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Lambeth Council and South Bank  
BID

## Lambeth Creative & Digital Industries Study

Final report

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**BOP**  
Consulting

**GVA**  
An **APLEONA** company



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# 1. Executive Summary

Lambeth's Future Lambeth Borough Plan identifies the creative and digital industries (CDI) as a priority growth sector. This study aims to understand Lambeth's CDI and their potential, setting out a clear strategy to encourage growth.

The study is primarily focused on Lambeth's major growth areas: Southbank and Waterloo; Vauxhall; and Brixton. However, some of the findings, analysis and recommendations apply to the whole borough.

The study was commissioned by Lambeth Council in close partnership with South Bank BID and a CDI Advisory Group which has brought together a range of key organisations in the borough and sector development experts at a London level. BOP Consulting and GVA were commissioned to deliver the study in November 2016.

Over 200 businesses have been involved in the production of this study. The study is based on a programme of research and analysis which included:

- A detailed literature review
- Area walkabouts and site visits
- A survey of businesses and organisations
- An investor and developer workshop
- Detailed consultation including interviews with stakeholders; five area and sector focused business workshops; and Lambeth CDI Advisory Group workshops.

## What are the Creative and Digital Industries?

The creative and digital industries are now widely recognised as an important driver of UK jobs, innovation and growth.

The Creative Industries are defined as “those industries which have their origin in individual creativity, skill and talent” (DCMS). They range from artistic activities, to film & TV, and include IT, software and computer services.

A digital tech business is one which provides a “digital technical service/ product as its primary revenue source or provides a service/ product that is reliant on digital technology as its primary revenue source” (NESTA).

The creative and digital sectors are deeply intertwined: there is significant overlap between them, and all growth in the creative industries is now forecast to come from digital technologies.

In the UK, the CDI have grown steadily in recent years and are forecast to continue growing. Between 1997 and 2014, the Creative Industries' GVA increased by 6% each year. The turnover of the UK digital tech industries was estimated at £170 billion in 2015, a growth rate of 22% in five years.

Much of this growth has been in London. Traditional CDI clusters like Soho in Westminster have continued to attract and grow employment and economic output. There has also been extraordinary CDI growth in the 'Tech City' area, which has helped to fuel wider commercial growth in boroughs including Hackney, Tower Hamlets and Islington.

London's CDI economy is supported by an evolving 'ecosystem' of support, which in recent years has seen a growth in venture capital programmes (both public and privately financed), accelerator programmes, supportive workspaces (e.g. co-working spaces and incubators). The CDI economy at a London level also benefits from strong access to talent, and an excellent range of colleges, Universities, and smaller scale training providers which attract and support world-wide talent. The CDI economic contribution is in the high value jobs they provide, and in the benefits they bring to other businesses. They also play an important role in shaping vibrant, cohesive communities.

## Challenges facing the creative and digital economy

The CDI suffers from a lack of diversity. Barriers to entry mean BAME, women and those with lower-income backgrounds are underrepresented overall, and

are less likely to be in senior roles. Despite significant efforts from sector bodies and government there has been little progress in addressing this.

Many organisations in the borough use culture and creativity to engage disadvantaged communities and support inclusive growth. However, the study has consistently found that local take-up of support provided by these organisations could be enhanced and better coordinated.

Despite London's enviable CDI economy growth, there are major concerns facing the sector. Brexit, rising commercial property prices, the loss of artist workspace, the fragility of London's night time entertainment economy, and lack of affordable housing are all significant threats.

## **The CDI in Lambeth**

Whilst Lambeth has some world class organisations and businesses, the creative and digital sector in Lambeth is smaller and less strongly clustered than in other central London boroughs. There is little evidence of supply chains within the borough; businesses are part of the London cluster.

The CDI in Lambeth have not grown as fast as in other boroughs – a result of a shortage of available workspace which has constrained growth. So they are less important in the economy of Lambeth than comparators. The creative industries make up around 8% of total employment in Lambeth, below the London average of 12%. The digital industries make up 4% of total employment, below the London average of 6%.

The CDI still make a major contribution to Lambeth's economy. Creative industries employ over 15,000; digital 7,500. The GVA of the creative industries in Lambeth is £1,090 million and the digital industries £1,058 million.

The location of world-renowned cultural institutions in Lambeth, focused on the South Bank, bring significant employment and major benefits for the borough's wider visitor economy. In the north of the borough, Lambeth is also home to world class organisations in varying CDI sectors – for example IBM (digital); ITV (Film & TV); Chipperfield Architects (Architecture & Design).

Lambeth's CDI economy also has many highly regarded smaller organisations, some who have been in the borough for many years. Lambeth

has 21 Arts Council funded organisations with 'National Portfolio Organisation' status.

## **Key factors constraining growth**

The primary factor constraining the growth of the CDI in the borough is the lack of workspace. Vacancy rates are significantly lower than in other boroughs. A new wave of developments provides an opportunity to increase the supply of appropriate space.

The study highlights the need for the provision of spaces and network development support that can bring local CDI businesses together and support local cluster development.

Given the importance of the cultural vibrancy and diversity of Lambeth in attracting businesses to the borough, there is a strong economic case (alongside the strong ethical case) to ensure that the character of existing areas is protected and local communities are fully engaged in this change.

## **The case for a strategy to support CDI Growth in Lambeth**

With CDI employment growth projected to continue at a national level, and as London's major CDI clusters become increasingly expensive, Lambeth has an opportunity to position the borough as London's next major CDI growth area.

This study confirms this opportunity and identifies how this might be achieved. Lambeth is a collection of 'villages' with the authenticity and vibrancy that many CDI businesses and employees value highly. Lambeth's growth areas are comparatively cheap, well connected, and there is an emerging shift in favour of more commercial development after several years of housing-led growth.

In the South Bank / Waterloo, there are the greatest number of opportunities for additional workspace (mainly large floorplate office and office- focused co-working). The impact of major new cultural and commercial developments will need to be carefully managed, to ensure infrastructure can cope with growth.

Vauxhall presents one of the most significant opportunities for commercial development and jobs growth in the borough, which should be supported by wider enhancements to the public realm to build on the existing Vauxhall Cultural Strategy.

Brixton is a global 'brand', but constraints on business premises threaten to undermine the cultural and creative community which creates the 'vibe' for which it is famous. There are opportunities to diversify the range of offer, whilst supported by placemaking benefits. This can include a range of workspace provision, including International House.

Across these areas, the existing presence of world class CDI organisations, highly regarded CDI businesses large and small, new and innovative companies, and a strong evening economy offer, all provide a firm foundation from which Lambeth can enhance the growth of its CDI economy.

Whilst ensuring a more diverse CDI economy is beyond the control and resources of the council, this study identifies realistic and positive steps the council can take in partnership with education and training providers and industry to promote a more locally diverse CDI sector. Effective programmes to provide opportunities for a diverse range of talent to enter or progress within the sector are likely to be highly targeted and locally specific; they are also typically bespoke to the sector and individual (where possible); and they have close engagement with or are led by industry. There are a range of existing innovative models within the borough, such as the work of The Champion Agency in providing opportunities for talented young people to make their first steps into industry, and that of the Connected Learning Centre to take digital into all Lambeth's schools.

Taking the findings and recommendations from this study, the council and its stakeholders should be ambitious. This study has shown wide commitment for the creation of a shared agenda between the council, local creative and digital businesses, and wider stakeholders involved in supporting economic growth and reducing inequality.

Local government continues to operate in a highly constrained funding environment; a CDI Growth Strategy for Lambeth will support prioritisation and

fundraising to support aspects of delivery that would require additional resources.

## Recommendations

This study recommends a series of actions the council and its stakeholders should consider in forming a CDI Growth Strategy for the borough. In summary, the key actions are:

- Use the strategy to catalyse partnerships and develop funding bids, whilst recruiting a coordinator to deliver the strategy aims
- Position Lambeth to be a recognised centre of the CDI economy, particularly promoting specific messages relating to the three areas of focus
- Improve networking and coordination of CDI businesses and organisations
- Recognise, protect and promote the diverse and authentic cultural experiences across the borough, especially through integrating culture with the public realm
- Embed ambitions for CDI growth in the planning system, including ensuring that it has a clear role in the Local Plan and by advocating for CDI-focused workspace in new developments
- Raise awareness of opportunities in the CDI economy with young people, parents, and schools, especially targeting the Equality Commission underrepresented groups
- Ensure that Lambeth's most disadvantaged residents have opportunities to access careers in the CDI.

## 2. Headlines



### Industry

- The Creative and Digital Industries (CDI) have shown consistent growth. In London, employment in the creative industries grew 34% between 2010-2015.
- The creative industries provide 12% of all London's jobs; or 8% of Lambeth's jobs.
- The digital industries provide 4% of all London's jobs; or 6% of Lambeth's jobs.
- In Lambeth, these industries are concentrated in the north of the borough, as with overall employment. Nearly half of Lambeth's CDI employment is in the area around the South Bank and Waterloo (Bishop's Ward).
- Access to affordable workspace is the key issue for Lambeth's CDI. 51% of businesses say finding it is a challenge.
- Lambeth's CDI say public transport is the most important factor influencing their location decision. Local cultural life is also crucial – 61% say it is important.



### Inclusive Growth

- Lambeth is a diverse borough, with persistent levels of inequality and pockets of severe deprivation. One in three are born into poverty.
- The CDI are not diverse. Barriers to entry mean BAME and those with a lower-income background are underrepresented overall, and are less likely to be in senior roles. This damages the competitiveness of the industry.
- Nationally, the creative industries are forecast to require 1.2 million new workers by 2022. The digital sectors also have significant skills shortages and need 30,000 new graduates each year.
- 48% of Lambeth CDI businesses surveyed say that accessing and retaining talent is a key issue for their businesses
- The Apprenticeship levy provides one opportunity to address this challenge, but only around 10 CDI businesses in Lambeth will pay it.



### Space

- Access to affordable space appears to be the critical factor limiting the growth of the CDI in Lambeth. PDR and change of use are key factors in this lack of provision.
- There is over 2 million square metres of commercial floorspace in Lambeth – around one-third less than in Southwark.
- Around 35% of this is likely to be suitable for CDI; significantly less than in Southwark.
- There are signs that a shift is taking place in the market in terms of the supply of commercial space. Significantly more floorspace started in the last year than in comparators, and asking rents have also increased by around 45% over the last five years.



# *ELECTRIC AVENUE*

Brixton's Electric Avenue

## Survey headlines

### Most important factors influencing choice of premises

1. Fast data / Broadband (86% say important)
2. Sufficient Space (83%)
3. Affordable Rent (81%)

### Most important factors influencing choice of location

1. Good Public Transport (87% say important)
2. Local Cultural Life (61%)
3. Proximity to Clients (52%)

### Greatest challenges faced by businesses

1. Finding clients (75% say a challenge)
2. Uncertain Business Environment (52%)
3. Finding Affordable Workspace (51%)

### Most significant future business needs

1. Low cost space (63%)
2. Networking Opportunities (62%)
3. Support for Innovation (46%)

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Total sample size: 150 - 180. Top three responses only.

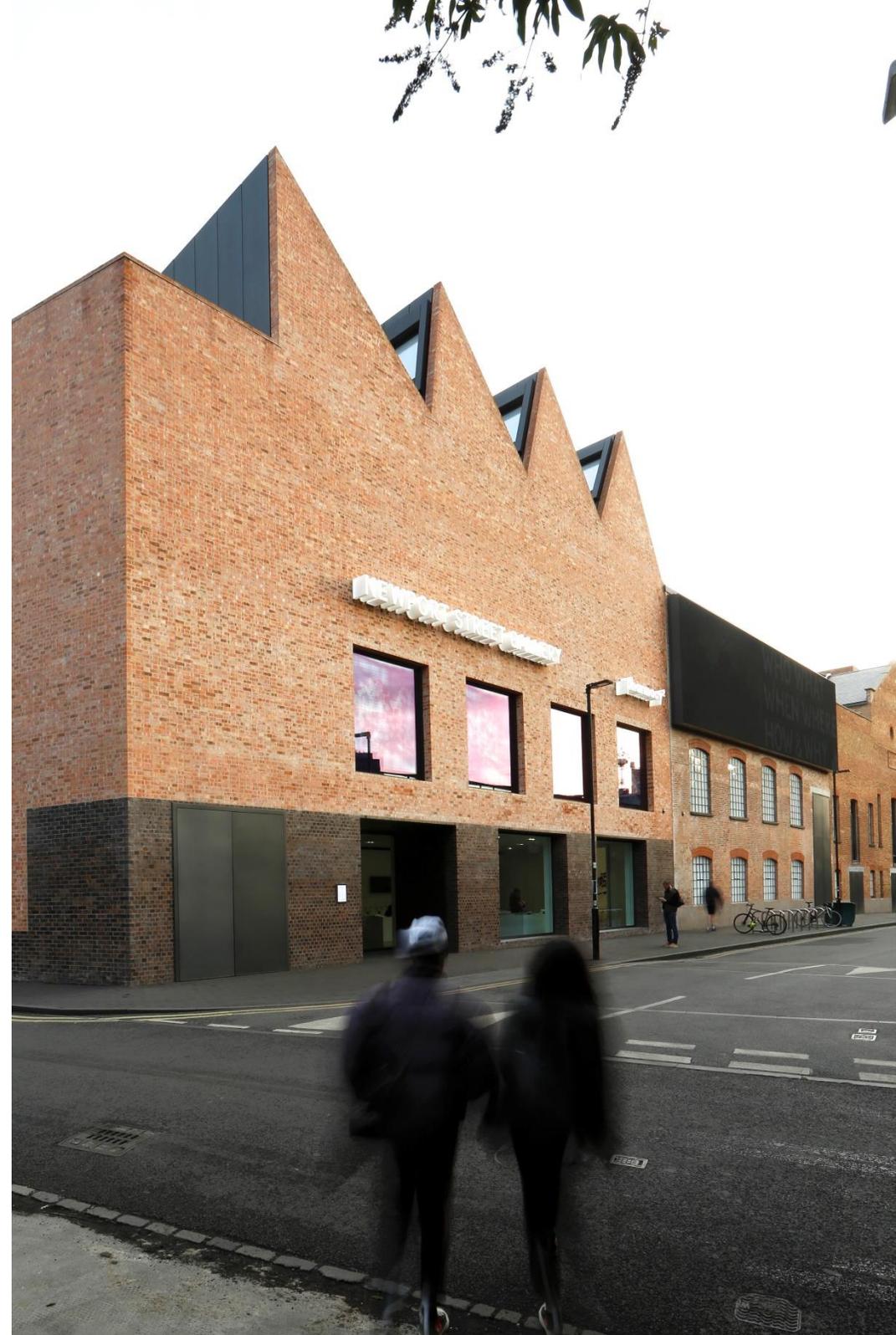
### 3. Approach

A thematic approach has been used to structure the research and address the range of issues relevant to the strategy:

- **Industry:** assessment of the national / London CDI context, and Lambeth's positioning, including a review of policy and research, to understand London level trends, and the potential impact of Brexit.
- **Space:** establishment of a robust baseline understanding of the CDI workplace provision / market in Lambeth, to include space already provided and new opportunities that are in the development pipeline.
- **Inclusive Growth:** ensuring that growth benefits all, through an assessment of employment, education and skills issues, as well as community benefits engagement and outreach activities, and inclusive placemaking.

Research on these overlapping themes was divided into distinct phases and was based on a wide-ranging research process – summarised in Figure 1 below or detailed in Appendix 1.

Vauxhall's Newport Street Gallery



**Figure 1: Summary of approach**

					
<b>Analysis of existing research and data</b>	<b>Survey of Lambeth businesses</b>	<b>Site visits</b>	<b>Advisory Group</b>	<b>Consultation</b>	<b>Area-based workshops</b>
<p>Including sector literature, national and local data sets including BRES.</p>	<p>Mixed online and phone methodology. Over 180 responses, balanced to represent the sector overall in Lambeth.</p>	<p>Four site visits of South Bank / Waterloo; Vauxhall; Brixton; and Tulse Hill / West Norwood.</p>	<p>Three meetings of an industry-focused Advisory Group convened for the project.</p>	<p>Interviews with over 40 individuals, including Lambeth policymakers, sector businesses and organisations, developers, and education and skills organisations.</p>	<p>Five industry workshops to focus on specific areas or themes.</p>

## 4. The Creative and Digital Industries

The creative and digital industries are now widely recognised as an important driver of UK jobs, innovation and growth. The two sectors are deeply intertwined: there is significant overlap between the two sectors and all growth in the creative industries is now forecast to come from digital technologies. This section sets out what the CDI are and how they operate.

