



Affordable Workspace Strategy



Contents

Foreword	4
Vision	5
Objectives	6
What is affordable workspace?	7
The need for Affordable Workspace in Southwark	8
Progress so far	9
Securing supply	11
Operation	13
The Pilot	19
Actions	20
Appendix 1: Affordable Workspace Typologies	23
Appendix 2: Planning Policy	26

Foreword



The introduction of our new Affordable Workspace Strategy marks a significant step in addressing the challenges faced by businesses, entrepreneurs, creative enterprises and voluntary sector organisations in our borough.

Southwark is a place of opportunity, rich with diversity and creativity, with organisations that contribute to the local economy and the broader London economic landscape. The rising cost of workspace has placed pressures on organisations, making it harder for them to expand and thrive. Our Affordable Workspace Strategy is designed to address these challenges, helping to secure genuinely affordable spaces that maintain the character and inclusivity that makes Southwark such a dynamic place to work and live.

To make the most of our unique strengths, and shape a better future for everyone, we worked with people and organisations across our borough to produce the Southwark 2030 Strategy which includes a goal to deliver a strong and fair economy. The ambition expressed in this document is a step towards achieving the vision for Southwark in 2030.

Southwark was the first council in London to establish a land commission to explore how more land in the borough could be used for the benefit of all. The Council's Land for Good – 2023 Southwark Land Commission recommended establishing affordable workspace Hubs across the borough, designed and tailored to meet identified demand. These Hubs will provide spaces that reflect the diverse needs of Southwark's businesses while maintaining a focus on sustainability, inclusivity, and affordability.

This strategy sets out our vision for a future where affordable, flexible workspaces are accessible, sustainable, and supportive of our borough's growing and diverse economy. We will work closely with the community, specialist operators and developers to expand the availability of affordable workspace.

These spaces will be environments that foster creativity, collaboration, and growth. We aim to nurture innovation, encourage entrepreneurship, support community organisations, and help local businesses to grow by investing in affordable workspaces.

This strategy is a promise to the people of Southwark: we are dedicated to ensuring that everyone, from new startups to established businesses, has the space to succeed. Together, we can build a more prosperous and inclusive Southwark for generations to come.

Cllr John Batteson, Cabinet Member for Climate Emergency, Jobs & Business

Vision

Southwark is a borough of opportunity, innovation, and enterprise. As we look towards Southwark 2030 we are committed to creating a fairer, greener, and more resilient economy where everyone can succeed. We want to support start-ups and businesses of all sizes and to help our diverse communities access the spaces they need to thrive.

The cost of workspace is a challenge. It's difficult for small to medium enterprises (SMEs), creative enterprises, voluntary organisations and start-ups to access suitable, secure and affordable space. This limits the potential of individuals and enterprises alike. This strategy supports Southwark 2030's ambition to nurture a thriving local economy, where economic opportunities are within reach.

Southwark's Affordable Workspace Strategy sets out the council's approach to increasing the supply of good quality, fit for purpose, genuinely affordable workspace in the borough. Affordable workspace is an effective tool to support the local economy by enabling broader participation, innovation and growth.



Objectives

This strategy is the road map to delivering affordable workspaces, capable of accommodating the widest possible range of activities with equitable access at the heart of the operating models. These spaces will be designed to help local residents put their ambitions into action, enable established SMEs to grow and support voluntary and community sector organisations to deliver their services.

This strategy will deliver:

1

Equitable access to workspace

2

Increased economic activity

3

More local jobs

4

More affordable workspaces across Southwark

5

Flexible spaces: not a one size fits all approach

6

Council-owned Affordable Workspace Hubs

7

Support for cohorts who typically face obstacles securing space

8

More suitable space secured through the planning process within private developments and partnerships with developers and specialist operators

9

Support for businesses (especially start-ups and SMEs) to help them grow, innovate and compete in a rapidly changing economy

10

Accommodation for voluntary and community sector organisations who provide a valuable resource for Southwark residents and London as a whole

11

Transparency: monitoring and evaluation will assess the impact of the strategy and make sure the workspaces are meeting emerging needs and providing practical solutions to current and future economic challenges

What is affordable workspace?

In planning terms, Policy E3 of the London Plan 2021 defines affordable workspace as workspaces with rents maintained below market rate for a specific social, cultural or economic development.

Policy P31 of the Southwark Plan 2022 requires new employment floor space over 500m² to provide secure, affordable workspace which is managed by a council approved affordable workspace provider.

An affordable workspace provider is defined in the Southwark Plan 2022 as “A not-for-profit or low cost workspace provider offering genuinely affordable rents for businesses to thrive.”

It is acknowledged that affordable workspace needs to be affordable for both the specialist operators and the end user.

