work. The close association of the live/work units with a purely business facility has helped in this respect, and may be a model for live/work development on employment land.

West Ferry in Tower Hamlets also benefited from increasingly positive support from the planning authority at the development stage. According to site manager Steve Hancox:

'The planners were a bit worried about the live/work concept at first – it's new to them and they were not sure how to police the mix. But here they have been supportive, and are satisfied that Peabody can exercise proper control. They were also reassured by the involvement of a small business advisor.'

In Haringey the planning department has approved several live/work developments, but is also engaged in resisting applications that it believes are a back-door to getting planning permission for housing on employment land. It currently has no planning policies specifically relating to live work. According to Regeneration Manager Bob Colenutt,

'The problem with the UDP is that it largely defines in terms of the negative: specifying what cannot be done where. The UDP review is going on at the moment – I expect live/work will be in there, though it is not clear where it will fall between the employment and residential chapters. Part of the process involves reviewing all the employment areas, and this may touch on the live/work issue.'

Bob Colenutt believes the attitude of the Housing Associations will be very important to developing positive policies towards live/work within the housing section of the UDP.

Two things in particular are clear from the visits at the case study sites:

- where live/work development is clearly associated with regeneration, planning authorities are more likely to be positive. In the case studies, to some extent, live/work was tackling problematic sites that other regeneration policies had failed to reach.
- when Housing Associations undertake live/work it provides reassurance to the planning departments that the developments are genuine regeneration efforts, not an underhand way of introducing residential into employment sites.

CONCLUSION

The key issues we have identified (see box on page 65) can be addressed through positive planning and by innovative approaches by housing associations. However, we also put forward a more radical thought for planners. Perhaps the separation of land uses into different use classes is outliving its usefulness.

Given the nature of new forms of work, maybe the time has come to allow much more flexible use of property. If people were able to slip easily between uses – residential to live/work, live/work to residential only, employment to live/work, etc – this would be an effective response to the market and to many people's aspirations.

The test for allowing the changes should be to do with the nature and intensity of the business, rather than a bureaucratic classification based on the geography and history of the site.

This may be a step too far at present. However, we see merit in developing the home as a flexible environment – akin to the concept of lifetime homes – where a legitimate use of space for a portion of one's life is running a business.



11 DESIGN AND FUNCTION

Live/work is not just about home working. It is a potentially revolutionary way to create mixed-use of a single property. **Andy Lake** looks at how schemes should be designed and specified - and reviews the taxation issue

DESIGN AND FUNCTION

The key factor distinguishing live/work from home-working is that live/work units are **specifically designed** to be both residence and workplace. Home-working is likely to arise on a more ad hoc basis in purely residential properties (although there are still design issues involved, as home-working can be 'designed out' of residential properties – and this is particularly true in social housing where space is at more of a premium).

In this section we cannot deal with aesthetic aspects of design for live/work, but rather the aim is to provide an overview of the issues that affect design, in particular in relation to creating successful units that function both as residences and business premises.

In developing a live/work scheme there are two main design considerations: the scheme as a whole and the individual units. Each of these will be affected by the following factors:

The nature of work at the development: is it going to be sector specific, focusing for example on cultural industries or high tech? Is it aimed at micro-business start-ups, or growing companies? Is it going to encompass a mix of business types? Are the businesses of the kind that have special considerations for delivery and storage, or access for customers?

Residential profile: It is often assumed that live/work is primarily for people without children, as many existing schemes have been. But

should design encompass accommodation for the growing family? Is the scheme aimed at creating affordable starter units (as at Forest Garden Mews) or is it more upmarket (as many of the private schemes are)? Is the scheme targeted (in whole or in part) at people from specific disadvantaged groups?

Local context: Is the scheme contributing to regeneration objectives? Is it a town centre, suburban or rural development? Is it within a conservation area? Is the land within a primarily residential area, or is it a new use on former employment land? What are the local authority objectives for housing and for economic development? Can the new live/work development contribute to the development of a business cluster, or benefit from a close relationship with other local businesses or business centre?

These factors, which all relate to the function of the live/work units, also impact on the design.

SCHEME DESIGN

It is useful to think about the kind of live/work scheme that is being developed, whether it can be described as 'live/work', 'work/live' or 'work nearby' – or whether it combines a mixture of these formats. Some commentators go somewhat overboard in drawing boundaries between these different formats, which in reality are variations on a theme – but it is nonetheless of practical use when it comes to design, as these designations are essentially about the ratio of workspace to residential and their degree of integration.

In the study we have seen a variety of approaches to scheme design. WestFerry is a landmark building in a regeneration area, and has an upbeat, modern design, achieving also fairly high density with 27 units on 3 storeys. By contrast, Forest Garden Mews is a restoration project faithfully restoring Victorian buildings while still allowing innovative use of the space for

LIVE/WORK

As well as being the generic name for this kind of development, the term can also be used to contrast with work/live. In this sense, the greater part of the unit will be used for domestic purposes.

WORK/LIVE

This term has been used to describe units or developments where the work use is predominant. This may be the case, for example, where former employment land is being developed as live/work, and the developers wish to stress the employment element. Or it may reflect local authority planning regulations as in Lewisham, where conditions are imposed specifying the proportions of live and work space. It is also more likely that a 'work/live' unit will have a greater degree of separation between the working and living elements.

WORK NEARBY

Some live/work developments, especially those offering a mix of units, may offer lock-up work premises integrated into the site, but not necessarily into individual units. As well as offering some flexibility, this may be more appropriate for certain kinds of work, and may be offered in addition to limited workspace in the live-work dwelling.

One kind of 'work nearby' is where work facilities are purpose-built in the curtilage of a dwelling (as is happening in some private schemes, but not, to our knowledge, in any housing association schemes as yet). This kind of development is in principle more compatible with family living than 'loft' live/work.

integrated working and living. Even so, the residential densities are in accordance with urban living, and are higher than many people would be comfortable with in a rural setting.