### 4.1 What are the Creative and Digital Industries?

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

These industries include:

- Advertising and marketing
- Architecture
- Crafts
- Product design, graphic design and fashion design
- Film, TV, video, radio and photography
- IT, software and computer services
- Publishing
- Museums, galleries and libraries
- Music, performing arts and visual arts

According to Tech City UK/ Nesta<sup>1</sup>, a Digital Tech Business is one which provides a digital technical service/ product (including hardware and platforms) as its primary revenue source or provides a service/ product that is reliant on digital technology as its primary revenue source. In practice, this means a range of job roles and industry functions, from app & software development, to digital entertainment, edtech, fintech, telecommunications and networking.

Many of these digital sectors are captured by the DCMS definition of Creative Industries. As IT, software and computer services are included in the definition of the creative industries, there is **also huge overlap** between the two sectors in practice.

Increasingly, the **creative and digital industries (CDI) are deeply entwined**. There are strong cross-overs both as the creative industries have been profoundly shaped by digital technologies, and as the digital industries are increasingly adopting the practices and approaches of the creative industries.

### 4.2 CDI characteristics and trends

#### The CDI typically thrive in clusters

Creative and digital industries typically cluster in specific locations. This geographical proximity helps businesses to tap into a critical mass of creative workers, access clients, and to collaborate and share information with one another. The classic example of a technology cluster is Silicon Valley in the USA, where a blend of highly skilled workforce and access to finance have supported the growth of some of the largest digital businesses in the world (such as Google or HP). In the UK, Tech City (the area around the Silicon Roundabout) has become internationally well known. It follows other clusters in the UK such as the TV, film and VFX industry in Soho or the high-tech industry in Bristol and Bath.

The **role of policymakers in supporting these clusters is complex**. Nesta argue that creative clusters “emerge as the result of long and complex

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<sup>1</sup> Tech City UK / Nesta (2014) Tech Nation Report

processes combining creative entrepreneurship, a supportive environment, and a measure of good luck. Attempts to build clusters from scratch rarely succeed”. But they also argue **that creating environments that support growth is important in developing emerging clusters.**<sup>2</sup> There are a range of examples, such as London’s Tech City, where national and local government has played an important role in the growth of these clusters.

### Typical space requirements

The CDI (and particularly the creative industries) require a diverse range of spaces, these fall into different Land Use Classes and therefore require a range of policy tools and response to secure them, often this mix can be hard to accommodate within a single location. The range of spaces required to create a thriving and diverse cluster can be challenging to provide, as these spaces may not always coexist in harmony (Figure 2). For example, businesses with desk-based activities may include larger and flexible floor plates for inward investors, co-working spaces and businesses that need to scale quickly. Such businesses can typically pay higher prices than those in ‘dirty’ spaces, leading to shortages. But the former may also be attracted to the excitement and animation that the latter spaces create. Increasingly, businesses in the CDI sector at the micro or start up stage may not require space at all, but seek to operate from their home, meaning the cost, size and mix of housing is also a critical factor in the success of the sector.

Businesses may also require different types of space during the lifecycle of their growth. For example, consultees mentioned the importance of flexible space in attracting start-ups who can ‘scale up or die’. They are therefore often happy in co-working spaces which allow this flexibility, or in locations which allow a range of provision to accommodate growth.



Pop Brixton

<sup>2</sup> Nesta (2016) The Geography of Creativity in the UK

**Figure 2: Aligning CDI Activities and Space Types**

<b>Operator Type</b>	<b>Example Occupier</b>	<b>Property Needs</b>	<b>Wider Considerations</b>
<b>Corporate Occupier</b>	Large technology firms	Large floorplate, Grade A space	High accessibility Supporting amenities (F&B) Links to institutions High quality public realm
<b>Medium Sized 'corporate' Occupier</b>	Media agency Architect	Grade B space, Office/studio hybrid space Shared floorspace, Serviced offices	Proximity to larger corporates Good accessibility to workforce and key markets High quality public realm
<b>Small office occupier/Start up</b>	Tech start up	Serviced office, Co-Working, Incubator/Accelerator Arches	Networking space, Supporting amenities Good accessibility
<b>Freelancer</b>	Independent Copy writer, Graphic Designer	Co-working/shared studio, Residential property, Live-work	High accessibility, Spaces for networking Supporting amenities (F&B)
<b>Small producer</b>	Metal fabricator, Visual Artist Ceramicist	Flexible industrial units Yard/servicing space Potential retail frontage Arches	Road connections Supporting amenities (F&B) Supporting amenities (gallery, exhibition) Connections to institutions

## Digital technologies are reshaping the creative industries

The increasing advances in and use of digital technology has dramatically changed the way creative content is produced, distributed, and consumed. For instance, the digital shift provides new mechanisms for production and can create changes in terms of lowering the cost of distribution; enabling connections between audiences and creative and cultural players; detaching consumption from location; and giving control to audiences over their selection of what to watch or listen to.<sup>3</sup> This has changed consumer behaviours, raised concerns about piracy, and challenged existing business models in the creative industries.<sup>4</sup> The combined effect is leading to a significant increase in online cultural participation and opportunities for existing and new CCS players to enter the digital space.<sup>5</sup>

“ 13% of UK citizens regularly upload their own cultural content, such as films or photos.”<sup>6</sup>

## Future growth in the creative industries will come from digital

Future growth in the creative industries is now forecast by industry commentators to come specifically from digital technology.<sup>7</sup> To date, the adoption of digital technology has been remarkable: nearly 100% of the UK's cinema screens are now digital; nearly 100% of households have digital TV.<sup>8</sup>

As the creative and digital sectors overlap so significantly and are so closely interlinked, there is a strong rationale for considering them as one economic

<sup>3</sup> See BOP Consulting for Crafts Council. (2012). *Craft in an Age of Change*; Nesta. (2013). *Digital broadcast of theatre: Learning from the pilot season*; ESSnet-CULTURE. (2012). Final Report (p.398; 400-401; 405-406).

<sup>4</sup> Booz & Company for Creative England. (2013). *The Digital Future of Creative U.K: The Economic Impact of Digitization and the Internet on the Creative Sector in the U.K. and Europe*

<sup>5</sup> As ESSnet points out, technological innovations have stimulated the production of information among e.g heritage institutions (p.404). Substantial industry data shows how spending on digital products has led to recent increases in demand for these products. (PwC. (2012). *Global Media Outlook*)

<sup>6</sup> Special Eurobarometer 399. (2013). *Cultural Access and Participation – SUMMARY* (pp.9-10)

<sup>7</sup> For example, PWC (2015) *The digital future of creative Europe*

<sup>8</sup> European Audiovisual Observatory (2015) *Trends in Video-on-Demand Revenues*

strategy. Digital technologies provide opportunities and associated benefits, that cultural or creative organisations may however not yet have the capability to realise. For example, in the UK theatre sector, recent research shows that only 12% of theatre organisations are involved in digital screening – while recognising its potential, there are significant concerns around costs, quality, skills, and audience displacement.<sup>9</sup>

The combination of these two sectors is uniquely powerful: The Brighton Fuse project has for example shown how a new category of high growth firms ‘fuse’ creative and digital to create a competitive edge.<sup>10</sup> Many Lambeth businesses also exhibit these characteristics, such as the design- intensive fintech of Nutmeg in Vauxhall. The cluster of cultural institutions along the South Bank are also world leaders, with the National Theatre’s VR-focused Immersive Storytelling Studio making headlines across the world.

## Key growth sectors

Global growth across the CDIs is happening in two main ways:

- Growth in specific CDI sub-sectors, such as advertising and marketing, audio-visual content (television, online video, video games)<sup>11</sup> These are often related to the booming media and entertainment market.
- Harnessing of technologies developed through the CDIs leading to innovation in *adjacent* markets, such as advanced manufacturing and professional and business services (e.g. financial technology)

This growth is echoed in UK government policy, which regards digital as one of a group of ‘emerging and enabling’ technologies. Successful creative clusters are thus increasingly ones in which businesses demonstrate greater ‘absorptive capacity’ for innovation – in other words, those that are either driving technical innovation themselves or exploiting new applications of digital

<sup>9</sup> BOP Consulting (2016) *Analysis of Theatre in England*, for Arts Council England; European Skills Council for employment and training in the Audiovisual and Live Performance sectors (2016) *Trends and skills in the European audiovisual and live performance sectors*.

<sup>10</sup> Sapsed and Nightingale for the AHRC (2013) Brighton Fuse

<sup>11</sup> A vertical market is one where businesses and marketers cater to the needs of a specific group of people within an industry

technology to scale up their businesses. There is little consensus on the individual sectors that will benefit but commentators generally point to a range of specific technologies that are likely to drive this growth (Figure 3):

**Figure 2: Forecast growth sectors and technologies<sup>12</sup>**

Group	Creative	Digital / Tech
<b>Sectors</b>	Advertising and marketing	Civtech – stimulation of new public service delivery models
	Audio-visual content – film, television, online video	e-commerce
	Video games (including immersive entertainment formats – 360, Augmented Reality (AR), Virtual Reality (VR))	Fintech (Financial Tech)
	Designer fashion (including wearable devices)	Healthtech (Health)
<b>Technologies</b>	5G	AI and machine learning
	Blockchain	Internet of Things
	Immersive tech (AR/VR)	Big Data
	Sensors	UX / UI (User experience)

## CDI growth and job creation

The creative and cultural sectors have grown steadily in recent years. Between 1997 and 2014, **the UK Creative Industries' GVA increased by 6% each year, compared to 4.3% for the overall economy.** This translated to an increase of 3.9% in the number of jobs per year between 1997 and 2013

<sup>12</sup> Deloitte (2016) TMT Predictions; BOP for Digital Catapult (2016) Digital Innovation Index

and an increase of 5.5% between 2013 and 2014 alone.<sup>13</sup> Both sectors represent a major source of employment, showing 'a certain degree of resilience during the years of the economic crisis'<sup>14</sup>. This growth has been fuelled by the growing use of digital, and a consistent increase in consumer spending on cultural products.<sup>15</sup>

Employment statistics are likely to underestimate overall employment. First, the sectors are characterised by a high level of fluidity and self-employment.<sup>16</sup> Second, there are also significant structural challenges which make assessing the true CDI employment hard. For example, graphic designers are counted when they work in graphic design firms; but not when they are embedded in other practices.

Job creation is typically through small growing firms, rather than by larger and established firms. The majority of jobs in the UK were created by small firms (i.e., less than 50 employees and including micro-enterprises). Start-ups also contribute, but are a relatively small part of the overall economy. CEBR found that 'High Growth Small Businesses' were responsible for 68% of employment growth in 2013, despite being on 1% of the total businesses.<sup>17</sup> These new businesses or start-ups therefore provide an important mechanism for increasing employment. However, although they are responsible for significant growth they only make up around 2% of the total business population. To increase employment, it is crucial to attract established businesses or support larger businesses to grow.

<sup>13</sup> DCMS Creative Industries Economic Estimates, January 2015 and 2016 Statistical Releases

<sup>14</sup> Stumpo and Manchin (2015). *The resilience of employment in the Culture and Creative Sectors (CCSs) during the crisis, prepared for the European Expert Network on Culture*

<sup>15</sup> PwC / Strategy & Business (2016) Special Report: Global Entertainment and Media Outlook 2016–2020

<sup>16</sup> The sector includes many potential workers (e.g. between contracts or temporarily active in other sectors) and self-employed. Idea Consulting estimated that, in 2009, in EU27, 520,500 self-employed persons work in the 'creative, arts and entertainment activities' (section 90-92). (Creative Skills Europe. (2016). *Trends and skills in the European audiovisual and live performance sectors, for the European Skills Council for employment and training in the Audiovisual and Live Performance sectors* & Idea Consulting. (2013). *Survey on access to finance for cultural and creative sectors*).

<sup>17</sup> CEBR (2014) High Growth Small Business: The economic value of Britain's fastest growing smaller companies

Lambeth's inward investment strategy should include a concerted effort to attract some notable, high growth orientated companies as well as new and established, highly regarded accelerator programmes and networks that will help to build Lambeth's profile in London's tech community as a major new growth area.

### Role in innovation in other parts of the economy

Of the CDIs' spillover effects into other parts of the economy, that gaining most attention from policymakers is related to innovation. Local cultural and creative resources are essential elements to foster innovation. Traditionally, innovation processes have unfolded at the level of firms and individual organisations, but increasingly, cities play the role of R&D laboratories making available the spaces for innovation to emerge.

Exposure to culture may also stimulate creativity in individuals and workers, which is increasingly important in a knowledge-based society.<sup>18</sup> Increased recognition of such effects contributes to policymakers' rationales for providing support to the sector.<sup>19</sup>

Although these spillovers are a powerful tool, policy to support them has rarely moved beyond networking and awareness raising.<sup>20</sup> The European Commission and Innovate UK have both begun to fund initiatives (such as the Design Innovation Pilot) that are attempting to understand in greater detail how policymakers can support these innovation spillovers. Resulting support approaches are typically built around support to small clusters or networks (such as creative hubs), the use of design thinking, or (at a national level) funding for innovation.

### Richer, more vibrant communities and societies

There are a range of other benefits which come from the CDI, but which are beyond their direct economic contribution. Specific benefits to society include supporting civic or community engagement; and improving health and well-being, particularly from participation in cultural activities.

There are also a range of examples of how culture has been used to address societal challenges, such as inequality in society or political extremism. For instance, museums have worked with refugees to help them better integrate in society and to promote a feeling of empathy with their new homes.<sup>21</sup>

Locally, Lambeth has many cultural sector organisations that either as a primary focus or key aspect of their work involves using culture to address social issues (e.g. isolation; health and well-being; access to employment). For example, Brixton-based Photofusion works with socially and culturally marginalised young people, offering photographer-led creative programmes to engage them with the community. In Clapham, organisations including Omnibus and Studio Voltaire have significant community outreach and support programmes. For example, Studio Voltaire work closely with local schools, residents associations and ActionSpace, a charity which uses the arts to support people with learning difficulties.

Alongside this sit a range of indirect economic effects<sup>22</sup>, such as attracting tourism<sup>23</sup>, businesses and investment to an area; as an instrument of soft-power. In Vauxhall, the growth of the arts cluster was cited by some study respondents as helping to support the attractiveness of Vauxhall for development of housing and commercial schemes. In Brixton, study respondents from the development and workspace industry also reported that Brixton's reputation as a creative area makes the area increasingly attractive as a location for more commercial office development. The CDI can also play an important role in attracting businesses and residents to an area:

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<sup>18</sup> European Commission, DG Education & Culture. (2010). *Information Note on the Public Consultation on a Future European Union Culture Programme*; Warwick Commission (2015) *The Future of Cultural Value*

<sup>19</sup> IRS et al for DG Regio. (2015). *Culture and Tourism: Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF)*

<sup>20</sup> Urbact Network (2015) *The Smart Guide to Spillovers*

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<sup>21</sup> The Art Newspaper (15-06- 2016) *How artists and museums are addressing the refugee crisis*

<sup>22</sup> Crossick and Kaszynska for the AHRC (2016) *The Cultural Value Project: Understanding the value of arts & culture*

<sup>23</sup> Culture is known for driving tourism, a major earner of GVA. The latest data is now old, but in 2007 Lambeth received 277,000 overseas trips, 297 domestic trips, and 6.5 million day trips.

“ The agency [...] relocated to Brixton. Brixton and indeed Lambeth are very creative. There are things that they don't have in other London boroughs. This is due to the cultural richness and diversity which is stimulating. It is not a homogenised environment, [...] it can be abrasive and aggressive and this is good to trigger thought.

### A supportive business environment

Research into economic developments suggests a range of critical factors in shaping an environment where businesses are drawn to and can thrive. For sector strategies, one size does not fit all. Most of the primary research around creative and digital industries suggests that it needs to be closely tailored to the local area and its strengths and characteristics.<sup>24</sup> However, some common trends can be identified across both the creative industries and digital as set out in Figure 4. For Lambeth, several these 'location specific' characteristics are less relevant as businesses in the borough operate in the wider London context. These issues are explored in Section 6.