The Southwark Plan 2022 defines employment floorspace as the following planning use classes:

- Class E(g) (offices and light industrial);
- B2 (general industrial uses);
- B8 (storage uses);
- and sui generis* employment generating.

Policy P31 also states that in exceptional circumstances, affordable retail, affordable cultural uses or public health services which provide a range of affordable access options for local residents may be provided. This is subject to demonstrated need of the affordable use for a specific occupier.

*sui generis are uses that cannot be defined in any formal planning use class.



The need for Affordable Workspace in Southwark

There is competition for the limited supply of good quality, affordable workspace in the borough. This can limit opportunity for those unable to compete. A healthy economy includes diverse enterprises operating at different scales. If the smaller businesses and organisations can't get a foothold in the borough, then we'll lose that layer of activity and in the long run, we lose the bigger enterprises they grow into.

If our voluntary and community sector organisations can't find space to deliver their services, our residents miss out on valuable services and in some cases, the council loses the opportunity to work in partnership. This is particularly important now that the funding options for the voluntary and community sector are shrinking.

There is a concentration of new employment space being delivered in the north of the borough and within the Central Activity Zone (CAZ). The CAZ is a designated area of central London which cuts across multiple London boroughs. It represents a high concentration of financial, commercial, heritage, retail and cultural activity that generates a significant proportion of the United Kingdom's economic output.

However, the discount to market rents in the CAZ may still be too expensive for enterprises and organisations within Southwark. In exceptional circumstances, a payment in lieu towards the delivery of affordable workspace may be supported. The payment in lieu is intended to be used for off-site affordable workspaces located in areas of the borough where the market rent is lower (and the resulting discounted rent is achievable).

To ensure a balanced approach, this strategy will:

- **Be geographically responsive:** the council will develop hubs with specific characteristics (e.g. makerspace) located in the areas of the borough that already have a cluster of similar businesses or offer the appropriate amenities, network and demand to nurture the specific use.
- **Deliver adaptable spaces** suitable for various uses, from co-working hubs to makerspaces and light industrial units. The affordable workspace hubs will be designed so they can flex to changing demand.
- To achieve the Southwark 2030 vision the council's Hubs will be accessible to all, including **underrepresented people and groups** who typically aren't represented in other provision. We will support early-stage businesses to create a diverse and resilient local economy.

Progress so far

Southwark was one of the first London boroughs to introduce planning policy to support the delivery of affordable workspace within its local plan. Through the planning framework, the Council has secured commitments from developers to deliver affordable workspace within a variety of schemes which incorporate employment space and have secured planning consent in the borough.¹

However, this provision is not guaranteed until all planning conditions in a planning consent are discharged. This highlights the long-term and market-dependent nature of only using planning policies to deliver this space.

The council will continue working with developers and property owners through the planning process to incorporate affordable workspace provision on site within commercial and mixed-use schemes and it will also look to deliver Affordable Workspace Hubs using pooled payments in lieu. These Hubs will seek to provide discounted rents and/or other support to increase accessibility for all.

In addition, the council has also used its own assets to deliver affordable workspace in collaboration with a range of different partners. These spaces have been delivered within publicly owned buildings or on public land, either permanently or on a meanwhile basis, illustrating the diversity of assets that can be used to deliver economic and social value.

Southwark Council has successfully directly delivered a number of spaces across the borough. The delivery of these spaces has also stimulated and encouraged the establishment of other similar schemes with limited public intervention.



¹ Within developments proposing 500m² GIA or more employment floorspace.

Case Study: Oru Space

Oru East Dulwich occupies double-fronted space on Lordship Lane, welcoming over a thousand people a day, at the top of a busy high street in East Dulwich. This site was formerly an NHS community mental health unit, and had been vacant for six months. The Council approached the project with an ambition to look beyond traditional commercial uses. To do this, the Sustainable Growth Team launched a call for proposals for more creative and innovative interim uses.

After carrying out shortlisting and interviews, the successful candidates were business partners Paul Nelmes and Vibushan Thirukumar, former Development Director and Head of Finance at Second Home. Their proposal to provide the concept of workspace focussed on wellness was appealing to the council due to its alignment with the site's former use as a place offering community cohesion and social impact.

Oru Space now provides coworking space on the high street and includes hot desking, fixed desks and private offices. The space hosts an award-winning restaurant, which places a focus on sustainability, nutrition and exceptional quality food. The space also includes a wellness and event area providing classes focused on encouraging good mental health.

The space seeks to deliver social value benefits in the community through the provision of three free community classes per week, five quarterly memberships for those launching new businesses or seeking work, discounts to workspace for social enterprises and charities and many more initiatives.



Securing supply

Affordable workspace will be secured through a combination of approaches, ensuring flexibility in delivery and long-term sustainability.