Creative Lofts in Huddersfield is a renovated Victorian Mechanics Institute with a strongly residential feel to its interior. It fits in well with local aspirations to increase city centre living. From the residents' point of view, despite their finding the living space extremely pleasant, light and airy, the form doesn't entirely reflect the function – the space doesn't operate as effectively as it could do for business purposes and for business networking. Here, as at West Ferry to some extent, **residents network** to some extent in spite of the design rather than because of it.

Putting lots of businesses in close proximity doesn't of itself create a cluster or promote interaction. That comes in part from management, support and self-help, but from a design point of view it comes from the way units relate to each other, and from the design and availability of common areas.

A number of the schemes surveyed have been subject to design constraints as they are renovating an existing property or properties. In one case (London Fields) an added constraint was **imposed** by the local authority in requiring that 50% of the floorspace be for business use. This in practice meant that the design had to be more open plan than originally intended, as every available square inch from corridors etc was pressed into service as business floorspace.

Live/work property should be flexible enough to enable a number of people to work together as associates on an ad hoc basis. Below: workspace in a unit at West Ferry



COMMON SPACES

Our review has shown that the design of common spaces is essential to maximising the collective benefits of live-work space. These common spaces include:

- access areas – entrance lobbies, parking areas, corridors, stairs, lifts, landings
- open space such as courtyards and gardens
- semi-structured meeting space, such as common rooms, cafés, etc
- formal meeting rooms and other working space.

We found examples where residents felt that interaction with other residents was difficult – it was not something likely to occur naturally. The access areas need to allow room for congregation – both from a business and residential/neighbourly point of view – while not being disruptive to work in progress inside the units.

Certain kinds of work also require the ability to 'spill out' of their units on occasions: for example artistic work may need to break out beyond the confines of the studio into common areas. This kind of activity can help to build community, as we found at Forest Garden Mews. The nature of work being done in the scheme does make a difference.

The café at Huddersfield Media Centre – a high quality informal meeting facility for live/work residents at Creative Lofts next



In our survey of residents we also found a **desire for common areas** where residents could meet informally – a café being an ideal setting for this. At WestFerry one of the units was being let as a restaurant. Although very pleasant, this was not (yet) fulfilling the function of a meeting place for residents with each other or for meetings with clients as it was perceived to be rather too upmarket for daily use. It is however worth considering designing into (larger) live/work schemes space for food and drink outlets.

It is worth perhaps noting that the most common forms of live/work enterprises remaining in the UK are pubs and newsagents/corner shops (other forms having been squeezed out by either by the realities of the market or by the planning system). However, except on very large estates, facilities for this kind of live/work enterprise are rarely designed in to developments.

ACCESS/SPACES FOR CUSTOMERS AND CLIENTS

Striking the balance between residential and business amenity is important, with different requirements for different kinds of business. Many aspects that would certainly be included in business developments have not been the

The meeting room in the basement at Creative Lofts



first things that came to mind for social landlords providing live/work units – from signage through communications infrastructure to coping with volumes of visiting clients. For example, according to some of the residents we interviewed, arriving at a building that looks like a block of residential apartments can be an initial barrier for many customers. They ask themselves, ‘Is this a serious business? It doesn’t look like one...’ Of course, this depends on the nature of the businesses, and is a more crucial issue for ‘work/live’ developments. But even for more residentially-orientated developments, separate access for customers and for suppliers may be an important issue.

Lack of visitor parking can also be an issue, and employee parking likewise. However, dealing with parking issues can be complex, as planning authorities may be inclined to insist on parking provision to full business standards if there is an expectation that large numbers of visitors will be coming to the site. The nature of work will again make a difference. A cluster of struggling artists will not be expecting the same number of clients visiting as a development that includes, for example, various kinds of therapist.

For small businesses wishing to project a highly professional image, receiving clients in what may be perceived to be domestic space is an issue. Some residents preferred to meet clients off site for this reason. Again, a café area may be appropriate, and for more formal meetings, a meeting room or rooms with the capacity to give presentations etc. In this respect, tying live/work units closely with a business centre, as with Creative Lofts in Huddersfield, can have advantages, although there is a danger of the live-workers becoming the ‘poor relation’ of larger businesses operating from the business centre.

DESIGN AND CURRENT PLANNING PRIORITIES

Certain current planning priorities can inform scheme design. In the jargon these include:

- ‘vital communities’
- ‘liveability’
- the ‘compact city’

In the language of the urban renaissance, new/reborn communities should be both vital and balanced – the two go hand in hand. Design can promote vitality, or contribute to the ‘deadness’ of an area and/or the fearfulness of its inhabitants. Live/work development can, for example, bring residents into a city centre – but does the design isolate them or integrate them, both in relation to the each other and to the wider community?

Related to this is the concept of ‘liveability’. At superficial level this is about neighbourhood cleanliness and graffiti etc. But it is also about the way neighbourhoods are designed, to create a sense of community, with shared and ‘owned’ spaces, with good ‘social oversight’ of open spaces and access areas, as well as good lighting and design to minimise crime and promote security and a feeling of safety.

Live/work has benefits in terms of vitality and liveability, as it creates an environment with day-long activity and social oversight of public areas.

However, it also introduces extra challenges in terms of security, as it may bring business assets into residential areas, creating potential targets for crime. One of the main concerns we found amongst residents was over security, and in one case the aspirations of live-workers for additional security raised concerns amongst neighbours over rights of way.

The idea of the ‘compact city’ is currently popular amongst urban planners not least for the possibility of reducing reliance on the motor car, and promoting more environmentally-friendly forms of transport. These include not only public transport, but also walking and

cycling and, in an increasingly ageing society, greater use of vehicles for people with disabilities. One aspect of such a compact city is that any dwelling should only be a certain distance or travel time away from every facility one would need.

Live/work dwellings, which might well house for example personal care practitioners serving the local community, can contribute to this aim. But it is also pertinent to think in terms of designing larger live/work schemes to create a **mix of uses**, incorporating community facilities, and creating environments that are pedestrian-friendly and providing ease of access for the mobility-disadvantaged.

Live/work offers particular opportunities for **disabled** people to live in environments that do not ‘disable’ opportunities for work. While it would be inappropriate to create live/work ‘ghettos’ for disabled people, creating communities where it is much easier for them to work is one of the ways in which well-designed live/work can contribute to housing association objectives.