Figure 3: Key features of an effective support environment <sup>25</sup>

Local	National
Space e.g. co-working or office	Access to markets
Infrastructure and connectivity e.g. High speed broadband, testbeds	Strong Intellectual Property regulations
Supply of skilled talent	Access to finance esp. specialist agencies / funders [Creative industries only] or VCs and Angel Investors [Primarily Digital]
Knowledge spillovers e.g. from anchor institutions	Public sector engagement e.g. national representation
Communities and networks, often defined by strong place identity / branding	
Public sector engagement e.g. local procurement or open data programmes	
Accelerators and incubators	
Lifestyle and vibe	
Non-digital infrastructure e.g. transport	

<sup>24</sup> Nesta (2013) Manifesto for the Creative Economy

<sup>25</sup> Adapted from Nesta (2010) Creative Clusters and Innovation, Nesta (2016) Digital Entrepreneurship, and Capital Enterprise (2017) Tech Ecosystems for Lambeth Council

“ It's difficult to find space for micro businesses at a certain level, pushed out by larger creative businesses which we also want to attract. It's multi-layered and complex and must be dealt with as such. There is a lot of co-dependency within this sector. Solutions have to be based on this ecology at all levels” – Binki Taylor, Brixton Design Festival

Convey, Brixton



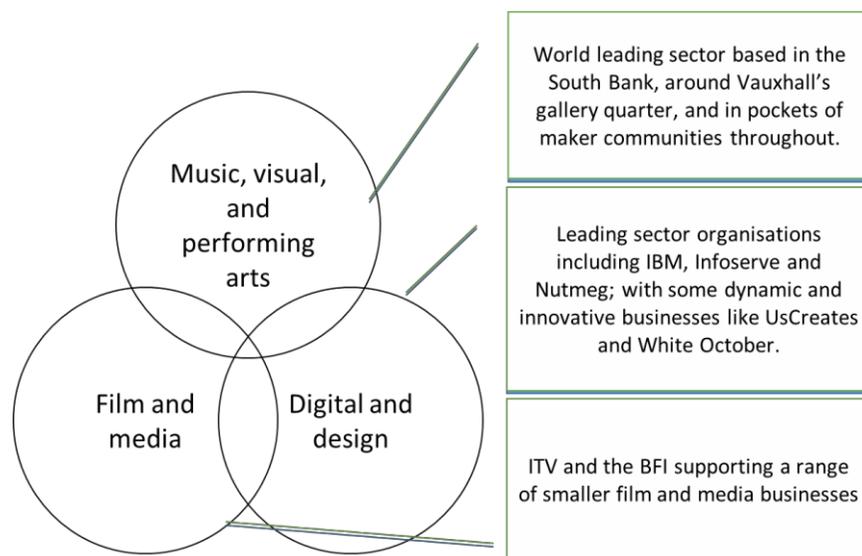
## 5. Theme: Industry

London is recognised as one of the world’s leading creative and digital clusters. Across London in 2016, the creative industries employ nearly 500,000; the digital industries over 300,000. The CDI in Lambeth have not grown in line with those of other boroughs – a result of a shortage of available workspace. This section outlines the size and shape of the CDI in Lambeth, alongside the challenges that they face and opportunities to support their growth.

### 5.1 Lambeth’s Creative and Digital DNA

The detailed analysis set out below suggests that Lambeth’s CDI economy has three main strengths:

1. First, **music, visual and performing arts**. The cluster of world-renowned cultural organisations on the South Bank draws huge numbers of tourists and Londoners to Lambeth. The Southbank Centre alone draws 6.25 million visitors each year. The National Theatre has a paying audience of 2.9 million each year. Music is also critical to Brixton’s economy.
2. Nearby, the ITV and BFI are sector-leading institutions, and there are a range of smaller businesses in **film and media**.
3. Then there are a range of **digital-focused** organisations, many of who are



engaged heavily in the design sector.

These strengths are set out in Figure 4.

**Figure 4: Key strengths**

#### Lambeth’s cultural sector

21 organisations in Lambeth receive regular funding from Arts Council England (as National Portfolio Organisations, NPOs):

- 6<sup>th</sup> highest number of NPOs of any London borough
- Arts Council will provide £43 million per year in support; the second highest total figure for London boroughs
- In 2016, three new NPOs were granted to Lambeth
- But four organisations moved from the borough and three lost their funding in the latest round of funding.

The economy is **anchored by the headquarters of some large, internationally recognised businesses** in the borough, ranging from IBM and CAPGEMINI, to ITV and the National Theatre (Figure 17).

**Figure 5: Largest CDI businesses in Lambeth**

#### Business

- 
- IBM
  - ITV
  - National Theatre
  - CAPGEMINI
  - Royal Festival Hall
  - BFI
  - White Stuff
  - Ambassador Theatre Group
- 

*Total employees estimated based on 2014 IDBR*

These anchor organisations are surrounded by a huge range of organisations and artists, as well as innovative programmes and projects. Many of these are below the radar and are unlikely to be perceived as associated with Lambeth. They include:

- **The South Bank cultural cluster**, which includes the BFI Southbank, the Southbank Centre, the National Theatre. The Young Vic and the Old Vic, and the Ambassador Theatre Group are also based nearby. Further into the borough are the producers Belarus Free Theatre, as well as the costume department of the Royal Shakespeare Company.
- **A collection of prestigious, world-renowned architecture practices**, David Chipperfield, DHDSA, Martha Schwartz, Marks Barfield, and Squires & Partners. Lambeth's architecture practices' notable projects include the London Eye, Brighton's i360, and part of the Olympic Village. Of the last ten Stirling Prizes, two have gone to buildings in the borough and one to a Lambeth-based architect.
- **A range of creative pioneers** undertaking high profile and innovative programmes, including Champions Agency, Livity, B3 Media, and The Vaults.

- **High growth and high value tech companies**, including Nutmeg, Infoserve, and IBM.
- **Crafts and design organisations** from the Michael Ruh Studio, to Hilary Wili Clothing & Costume, to Blackbird London. Internationally renowned ceramicist Edmund de Waal's studio is based in West Norwood.
- **Prestigious visual arts organisations** including Beaconsfield, the Portico Gallery, Gasworks, and now Damian Hirst's Newport Street Gallery, winner of the 2016 RIBA Stirling Prize.
- **Education and training**, ranging from small programme focused organisations like Repräsent, Creative Access, Photofusion and School of Communication Arts, to education institutions such as King's College London, LSBU, and Morley College.

## 5.2 London context

### London is capital of the UK's growing CDI

The creative industries are a **significant growth sector**. Between 1997 and 2014, GVA of the creative industries increased by an average of 6% each year compared to 4% for the UK economy as a whole.

**Exports of UK creative industry services are also growing** rapidly. In 2014, creative industry services accounted for 9% of UK exports, an increase of 49% over 2009. In comparison, exports of UK industry services as a whole grew by 30% over the same period.<sup>26</sup>

Overall, the UK is an **international hub for the creative industries** and attracts high levels of inward investment, talent and skills. Access to the EU single market, a stable regulatory environment, strong copyright protections,

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<sup>26</sup> Creative Industries Federation, *Brexit Report*, 48.

high levels of specialist legal and financial expertise and UK creative sector tax reliefs play important roles in attracting this inward investment.<sup>27</sup>

“ 39 out of 40 applicants for jobs at Squire and Partners come from overseas

It is known for its flagship cultural institutions, its independent and world renowned creative enterprises; and its burgeoning tech economy. In 2012, the GVA of London’s creative industries was estimated at £34.6 billion, representing over 10% of London’s total GVA and nearly half of the total for the UK’s creative industries.<sup>28</sup> Between 2010 and 2015, London saw a 36% increase in employment in the creative industries (Figure 6).

**Figure 6: Growth in creative industries and digital sector employment in London, 2010-15, ONS Data**

	Creative Industries	Digital	CI + Digital
Inner London	36%	52%	36%
Outer London	36%	28%	27%
<b>London (overall)</b>	<b>36%</b>	<b>44%</b>	<b>34%</b>

Source: ONS, 2015; BOP Consulting analysis, 2017

London’s digital economy has also grown rapidly, and sits at the heart of this growth. The capital has the largest volume of digital companies in the country, with over 300,000 people working in the sector, and now has a range of new representative and support organisations, such as Tech City UK and Tech

<sup>27</sup> CIF, *Brexit Report*

<sup>28</sup> Laura Togni, *The Creative Industries in London* (Greater London Authority, 2015), 2.

London Advocates. There were over 7,500 digital start-ups in London in 2016.<sup>29</sup>

“ 20% of all the capital’s tech companies are ‘high growth’ <sup>30</sup>



Pop Brixton

<sup>29</sup> Tech City (2017) *TechNation 2017*

<sup>30</sup> Tech City (2017) *TechNation 2017*



1. Lambeth has a high proportion of public sector employment with health and social work the biggest sector for employment – constraints on government funding for these sectors will have a direct effect on employment levels.
2. The borough has a relatively small business base.<sup>32</sup>

The creative industries make up around 8% of total employment in the borough: over 15,000 jobs (Figure 8). This is well below the London proportion of 12%.

**Figure 8: Creative industries employment, 2016, ONS Data (BRES)**

	CI Employment	Total Employment	%
<b>Lambeth</b>	<b>15,105</b>	<b>190,000</b>	<b>8%</b>
Southwark	30,690	175,900	17%
Wandsworth	11,335	189,900	6%
London	520,870	4,511,000	12%

Source: ONS, 2016; BOP Consulting analysis, 2017

<sup>32</sup> SI (2013) Lambeth Evidence Base

The digital industries make up 4% of the total employment in the borough, which is still of 7,500 jobs (Figure 9). This is lower than the London proportion of 6%.

**Figure 9: Digital sector employment, 2016, ONS Data (BRES)**

	Digital Employment	Total Employment	%
<b>Lambeth</b>	<b>7,500</b>	<b>190,000</b>	<b>4%</b>
Southwark	13,420	175,900	8%
Wandsworth	4,740	189,900	2%
London	260,210	4,511,000	6%

Source: ONS, 2016; BOP Consulting analysis, 2017

Finally, in Lambeth, the employment in digital sector, if combined with employment in the creative industries make up around 10% of total employment in the borough. This is below the overall London proportion of 14 (Figure 8).

**Figure 10: Digital and creative industries employment, 2016, ONS Data (BRES)**

	Digital + CI Employment	Total Employment in the area	%
<b>Lambeth</b>	<b>18,695</b>	<b>190,000</b>	<b>10%</b>
Southwark	36,660	175,900	21%
Wandsworth	12,150	189,900	6%
London	617,360	4,511,000	14%

Source: ONS, 2016; BOP Consulting analysis, 2017

The **economic contribution of the sectors in Lambeth is above £1,000 million in GVA both for the creative industries and the digital industries. The two sectors, if combined, contribute to the Lambeth economy with more than £1,700 million.** Output (GVA) per digital worker is typically higher than those in the creative industries (Figure 11).

**Figure 11: GVA in Lambeth, 2016, ONS Data (BRES, ABS)**

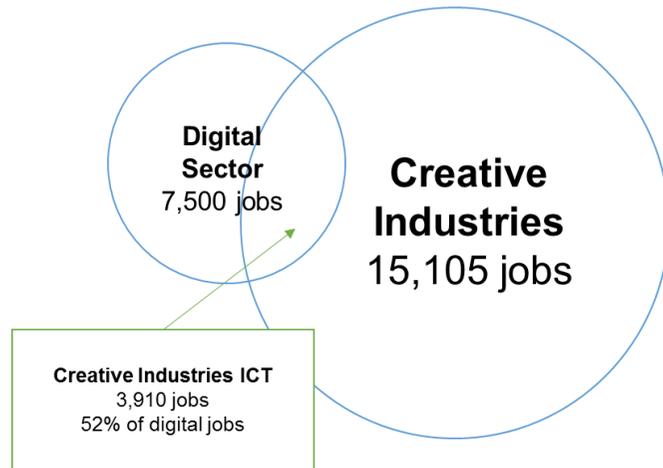
Creative Industries	Digital	CI + Digital
£1,090m	£1,058m	£1,761m

Source: ONS, 2016; BOP Consulting analysis, 2017, based on ONS GVA estimates.

### Crossover between creative and digital sectors

Over 50% of the total jobs in digital in Lambeth are also categorised as creative industries. The creative industries definition does not include, among the others, web portals, data processing activities, and telecommunications activities, all of which are included under digital. It does include computer programming and computer consultancy activities, which make up most employment in the sector. This overlap is illustrated below in Figure 12.

**Figure 12: Number of jobs in the Creative Industries, Digital Sector and overlap between the two in Lambeth, 2016, ONS Data (BRES, ABS)**



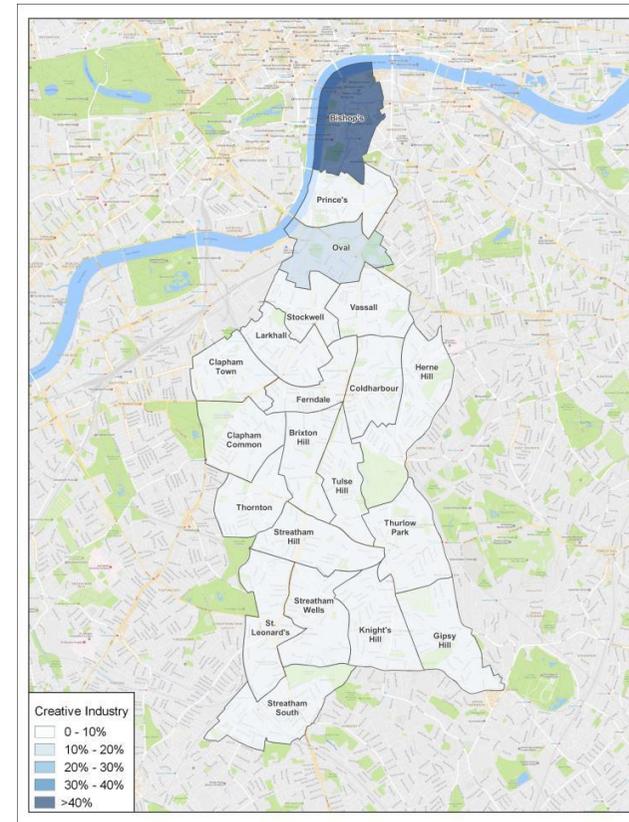
Source: ONS, 2016; BOP Consulting analysis, 2017

### Geography of the CDI in the borough

As with overall employment, over half of the borough's creative industries jobs are concentrated in a single ward, Bishop's, at the north of the borough, as set out in Figure 13 and Figure 14. There are other concentrations around Prince's and Oval (which include much of the commercial property around Vauxhall) and in Clapham Town.

All other wards have 3% or less of the overall number of jobs. Digital jobs follow a similar pattern.

**Figure 13: Distribution of creative industries employment in Lambeth, 2015, ONS Data (BRES)**



Source: ONS, 2015; BOP Consulting analysis, 2017

**Figure 14: Distribution of digital and creative industries employment by ward in Lambeth, 2015**

Lambeth Ward	Creative Industries	Digital	Combined
Bishop's	47%	51%	54%
Brixton Hill	1%	1%	1%
Clapham Common	2%	2%	2%
Clapham Town	6%	9%	6%
Coldharbour	2%	3%	3%
Ferndale	3%	1%	2%
Gipsy Hill	2%	2%	1%
Herne Hill	2%	1%	1%
Knight's Hill	1%	1%	1%
Larkhall	2%	1%	1%
Oval	10%	14%	9%
Prince's	9%	6%	8%
St Leonard's	1%	1%	1%
Stockwell	2%	1%	1%
Streatham Hill	1%	1%	1%
Streatham South	1%	1%	1%
Streatham Wells	1%	1%	1%
Thornton	1%	1%	1%
Thurlow Park	1%	1%	1%
Tulse Hill	1%	1%	1%
Vassall	3%	2%	3%

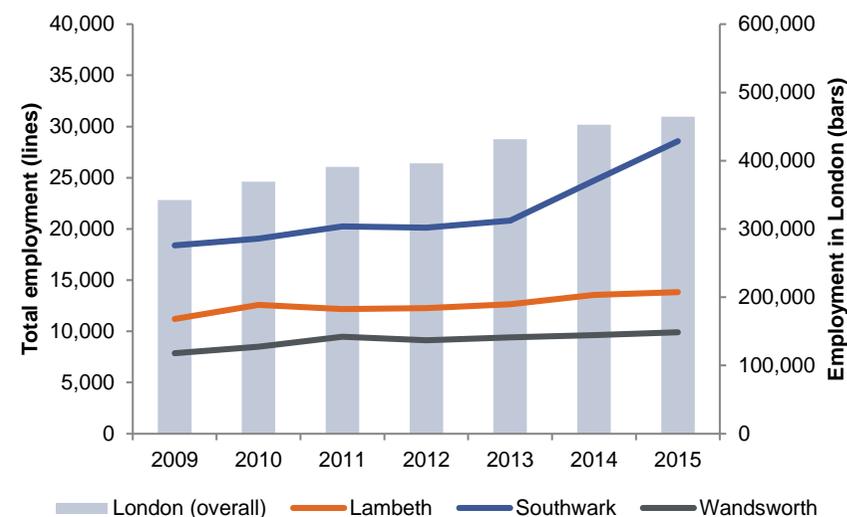
Source: ONS BRES, 2015; BOP Consulting analysis, 2017

## Growth constrained by space

Between 2009 and 2015, employment in Lambeth's creative industries has grown (+23%), however it has grown slower than overall London growth (+36%). This remains consistent with the neighbouring borough of Wandsworth, while Southwark saw a significant spike from 2013 (Figure 15).