- **Planning Policy:** The Southwark Plan requires developers to integrate affordable workspace into new schemes or contribute to the Affordable Workspace Fund when on-site provision is not feasible.
- **Hubs (Council Assets):** Using publicly owned buildings and land to create new workspace opportunities.
- **Partnerships:** Working with developers, operators, and community organisations to secure and deliver affordable space.

The Affordable Workspace Fund

Under the Southwark Plan 2022 policy P31, new employment space over 500m² must provide 10% affordable workspace for 30 years at a discounted cost. Usually this will be delivered on-site and managed by the property owners. A developer might evidence that affordable workspace is not deliverable within their scheme, in which

case a payment in lieu of space will be required to fund the provision of affordable workspace elsewhere in the borough. The payments in lieu will be pooled together as part of the Affordable Workspace Fund.²

The council sees this as a proactive mechanism to deliver this much needed space, while influencing the following:

- the type of space
- the location
- the quality of the fit out
- how the space is managed
- how access and allocation is made equitable
- how it can be used in perpetuity rather than limited to 30 years.

Therefore, where it's appropriate, the council will actively seek contributions to the Affordable Workspace Fund rather than requiring developers to deliver on-site.

Whilst the priority for the Affordable Workspace Fund will be delivering council-owned development, the Affordable Workspace Fund could also be used to support the creation of affordable workspaces by specialist providers,

particularly those participating in council's business support programmes. This financial assistance could help providers set up their own spaces, fostering accessibility, growth and social value outcomes. In order to encourage investment and commitment, the council will explore a requirement for providers to match fund or other types of co-investments, ensuring a shared responsibility to create sustainable, community-driven environments. This collaborative approach aims to empower providers, stimulate local economies, and create opportunities for innovation in accessible workspaces.

Any surplus income generated by the Hubs will flow to the Affordable Workspace Fund. It will be used to broaden access to workspace, increase supply and support economic development in the borough.

The Affordable Workspace Fund will be managed transparently, with regular reporting ensuring that resources are deployed efficiently and in line with council objectives.

The establishment and growth of the Affordable Workspace Fund is contingent upon receiving payments in lieu through the s106 process, ensuring that financial resources are available to support the creation and maintenance of affordable workspaces across the borough.

² Monies secured through s106 will be ringfenced within the Affordable Workspace Fund and allocated in accordance with the specific S106 agreement and relevant legislation

Affordable Workspace Hubs

The Southwark Economic Strategy 2023 – 2030 aims to foster a “fairer, greener and more resilient economy that benefits everyone.” This Affordable Workspace Strategy prioritises the delivery of Hubs that create opportunities for local residents that help to narrow inequalities across the borough.

The provision of affordable workspace will provide opportunities to work with organisations to deliver the council’s plan: Southwark 2030 Creating Good Lives Together, a shared vision for our borough. It is not envisaged that affordable workspace hubs will accommodate those who can afford to secure accommodation in the open market (unless the income generated is used to cross subsidise others). The Hubs will support businesses and enterprises that typically haven’t secured the financial backing or achieved maturity to survive in the open market. (i.e. voluntary and community sector). By leveraging council owned workspaces, the council will be able to prioritise under-represented groups, local start-ups and voluntary and community organisations which serve the local area and might otherwise struggle to secure space. The day-to-day operation of the Hubs should not rely on council income. The operating model should provide surplus income which will flow into the Affordable Workspace Fund.