DESIGN OF INDIVIDUAL UNITS

To some extent the design of individual units will be determined by the objectives and the design of the scheme as a whole, and will be subject to constraints imposed by planners (eg in residential/workspace mix), and site constraints. However, there are issues that relate specifically to the individual units, many of which we have picked up from comments from residents we interviewed in the study.

SHELL OR NOT?

One of the key questions for the design of individual units is how much of the interior space should be determined by the developer, and how much left to the occupant. There are advantages in terms of flexibility in leaving as much as possible up to the occupant. This was the case at West Ferry, where the tenants moved in to what was basically a shell with a bathroom, and

the rest left completely open and un-equipped except for very minimal kitchen fittings. It was then up to residents to install flooring, partitions and any other fixtures and fittings that they wanted. This can be **costly** to residents, although the fitting out was something to be included in their business plan and for which they could get a loan.

However, it remains an issue with the residents that while their rents are increasing towards market rents with the gradual removal of subsidy, they are unable to get any compensation for the improvements they have made at their own expense, nor will they get any when they leave. In terms of the functionality of the units, it makes them very flexible and able to cope with a variety of business uses. How much personal domestic space a tenant wants, and how much dual use space is completely up to them. This kind of arrangement, however, does put added pressure on tenants at the time of moving in. If they have an existing business, running that business at the same time as (re)constructing the space was found to be problematic. And it may be that for the kinds of start-up businesses accommodated by housing associations more turn-key solutions could generally be preferable.

Separation between home and work space is more of an issue where the tenant is not living alone, but shares with a partner and/or children. The intrusion of domestic noise into work and work activity (like phone calls and client meetings) into the domestic space was an issue in the more open plan dwellings.

The amount of work that people do at home also affected how space is used. For some the home-based work involves preparation for meeting clients off-site. For others, work is almost entirely home-based. These kinds of work patterns can not be prescribed at the design stage – but the design needs to incorporate sufficient flexibility to allow for different kinds of work patterns and family arrangements, or there can be sufficient variety between units to allow for this (and for migration between units when work or family circumstances change).

The issue of having clients in the unit is an important factor for design. Units that open straight into domestic space, or involve visitors going past bedrooms (for example) to get to the workspace can be disconcerting and impractical. Conversely, having children and family comings and goings through workspace can be both distracting and seem unprofessional. So **direct access** to workspace (whether through a common entrance or by having separate entrances) is advisable.

For personal services businesses – eg physiotherapist, aromatherapist, chiropodist, etc – a waiting area/lobby is needed as well as the practice room. The requirements here will relate to the whether there are any common facilities (such as meeting rooms and café areas) that can be used as an alternative.

It is also an important factor whether live/work businesses are expected to be employing any **staff**. In a project where an objective is job creation, this should be expected often to be the case. At West Ferry, 75% of the businesses employ at least one person apart from the live/work tenant. This is likely to increase the need for a stronger degree of separation between the home and work space, as well as increasing the amount of work space required.

Some aspects of design are specific to different sectors – for example, studio space needs to have the right kind of light. Big doors to the business space for moving equipment in and out were appreciated where they were installed.

An issue raised by tenants in each of the sites we visited was **storage**. Most of the units had less storage space than the average apartment, while nevertheless also being intended for business use. For artistic and craft ('cultural') industries, the storage requirements can be considerable, and business items (paints, tools, various kinds of semi-hazardous materials, etc) are less well integrated into domestic space than items associated with office-based businesses.

ICT AND DESIGN

Modern businesses need good information and communication technology (ICT) infrastructure and capabilities. London Fields (with 2 Mb ADSL broadband plus internal cabling in some properties and wireless networking in others) stands out as pretty much the exception. Other schemes have either deliberately left it to the tenants to sort out, or have candidly admitted that it was not something thought about.

It is an issue that needs to be included in the design from the **outset**. And it is not only an issue for 'high-tech' businesses. For 'cultural industries' broadband access is essential, even though it is tempting to think that their work and output is more in the physical rather than virtual world.

Digital arts are becoming ever more important – but traditional forms of design, crafts, music etc also have a need to share work online with clients and partners – and typically files sizes to be transferred are large.

The business benefits of being a 'wired' business are well documented, and getting more businesses online is a central aim of the DTI and all RDAs. RDAs in particular have funds to support broadband initiatives. Using ICT, businesses can market and trade online, extending the scope of their activities and reaching customers who previously would have been inaccessible – either because of distance or because of the expense of marketing and providing service through traditional channels.

Housing associations would do well to support such activities to help make their live/work tenants more enterprising and successful. By using ICT live/work businesses can also reduce their need to travel to serve existing customers, and they can also reduce paper processes, eg by invoicing and ordering online. These are **sustainability benefits** that should be supported.

In addition, tenants can benefit domestically from ICT which is provided for the business. Social benefits include having access to greater learning opportunities, local services – and generally moving onto the positive side of the 'digital divide', which must be consistent with housing association objectives.

As well as issues like internal cabling (which is perhaps becoming less necessary with the advent of wireless networking) there are also simple things to be considered, such as sufficient provision of telephone sockets and electrical power points.

It is an issue whether units should operate individually or collectively for internet access. London Fields has a collective arrangement, and have set up a company (Digcoop) to manage this. The requirements for internal networking between the units will be different where such a collective arrangement is put in place, and there will be requirements for security to protect tenants' individual networks from each other as well as from the wider world.