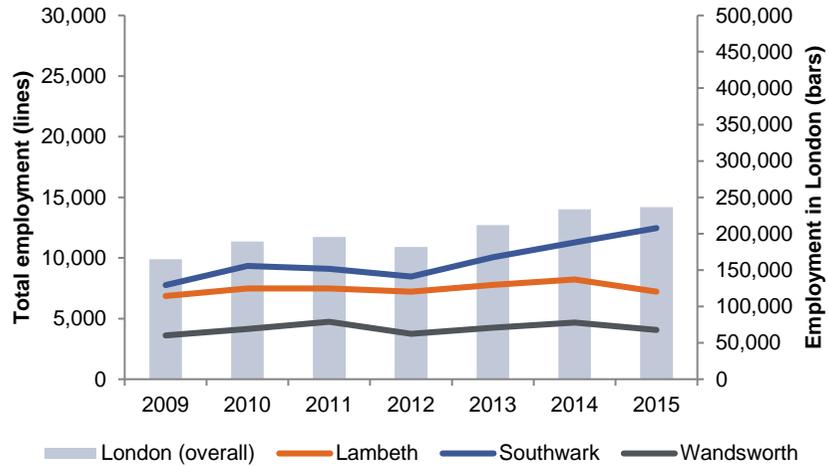
Consultation with local creative and digital employers identified a lack of available workspace (including co-working and flexible meeting space) for the sector around Waterloo and the South Bank. In contrast, Southwark's increase coincided with additional workspace being developed on Bankside, in Borough, and around London Bridge.

**Figure 15: Creative Industries employment in Lambeth, 2009-15**



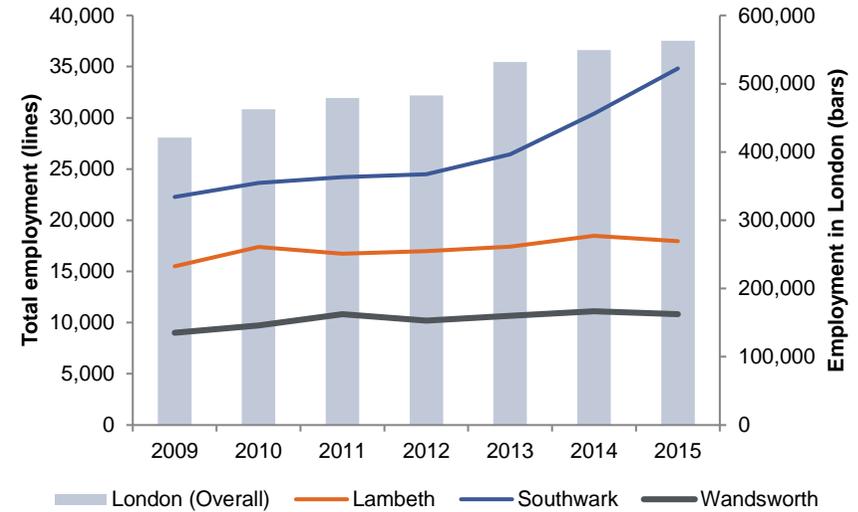
Source: ONS, 2016; BOP Consulting analysis, 2017

**Figure 16: Digital Sector employment in Lambeth, 2009-15, ONS Data (BRES)**



Source: ONS, 2016; BOP Consulting analysis, 2017

**Figure 17: Creative Industries and Digital Sector employment in Lambeth, 2009-15, ONS Data (BRES)**



Source: ONS, 2016; BOP Consulting analysis, 2017

### Breakdown of the sector

Overall, the GVA of the creative industries in Lambeth is £1090 million and the digital industries is £1058 million. The two sectors, if combine generate £1061 million (Figure 11). Within the creative industries, the largest contributing sectors are IT, software, and computer services; film, TV, radio and photography; and advertising and marketing (Figure 12). For the digital sector, the largest contribution is made by computer consultancy activities.

**Figure 18: GVA by industry group in Lambeth, 2016, ONS Data (BRES, ABS)**

<b>Industry group</b>	<b>GVA (£m)</b>
IT, Software, and Computer Services	347
Film, TV, Video, Radio and Photography	323
Advertising and Marketing	170
Music, Visual, Performing Arts	96
Publishing	63
Architecture	61
Design: Product, Graphic and Fashion Design	30
Crafts	1
Museums, Galleries and Libraries	-
<b>GVA Total creative industries</b>	<b>1090</b>
<b>GVA digital sector</b>	<b>1058</b>
<b>GVA creative industries and digital sector</b>	<b>1761</b>

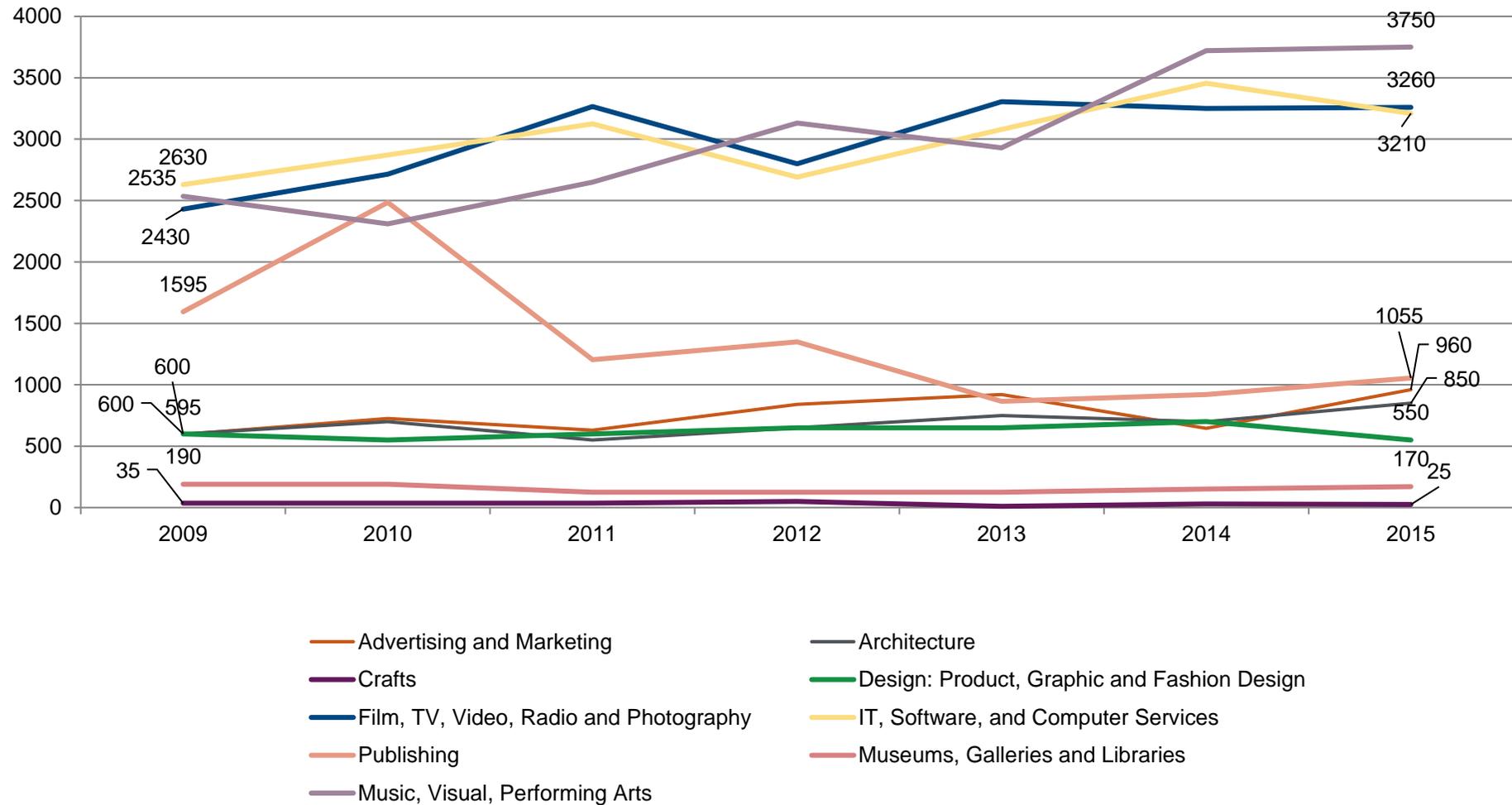
Source: ONS, 2016; BOP Consulting analysis, 2017

### **Music, visual and performing arts, advertising and architecture have led growth**

Overall, employment in the CDI in Lambeth grew by 23% between 2009 and 2015. The highest percentage growth was in advertising and marketing (+61% increase), music performing and visual arts (+48%), and architecture (48%).

There were declines in publishing (-34%), crafts (-29%), and museums, galleries and libraries (-11%). These trends are illustrated in Figure 19 below.

Figure 19: Creative Industries employment in Lambeth, 2009-15, ONS Data (BRES)



Source: ONS, 2016; BOP Consulting analysis, 2017

### **Case study: Hilary Wili Clothing and Costume Ltd, Clapham**

Currently based in Clapham's North Street Mews, Hilary Wili has over 20 years' experience of producing a wide range of period costumes as well as contemporary garments for stage, screen and private clients. Clients have included stage productions such as Mathew Bourne's *Sleeping Beauty* and the Olympic 2012 Closing Ceremony; TV productions such as *The Hour* and *Victoria*; to private clients including Kylie Minogue, Dawn French and Annie Lennox.

Hilary Wili has around 20-30 main clients and employs between 1-6 people, including one team member recently recruited from Wimbledon School of Art's Costume course through a work experience placement. The studio has been based in Lambeth since 2005, after its previous space in Wandsworth was redeveloped into residential space.

Hilary Wili considers ease of access to central London, accessibility to the studio for deliveries, and the proximity of other costume houses and partners (fabric shops, machine engineers etc) as key attractions to being based in Lambeth, but expressed concern about the potential threat of displacement to businesses such as hers.

<http://www.hilarywili.co.uk/>

Interview with Hilary Wili as part of the development of the Strategy

### **Case study: London's South Bank**

The South Bank contains a mix of world-class cultural venues, businesses, universities and colleges, visitor attractions, transport and infrastructure providers, developers, social enterprises and not for profits that comprise more than 50,000 jobs.

#### **The heart of London's cultural offer**

The South Bank attracts an estimated 18 million visitors per year who generate £240 million to the local economy.

Situated in central London on the Thames, the site is home to the iconic London Eye, the UK's most popular paid attraction with 3.75 million visitors a year.

The area's flagship venues like the Southbank Centre, British Film Institute, National Theatre and Old Vic have built South Bank's brand as an arts and culture hub. The Southbank Centre alone features a robust calendar over 5,000 events per year linking London to global arts and artists from China, India, Africa, and beyond. The centre supports over 1,200 jobs and its annual Gross Value Added to London is estimated at £60m.

The National Theatre's pioneering approach to digital audience development has enabled over 5.5 million people to experience their productions in cinemas worldwide. Primary and secondary school students in the UK are beneficiaries of the theatre's free streaming service, which provides curriculum-linked productions to over 6 million young audience members.

The South Bank is also home to a number of educational institutions that incubate and celebrate tomorrow's creatives. London South Bank University is working to anticipate future skills needs in the creative sector and the training needs of area residents. Adult education institution Morley College will produce a biennial Morley arts festival starting in 2018.

Increasingly, the area is becoming a leading cluster for the media sector and media-related companies in advertising, marketing and PR. Among them are multinational firms such as Ogilvy & Mather Group, News UK and United Business Media. The sector's presence in South Bank has accounted for some of Central London's largest leasing transactions, making up 34% of all take-up in the area since 2009.

### **Future developments**

Along with the recent growth of occupancy rates by media firms, the area will see the completion of numerous developments in the coming years that will transform the South Bank, including:

- An Urban Arts Global Hub at Southbank Centre, includes an urban arts space providing freely accessible space under Hungerford Bridge for year-round programming, and a visual arts incubator hub with studio space, micro galleries, exhibition space and a co-working cafe/restaurant.
- Refurbishment of the Southbank Centre's Festival Wing – the Queen Elizabeth Hall, Purcell Room and Hayward Gallery complex. The £37m project is slated for completion in early 2018.
- A National Film Centre for the British Film Institute on the site of Hungerford Car Park. The £130m project is scheduled to open in 2022 as part of the 6,500m<sup>2</sup> Jubilee Gardens development.
- A mixed-use development on the Elizabeth House site, situated next to Waterloo Station. The £600m site will provide workspace for up to 8,500 people, 142 new homes, retail opportunities, new routes to Waterloo, and nearly £12m in projected spending to the area after completion.
- The Shell Centre Redevelopment. A £1.3bn project that houses the Shell Centre Tower and an additional eight buildings, comprising a mixed-use site that will feature more than 1.9m sq<sup>2</sup>. of residential, office and retail space.

Additional developments at Doon Street, One Blackfriars, Kings Reach Tower, 20 Blackfriars, and 240 Blackfriars will total more than 1,000 residential units and additional office and retail space accommodating more than an estimated 6,000 employees.

## 5.4 Issues affecting Lambeth's CDI

**Lambeth's business base is relatively small**, with 30.5 businesses per 1,000 people (compared to 44.2 for London). Notably, it has fewer large businesses than the London average for a borough. Although entrepreneurial activity has increased significantly in recent years, the majority of Lambeth's highly-skilled residents leave the borough to work elsewhere (often to the City).

### Clustering and supply chains

Typically, clusters provide improved productivity for firms, as they benefit from reduced transport costs, access to a common pool of labour, and access to technology and innovation spillovers. The evidence from the survey and consultation is that Lambeth businesses are part of a wider London cluster, rather than local ones.

The distinct and exciting identities of the South Bank and Brixton are attracting CDI businesses from other parts of London, according to consultees. Perceptions of West Norwood and Vauxhall are also changing and attracting new arts and cultural entrepreneurs to develop a range of permanent and 'pop-up' businesses'.

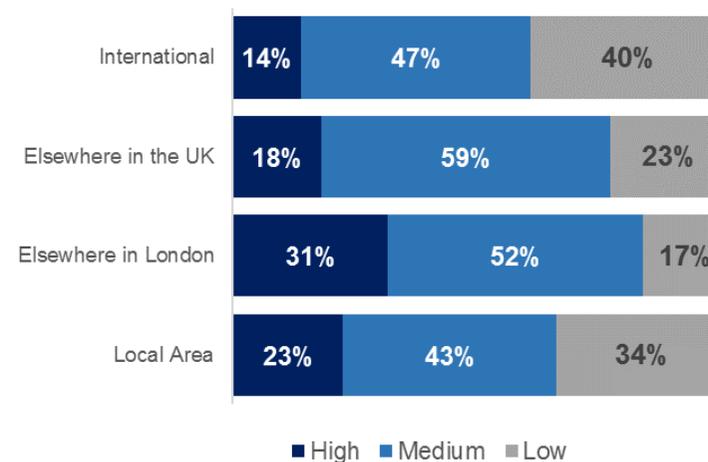
However, there is little clear evidence of sectoral growth along supply chains and within locations in Lambeth. Most incoming firms see Lambeth as a more affordable part of inner London (albeit this is only for a certain part of the CDI sector, for many smaller scale activities it remains unaffordable) than more established creative quarters such as Clerkenwell, Camden or Soho – and one whose transport links allow them to retain and attract talent from across London and a wider commuting area. There is evidence of wider, cross-borough co-location – e.g. an apparent zone of digital businesses running through the north of Lambeth and Southwark – but little evidence of clustering, in the sense of companies consciously exploiting the benefits of proximity for knowledge exchange and attracting key skills.