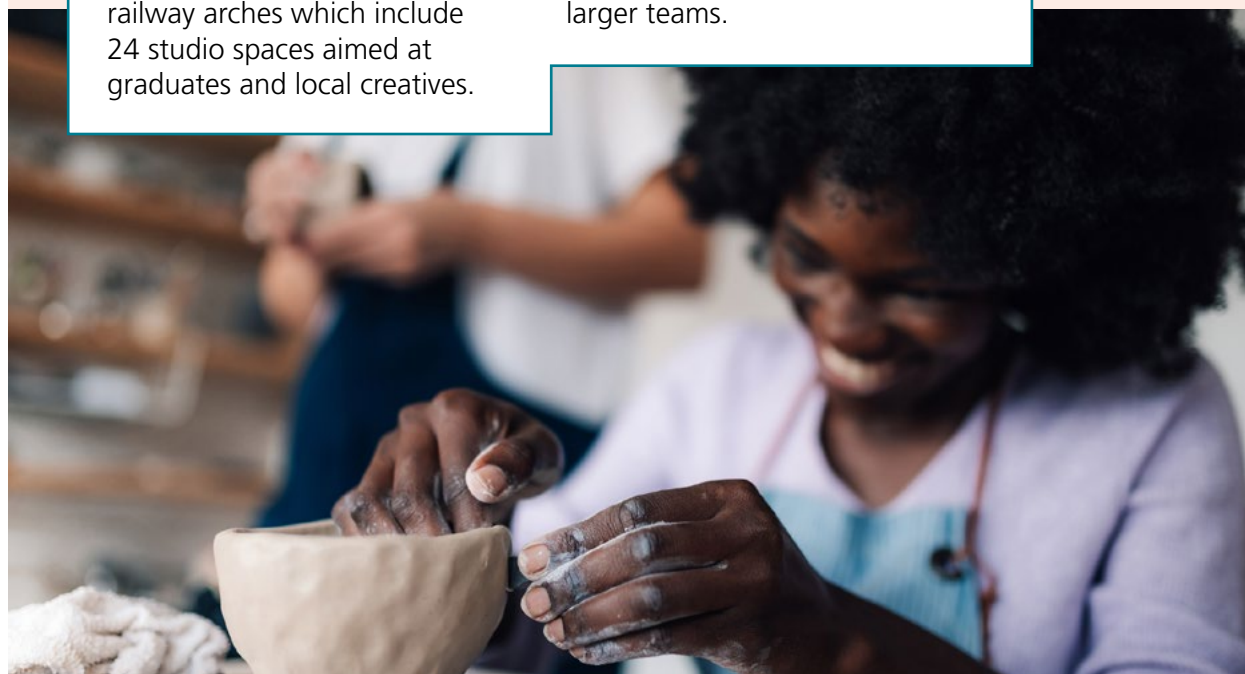
Case Study: Spare Street

Spare Street Studios

Established in 2009, Hotel Elephant is a not-for-profit company which provides spaces for Arts, Culture & Enterprise in Southwark. In 2016, Hotel Elephant launched Spare Street which provides a hub for creative enterprises in Elephant and Castle. Within five refurbished railway arches which include 24 studio spaces aimed at graduates and local creatives.

Spare Street Works

Spare Street also offers local coworking space providing flexible desk and office space for individuals and small teams. These spaces include 4- and 6-person office units which are aimed at start-ups and small teams. The larger area including a 26-desk space can accommodate larger teams.



Operation

Delivery Approaches

The council will take a flexible and place-based approach to secure delivery of more affordable workspace in the borough, ensuring that different models can be applied based on local needs.

Our approach to providing affordable workspace in Southwark is built on a variety of delivery approaches.

Developer-led

Affordable workspace is currently most often secured through our s106 agreements with private developers. By working closely with developers, we ensure that affordable workspace is integrated into new developments across the borough. This approach guarantees a long-term supply of affordable spaces that align with the needs of both emerging and established businesses, helping to create sustainable and thriving communities.

Brokerage

One of the central strategies and most immediate for providing affordable workspace is through brokerage services. The council will act as a mediator, connecting businesses, organisations, and operators with available space that meets their needs.

The council will strengthen its brokerage service to provide connections and match private or other organisational landlords with space to businesses or operators who have approached the council seeking affordable workspace.

This service will involve council officers actively facilitating connections, working both internally within the council and externally with private landlords, developers, and operators. This market-facing role will help to match available space with the needs of businesses and organisations, with a priority to those involved in the council's business support programmes.

Meanwhile space

Meanwhile spaces represent a highly adaptable approach to providing affordable workspace, particularly in areas where long-term development is not yet viable. These spaces offer a temporary yet effective way to meet the growing demand for affordable workspaces, while also fostering creativity, innovation, and community-building. The council will leverage meanwhile spaces as an integral part of its Affordable Workspace Strategy, helping to provide immediate relief for businesses in need of flexible solutions.

For example, there is an opportunity for meanwhile spaces to assist developers to test the types of spaces required within the community, whilst also understanding economic viability and sustainability long term. There are largescale under-utilised privately-owned spaces that could be used as meanwhile space as an interim solution.

Case Study: The Hithe

Meanwhile Space, IF_DO, Weber Industries, and Elliot Wood in partnership with Southwark Council have worked together to create an innovative demountable building for an underused site in Rotherhithe. The Hithe provides a temporary and demountable incubator workspace hub as meanwhile space under an 11-year lease from the council. The Hithe opened in autumn of 2021 and provides affordable workspace, a social meeting room and a community garden.

The space provides for 10 incubator spaces, aimed at local start-up businesses looking for space to grow and develop.

This project demonstrates how under-utilised spaces can be used to create temporary, innovative solutions and increase the provision of affordable workspace across the borough.



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Operational Models

There are many factors that influence how an affordable workspace is operated including size, ownership, typologies and sector(s). The council will undertake a hybrid approach and act on opportunities through either direct delivery and/or working with third-party providers.