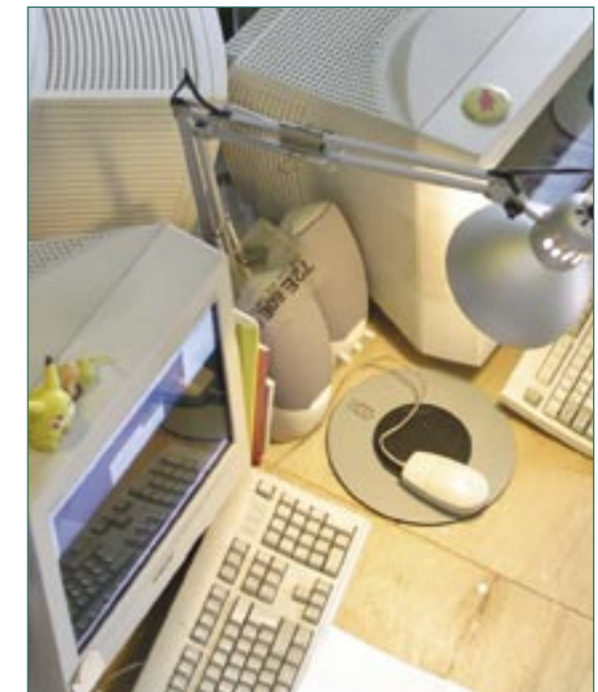
There are risks in this approach, as we know of business incubators that have initially adopted such an approach, but where there have subsequently been issues of poor service, concerns about the monopoly of one company, and also company failure leaving other tenants in the lurch. All these issues may drive the individual tenants to seek their own solution. The arrangement at Creative Lofts in Huddersfield appears to work well: live/work tenants have access to a far higher quality of service than they might otherwise expect by their having access to the business centre network.

For smaller schemes broadband via ADSL (from BT or resellers), cable modem (from the cable TV/telecommunications companies such as NTL or Telewest) or wireless (there are a variety of suppliers, providing services mainly in rural areas) are appropriate solutions.

Depending on a company's needs this can cost about £25 per month, with 'mid-band' alternatives at around £15 per month. For larger schemes – say greater than 35-40 units – a leased line from one of the telecoms providers may be an appropriate solution. These are expensive for a single company, but when resold to tenants can bring down the monthly cost below that of an individual ADSL solution while providing greater bandwidth for most of the time.

For live/work in rural areas, there may not be a broadband supplier. However, it is worth noting that a collection of live/work units may help to bring a rural area up to a 'trigger level' for broadband, with their aggregated demand being sufficient to get the local exchange upgraded, or provide an incentive for a wireless supplier to introduce services to the area. In this way the development of live/work units may also help to achieve infrastructure benefits for the wider community.

ICT specification could also consider **intelligent homes** technology. There is a growing interest in 'intelligent' or 'smart' homes, which enable residents (and sometimes landlords) to monitor energy use, control previously manual house use tasks by remote control and generally run the home using ICT. Live/work could be linked to this, with smart homes residents enabled to work more easily too. This is particularly worth exploring for disabled live/workers.



TAXATION

All live/work businesses will have to pay the usual range of business taxes. Two grey areas that usually cause concern when home and business are mixed are capital gains tax and business rates. In the case of live/work tenants (rather than owner occupiers) capital gains should not be an issue as far as the property is concerned.

Business rates is a more tricky area. The Valuation Office provides guidance on working from home, but not on live/work as such. The general guidance is as follows: 'If you work at or from home, the part of the property used for work may be liable to business rates whilst the remainder of the property will continue to be liable to council tax (although an alteration may be made to its banding). To decide whether or not part of your property should be liable to Business Rates there are a number of things we have to consider including:

- the extent and frequency of the non-domestic (business) use of the room (or rooms) and
- any modifications made to the property to accommodate that use.

'Each case is considered on its own merits, and normally we will visit your property to check the facts before an assessment is made for non domestic rates.' (a workingfromhome.pdf guidance leaflet is available at www.voa.gov.uk).

A series of hypothetical case studies illustrate how the Valuation Office would decide in the case of parts of a building being used for both domestic and business use. If they deem that the domestic use of part of the building is only minor, then it can be classed for business rates, with the remainder of the property classed for council tax.

It therefore can make a difference for taxation purposes how much of the property is designated for work (as perhaps may have been required within a planning permission). But the degree of separation or integration established by design and by usage is also relevant. In live/work units that are predominantly residential, and where work space is also used for domestic purposes, business rates may not apply. But in any case, the combined council tax and business rates in a live/work unit is likely to be significantly less than it would be on separate home and business premises.

It does raise a theoretical issue also, as the business rate valuation is based on an estimate of the rentable value of the business property on the open market. The market rate is not determined solely by the size of the unit but by other factors such as location and demand. In the case of live/work units, the business units can only be let to the residential tenants, creating an anomalous situation.

For home workers, the solution is often to let sleeping dogs lie. Few loudly proclaim their use of the home for work to authorities, insurers or mortgage lenders – why take the risk is the typical view. But with live/work this surreptitious approach cannot apply. The authorities all know exactly what the building is used for – potentially exposing residents to tax liabilities and higher charges that would not apply to their home working counterparts.

There is a strong case for arguing that every residence should have a certain allowance for 'domestic enterprise space' which is exempt from business rates – similar to the exception granted for letting a room to a lodger or tourists. Just as there comes a point where letting rooms turns into a B&B business, so for other forms of domestic enterprise there could be thresholds where business taxation begins to apply.

12 SURVEY

Research for this report found 17 housing association live/work schemes. They are outlined here along with overall results from a survey of scheme providers

IT IS not easy to identify all live/work schemes currently built or being planned within the social housing sector. There is no register, and no part of government given the task of tracking them. In addition to the four schemes featured in earlier chapters, we identified another 13 housing association live/work schemes. Thanks are due to the regional directors of the Housing Corporation and the National Housing Federation for helping us. We also used word-of-mouth recommendations, so there may be more we were unable to identify

OVERALL FINDINGS

DIVERSITY

Live/work schemes developed by housing associations in England exhibit a variety of characteristics. They are differently funded and have different motivating purposes, configurations and partnerships. However, certain common themes are emerging...

BUSINESS SUPPORT

Schemes provide or will provide a range of business support services. These can start at the vetting stage, creating criteria that would-be residents have to fulfil, such as a credible business plan.

- 7 schemes provide support for the creation of a business plan
- 6 provide marketing training as well
- 2 provide business services
- 8 schemes do not provide any business training or support.