“ We need interesting looking spaces that are pleasant and multiple, inspiring the agile working ethic that is endemic in tech. When somebody within earshot might have a solution to your challenge. The creative organisations are now starting to produce a lot of digital content that could be shared with other organisations’  
Head of Digital, South Bank Centre

Local supply chains are not an important motivation for businesses to locate in Lambeth – notably, ‘proximity to clients, customers or suppliers’ was ranked only third in terms of the number of respondents to the online survey who considered it as ‘important’. The survey further suggests that the majority of local CDI businesses/organisations do not have a predominantly local supply chain in terms of clients or collaborators; but work for and with clients and collaborators in the local area, collaborators in the local area, elsewhere in London and the UK, as well as abroad.<sup>33</sup>

Consultees saw themselves as part of larger supply chains, rather than local or Lambeth ones. This accords with the survey findings: the clients of respondents are largely from elsewhere in London or the UK, although a significant proportion being in the local area (Figure 20). The same is true for collaboration, where most businesses report elsewhere in London and the UK as the most significant source of collaborators (Figure 20).

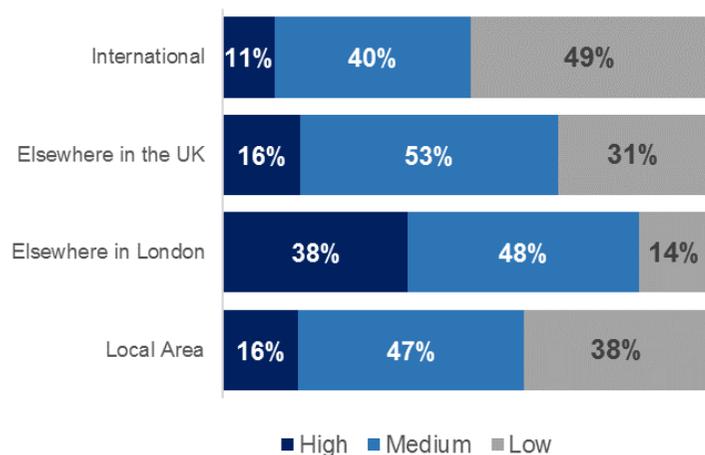
**Figure 20: Origin of clients**



Sample size: 146

<sup>33</sup> When asked to estimate the proportion of their clients/customers and collaborators/supplies from the local area, elsewhere in London, elsewhere in the UK and international, the responses show that lower proportions across all the geographical options ranked higher than higher proportions – i.e. 48% of respondents reported that only 20% of their clients/ customers come from the local area; but 72% also reported that 20% come from elsewhere in the UK; and 69% that only 20% are international. In contrast, only 12% said that 100% of their clients/customers come from the local area and similarly small proportions of respondents reported that all their clients/customers or collaborators/supplies were from one other geographical location only.

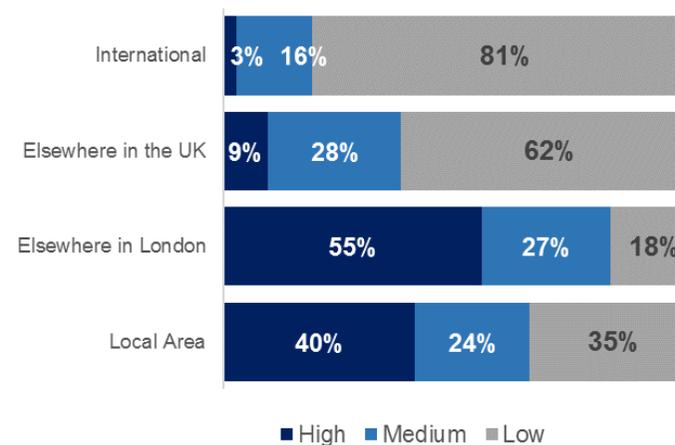
**Figure 21: Origin of collaborators**



Sample size: 146

Over two-thirds of working Lambeth residents are employed outside the borough. This pattern is repeated in the survey findings, where respondents largely recruit from within London (Figure 21).

**Figure 22: Origin of employees**



Sample size: 146

These findings suggest that Lambeth businesses see themselves as part of the wider economic cluster of London, which dominates the UK's CDI economy. Centre for Cities identify six clusters in London, including:

- Creative London (which is “distributed across the capital”);
- Digital London (“which has TechCity as its nexus, but stretches across the London area”);
- Tourism - because of the high number of tourists who visit for cultural activity, this cluster is also relevant to the study.<sup>34</sup>

### Networks and local representative organisations

Clusters are often underpinned by close networks, communities, and represented by advocacy organisations. In Lambeth, the seven Business Improvement Districts operating in the borough

<sup>34</sup> Centre for Cities and McKinsey (2014) Industrial revolutions: capturing the growth potential

each play a role in promoting the CDI in their areas. However, BIDs operate based on the levy of a rateable value of a property. Members are therefore typically larger companies or retail units, and they may not effectively engage with freelancers or microbusinesses who make up an important part of the CDI economy. Of all our survey respondents, only 21% of limited companies were members of their local BID, and just one sole trader. In contrast, nearly half of limited companies are members of another, more specific networking organisation.

Overall, 17% are involved with their local Business Improvement District (BID), 27% are active in a business networking group, and 17% are affiliated with a national trade organization (Figure 23).

**Figure 23: Organisational Partnerships**

<b>Does your business belong to a...</b>	<b>Yes</b>	<b>No</b>	<b>Don't Know</b>
<b>Business Improvement District (BID)</b>	17%	67%	16%
<b>Business Networking Group</b>	27%	62%	10%
<b>National Trade Organisation</b>	17%	71%	9%

Sample size: 151

### Impact of business rate changes

A salient issue for businesses is the 2017 increase in business rates, which will significantly increase costs. Business Rates are set nationally and the council and local business groups have been lobbying government against the increases. In Lambeth, the average increase in rates is 35%. The Creative Industries Federation sees this as a key threat to the sector and UK Music argues this will threaten as many as a third of London's live music venues.

This threatens to exacerbate the existing situation in Lambeth, where there is already unmet demand for small to mid-sized (200-500 capacity) venues for live music. Combined with local planning and licensing policies that are perceived to be unhelpful to the development of new venues, particularly those programming 'urban' genres, this increases the risk of constraining growth of the live and recorded music sectors in the borough, or displacing it altogether.

Reflecting this, one in three survey respondents felt business rates were a key challenge for their business or organisation in the future. A further 48% considered 'finding affordable workspace or premises' overall as key challenge for their business/ organisation in the future – the third highest ranked challenge.

Sector bodies are running a range of salient campaigns making the case for policies to mitigate impact of rates. For example, the Creative Industries Federation has high level influence; UK Music promotes the live music sector, which is being hit particularly hard; and the GLA is adopting a focused approach on the impact on London.

### Risks and challenges related to Brexit

Brexit may pose a threat to the CDI's export success. Over half of all survey respondents (52%) identified 'uncertain business environment as a result of Brexit' as a key challenge for their business or organisation in the future – the second most mentioned challenge after 'finding and securing clients or customers'. Specific risks and challenges include:

- Competition for inward investment is likely to intensify as occupiers and developers exercise greater caution in an uncertain environment.<sup>35</sup>
- Restrictions to freedom of movement because of Brexit may limit the artistic and commercial success of the creative industry, curbing access to specialist workers, exacerbating skills shortages, and increasing the cost and complexity of touring to EU countries.

<sup>35</sup> Matthew Blades, 'Business and Inward Investment Work Programme' (Lambeth Council, 2016)

- The EU referendum has created uncertainty about EU funding, both designated culture schemes and general funds for regional and social development, innovation, and business support. There are concerns about eligibility in the run-up to **Brexit**, as well future access to EU funding.<sup>36</sup>
- UK **public funding** for the creative and cultural sector has already reduced because of the 2008-2009 financial crisis and may be further impacted by economic instability linked to Brexit. There may also be reduced overall demand for creative and cultural goods and services.
- The **falling value of the pound** has impacted on businesses and organisations working internationally and created challenges around business planning.
- Exclusion of the UK from harmonised markets for digital content may increase costs and risks for a range of IP-based exports, including music, games and software. Different regimes for storage and use of individual consumer data may affect service-based businesses in advertising, marketing, fintech, healthtech and other sectors that rely heavily on data and insight.
- Sub-sector specific impacts vary but almost always are viewed as negative. For example, the BFI has warned of a risk to co-productions and the threat to independent cinema of the loss of Creative Europe funding.<sup>37</sup>

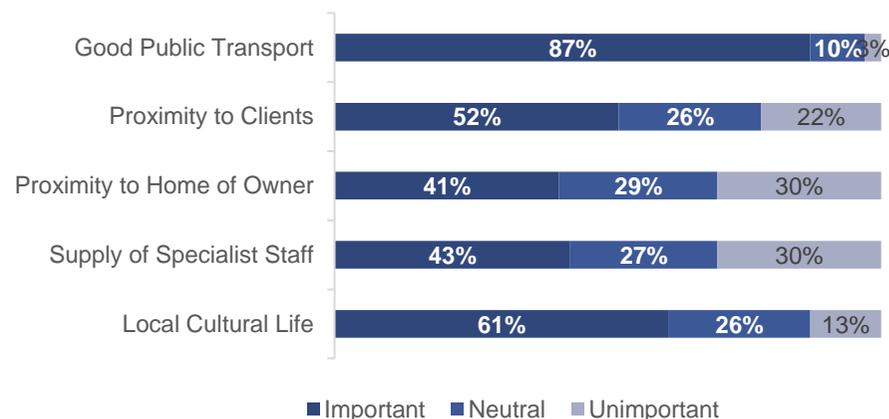
### Push and pull factors

The factors influencing consultees to locate businesses in Lambeth were good public transport connections (the most important with 87%) followed by local cultural life (61%), proximity to clients (52%), the supply of specialist staff (43%), and proximity to the home of the owner of the business (42%) (Figure

24). Local cultural life and distinctiveness of the area seemed to be particular important for consultees based in Brixton.

“ Nearly 3,500 businesses are started in Lambeth each year (2015)<sup>38</sup>

**Figure 24: Factors influencing location decisions for your organisation**



Sample size: 150

<sup>36</sup> CIF, *Brexit Report*.

<sup>37</sup> BFI submission to select committee on Impact of Brexit (2016)

<sup>38</sup> GLA (2015) Business Demographics and Survival Rates, Borough

## **New entrant to Lambeth: Relocation case studies**

### **Jellyfish Studios, Brixton and Oval**

This Spring, Jellyfish Pictures opened two new studios in Oval, following their expansion from Noho into Brixton Village in 2014. Jellyfish is a BAFTA and Emmy-award winning VFX and animation studio working on high profile entertainment projects like Rogue One and Black Mirror.

Their newly built, 4,000sq ft studio in Brixton Village on Coldharbour Lane office includes three editing suites, a client screening room, and workspace accommodating 60 artists.

The move to Brixton in was prompted by a commitment to expanding their long form TV and feature animation capabilities, including securing major animation projects – Cbeebies, Fremantle Media pre-school series Bitz & Bob, and Dennis the Menace.

Jellyfish CEO Phil Dobre commented on the rationale behind the new Brixton headquarters: “We’re all challenged by the lack of space in London. You often can’t get the next floor down or the next floor up and expand organically like that, which is often the best way of doing it.[Similarly], rent in central London is going through the roof and we didn’t want to open up another studio in south London and have to recreate what we’ve already done there.”

This expanded physical presence in Lambeth will allow the company to bring on an additional 70 creative staff. The Brixton studio will house the new Oval studios’ hardware and servers, ‘connecting all four of its offices onto the same circuit’ creating a central technology hub, making Jellyfish the first virtual, cloud-based Vfx studio in Europe. The development of the Brixton and Oval Jellyfish offices is meant to embody the company’s mindset and culture of innovation, allowing for decentralised collaboration and the flexibility to scale both project work and new offices going forward.

Sources: <http://www.brixtonbuzz.com/2014/07/award-winning-visual-effects-company-jellyfish-pictures-coming-to-brixton/>

<http://jellyfishpictures.co.uk/broadcast-magazine-published-story-new-virtual-studios/>

<http://www.broadcastnow.co.uk/techfacils/jellyfish-sets-up-virtual-vfx-studios-in-south-london/5118646.article>

### **iOi’s Imagination Lab at The Workshop, Lambeth**

In January 2017, the Institute of Imagination (iOi) opened its first dedicated space –The Imagination Lab – at The Workshop in Lambeth, a former home of the London Fire Brigade that has since been converted into a temporary multi-purpose community and events space.

The new project from iOi, described as a cross between ‘a community centre, a laboratory, a studio, a gallery, science centre and a museum’ aims to be a world-class destination for children and families designed to promote creativity, discovery, and play. With a target audience of 20,000, The Imagination Lab will provide 200 days of programming a year encompassing *coding, art and textiles, 3D design, animation, augmented and virtual reality and robotics*. The site was selected both for its solid transportation links and for being a ‘socially and culturally appropriate location’

iOi is currently in the midst of a new Spacehive campaign to help them develop an intergenerational programme of activities for the local community, allowing the Lab to become a stronger resource for Lambeth– an area that is currently underserved in quality youth activities and programming and access to cultural activities. ‘Through targeted engagement and by offering cutting edge experiences, we can meet the needs of this diverse borough and ensure local voices are heard as the area regenerates, meaning no one is left behind.’

The Imagination Lab is the next step for iOi on their ultimate goal of opening a 100,000 sq ft permanent London campus, with space to engage over 500,000 visitors annually.

Sources: <http://www.ioi.london/>

For the factors influencing the specific choice of premises, access to fast data/broadband ranked highest with 86% of respondents rating it as important, followed by having sufficient space (83%), affordable rent (81%) and good quality premises (74%). The least important factors appear to be the length of the lease (with 59% noting a long lease/buying freehold and 57 identifying a flexible or short leasehold as neutral or unimportant) (Figure 25).

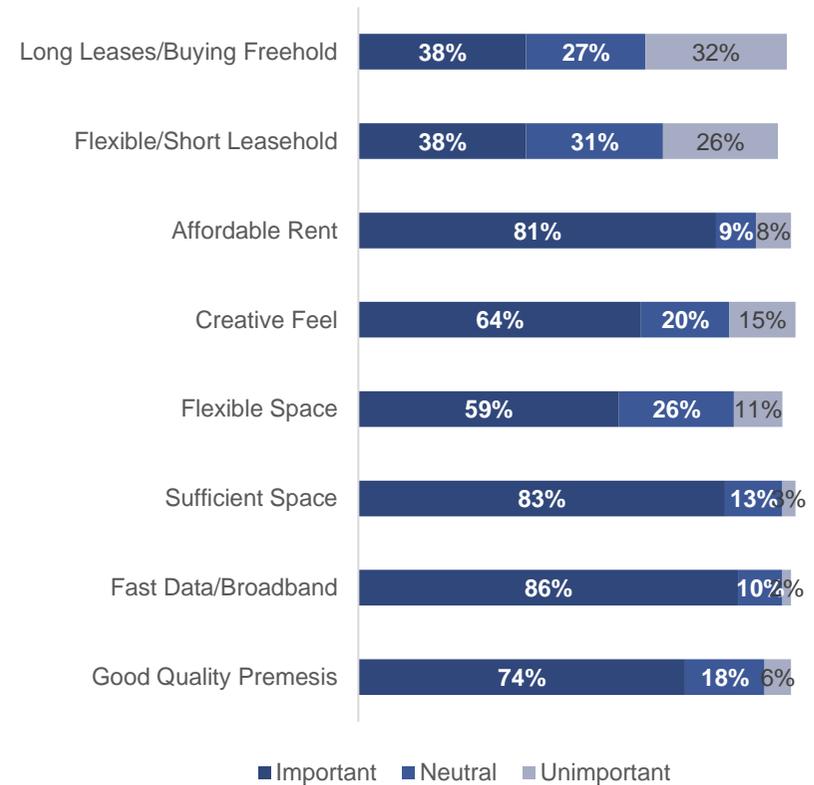
### Digital connectivity in Lambeth

Broadband speed is a critical issue for many businesses. Faster broadband speeds impact the productivity of broadband-using firms, and carry economic benefits such as through increased participation in the labour force.