The council will apply different models strategically based on specific circumstances such as site characteristics, available funding, community need, and the intended economic or social impact.

The following provides some (not all) approaches to operation that the council will consider for future workspace.

Dedicated third-party or consortium (Lease or Management Model)

In certain circumstances, collaboration with specialised workspace providers can ensure more sustainable, effective management of affordable workspaces. The council will engage with these providers to achieve outcomes that align with the borough's broader economic and community objectives.

The council will actively collaborate with specialised workspace providers to manage the day-to-day operations of affordable workspace. This approach will involve achievable and measurable outcomes to be explored with the operators.

To determine the most appropriate providers to collaborate with, the council will seek to establish a preferred provider shortlist for established operators, focusing on different sectors and council priorities. The existing Southwark Workspace Provider List will continue to be updated annually using information obtained from shortlisting exercises and annual updates.

In addition to traditional workspace management models, the council will explore innovative partnerships with third-party operators and corporate providers to deliver affordable workspace in ways that are both creative and sustainable. The aim is to foster dynamic, collaborative spaces that not only support local businesses but also create a sense of community and shared purpose.

- **Dynamic Partnerships:** The council will create flexible partnership models that allow for different configurations, such as long-term leases for corporate operators or short-term, more flexible agreements for community-driven groups. These models can be adjusted depending on the scale, sector, and specific needs of the businesses and organisations seeking workspace. For example, partnerships with local universities and colleges could offer affordable workspaces that support student and alumni businesses. These can be in the form of shared offices or innovation hubs.

- **Outcomes-Based Collaborations:** The council will incentivise collaborations by adopting an outcomes-based approach, where the success of the workspace is measured not just by occupancy rates but by the broader impact on the local community and economy. This could include metrics such as the number of local jobs created, the support offered to startups and underrepresented groups, or the environmental sustainability of the workspace. Operators will be encouraged to work together to meet these targets, aligning their goals with the council's broader vision for an inclusive and thriving economy in Southwark.

- **Collaborative Consortium:** The council will encourage the formation of collaborative consortia by inviting multiple organisations—ranging from community groups, corporate providers, and social enterprises—to come together to manage affordable workspace. These consortia could include a blend of operators with different areas of expertise, creating a robust support ecosystem for businesses and ensuring diverse needs are met. A consortium could provide access to additional resources, expertise, and innovative solutions that single operators may struggle to offer. This supports the SME incubator approach which combines entrepreneurs and small business owners a low-cost entry point to launch their ventures while also providing a structured support system to increase their chances of success.

- **Diverse Tendering:** The council will issue tenders that encourage a diverse range of organisations to come together, whether it's for space management, programming, or business support. By opening up a competitive and transparent process, the council can attract both established operators and innovative new players, ensuring that Southwark's affordable workspace options remain cutting-edge and well-suited to the needs of modern businesses. These tendering processes will seek to encourage collaboration among operators to achieve shared objectives such as social impact, environmental sustainability, or local job creation.

This model offers flexibility, expertise, and resource efficiency, allowing the council to focus on strategic oversight while leveraging the operational skills and networks of experienced workspace providers. It aligns with Southwark's broader goals of economic inclusion, social impact, and community engagement.

Circumstances for Use:

- ✓ When specialist knowledge is required (e.g. sector-specific hubs: creative industries, tech, social enterprises).
- ✓ Where the council wants to promote innovation and community-led initiatives without managing the space directly.
- ✓ For larger or more complex sites where collaborative partnerships can scale impact.
- ✓ When the council wants to encourage a mix of providers through consortia, particularly for SME incubation or social enterprises.
- ✓ To achieve measurable outcomes—social, economic, environmental—without directly managing the asset.



Shared Ownership or Joint Venture Model

In the joint venture model, the workspace operator and the council (or a property owner) enter into a partnership agreement. The council, as the investor, could provide the majority of the initial capital to deliver a space. The workspace operator, as the managing partner, contributes a smaller amount of capital and undertakes day-to-day operations. Profits are distributed after the property owner's preferred return, typically with a larger share going to the property owner until the joint venture starts generating higher operational profits. A key incentive of this model is to work with the private sector for public purpose and profit reinvestment to enable quicker activation of spaces.

Circumstances for Use:

- ✓ When capital investment is needed quickly, but the council wants to be involved long-term and steer social outcomes.
- ✓ For larger, higher-value developments where both public and private interests align (e.g. regeneration zones, town centre developments).
- ✓ Where the aim is to co-deliver a strategic asset, accelerate delivery, and reinvest profits into local services.