Payment for the business support can be rolled up into the rent, as happens at Creative Lofts and West Ferry, and is planned for the Stoke scheme. Some schemes have accessed funding from ESF (European Social Fund) for training of residents – eg at London Fields. Some schemes are located near business incubators, managed workspaces and/or enterprise centres, such as the proposed St Austell urban village, Ladbroke Green, and Creative Lofts (which uses an adjacent Huddersfield Media Centre for business plan assessing and general business support). The proposed Broadheath live/work units will also be located in the middle of a larger enterprise centre.

Several respondents whose schemes did not incorporate business support stated that they would incorporate it in any future live/work developments.

Schemes which emphasise sustainability, such as East Dorset Housing Association's properties in Dorset villages such as Wimborne and the Calne INTEGER Intelligent and Green project have not wanted to impose any specific business requirements on tenants.

FUNDING

Some schemes have been funded entirely from the housing association's own resources. Others have received grant from a variety of sources, mostly relating either to the redevelopment or regeneration of old/disused buildings and surrounding sites, or to the provision of business advice and support.

Local authorities or, in the case of West Ferry, the London Docklands Development Corporation, have often provided land for no or very low cost. In Hackney, ERDF (European Regional Development Fund) provided £300,000 for the

provision of workspace infrastructure in converting a terrace of houses into live-work units. The South West RDA will be funding some of the enterprise infrastructure at the St Austell urban village, as will Restormel district council. The Prince's Trust will also be providing funds for the complex. RDA funding was also obtained by Creative Lofts. Single Regeneration Budget funding has been accessed by Sugar House Lane, Stoke (application in process), Creative Lofts and Forest Garden Mews. Physical town infrastructure funding has been accessed by Stoke via the Burslem Town Heritage Initiative and by Creative Lofts via the EU creative towns fund

LIFETIME HOUSING OR EXIT STRATEGY?

There is a range of approaches to tenure:

- 9 schemes provide shorthold assured tenancies
- 1 provides business tenancies
- 4 schemes provide units to be sold outright, either freehold or long leasehold
- 2 schemes offer shared ownership
- 1 planned scheme has not yet decided.

Of those using shorthold tenancies, Solon CHS stated that the artists living in the Sugar House Lane complex will be expected to move on within two to five years. The aim at the Stoke scheme will be for 100% rent subsidy in first 12 months, 75% for second 12 months, 50% for third twelve months and so on until tenants can afford rent. A concrete exit strategy is being planned – move on accommodation for micro businesses is very scarce in the area, but plans are in place to address this gap.

The more rural Gunnislake scheme in east Cornwall, however, is seen by Devon and Cornwall Housing Association as providing live/work units that are lifetime homes with maximum flexibility. Innovation in tenancy agreements is being practised as landlords seek to devise agreements that fit the requirements of live/work (see Mike Cox quote in London Fields case below).

CRITICAL MASS

Live/work units are being built on their own, or more often as part of a larger residential or mixed-use development:

- 4 schemes comprise fewer than 5 units
- 9 schemes are of between 6 and 10 units
- 4 schemes incorporate more than 11 units.

Of these latter, the proposed Ladbroke Green development is due to include 40 live/work units in a mixed-use building. David Tannahill states that Peabody has learned lessons from its previous schemes at West Ferry and Raines Dairy, implying that a larger critical mass of units may prove more sustainable than a small potentially isolated group. Some of the schemes with a very small number of units have been pilots.

LOCATION

Canalside locations in previously unfashionable areas of central London have been popular. Of eight London locations, four are in east London. Two London schemes, Ladbroke Green and King's Wharf, are sited on the Grand Union canal, and Sugar House Lane is adjacent to the river Lea. Five other schemes are located in town or city centres, mostly within wider developments such as St Austell urban village or Sheffield Cultural Industries Quarter.

Of the four remaining, one is in a large Cornish village judged to have sufficient facilities such as school, post office, shops etc to continue to be viable. The other three are BedZED, based in suburban Sutton, which is now an acclaimed eco-complex but has not attracted so many straightforward live/work applicants as planners initially required, and Calne and the north Dorset village developments that have integrated housing as their primary purpose, with live/work facilities being a possible use for their flexible layout.

NEW BUILD OR RENOVATION?

A variety of buildings such as an old school, a derelict mechanics' institute, a distribution yard, a former cotton mill and various warehouses are being given new leases of life through live/work. Ten schemes utilise existing buildings, and a further four are built on brownfield sites. These include BedZED where there used to be a sewage works, Ladbroke Green by a gas works and St Austell urban village on former railway marshalling yards. New builds on greenfield sites are located in rural areas such as Wimborne, Calne and Gunnislake.

INNOVATION

Live/work schemes in the social housing sector are relatively new and still rare, so all the schemes listed in this report are in some way innovative. In addition, many schemes incorporate new environmentally-friendly aspects, ranging from solar power to maximum use of recycled or re-used materials. Cherhill, Calne is a benchmark INTEGER project, providing many eco-friendly features and advanced ICT for energy management, computers, telephony and intelligent housing. The Gunnislake scheme will be a flagship project developed via CUBE to demonstrate good design.

Off-site fabrication and modularity have also been used in a pioneering way by several of the schemes. Wimborne and the other Dorset village schemes have been developed via the Housing Corporation's Greenfield Way, specialising in off-site fabrication. Raines Dairy was used by Peabody to explore the possibilities of off-site construction and modularity. Scaffolding on-site was virtually eliminated as integrated balconies and cladding were developed as part of the module.

Peabody also used PPC2000, a standard form of project partnering contract developed in 2000 as part of the Construction Task Force. It aims to reduce conflict between the various parties to the construction process, and to bring a greater fairness into the whole process, as well as minimising cost and waste. (see www.acarchitects.co.uk/publications)

RISKS

Live/work is not guaranteed to succeed by all criteria. One London-based housing association has been set back in a high street development as the developer went bankrupt. Take up for some schemes has been slower than expected – sometimes because of self-imposed requirements such as vetting applicants' business plans, which took longer than scheduled. This has an effect on cash flow. Steering proposed schemes through planning departments and committees has not been an easy journey for many: the Ladbroke Green scheme was under negotiation for seven years before outline planning consent was received.

WHO'S DOING WHAT?