Central London generally has low quality connectivity. For Lambeth:

- Compared to other London boroughs, Lambeth ranks among the lowest for broadband speeds, just above Southwark and Westminster.
- At 13.2Mbps, Lambeth's average download speeds are significantly lower than the national average of 17Mbps.
- In the South Bank area, average download speeds are above the national average, at 27Mbps but there are areas of very poor connectivity.

Figure 25: Factors influencing choice of premises for your organisation



Sample size: 150

### Lambeth Business & Inward Investment Team

The Business and Inward Investment team is part of a wider Investment and Growth group. The high level focus for the team includes:

- Positioning the borough for investment
- Developing inward investment propositions at a borough, local and sector level
- Supporting existing businesses to grow and thrive
- Evaluating the councils assets and driving forward income generating opportunities
- Providing a framework for affordable space so that future businesses can thrive
- Evaluating the councils assets and driving forward income generating opportunities

The relevant work to date has included:

- Promotional activities such as developing branding under the Lambeth Now banner or attending MIPIM to engage developers.
- Business support, such as providing signposting to business support and working with BIDs
- Development of enterprise space, such as at Lower Marsh.

“ There will be increasing competition for lower skilled work – only 0.5% of job openings in the future will be open those without any formal qualifications. Intense competition for low skilled jobs will hold down wages in these positions making them increasingly precarious – Lambeth Equalities Commission

Over two-thirds of working Lambeth residents are employed outside the borough.<sup>39</sup> Consultation suggests that businesses are also able to recruit from across London, and even internationally (which explains why good transport links rate so highly as a reason for choosing a location). Typically, international recruitment is viewed as easier for larger businesses in the CDI and especially those in the tech sector.<sup>40</sup>

As with all businesses, general business skills – accounting, finance, planning and marketing – are also important. Historically, there have been some concerns about the quality of these business skills in the UK’s creative industries and surveys have suggested that worryingly large numbers of UK creative businesses lack even basic business planning skills.<sup>41</sup>

Skills issues will become more acute as nationally, between 2012 and 2022, the sector is expected to **need 1.2 million new workers**, both to support growth and to replace workers leaving the sector.<sup>42</sup> In conjunction, the uncertainty around Brexit has (anecdotally at least) reduced the number of applicants for many roles.<sup>43</sup>

<sup>39</sup> SI (2014) Lambeth Growth Strategy Evidence Base

<sup>40</sup> For example, see Parliamentary Briefing (2017) The Digital Skills Crisis

<sup>41</sup> NESTA (2006) ‘Creating Growth.’ London: NESTA.

<sup>42</sup> UKCES (2015) -

<sup>43</sup> Oxera for the BFI (2017) Impacts of leaving the EU on the UK’s screen sector

### Skills and business support issues

London’s workforce is relatively highly skilled, and demand for qualifications is likely to increase.

For creative industries, occupations related to technical, specialised areas of work that run parallel to much of the creative work in the sector are increasingly in demand. The sector skills council, CC Skills argue:

“ Recording of live events, streaming services of events and cross- multimedia platforms are creating new complexities for the live events sector, and increasingly the barrier between the digital and the physical is being broken down in this regard. Skills development in this area needs to focus not just on the practical, technical skills of workers but on the breadth of areas that they may have to work across through their job role.

The Digital Industries have equally acute shortages, with 39% of London recruiters reporting ‘hard-to-fill vacancies’.<sup>44</sup> These skills shortages exist across a spectrum of core management, entrepreneurship and technical skills. The ONS and Eurostat found that across the UK, 39% of digital recruiters – companies recruiting for digital specialist roles in any sector – reported hard-to- fill vacancies. Looking specifically at the digital sector, this rose to 52% of businesses. The most sought-after skills were developers.

Beyond these specific skills, consultees also emphasised the importance of very basic skills. For example, COADEC<sup>45</sup> report three major shortages: Software development; advanced science, technology, engineering and mathematics skills (STEM); but also basic skills in literacy and numeracy.

With the CDI showing significant growth, the skills gaps are also becoming ever more apparent. Other trends are likely to exacerbate these challenges:

- **Impact of Brexit:** In August 2016, over 6% of jobs in the creative industries were filled by EU nationals; and 18% in the digital sectors, and Brexit may exacerbate the skills shortage in the short to medium term.<sup>46</sup>
- **Digital adoption.** In the creative and cultural sector, 69% of businesses are concerned about the need to adapt to new technology and incorporate new ways of working in the next two to four years.<sup>47</sup> Arts and cultural organisations are looking to increase their rate of digital adoption, but over 36% of organisations feel they lack the skills internally to execute their plans,
- **Fast pace of change.** In the digital sector, besides core technical/computing skills, there is a need for specialist skills relating to emerging new technologies, including IT architecture, UI/UX design, big data, cyber security, mobile and cloud computing, and social media.<sup>48</sup>

Across both creative industries and digital there is a clear feeling from employers and consultees that there is a mismatch between the skills required and those currently provided by the education system. This is the most acute strategic issue facing 89% of Creative Industries Federation members, and is addressed below.

## Skills and business support

For many Lambeth businesses, ensuring skills are up to date is an important issue. 15% consider ‘adapting to rapid technological change’ as a key challenge for their business/ organisation in the future. Most respondents also identified a requiring further business growth or skills training to support their business/ organisation’s future growth;

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<sup>44</sup> Key gaps are for developers, accounting for just over a quarter (27%) of all jobs advertised. Agile software development was the process/methodological skill requirement most often required of digital specialists (22% of all job advertisements).

<sup>45</sup> COADEC (2016) A Global Britain

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<sup>46</sup> CIF 2016; Frontier Economics (2017). "The UK Digital Sectors After Brexit: An independent report commissioned by techUK".

<sup>47</sup> CC Skills 2015, 23

<sup>48</sup> UKCES 2013, xiv; UKCES 2015, 12

although positively, a significant proportion suggested they are already accessing such support.<sup>49</sup>

Lambeth already has a range of programmes supporting these needs. In addition to those offered at a London level, there are a variety of business skills mentoring, training, and events available for start-ups, small businesses, social entrepreneurs, and freelancers. Those identified include:

- **Impact Hub Brixton** provides shared workspace and opportunities for informal peer-to-peer learning.
- **Meanwhile Space** operates affordable workspaces in vacant commercial properties (currently in Waterloo and Loughborough Junction) and provides business mentoring, training, and support for people starting their own businesses
- There are also careers and business advice centres such as **Green Man Skills Zone** (Loughborough Junction)
- There have been one-day events such as **Lambeth Local Entrepreneur Forum** (opportunity for local entrepreneurs to pitch for financial and in-kind support, June 2015) and **Startup Brixton** (business networking and practical workshops for entrepreneurs, mission-driven start-ups, and support organisations, May 2016).

Most of these services are generalist rather than bespoke to the needs of the creative and digital industries. One notable exception in **Makerhood**, a volunteer-led social enterprise that provides business development and networking opportunities for Lambeth arts and crafts makers, and connects them with local buyers, retailers, and event organisers.

<sup>49</sup> 68% of respondents identified as requiring 'business start-up/ growth advice or mentoring' for their business/ organisation's future sustainability and growth (already accessed by 38%) and 74% identified as requiring 'training and skills development' for a wide range of issues including management/leadership; digital marketing; finance and accounting; and fundraising (already accessed by 39%)

## Start-up support

Of the 180 London-based incubators and accelerators listed in Nesta's Directory of the UK, just four are in Lambeth or its close borders. These target a mix of creative and digital sectors at different stages of development: they are not typical tech accelerators (see Figure 24).

**Figure 24: Lambeth-based incubators and accelerators**

Name	Target sector(s)	Type	Location
<b>Impact Hub</b>	All – emphasis on social enterprise	Co-working	Brixton
<b>Hatch</b>	Social enterprise in Lambeth and Southwark	Launchpad, incubator and accelerator	Brixton
<b>Rocket Accelerator / Startup Republic</b>	Not sector-specific	Accelerator	LSBU Clarence Centre (Southwark)
<b>The Family</b>	Not sector-specific	Accelerator	Berlin but registered in Lambeth

Consultees and the Advisory Group emphasised that accelerators are one effective way of building a digital cluster by bring investors into an area, animating it with events, and branding a location as a digital hub. However, there was also concern around their use in regeneration areas, especially as the focus of their work is frequently on relatively low-value activities<sup>50</sup>:

“ Making it work, also for people around you is hard. There is some level of irresponsibility in encouraging so

<sup>50</sup> See also EHRC (2016) Evidence Briefing: Supporting ethnic minority and female entrepreneurs

many start-ups that will not be able to sustain themselves. – Consultee

### Future challenges

Lambeth CDIs identified their greatest future business challenges as finding clients (75%), an uncertain business environment (52%), finding affordable workspace (51%), accessing and retaining talent (48%), and business rates (41%) (Figure 25).

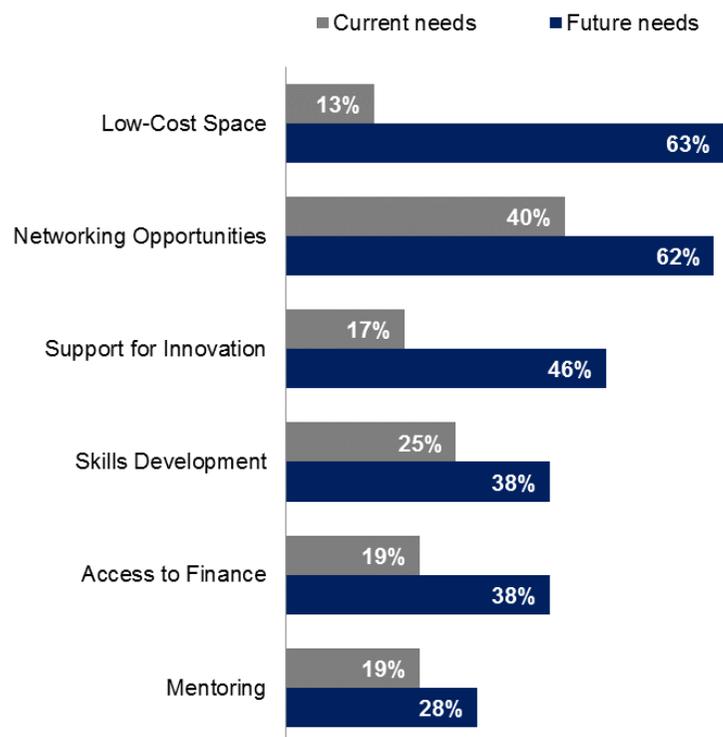
Figure 25: What challenges do you foresee in the future?



Sample size: 142

Anticipating future needs, respondents noted networking opportunities (62%), low-cost space (63%), support for innovation (46%), access to finance (38%), skills development (38%) and mentoring (28%) as key priorities going forward. Survey respondents identified specific skills gaps as web design, technology use, fundraising, and training for the use of analogue technologies (Figure 26).

**Figure 26: Current Needs and Future Needs**



Sample size: 134

### Current and future space requirements

Over half of CDIs sampled are based in an office space (51%), with the rest operating from a managed workspace (26%), home (21%), an industrial unit (5%), or a setup other than those identified (Figure 9). The staff of CDI businesses in the borough primarily work onsite (61%) or a combination or on and offsite (36%) (Figure 10). Most respondents see their space as suitable for their current needs (72%), but fewer see it as suitable for their future needs (50%) (Figure 11).

**Figure 27: Where is your business based?**

Location	% of Sample
Home	21%
Office Space	51%
Industrial Unit	5%
Managed Workspace	26%
Other	16%

Sample size: 147

**Figure 28: Is your staff onsite?**

Location	% of Sample
Onsite	61%
Elsewhere	3%
Combination	36%

Sample size: 146

**Figure 29: Is your space suitable for your needs?**

	Yes	Sort of	No
Current Needs	72%	22%	6%
Future Needs	50%	26%	24%

Sample size: 146

## 6. Theme: Space

The commercial property market in Lambeth can be characterised in three sectors. In the North, where most of Lambeth's property is, it is closely connected to the central London market. In Brixton and Clapham, there are opportunities to develop the market further to accommodate CDI businesses. In West Norwood / Tulse Hill, and across the south of the borough, the market needs to be more closely nurtured. This section sets out that context in detail.

### 6.1 The Lambeth Property Market in Context<sup>51</sup>

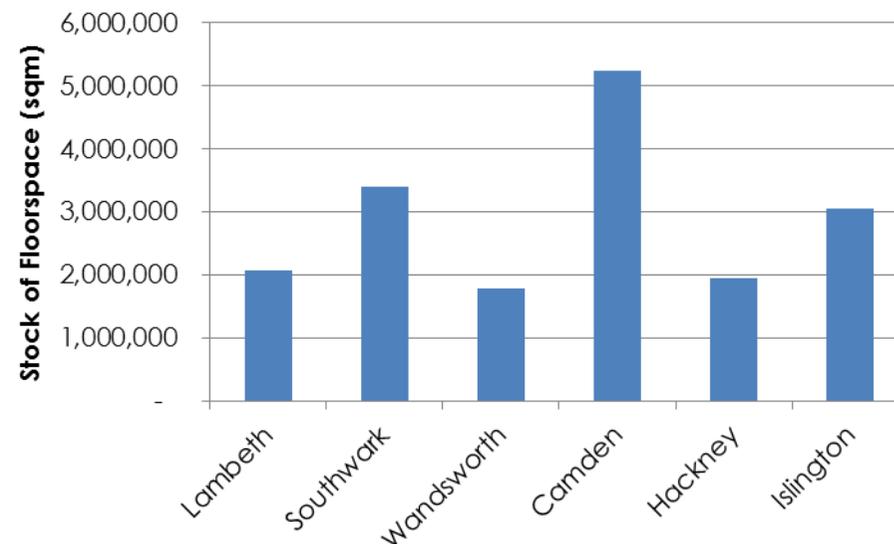
Over the past decade the economy of London has changed significantly, with activity diversifying away from the traditional finance, insurance and business services towards the 'new' activities that largely populate the CDI sector. The CDI now drives the Central London commercial property market.

In total there is over 2mn square metres of commercial floorspace within Lambeth, including office (B1a, B1b Use Classed), industrial (B1c, B2, B8 Use Classes), leisure (D1, D2 Use Classes) and retail (A1-5 Use Classes) spaces. Most of this stock is located in the north of the borough.

#### Availability of appropriate space

Lambeth has a lower stock of space than locations within Central London including Southwark, Camden and Islington (Figure 38). These boroughs have seen significant recent development, particularly as Central Activities Zone (CAZ) activities have expanded into previously 'fringe' areas such as Old Street, King's Cross and London Bridge.

Figure 38: Available floorspace in Lambeth and comparators

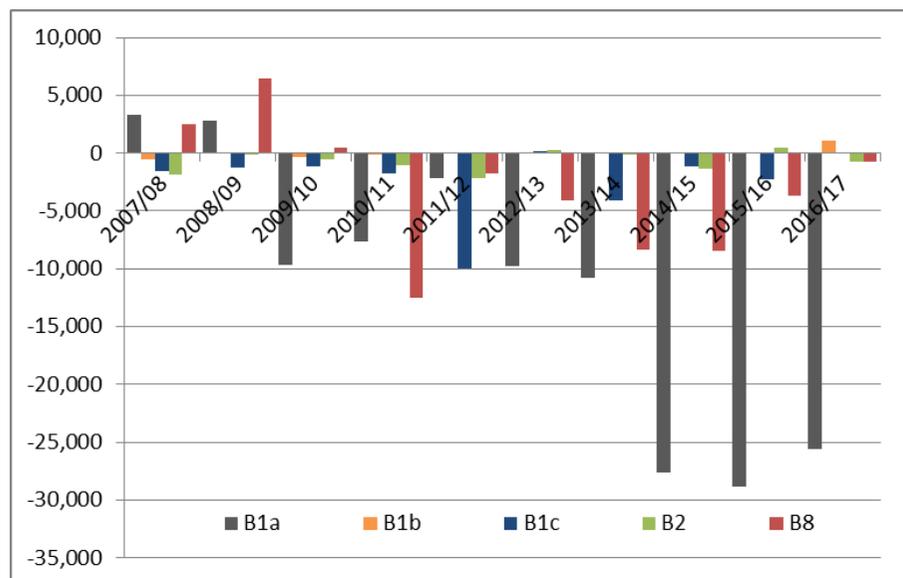


Source: GVA analysis of CoStar Suite, 2017

Whilst other areas in London have seen an expansion in commercial floorspace, most notably within offices, Lambeth has seen significant losses of space. The Lambeth Commercial Development Pipeline Report 2016/17 shows significant losses across use classes over the past decade.