Direct Delivery (Owner Operator Model)

Direct delivery involves a dedicated team within the council who operate affordable workspaces directly without an intermediary operator. This could involve engaging with owners / developers to deliver spaces or may involve using available space in existing council assets (e.g. libraries, town hall, community centres) to house small-scale or informal (e.g. hot desks, shared offices) or formal workspaces.

Circumstances for Use:

- ✓ When the council has available space in council assets that can be repurposed.
- ✓ In projects where testing demand or community benefit is important.
- ✓ Where tight control over service provision, cost structure, and user access is required.
- ✓ When the aim is to fill short-term gaps in workspace provision quickly.



Pricing and Affordability Guidance

It is acknowledged that the term 'affordable' is subjective. The council will consider end user requirements, the operators/providers' needs, and the nature of the development scheme or hub. The affordability of a workspace may differ across the borough (as the affordability is based on a discount to market rents and market rents vary) and can also be impacted by service charges, business rates, utilities, and other fees.

Affordable workspace rents will be based on clear pricing and affordability guidance. The council will ensure that rents are below market rent.

This guidance will consider things such as:

- Rent free periods, caps on service charges, fit out, flexible terms, equipment etc.
- Place-specific guidance that will identify priority and/or high demand sectors for areas and suitable locations or clusters.
- Targeted end user groups that are in need for support within certain types of spaces (i.e. under-represented groups). This includes targeted interventions, such as reserved spaces or financial incentives for this cohort.

The council will develop a toolkit to guide developers and landowners in preparing proposals for meeting affordable workspace requirements. This guidance will focus on how the affordability of spaces should be addressed.



Appointment of Operators

The council will appoint workspace operators through a mixed approach either through direct appointment, or through a competitive procurement process. The evaluation process may assess operators based on the following criteria (but not limited to):

- Relevant experience and track record in managing affordable, sector-specific or community-focused workspaces.
- The ability to manage space effectively and efficiently, including financial sustainability and tenant satisfaction.
- Commitment to social and economic inclusion, including engagement with local businesses, community groups, and stakeholders.
- How they will deliver social value in line with the council's own framework.

The council will be looking for innovative approaches to affordability (e.g. operating models which enable people to access workspace who

have very limited recourse to funds). The council will also look favourably at operators who work in partnership with community groups and other local anchors.

Stakeholder Engagement

This Strategy also reflects the council's commitment to fostering stronger engagement with end users and workspace providers. This engagement will be achieved through targeted surveys and discussions with key stakeholders (i.e. local businesses, providers, business networks, voluntary and community sector organisations and forums, advocacy groups and educational institutions), as well as collaborative workshops with workspace stakeholders, ensuring that our strategy is driven by the real-world experiences and insights of the community.

Through this engagement, the council aims to develop an Expression of Interest (EOI) List to build a database of businesses and voluntary and community organisations that may need space imminently or in the near future. This database will also provide evidence to support projected demand and required typologies.

Monitoring

The council currently requires developers to provide annual information on the status of the types of space and occupying businesses as part of s106 monitoring. The council will undertake regular reporting on the performance of each workspace and their operators/providers (where relevant). These reports could include (but not limited to) the following key performance indicators (KPIs):

- Number of businesses using spaces
- Occupancy levels
- Number of Southwark residents using the spaces
- Average rents/rates charged to end users in comparison to market rates
- Business support provided
- End user survival rates
- Ensuring businesses and enterprises are being occupied by those most in need
- Proportion of black-led, female-led and other marginalised or under-represented groups
- Level of community or public use of spaces
- Measure of quality assurance, e.g. end user satisfaction from enterprises or organisations accessing affordable workspaces.
- Level of social and/or community impact.

This will build an evidence base and data capture to better determine and measure demand across the borough overtime.

The Pilot

The council has identified a council-owned site for a potential pilot project in Peckham. The council has commissioned a massing study and an initial feasibility study. The council will recruit a specialist operator to work alongside the council to prepare a development scheme and a business plan for the pilot. The delivery of the scheme is contingent on receiving sufficient funds in the Affordable Workspace Fund.

Actions

This section outlines the steps required to begin implementing the Affordable Workspace Strategy, organised into key themes. These actions are shaped by the strategy's goals, the types of spaces needed in Southwark, how they can be delivered, and insights from discussions with affordable workspace operators on how to improve operational efficiency and support the effective delivery of workspace.

Monitoring of the Strategy is essential to track the progress of implementation and inform potential interventions, decision-making and ongoing policymaking. The timescale for these actions is generally short to medium-term, but this section of the Strategy should be considered a dynamic document, reviewed and updated regularly.

The actions will be monitored and updated annually to ensure they are being delivered or are still fit for purpose.