The following housing association live/work schemes were uncovered for this report. Note: this list does not include the case study schemes covered in depth earlier in this report

Metropolitan Home Ownership Anlaby House

location: Boundary Street, Shoreditch, London, E2
stage: Completed August 2003
scale: 7 two-bedroom live/work apartments, next to 2 one-bedroom and 2 two-bedroom residential apartments
tenure: Shared ownership available, with minimum of 25% equity, more possible depending on resident's financial circumstances. Opportunity to buy further shares up to 100% ownership if and when circumstances permit
funding: Section 106 planning gain for site and private sector finance for remainder. Some Housing Corporation grant for residential units
partners: Developer: Stilton Ltd, contractor: Columbia Design and Build
target residents: local small businesses in Shoreditch
defining features: Anlaby House has a distinguished commercial heritage as a former cotton mill and World War 2 Spitfire factory. Many original features have been retained during modernisation. A video entry phone is fitted to combine security with easy access for business clients

‘Our previous live/work developments proved very popular with small entrepreneurial businesses, artisans and craftsmen who need a work-space close to their homes. Shoreditch is attracting a lot of businesses like these so we are very pleased to be giving a new lease of life to this historic industrial building. We’ve provided for loading bays, but there is no parking provision. The area is well served by public transport and within walking distance of the City of London’
Graeme Moran

contact: Graeme Moran, Director of home ownership, MHO: gmor@mht.co.uk

Peabody Trust

BedZED – Beddington Zero Energy Development

location: Beddington, Sutton
stage: completed July 2003 – first residents moved in March 2002
scale: 82 mixed tenure homes, 1600 square metres office and community space, nursery, clubhouse and outside sports area
tenure: long leases for sale for profit
funding: Peabody Trust Development Finance
partners: environmental consultants BioRegional Development Group, architect Bill Dunster, Sutton council granted land at less than market value because of green design, but not partners in live/work
target residents: no clear target at time of design – so far this has proved a weakness for live/work
defining features: award-winning ‘eco-housing’ project, with high energy efficiency, including devices for water saving and photovoltaic solar panels to use heat and convert energy into electricity

‘Our original planning consents restricted residential use to a gallery over a work space. When 10 failed to sell under this consent, a more open consent was sought. When

these failed to sell, a residential consent was obtained – to enable them to be bought under residential rather than commercial mortgages. In Clerkenwell, Camden or any City fringe site or Croydon itself, this offer would have sold like hot bricks – but in this part of suburban Sutton the offer of working from home has not taken off’
David Tannahill

contact: David Tannahill, Head of Commercial Initiatives, Peabody Trust: davidt@peabody.org.uk, www.bedZED.org.uk

Touchstone Housing Association

Stoke

location: 7-11 Queen Street, Burslem, Stoke-on-Trent. Main retail shopping street of Burslem town centre
stage: at planning stage
scale: 6 units averaging 66 sq metres, including communal area that will incorporate potential retail unit. 2 units within basement & ground floor: residential accommodation in basement, work on ground floor. First and second floors have 2 integral live/work units on each floor
tenure: to be confirmed. Likely to be assured shorthold tenancy with separate agreement incorporating business advice
funding: Keynote (Touchstone’s group structure) Regeneration as lead partner, Keynote Development £75,000, Touchstone Housing Association – tenancy management, Housing Corporation in principle support and possibly £100,000 to fund ‘live’ element only, SRB6/North Staffordshire Regeneration Zone agreed in principle, possibly £400,000 through two packages – ‘enterprise and innovation and image and infrastructure’, Burslem Townscape Heritage Initiative (THI) £75,000, in kind-support from BIC for business support (full range) etc and Staffordshire and Keele universities – graduate retention project support, Stoke-on-Trent – Objective 2 matched funding

partners: as above
target residents: design and technology graduates of two local universities, Staffordshire and Keele.
defining features: Staffordshire and Black Country Business Innovation Centre (BIC) will provide support officer based in an adjacent property. Burslem town centre being promoted as ‘design’ centre for North Staffordshire. Project links with nearby Ceramica project, Stoke-on-Trent’s Queen Street Enterprise Unit funded by Objective 2, Burslem School of Art, which also houses BIC (two doors away). Possible more live/work units, design units and café planned for building diagonally opposite

‘The need has been demonstrated through research undertaken by Staffordshire University and the Business Innovation Centre. They saw live/work units as the ‘missing link’ within North Staffordshire’s enterprise accommodation’
Bob Pringle

contact: Bob Pringle, Regeneration Director, Keynote Housing Group Limited bobpringle@keynotehousing.co.uk

Westlea Housing Association

Calne

location: Cherhill, Calne
stage: pilot, completed 2001
scale: 1 three bedroom unit, 1 four bedroom unit, 115 square metres. Further 54 units, ranging from one to four bedrooms, to be completed by end 2003
tenure: assured shorthold tenancy
funding: pilot funded by North Wiltshire District Council, via Agenda 21 –specialised funding as project uses sustainable forest timber and provides possibilities for home working in a rural location, Westlea HA. Larger scheme funded by HC development funds, Calne town council provided disused play area to be incorporated in site, district council

provided some funding for solar panels for half the development
partners: as above
target residents: local people on Westlea’s waiting list and some on transfer list, open to environmental sustainability in living, eg recycling, appreciating low toxicity in paints and so on
defining features: First English pilot scheme of 2 INTEGER ‘ Intelligent and Green’ units, larger than usual to allow flexibility of space use for residents. Pilot scheme included £600 per unit internal cabling for telephony, computers, CCTV security and energy management to be available in every room. This was not repeated in the larger scheme. Space being used for variety of types of work

‘We need some clarity on residential and business issues in terms of when you need a change of use. Perhaps people aren’t very consistent in the way they are enforcing regulations’
Stephen Parker

contact: Stephen Parker, Building Services Manager, Westlea Housing Association stephen.parker@westlea.co.uk www.integerproject.co.uk/cherhill.html

