**MINUTES** 

|  |  |
| --- | --- |
| **Meeting:** | **Workspace Advisory Group** |
| **Date:** | **Tuesday 23 June 2020** |
| **Time:** | **10:00 – 11:30** |
| **Place:** | **Zoom** |

*Agendas and minutes of the meetings of the Workspace Advise Group are published at* <https://www.london.gov.uk/node/37821> *(except in those cases where information* may *be exempt from disclosure under the Freedom of Information Act). Meetings are not held in public and are only open to those invited to attend by the Chair.*

|  |  |
| --- | --- |
| **Members:**    Simon Pitkeathley (SP) (Co-Chair and LEAP member), Camden Town Unlimited  Sarah Ellis (SE) (Co-Chair), Amazing If  Alison Partridge (AP), Capital Enterprise  John Spindler (JSP), Capital Enterprise  Michael Davis (MD), JLL  Michael Owens (MO), Bow Arts  Nichole Herbert Wood (NW), Second Floor  Olly Olsen (OO), The Office Group  Sara Turnbull (ST) (Workwild)  Shazia Mustafa (SM) Third Door  **Co-opted members:**  Jane Sartin (JSA), FlexSA  Anne Malcolm (AM), LB Hackney (Co-opted member)  David Harley, LB Barking and Dagenham | **Also in attendance:**  Stephen King (SK), London Councils  Siobhan Jared (SJ), TFL  Naima Omasta-Milsom (NO), Capital Enterprise  **GLA attendees:**  Jamie Izzard (JI),  Maria Diaz Palomares (MDP),  Richard Cumbers (RC),  Rachel Roe (RR),  Gerard Burgess (JB) |

1. **Apologies for Absence and Chair’s announcements (Item 1)**
   1. SP welcomed members to the meeting.
   2. SP explained that Daniel Idowu has left Barnet Local Authority and therefore, as a co-opted member, has stepped down from the Group. At the moment Daniel will not be replaced.
   3. SP Explained that Tess Lanning is on maternity leave and she has been replaced on a temporary basis by David Harley, Head of Regeneration in LB Barking and Dagenham.
   4. Apologies were received from Alice Fung, Jeannette Pritchard, Ben Johnson and Alex Woolf.
   5. SP updated members regarding the open workspace sector’s lobbying letter (coordinated by SE and SP) to the Chancellor calling for additional support for workplace providers and users.
2. **Declarations of Interests** 
   1. SP reminded members they need to declare any interests in any of the items set out on the agenda or any of the projects that are being delivered or discussed by the Group.
   2. ST declared that she has been interim Chief Executive of the Creative Land Trust and had also chaired the Creative Workspace Resilience Fund.
   3. AP flagged that Capital Enterprise were responsible for delivering the Workspace Accreditation Pilot for the GLA. ST also noted that WorkWild are providing support to Capital Enterprise on the accreditation pilot.
3. **Minutes of Previous Meetings** 
   1. Minutes of the previous meeting were approved.
4. **Updates on how COVID is affecting workspaces**
   1. SP invited members to explain how COVID-19 had affected their spaces or businesses and the wider workspace sector.
   2. SE started by informing the Group that the company she works for has left their current office space. Her company, as a result of COVID-19 has had a rethink about their approach to space. As a business they were initially against the idea of remote working, however, have now realised they can still produce the same results without being together all time. SE also runs a business which previously operated in smaller more affordable spaces, however has now transitioned to 100% virtual working, and they are now considering using this system on a permanent basis. SE explained that her clients have all echoed similar stances. However, despite the new approach, they all note that they still need a space to come together, albeit less frequently than previously.
   3. NW confirmed that her tenants have all received £10k grants so have been able to pay rent in full.
   4. JSA informed the group that operators have been spending a huge amount of time to support their businesses to access the grants. Good level of optimism from members of the flexible workspace sector who –haven’t all lost a huge number of tenants and are looking forward to the sector recovering.
   5. DH met with workspace providers the previous week, grants issue is key point for them, new enquiries have picked up in line with a minimal level of lease surrenders.
   6. OO explained that at the start of COVID-19, enquires for space/membership dropped to zero from 450 a week. Whilst tenancy levels were down, new deals were still being secured. They have supported 670 companies, noting also a significant drop in footfall. OO continued by informing members that he anticipates businesses returning in September and then the numbers increasing from that point onwards.
   7. MO stated that recipients of Government grant funding have been uneven, confirming that they had kept the studios open, concerned that there may be more issues for them to face in the future, but currently not visible. Some of their tenants have managed to keep paying rent, they have also offered rent deferrals, this is a concern in the future if the business is then unable to pay.
   8. AM flagged that it is a diverse landscape currently, with some workspaces managing fine but others faltering.
   9. AP informed members they Capital Enterprise had been doing work on the local discretionary business grants across several London local authorities. This has provided data on new workspace operators. Also have been working the GLA to provide a local grants finder tool for companies who aren’t plugged in with their local councils, so that they can access their grants and the status of them. Informed members that the London Co-Working Assembly have launched a national campaign to save co-working spaces, ‘Save Our Co-Wokring Spaces’.

4.10 SM told members that because Third Door have an onsite nursery, they have been able to have their business rates waived. Have been working with London Co-Working Assembly to support the ‘Save Our Co-Working Spaces’ campaign. Have been approached by student residential spaces looking to partner on co-working spaces, sees the future of the sector being based on partnerships and collaborations.

4.11 SK informed the Group that London boroughs have distributed around £1.5bn in over 100,000 grants over a 2-month period. Very much focused now on the safe reopening of high streets and licensing. Discretionary grants are in delivery, many boroughs are reporting massive over demand, with other boroughs highlighting high levels of ineligible applications. AP also echoed concerns around high levels of ineligibility for the discretionary grants.