Responsibility guide:

LET = London Borough of Southwark Local Economy Team

PS = London Borough of Southwark Property Services

SG = London Borough of Southwark Sustainable Growth Team

PT = London Borough of Southwark Planning Policy Team

AWDT = Dedicated Affordable Workspace Delivery Team



#	Action	Responsibility	Timeframe	Priority
1	Southwark Council will mobilise a dedicated team and governance structure for the delivery and operation of affordable workspace.	AWDT	Short-term	High
2	Establish a preferred affordable workspace provider shortlist based on evidence and demand, while regularly updating the existing current Southwark Workspace Provider List.	LET	Short-term	Low
3	Identify, develop and review a pipeline of opportunities for short – long term affordable workspace.	AWDT	Ongoing	High
4	Develop and undertake a Stakeholder Engagement Plan to understand specific affordable workspace requirements of businesses and providers across the Borough.	LET	Long-term	High
5	Develop an EOI list for businesses looking for affordable workspaces with a key focus on existing business support programmes.	LET	Long-term	Low
6	Create a toolkit for developers, landowners and providers to provide guidance on how the opportunities are managed and monitored through s106 agreements. This includes creating a Pricing and Affordability Guidance that is updated regularly.	LET	Short-term	High
7	Identify priority sectors across the Borough to inform intervention measures and requirements.	LET	Short-term	High
8	Draft a Voluntary and Community Sector Lettings Policy	PS	Short-term	High

#	Action	Responsibility	Timeframe	Priority
9	Explore the opportunity to engage a third-party provider to operate future affordable workspace as part of the pilot project.	AWDT	Medium-term	High
10	Develop a brief and scoring matrices for the appointment of the operator for the pilot project that can be adapted for future projects.	Lead: LET Support: PS, SG	Short-term	High
11	Work with the appointed operator to develop a business plan to support the pilot project.	Lead: LET Support: PS, SG	Medium-term	High
12	Work with the appointed operator to prepare a planning application for pilot project.	SG	Medium-term	High
13	When Affordable Workplace Fund has sufficient funds, pilot project land to be secured.	SG	Long-term	High
14	Ensure existing interactive mapping that identifies open affordable workspace opportunities is updated regularly.	PT	Short-term	High
15	Establish and implement a monitoring system to track the effectiveness of affordable workspace initiatives, measuring occupancy rates, business success, and the economic impact on the community.	LET	Medium-term	High

Appendix 1: Affordable Workspace Typologies

The below provides initial findings of the types of spaces and where they are likely to be in demand however, further evidence and testing is required.

Type of space	Description
Office and Co-working Space	<p>What: A shared or dedicated office environment where individuals or different organisations rent desks or workstations in a shared space. This also includes space for bookable meeting rooms and small activity spaces.</p> <p>End User: Early-stage businesses - start-ups and existing and new small and independent businesses or organisations and voluntary or community organisations.</p> <p>Where: Borough-wide with higher demand in town centres and Central Activities Zone (Peckham, Camberwell, Elephant and Castle, Canada Water and Bermondsey). Proximity to residential areas and/or strong public transport connectivity. Established business locations is preferable for networking, collaboration and co-location opportunities.</p> <p>Sectors: Technology, digital and marketing and other professional services (i.e. administrative, real estate, architects, graphic design, finance and insurance).</p>
Creative Space	<p>What: A shared workspace where individuals can access tools, space and materials to design and create projects through creative activities. The type and layout of these spaces can vary significantly (from open workspace to self-contained small spaces with lockable storage).</p> <p>End User: Graduates, independent artists, creative enterprises, social enterprises, early-stage businesses, creative practitioners, for-profit creative businesses, and not-for-profit or government-supported creative organisations.</p> <p>Where: Priority to co-located (but not limited to) with existing educational creative precincts, schools and community uses such as libraries. Former industrial sites with open air yards, or existing light industrial units with access for servicing requirements. Town centres and mixed-use development can also be suitable depending on the nature of the use. These spaces are likely to be a priority in areas with existing creative focusses (i.e. Camberwell and Peckham).</p> <p>Sectors: Visual and/or auditory art, graphic design, fashion, culture, dance, digital media, games, literature, publishing performing arts, gaming, architecture ad film/tv. High demand in ceramics. Potential emergence of AI.</p>