Devon and Cornwall Housing Association

Gunnislake

location: village of Gunnislake, Caradon district, north Cornwall
stage: planning
scale: 12-15 homes planned, of which substantial proportion planned to be live/work. On sloping site, separate entrances to ground floor office/workshop, and next storey access to residential part, at higher ground level
tenure: assured shorthold tenancy
funding: still under discussion, to include Housing Corporation element
partners: CABE (Commission for Architecture and the Built Environment)
target residents: general, based on needs profiles

defining features: DCHA chosen via CABE to develop flagship project showing good design. Housing Corporation chose Gunnislake, as largest village in Caradon district, with primary school, village shops etc, and at head of railway line

‘We are not seeking to protect the work use by an exit strategy for residents to enable new businesses to enter. These are lifetime homes with maximum flexibility’
Stephen Teagle

contact: Stephen Teagle, Director of Investment, Devon and Cornwall Housing Association.
stephen.teagle@dcha.co.uk
www.cabe.org.uk

Metropolitan Home Ownership King’s Wharf

location: Kingsland Road, Hackney, London E8, next to Grand Union Canal

stage: fully sold May 2002

scale: 5 live/work units within total of 55 live/work units (remainder privately developed). 3 @ 51 sq metres, 2 @ 84 sq metres

tenure: shared ownership, minimum equity 25%, maximum 75%, averaging around 35%, depending on individual financial circumstances. Opportunity to buy further shares, up to 100% ownership, if and when circumstances permit

funding: £10,000 per unit subsidy from MHO recycled capital grant fund. Section 106 planning gain for site and private sector finance for remainder

partners: Developer Lemon Land, Hackney Council

target residents: small businesses with a record of living and running a small business in Hackney for minimum of one year previously

defining features: separate organisation vetted prospective tenants for business experience, in future MHO will do this in-house. Residential elements subject to normal council tax, commercial parts attract uniform business rate

‘We think our live/work schemes meet our strategy of reducing the environmental input of our new housing and mixed-use schemes – after all, the travel to work distances can be measured in metres’

Graeme Moran

contact: Graeme Moran, Director of home ownership, MHO: gmor@mht.co.uk

Peabody Trust Ladbroke Green

location: 10 acre brownfield site in north of borough of Kensington & Chelsea, London W10, next to canal. Previously derelict for 30 years

stage: outline planning consent received in 2002 after 7 years negotiation. Under review to increase residential density and change light industrial uses to studio office use and live/work

scale: proposal is 40 live/work units in a mixed-use building

tenure: mixed private sale, shared ownership and social rent. Live/work units planned as 80 square metres to be sold on long leasehold

funding: Peabody Trust Development Finance
partners: British Gas is landowner, CZWG as long running masterplan architects, Royal College of Art Sculpture School, managed workplace specialist, informal partnership with Westbourne Studios in nearby Westbourne Park

target residents: micro businesses that wish to be located in W10 area. Waiting list of small businesses that want to be based in W10 and rent at nearby Westbourne Studios is extensive

defining features: 15 storey tower at gateway, sweeping down to 7 storeys, providing slope to fit largest array of solar panels in mixed-use scheme in the UK. Spread of demand through the day from mix of residential and commercial use is important to the use of solar power. Preletting part of site to RCA Sculpture School will establish strong art focus. If grant funding can be secured, would mix long leasehold studios with rented and shared ownership ones

‘Learning from the lessons of both the rented West Ferry live/work scheme and the live/work for sale at Raines Dairy, we propose a larger number of live/work units – 40 in a mixed-use building. To provide business services and a buzz, we propose a 200 square metre managed workspace on ground floor alongside a restaurant coffee shop. The quality of the scheme – the two restored canal basins and an enhancement of the canal side – will provide high quality public spaces. These can create a new ‘place’ for W10 and counteract its off-pitch location. The huge investment this requires will be funded by residential rather than commercial’

David Tannahill

contact: David Tannahill, Head of Commercial Initiatives, Peabody Trust:
davidt@peabody.org.uk

Solon Co-operative Housing Services Limited (Solon CHS)

London Fields Solutions

location: Ellingfort Rd & London Lane, Hackney, London E8

stage: completed summer 2003

scale: 7 one bed units, 13 two bed units, 6 three bed units, 1 four bed unit. All within Victorian terraced housing

tenure: assured shorthold tenancy, possible shared ownership in pipeline

funding: £300,000 from ERDF for provision of workspace infrastructure, £15,000 from ESF for training for management of London Fields Solutions Ltd. Some matched funding from residents’ contribution in-kind

partners: London Fields Solutions Ltd and Network Housing Group Limited (parent of Solon)

target residents: residents are ex-squatters, after natural wastage 56 bedspaces were available for remaining eligible members of resident-formed company – London Fields Solutions Ltd. Mixed group with bias towards creative industries and ICT

defining features: residents wanted it and had legal claim to some properties as ex-squatters.

Hackney wanted to develop area. LFS has set up innovative data network for all the properties, this provided broadband access for fee of £60 per year

‘There is no tenancy that serves the needs of live/work – this is a major problem. We currently use a modified assured tenancy, but given that the clause on commercial use has been deleted and a clause relating to the provision of workspace is inserted the legal status of the agreements is not known – it is English civil law and therefore set by precedent. We will only know if this type of live/work tenancy is challenged by the courts’

Mike Cox

contact: Mike Cox, Development Director, Solon CHS: mcox@solonchs.org.uk

Peabody Trust Raines Dairy

location: Stoke Newington, north London

stage: due for completion late summer 2003

scale: 8 live/work flats, incorporating studio workspace on the ground floor of a multi-storey block of 53 shared ownership flats. Each unit has a separate workroom fronting onto a busy street.

tenure: long leasehold at full market value

funding: Peabody Development Finance, Housing Corporation SHG for shared ownership flats

partners: n/a

target residents: Micro businesses from across London, Stoke Newington has many craft businesses.

defining features: Live/work leases have been drafted with no particular constraint on sales or assignment to preserve live/work uses. Site has no particular logic as live/work, it is provided essentially as a planning condition to retain some employment use on site. Modular construction project is delivering high quality of internal finish. This addresses key concern of live/workers at Peabody Trust’s first site at West Ferry – where high internal fit out costs proved a major hurdle