<sup>51</sup> This section draws data from Costar Suite in order to provide comparative analysis between different locations in London. CoStar Suite is a subscription data service that tracks commercial property transactions and stock. It is compiled using primary research and secondary information provided by commercial property agents. It provides the most comprehensive dataset for comparison purposes. It is recognised that due to its method information for Lambeth may differ from data provided by Lambeth Council – within this section reference is also made to Lambeth Council where relevant.

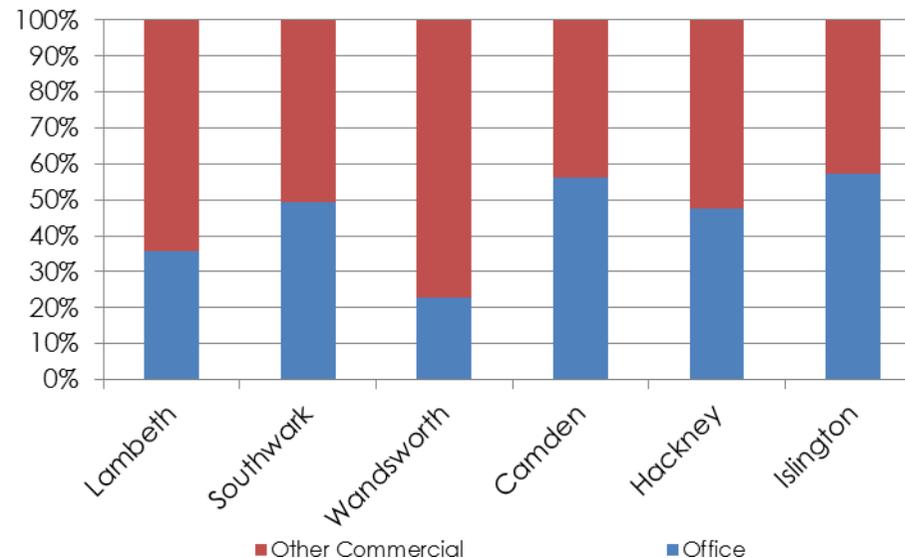
**Figure 39: Commercial Floorspace Completions**



Source: Lambeth Council, 2017

This ongoing loss of floorspace has limited the borough’s ability to capture businesses from the growth of the London economy overall, and so the CDI. The borough has a lower share of total floorspace stock formed of the type of floorspace likely to be occupied by CDI sector, with 36% of total commercial space being office/studio space (Figure 40).

**Figure 40: Breakdown of space in Lambeth and comparators**



Source: GVA analysis of CoStar Suite, 2017

This **CDI appropriate floorspace is significantly lower than all other Central London boroughs, except for Wandsworth**. Islington has the highest share of ‘office’ space at 57%, marginally higher than Camden at 56% of total stock.

This lack of stock presents challenges for the borough in accommodating additional economic activity, particularly given these figures are gross stock and do not take into account the quality or nature of the stock provided and its suitability to meet modern occupier requirements.

### Loss of stock

This lack of stock is also exacerbated by the recent scale of office floorspace losses within the borough in recent years, with Lambeth losing over

20,000sqm of space over the last 5 years.<sup>52</sup> This compares to the other Central London boroughs where the stock of office space has actually increased. Broadly, CoStar data aligns with the findings of the Commercial Development Pipeline Report, which shows an ongoing net reduction in floorspace within the Borough.

Lambeth has been one of the boroughs experiencing the greatest proportional loss of office floorspace, as recognised in the London Office Policy Review.<sup>53</sup> Data within the Commercial Development Pipeline Report suggests that the scale of 'Prior Approvals' for change of use from **office to residential under recently introduced permitted development rights has been a major driver of losses**, with 16,000sqm of B1a space lost to residential through prior approvals in 2016/17 – over 60% of all losses. In response to this issue, Lambeth has introduced an Article 4 direction removing this permitted development right in the whole of Brixton town centre, a series of sites in Clapham and ten Key Industrial and Business Areas (whole or part) – this came into force in September 2017.

The contraction in available stock has seen vacancy and availability rates in the borough fall to 3.6% and 4.1% respectively, significantly lower than Camden, Southwark and Islington where vacancy rates are between 4.5% and 7% and availability rates between 5.9% and 11%. The difference between vacancy and availability rates is also lower in Lambeth, suggesting there is limited slack in the market either through vacant stock or floorspace than (as a result of churn) is expected to enter the market in the near future.

The delivery of new space (in the form of development starts over a 12 month period) have tended to be lower in Lambeth than the other Central London boroughs listed above, as . On average over the past 5 years c.30,360sqm of space started onsite in Lambeth compared to over 67,000sqm in Southwark and 50,000sqm in Camden. The Commercial Development Pipeline Study suggests a similar relationship over the

same broad period, with .c42,000sqm of space (gross) under construction between 2012 and 2016.

There **are signs that the lower number of starts is beginning to change** - starts in the 12 months to June 2017 are higher (at c.30,000sqm) than all other comparator locations than Camden, reflecting both a shift in the office market and also the perception of the borough as an economic location. The Commercial Development Pipeline Report also identifies this shift, recording over 24,000sqm of space (net) under construction in 2016/17, the first time there has been a positive net position for B1a space. This new capacity has largely been focussed in the north of the borough within Waterloo and Vauxhall.

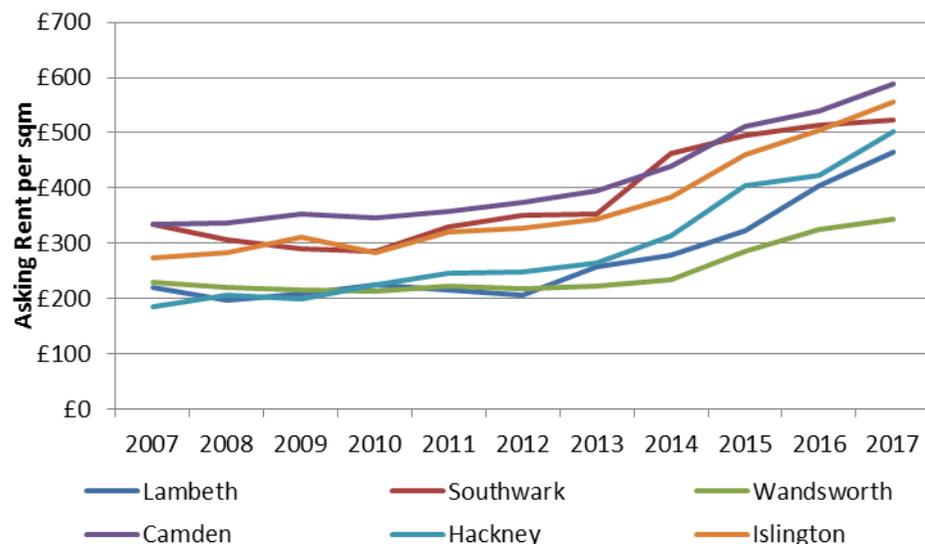
This strengthening of the market is reflected in office values, which have seen steady growth in recent years, following a period of stagnation to 2012 (Figure 41).

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<sup>52</sup> Based on Costar data

<sup>53</sup> Ramidus for the GLA, 2017

**Figure 41: Asking rents over time**



Source: GVA analysis of CoStar Suite, 2017

Average asking rents for office space within Lambeth are now at c.£464/sqm, having increased by c.45% over the last 5 years. Rent levels remain considerably below other Central London boroughs, suggesting there is potential for the borough to attract demand and values to appreciate significantly. This is reflected when proportional rental growth is considered, with Lambeth experiencing the second highest proportional growth (110%) after Hackney (170%), by contrast Camden has seen proportional growth of 75% and Southwark 56%.

Overall, Lambeth has tended to lag behind the rest of the Central London boroughs in terms of commercial market performance over the last decade, however there are signals that this is beginning to change. Major schemes in the development pipeline (including Elizabeth House, 8 Albert Embankment,

Vauxhall Square and Brixton Central) will build on this initial momentum and provide a range of modern spaces to attract new activity.

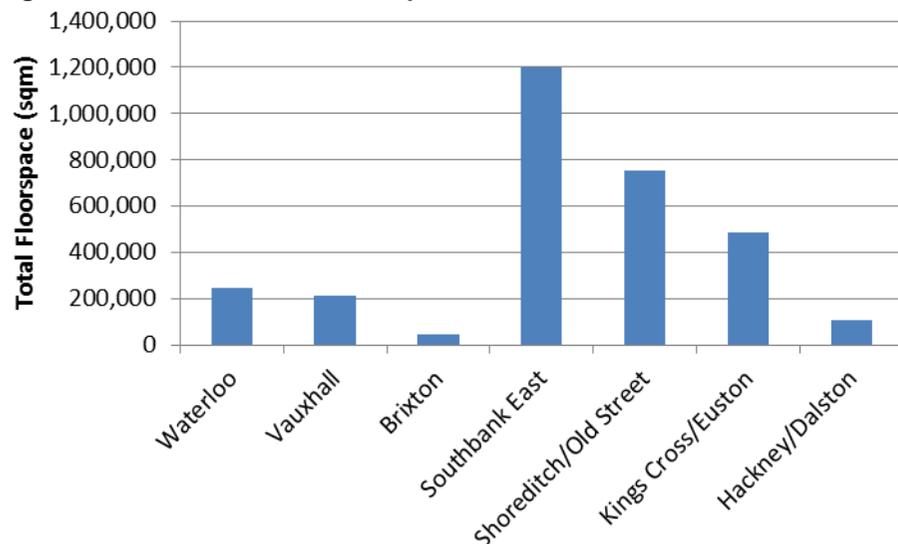
The strengthening of the market will have a range of impacts. Whilst it will help to attract new development and, therefore, activity rising values will also challenge smaller or lower margin activities' ability to remain in the area. Providing a range of spaces and pricing levels will be important in retaining and growing the Lambeth economy and in expanding the scale and nature of the CDI sector activity.

### Local Area Performance

The borough level analysis provides contextual background, however different parts of the borough experience different market dynamics and ultimately compete for occupiers with different locations. To understand the current competitive position we have considered current performance for each area of focus within Lambeth with other parts of Central London that have a similar economic focus or potential.

As shown below Waterloo and Vauxhall provide the highest level of office floorspace, providing 250,000sqm and 210,000sqm of space respectively (Figure 42).

**Figure 42: Available office floorspace**



Source: GVA analysis of CoStar Suite, 2017

Whilst these are large concentrations by Lambeth standards, when compared to other locations around the fringes of the CAZ they provide a relatively small amount of space, with the area to the east of Waterloo (including London Bridge and More London) providing almost 1.2mn sqm of space, the Shoreditch/Old Street area a further 750,000sqm and the King's Cross/Euston area accommodating almost 500,000sqm.

These larger locations have been a particular focus for a range of CDI activity in recent years. The Southbank East area, alongside a range of professional services such as PWC and EY has attracted a cluster of design and tech businesses along Southwark Street and Union Street in particular, drawing some from more traditional creative locations such as Shoreditch.

The Shoreditch/Old Street area has continued to grow its tech business base, albeit with a greater emphasis on larger scale more corporate

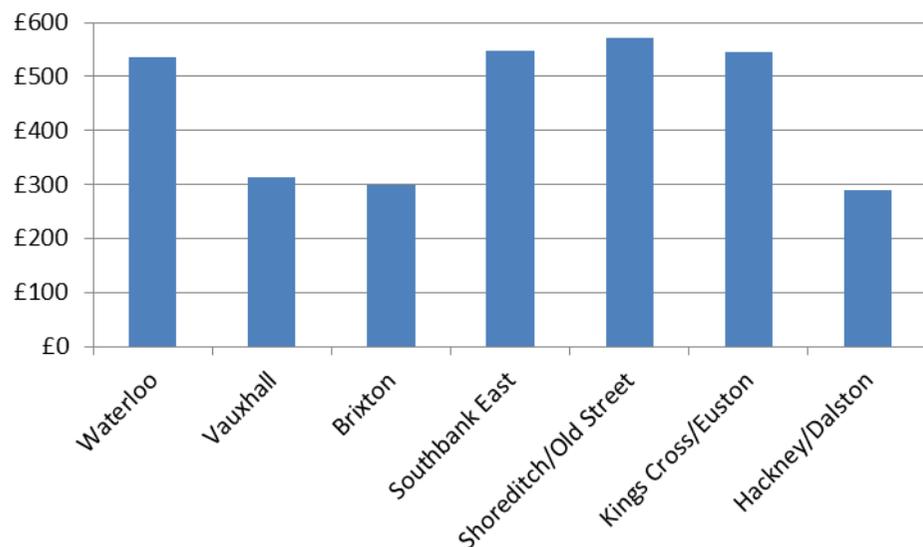
activity. Developments such as Derwent's White Collar Factory accommodates the likes of Adobe, Runpath and Box.com within the tech sector. Principal Place in South Shoreditch will be the new London headquarters for Amazon whilst Colt have refurbished 20 Great Eastern Street as their headquarters.

Probably the most high profile new tech and creative hub has been established at King's Cross/Euston. The plans for Google's new campus as part of King's Cross Central has sparked significant interest in the area from a range of other businesses however, whilst generating less headlines, the presence of the joint UCL/BBC production research facility in Euston Tower is also a catalyst for wider activity. Other key occupiers attracted to the area include Guardian Media, Universal Music and Havas.

Brixton has the lowest stock of floorspace of all the areas considered, including the Hackney Central/Dalston area which, for a town centre of its scale suggests it has underperformed in terms of stock which in turn potentially limits its potential to attract business activity.

Rents are strongest within Shoreditch/Old Street, King's Cross/Euston and Southbank East albeit Waterloo does not lag too far behind.

**Figure 43: Available Office floorspace**



Source: GVA analysis of CoStar Suite, 2017

What is clearly demonstrated in terms of rental performance is the low values being sought within Vauxhall. To a large degree this reflects the low quality of stock within the area however, with asking rents not much higher than Brixton or Hackney/Dalston but with a much stronger relationship to the Central London markets there appears to be unfulfilled potential which could be exploited to attract new business activity. This would be a particular focus for the more 'corporate' or larger CDI actors, rather than SME and start-up businesses which would find the area unaffordable.

These locations provide the core benchmarks and comparators for Lambeth, although it should be recognised that they are not the only locations seeking similar types of activity in the future. As CDI activity has increasingly become a major component of the London economy locations that have traditionally focussed on sectors such as banking and finance are increasingly seeking to attract CDI businesses.

The strategy for Wood Wharf is directly aimed at broadening the economic base for Canary Wharf, drawing on the tech (and specifically Fintech) sector. The City is actively pursuing new activities, seeking to attract businesses that have traditionally located within its fringes and Shoreditch. Even Victoria, traditionally a focus for government and related services has attracted a broader range of businesses that align with the CDI definition.

In light of such broad competition it is vital that the strategy for Lambeth and each sub-area it contains is focussed on providing a compelling competitive position that both builds on existing assets but also delivers new floorspace, amenities and environments that compete with other places in Central London.

### Demand for CDI workspace

In shaping the future strategy for CDI growth within Lambeth and ensuring it has the range of places to attract new occupiers there appears to be a range of common characteristics in place in each of the successful locations. In some instances these characteristics apply across a whole area, in others they apply in part or in different guises, but all appear critical to CDI (and broader economic) growth:

- A mix of good quality floorspace
  - i) New Grade A office (larger floorplate)
  - ii) Refurbished or repurposed stock providing sub-Grade A capacity (e.g. Tea Building, Shoreditch)
  - iii) Quirky or unusual spaces and opportunities that appeal to creative businesses or workspace providers (e.g. Western Transit Shed, King's Cross, Black & White Building, Shoreditch)
- Wide spectrum of sizes to accommodate corporate through to start up activity

- i) Recognising the increased inter-relationship across scales within the CDI sector
- Range of supporting amenities that enhance the ‘lifestyle’ offer and provide opportunities for interaction
  - i) Food and beverage – often independent or smaller chains
  - ii) Cultural venues such as theatres, nightclubs, live music, gallery or exhibition space
  - iii) Engaging public realm that allows for a mix of activities (pop-up events, markets etc)
- Strong connectivity
  - i) to central markets if not central themselves
  - ii) adjacency or integration with knowledge drivers (HE, research functions etc)
- Definable brand/offer
  - i) Core role for deliberate place-making

In considering these characteristics it is equally (if not more) important to recognise that they are executed in different ways in different places that reflects an ‘authentic’ response to the historic character of place.