Type of space	Description
Maker Space	<p>What: Space that provides for small creative production businesses undertaking light industrial craftwork. This includes a range of tools, workstations and supporting facilities for crafting, building and testing.</p> <p>End User: Small businesses involved in production activities, laser cutting, 3D printing, electronics etc. Students, hobbyists, entrepreneurs, artists, engineers, and non-profit organisations.</p> <p>Where: Proximity to residential areas and/or strong public transport connectivity desirable as many businessowners will look to work relatively close to where they live. In proximity to or co-located with education, business support, engineering and design services. Locations within industrial precincts are also more suitable for heavy production activities.</p> <p>Sectors: Education, artistry, manufacturing, production and STEM.</p>
Flexible Kitchen Space	<p>What: Either a commercial “dark kitchen” providing fully equipped kitchen space specific to food delivery services, or a shared kitchen space where individuals or small businesses can access commercial kitchen facilities at a low cost.</p> <p>End User: Catering companies, voluntary or community organisations, small-scale food manufacturers, artisanal food producers, and startups focused on food delivery or subscription services; as well as creative food businesses like culinary schools, food bloggers, recipe developers, and food stylists.</p> <p>Where: Proximity to suppliers and supply chain networks, within residential areas if targeted to delivery only services, former industrial sites with open air yards, or existing light industrial units with service access would also suit. Close to town centres are also more advantageous for community kitchens where dining facilities are provided. Proximity to anchor institutions and employers can also be beneficial for businesses looking to supply local organisations.</p> <p>Sectors: Food and cooking education industry, small-scale businesses and manufacturers, bakeries, accommodation, pop-up restaurants, and other food service activities.</p>

Type of space	Description
Light Industrial Space/ Workshops	<p>What: Light industrial space refers to a type of commercial property, usually smaller in size, that is suitable for light manufacturing, assembly, or storage of non-hazardous goods, often requiring features like loading docks and power for machinery.</p> <p>End User: Small-scale manufacturing businesses, like food producers, fashion manufacturers and craft brewers.</p> <p>Where: Close to strategic road and freight networks, industrial businesses and precincts. Proximity to sector-specific anchors is suitable. Industrial locations are often required to support occupier activities which may be noisy.</p> <p>Sectors: Light manufacturing, storage, production-based activities and light industrial activities.</p>
Laboratory Space	<p>What: Laboratory spaces often wet and dry spaces, requiring robust infrastructure that handles weight and vibration or other specialist equipment (high power and water requirements, ventilation and sterilisation).</p> <p>End User: Life science businesses, early-stage bio-tech startups and other science companies/organisations.</p> <p>Where: Close to strategic road and freight networks, industrial businesses and precincts. Clustered with major universities, hospitals, research institutions and/or higher education institutions (i.e. South London and Maudsley, King's College and the SC1 London Life Sciences Innovation District). Access to city centres and business districts via public transport for networking and collaboration is suitable.</p> <p>Sectors: Medical (pharmacy, medical and biotechnology) sciences, academic research, environmental testing, food science, green tech and other emerging industries and/or technologies.</p>
Micro Retail	<p>What: Spaces supporting businesses to grow through mentorship or through heavily discounted units to allow retailers to 'experiment' / take-on new ideas to grow.</p> <p>End User: Early-stage businesses - start-ups and existing and new small and independent businesses or organisations, and voluntary or community organisations.</p> <p>Where: Proximity to residential areas and/or strong public transport connectivity will support retailers due to larger catchments. These spaces can also be located in mixed-used neighbourhoods or town centres as they are compatible with other uses and amenities, and benefit from proximity of other retail occupiers (higher footfall).</p> <p>Sectors: Food services and retail, wellness, designers and beauticians.</p>

Appendix 2: Planning Policy

The Southwark Plan contains an existing policy on affordable workspace (P31). This states that developments with new employment floorspace of over 500m² must provide affordable workspaces. The planning policy requires workspaces provided at a reduced market rental rate and secured for a minimum of 30 years. Certain requirements of the policy, such as discount to market rent and fit out specification, are assessed on a case-by-case basis and has been informed by the existing affordable workspace evidence base. Approved applications in the Central Activities Zone have applied a discount market rent of 25-30%. This may not always be affordable for startups or smaller and independent businesses. The location of the affordable workspace delivered onsite as part of a scheme is also dependent on the location of the proposed development, rather than it being located in the areas where the demand is highest.

Between the adoption of P31 and April 2025 (point of writing) approximately 36,000m² of on-site affordable workspace floorspace has been approved from full and outline applications, which have been secured through policy P31 of the Southwark Plan 2022.

Monitoring of policy P31 for consented and completed schemes is ongoing and will be used to inform any revisions to the affordable workspace policy at the Local Plan review. The current Southwark was adopted in 2022. In line with the requirements of the National Planning Policy Framework, a review of the local plan has a target date of late 2027 for a Regulation 19 local plan.

The review of the plan includes additional requirements of the London Plan and updated evidence base. Any modifications to Southwark's affordable workspace planning policy and its associated evidence base is kept under view.

Payment in lieu

Where it is not considered feasible to deliver affordable workspace onsite, a payment in lieu for offsite affordable workspace may be acceptable. The financial contribution is calculated by the council's Affordable Workspace Calculator.