‘This is an example of development-driven live/work, where the success of the scheme as a location for live/work will be essentially a happy accident. Principled resistance to planning pressure for live/work or employment uses could have made a point but remains very difficult under current UDP – where employment sites are protected and their release to residential resisted. Indeed the scheme application received strong resistance from Renaisi, the council’s economic development advisers, as a site suitable for provision of traditional light industrial sheds for local businesses. Clearer guidance from central government on housing use priority may avoid ‘fig leaf’ uses like this’
David Tannahill

contact: David Tannahill, Head of Commercial Initiatives, Peabody Trust: davidt@peabody.org.uk

Devon and Cornwall Housing Association St Austell Urban Village

location: Carlyon Road, St Austell, Cornwall. Former railway marshalling yards
stage: site clearance began May 2003
scale: 148 dwellings, of which 6 will be live/work: 3 storey houses totalling 135 sq metres with ground floor as office/workshop space
tenure: live/work units to be sold. Other units to be mixture of shared ownership & rented accommodation (managed by Penwith Housing Association)
funding: Housing Corporation for social housing, Prince’s Foundation, South West RDA, Restormel Borough Council
partners: as above
target residents: general
defining features: 9 acre site, within walking distance of railway station, will include dedicated enterprise centre to include c. 2,700 sq metres office space, 900 sq metres business incubator space, school. Whole of St Austell

urban village will be managed by its own management trust, whose membership will be community-based and include all residents of the urban village.

‘We wanted to locate live/work units in a town, anecdotally some rural areas have live/work units from which people commute to work in towns such as Camborne and then commute back to their village community’
Stephen Teagle

contact: Stephen Teagle, Director of Investment Devon and Cornwall Housing Association. stephen.teagle@dcha.co.uk

Solon Co-operative Housing Services Limited (Solon CHS) Sugar House Lane

location: Sugar House Lane, London Borough of Newham, E15
stage: completed 2002
scale: 2 one bed units, 6 two bed units
tenure: assured shorthold tenancy
funding: Acme Housing Association – managing agent of tenant artists and funding of £10,000, Housing Corporation – provision of TSH funding of £144,980 for residential areas, Single Regeneration Budget of Stratford development Partnership– funding of £126,000 for external areas and riverside access to adjacent river Lea
partners: Boss Group – owners of ex warehouse area, Solon CHS, Acme HA, Housing Corporation, London Borough of Newham – support for project funding
target residents: artists, assessed through Acme HA, managing agents
defining features: Tenants required to be artists from local area, earn less than a maximum amount yet with capacity to pay for space and services. Artists were potentially homeless, as they were being decanted from nearby London Borough of Newham owned centre. Business planning, marketing advice available. Scheme full with zero turnover. Maximum stay being set at between 2 to 5 years.

Previously derelict but attractive warehouse next to Lea river, on edge of industrial area with increasing arts development

‘Newham’s planning officer at the time was unhelpful – obstructions were subsequently overridden by committee members. The housing section was helpful and essential for our obtaining Housing Corporation funding’
Mike Cox

contact: Mike Cox, Development Director, Solon CHS: mcox@solonchs.org.uk

Places for People The Cube

location: Sheffield City Centre
stage: feasibility study completed by DTZ, Places for People selected as partner, planning and design brief being developed
scale: whole site approximately 100 units, number of live/work units not yet decided
tenure: mixed tenure to include sale, details not yet finalised
funding: not yet finalised
partners: Sheffield Cultural Industries Quarter (CIQ)
target residents: not yet known
defining features: part of the city’s creative quarter, associated with the proposed e-campus plan for Sheffield. It also complements the creative industries housed in the Sheffield Power House and the ongoing work of Sheffield CIQ

contact: David Power, policy director, Places for People dave.power@pfp-group.co.uk www.ciq.org.uk

East Dorset Housing Association Wimborne, Winterborne Kingston, Bovington

location: Dorset villages of Wimborne (East Dorset), Winterborne Kingston (North Dorset), Bovington (Purbeck)
stage: first completion 2000/1, final completion summer 2003
scale: 4, 6 and 3 three bed houses. 94 square metres. Emphasis on sustainability and flexibility
tenure: assured shorthold tenancy
funding: Housing Corporation general allocation and some support (provision of land) from relevant local authorities
partners: Greenfield Way – kick-start company for Housing Corporation, specialising in off-site fabrication
target residents: those in housing need. Some emphasis on health criteria as buildings have relatively few emissions
defining features: pilot scheme to create holistic lifetime housing that provides an enabling environment for residents. Aiming to re-engineer way social housing is created. Larger than usual floor area includes 4 square metres of communally placed quiet corner upstairs, could be boarded off, has dedicated window, storage cupboards, telephone points etc. Possibilities for live/work, shopping, homework etc

‘Our role is to provide access and information for people to feel enabled. We work in partnership with other organisations’
Paul Read

contact: Paul Read, Development Manager of East Dorset Housing Association paul.read@edha.co.uk



13 FURTHER READING

Time to go home – embracing the homeworking revolution

(Tim Dwelly and Yvonne Bennion, Work Foundation 2003)

Living at work – a new policy framework for modern home workers

(Tim Dwelly, Joseph Rowntree Foundation 2000)

Work/live – the West Ferry approach to business incubation

(Tim Dwelly, Peabody Trust 2001)

Disconnected – social housing tenants and the home working revolution

(Tim Dwelly, Housing Corporation 2002)

Most wanted: the quiet birth of the free worker

(John Knell, The Work Foundation, 2000)

Working anywhere – exploring telework for individuals and organisations

(DTI, DfEE, DETR 2000)

From motors to modems

(Telework Association and RAC Foundation, 2002)

www.flexibility.co.uk

(online journal of flexible work, 2003)

www.live-work.com

(Live/Work Institute USA 2003)

‘Live/Work’

(Hadleigh Cooper Associates 1999)

Live/work developments – an analysis of their role in economic regeneration

(Chestertons for LB Hackney 2002)

Residential Development in London

(London Residential Research 2002)

Labour Force Survey

(home working and self employment data, ONS 2003)

Home working trends

(International Labour Organisation 2002)

New Deal for Communities annual reviews 2000/01 and 2001/02

(DTLR 2001, ODPM 2003)