4.12 ST highlighted the need for block negotiations with landlords based on base rents. Also flagged the linkages to leisure uses, which results in some spaces being hit twice. Biggest hit groups include those who are in the middle of a move, or who had just had a rent hike which they were about to roll out to tenants, therefore they have increased base costs that they cannot control and are unable to recoup the rent. ST Echoed MO point around rent deferrals not being paid back. Highlighted that the key going forward is to focus on the base rent for providers and the relationship with the property sector as a whole.

4.13 JSP stated that Idea London is due to reopen on the 13/07, the space is sublet from UCL hence why it has been closed. Once health and safety checks have been completed by the university the site will reopen but with a 50% reduction on desk space. Highlighted that going forward there will be an increased demand on wet lab space. Universities are not planning on allowing students back completely until January and therefore student population will remain low for now. JSP highlighted the increased costs as a result of more cleaning required, reduced capacity, significant adaptations, and reduced footfall.

4.14 SJ confirmed that following approval from the Mayor, TfL issued £10m worth of credits to cover their small business tenants for the March quarter payments. Following on from this, they issued 50% credit for the June Quarter and allowed tenants to pay monthly in arrears from September rather than quarterly upfront. TfL now looking at a recovery plan which would involve a change of approach, more focused on partnerships rather than being a landlord that just focuses on rental income, the priority for TFL is ensuring their tenants are supported to stay trading.

4.15 MD highlighted that there are no obligations for landlords to operate fairly unless Government were to step in. Landlords are looking to help the retail and leisure sectors out, because they realise how critical it is to keep a long-term tenant trading, rather than trying to re-let a space which would be challenging in the current climate, also poor exposure for their brand. MD concluded that following various conversations on both sides of the table, that there is a 3/2 split on WFH/office across developed countries. If this is the case going forward, there would then be a 40% shrinkage on the office space required. MD continued to say that following pre-covid conversations with top corporate decision makers, they anticipate a move over the next 5 years towards a ‘hub and spoke’ model, i.e front of house in expensive cities and then moving other offices near/off shore.

4.16 SP then gave a brief overview of Camden Collective, whereby they don’t anticipate paying customers to return until September, as well as the UCL run part not reopening until January. SP concluded the 3 c’s of need: Collaboration, Community and Clients. SP also mentioned that he is on the London Transition Board representing small businesses on behalf of london.

1. **The role of the Workspace Advisory Group**
   1. SP invited members to discuss the items on the action plan, are they still relevant, are there changes needed, should they be postponed/deleted or are there any new actions as a direct result of COVID19.
   2. SP then went through each action:

* 1. Action 1 (Workspace Accreditation Project) – SP confirmed it will be picked up as part of the next agenda item.
  2. Action 2 (Coordinate workspace strategy for London and improve intelligence) – AP flagged the need for coordination is bigger than ever, however it is also harder than ever given the current economic scenario. Government need simple solutions, which come directly from coordinated responses. MDP requested than JS, AP and SM to work with her on this action.
  3. SP flagged that Actions 3 (Build relationship with developers) and action 5 (Support High Streets) are currently in a state of flux and therefore should still be focused on but highlighted that there are other actions which are even more pressing. MO flagged in the chat that he wishes to be a part of the High Streets work, as well as ST. NW also flagged that she would like to work on action point 3.
  4. Action 4 (Work with universities) SP confirmed that this should also be looked at the next meeting given that they are also in a state of flux.
  5. Action 6 (Move on Space) SP made it clear that this should remain an action point going forward.
  6. Action 7 (Test New Models of workspace) Members agreed that this should remain.
  7. **ACTION POINT** SE suggested that the leads on each of the actions should list out what is achievable this year on their respective action point and have something ready by the next September meeting, roughly 2 sentences.

5.10 SK added it would be useful to add in a point around the adaptation of high streets, what is the role of co-working spaces in that adaptation, how much discretion can a local authority have. SP echoed this point by mentioning the importance of temporary use going forward.

5.11 MDP informed members that the GLA and London Councils have been approached by businesses who are having issues with their landlords, where the larger landlords are concerned, the GLA/the Mayor/deputy Mayor are writing letters in an attempt to understand both sides of the argument and act as an intermediary. MDP highlighted the importance of an ongoing relationship with landlords for the future, post COVID.

5.12 RR informed members that the Culture at Risk office has now moved to working directly with cases, speaking to landlords directly on behalf of organisations.

5.13 SP reminded members to utilise the private LinkedIn group by sharing articles for discussion

5.14 SP and MDP suggested to members that potentially a separate group could be established to meet more frequently to work on some of the more pression action points

1. **Update on the Affordability workspace project**
   1. AP gave an overview on the project which had engaged 12 workspace providers, continuing to work with 9 of them through the COVID pandemic, with the remaining three keen to continue working on this once they re-open. So far six completed applications had been received. Two spaces have now completed the process and therefore the team hope to move towards an accreditation quickly. Three are still to be completed, and the team are supporting the others.
   2. The team are hosting a workshop on Wednesday (01/07/19) whereby all the workspace providers and local authorities can be together as well as authorities who weren’t involved but are interested in learning more about the pilot. WAG members are also invited to this.
   3. A networking group has also been established on Slack to provide regular updates and facilitate information sharing.
   4. A discussion then took place around the use/definition of affordable.

1. **Any Other Business**
   1. NO gave an update on the *Shared Workspace Support programme*, phase 2 of the business rates relief training from last year. Topics include ‘negotiating with landlords/local authorities’, the webinars have been well attended. To date four sessions have taken place with 12 local authorities participating.
2. **Dates of Future meetings**

* 23rd September 10.00 -12.00 venue tbc
* 25th November 10.00 – 12.00 venue tbc