Successful CDI locations reflect the diversity of the cultural life that exists within them, providing a mix of cultural venues and workspaces which add to the vibrancy and attractiveness to cutting edge businesses and artistic individuals. In some locations there is a blurring of the lines between venue and workspace, for example in Shoreditch spaces such as Forge & Co provides dining, events space and co-working, reinforcing the links between business and non-business activities within the sector.

It is therefore critical that the future strategy for the borough to grow the CDI sector considers commercial floorspace provision ‘in the round’ – giving appropriate weight to the provision or retention of a range of cultural venues in new development proposals.

As such Lambeth, and its component sub-markets, will need to evolve a workspace and wider public realm offer that respects and reflects the character and nature of each. The approach to this is considered in later sections of this report.

## 6.2 Workspace and CDI Specific Provision in Lambeth

The next section sets out the specific property offer made to the CDI sector in each part of the borough.

### Lambeth’s Activity Clusters

There is a broad range of workspace available within the borough, ranging from small co-working spaces through to large scale corporate offices, small artist studios to large production spaces. The scale, nature and focus of provision differs in nature across the borough.

There is a range of workspace available to the CDI sector across the borough although provision remains limited in terms of scale, range and locations of space. Overall it appears that all spaces in the area are well let with those specifically targeting artists often operating waiting lists. Demand in this sector is particularly high as the value and supply dynamics across the borough change, with a number of spaces (such as Studio Voltaire, 198 Gallery) now seeking to expand. There is potential for each part of the borough to build on the current foundations of space provision to achieve a much more significant level of stock and therefore business activity.

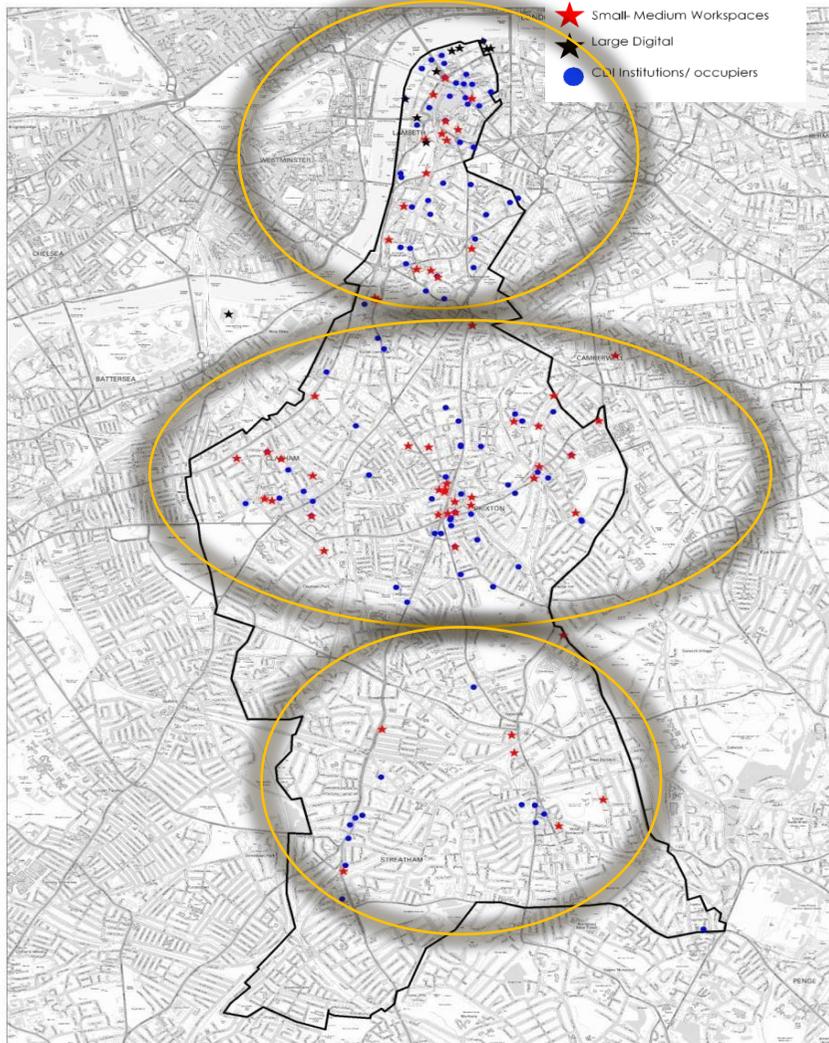
As shown in Figure 44 the borough can be broadly broken down by three sub-areas: North, Central and South. Each of these areas reflects unique characteristics, market conditions and host typologies which contain the following commercial markets:

- **North Lambeth** - Southbank and Waterloo and Vauxhall;
- **Central Lambeth** - Clapham, Brixton, Loughborough Junction and;

- **South Lambeth** - A collection of workspaces around Herne Hill, Tulse Hill, West Norwood, and Streatham.

A detailed review of these clusters is set out in Appendix 11.6 Detailed spatial analysis.

**Figure 44: Workspace clusters in Lambeth**



### Analysis of existing provision

Based on the common characteristics identified from the competitors to parts of Lambeth we have considered the 'provision' of each for the key sub-areas within the borough as a mechanism to identify where future action may be required.

**Figure 55: Summary of existing provision**

Criteria	Waterloo	Vauxhall	Brixton	Loughborough Junction	West Norwood/ Tulse Hill
Grade A Space (existing)	Some provision albeit occupied by existing tenants	Stock tends to be lower grade dated provision	Stock is refurbished but not to Grade A standard	No existing office space	Little/no office stock present
Grade A Space (proposed)	Major developments will deliver new Grade A space	Major developments will deliver new Grade A space	Potential for some high quality space but may not be Grade A-Squires owner-occupied	No office space planned	No office space planned
Repurposed Space below Grade A	Elizabeth House currently a key location. Future opportunities at Waterloo Road (Bourne)	TOG will deliver Tintagel House, existing spaces also provide immediate offer along Albert Embankment	Bon Marche etc providing space, International House has future potential	No existing office space	Potential for space within KIBA and along High Street
Unusual / destination Space	County Hall, Leake Street, Lower Marsh	Keybridge House, 8 Albert Embankment	International House, Piano House, Job Centre building	Arches provide some 'destinations' for CDI, Shakespeare Business Centre also a key opportunity	Parkhall provides only current offer
Range of unit sizes	Provision for large corporate through to co-working, albeit limited available supply	Current offer at medium – small end of spectrum	Focus on small and co-working	Focus on small spaces	Small and medium sized spaces – focussed in industrial not office/studio sector
Range of space types	Predominantly office, limited studio / industrial space provision	Limited available office and industrial space.	Significant loss of industrial/arch capacity limits choice	Sole focus at present on 'industrial' potential to broaden through LJ Works	Focus on industrial provision
F&B Provision	Broad range of provision and choice as part of Southbank	Improving provision, of mixed quality, increasing range of 'destination' or 'niche' offers	High proportion of drinking/dining establishments – many at higher quality end	Little/no F&B provision, however broadly in the catchment for Brixton	Limited F&B provision along High Street – improving at West Norwood
Venues	International scale destinations including Southbank Centre	Cluster of galleries throughout the area, performance space at Teahouse Theatre. Distinct night-time offer	Some music venues (Academy) and performance spaces	No provision, albeit links to Brixton offer potentially strong	Limited provision within the area.
Public Realm Quality	Strong, consistent treatment along Southbank and Lower Marsh, weaker areas in Waterloo West, albeit are improving	Areas of strong public realm around Pleasure Gardens and part of Albert Embankment, weaker at gyratory/Station area.	Mixed provision across the town centre, stronger towards High Street, albeit current form is part of the character/authenticity	Weak and uncoordinated, still dominated by highways and infrastructure	Mixed across a large area, investment in High Street has improved area, good quality open spaces.
Public Realm Events	Large spaces for animation with a range of London/international scale events	Some spaces for animation (Pleasure Gardens) but currently limited in district centre. Future plans for Vauxhall Sq, Island site etc will greatly boost cultural programming	Windrush Square, Electric Avenue etc provide activation points	Limited offer beyond LJ Works site	Range of activities in church square/library
Connections to markets	Integrated part of Central London market, proximity to international businesses in West End/City	Increasingly integrated into Central London market, Victoria Line/National Rail provides direct connections to hubs of activity.	Victoria Line/National rail provide good connectivity to Central London	National Rail services provide reasonable access to core markets	National Rail services provide reasonable access to core markets
Integration of knowledge drivers	Higher education and major corporates located within the cluster	Direct links to education provision, some student housing	No obvious direct integration, some links via schools. No immediate presence.	No obvious direct integration. No immediate presence.	No obvious direct integration. No immediate presence.



Granby Place

## 6.3 Key Assets in Supporting Future Growth

The space that does exist is generally of good quality and well occupied, although there are shortcomings in both the scale and mix of provision which could present challenges and which should be addressed.

Whilst the north of the borough supplies accommodation for major corporate activities such as IBM and ITV, the majority of supply across the borough is focussed on small to medium sized businesses and tends to be managed workspace (either as co-working or serviced offices). There is little large scale capacity where corporate occupiers could locate, placing the borough at a disadvantage to its competitors.

With demand increasing there is little capacity to accommodate additional levels of CDI activity. However, a number of assets offer the potential to enhance floorspace capacity.

### New Development

The scale of development and change across Lambeth is significant and provides opportunities to greatly enhance the floorspace capacity for CDI activities. There are a series of major development proposals in locations that already have a base of CDI activity that have the scale to greatly expand the direct offer as well as contribute to the wider place-making and other amenity provision that will provide the character of place to drive greater CDI activity.

Key opportunities include:

- **Elizabeth House** is an existing office complex that makes a significant contribution to the borough's CDI cluster, accommodating a range of small and medium sized businesses, with an increasing focus on digital creative activity. However the existing space is dated and has long been earmarked for redevelopment. The replacement scheme will provide a much more mixed offer, integrating a significant office component alongside ground floor commercial space and new residential provision. Its scale and location make it a critical opportunity to secure new, large floorplate office space to meet growing demand.

- The redevelopment of **8 Albert Embankment** will see the establishment of a new creative and cultural location on the Southbank. The redevelopment of the former London Fire Authority premises by U+I will provide for a mix of food and beverage, arts and culture and business floorspace. By incorporating part of the Newport Street KIBA it can provide a mix of space types capable of accommodating a wider spectrum of CDI activity. Interim activity (The Workshop London) is providing a base for a range of CDI activity prior to development and Lambeth Council's engagement with U+I suggests a commitment in the long term to provide a proportion of affordable space. More broadly U+I have reported that they will seek a major tenant for one part of the site as well as provide a new cultural hub and digital incubator, which will be a major boost for the borough's CDI proposition.
- Vauxhall offers one of the few locations within Lambeth where significant new large office floorplates can be created. Developments such as **Vauxhall Square and the Island Site** both have the capacity (and intention) to provide space that can accommodate major new CDI businesses. This will be supported by the wider enhancements to the public realm in Vauxhall (including reconfiguration of the gyratory), the existing (and expanding) arts activity and the range of food and beverage options being provided in other developments.
- The development of **Keybridge House** will also add to the mix of activities, its large basement space offering the opportunity for a completely different type of permanent and temporary activities that can complement the wider core commercial offer. Engagement with the developer (Mount Anvil) has suggested they are open to a range of uses within the space, including education. Office space will also be provided above ground, with initial conversations suggesting an established workspace provider will be brought in to curate the space.
- Further south in Brixton the Council's **Brixton Central** development can help address the shortfall of office space in this rapidly growing market. Brixton already provides the character of place that is attracting CDI businesses, however space provision is limited, with little or no vacancy

observed in the data. The Brixton Central development can help diversify the provision away from shared/co-working spaces to delivering some small-medium sized individual units.

### Re-Use

Alongside major new developments there are a range of proposals coming forward that will see existing buildings refurbished and therefore able to attract increased activity. Increasingly these spaces are being brought forward by providers that have a track record in providing space that attracts CDI activity, are located within existing clusters of activity and are therefore able to provide the type of environment that has proved attractive to the sector.

- **County Hall** provides a major tourist destination in the north of the borough, accommodating a range of attractions including the London Aquarium, however there is capacity within the building for a range of other activities. The owners have indicated via conversations with the Council that vacant floors (or parts of floors) could be suitable for office space, although some are relatively inaccessible and would require major reconfiguration. The location, nature of building and wider amenities could make it attractive to the CDI sector.
- Waterloo Road is home to many older office buildings that are owned and operated by the Bourne Estate. The properties (**Capital Tower and Mercury House**) are being refurbished in phases with floors being rebranded and released into the market under the Local London banner. Space are let on flexible terms and can be rented per desk on a membership basis, they already accommodate a significant amount of tech activity in particular. The owners report (via the Council) that they see strong prospects for the office market in Waterloo and are developing more comprehensive proposals for sites in the wider area. The owners recognise the need to create a more mixed environment and are seeking to curate a different ground floor offer in the buildings to support the attraction of tech and creative businesses.
- **Tintagel House** has recently been purchased by The Office Group (TOG), who have developed plans for a major refurbishment of the

building to provide a mix of serviced offices and co-working space. At over 7,500sqm it will be their largest property and offers them the potential to create a major new office hub in Vauxhall. The consented refurbishment scheme includes a revitalised ground floor, encouraging public access and routes to the river alongside an enhanced food and beverage offer. Internally, new maker spaces will be created alongside traditional offices. In their meeting with the Council as part of this study TOG see a major opportunity to tap into the local creative offer to underpin their letting strategy and attract CDI activity – potentially also working with local entrepreneurs.

- TOG also have shown an interest in **International House**, Brixton which will become vacant once the Council consolidate into the new town hall in 2018. Drawn by the area's authenticity and cultural offer TOG have discussed with the Council the potential for a mixed tenure office workspace orientated towards CDI activity.
- Recently the Council have been considering opportunities to better utilise vacant and under-used spaces within **Brixton Rec.** These could offer major capacity for the provision of more affordable space, which could target specific sectors or activities and provide incubator and accelerator space to complement the wider Brixton Central/International House propositions.

### KIBAs

The Key Industrial Business Areas (KIBA) sites provide the key reservoir of employment land within the borough and are focussed on protecting capacity of B class uses. They are afforded additional protection through their designation in the Lambeth Local Plan (Policy ED1) and are safeguarded for business, industrial, storage and waste management uses.

They provide a significant supply of space, both in terms of total quantum and the scale of units provided, which are often larger than those found in undesignated locations such as railway arches. KIBA policy prevents residential development and therefore controls land value and development 'speculation', this in turn provides certainty for business occupiers and an

incentive for space operators to invest in their stock. KIBA policy is therefore a key mechanism in helping to maintain a diverse range of business space in the borough, including more affordable space for some types of CDI business.

Given their protected status and scale of offer the KIBAs are a critical component of the borough's commercial property supply, providing an operational base for a range of (primarily) industrial, distribution, wholesale and waste businesses seeking to service the wider population of Lambeth and London.

As the economy of London has evolved, so too has the role of the KIBAs. Whilst still accommodating traditional activities they are increasingly providing large (and often lower cost) space for a range of CDI activities, in particular those that have a production based activity. Looking across the KIBA portfolio there are broadly three levels of interrelationship between KIBAs and CDI activity.

KIBAs such as **Newport Street**, **Kennington Road** and **Hamilton Road** have a strong role in supporting the CDI sector. Whilst the concentration of traditional 'industrial' activity may have diminished it has been replaced by a mix of CDI activity ranging from gallery spaces (Newport Street), managed workspaces accommodating studio and office uses (mostly operated by the Workspace Group, such as Parkhall or Southbank House) or individual businesses that form part of the wider creative sector such as Volcano Coffee.

Clearly in these locations activity has been displaced, either to KIBA's elsewhere or other employment locations within (or outside) the borough. As the CDI sector has grown, the management approach for Hamilton Road has seen displacement of one form of CDI activity for another. A number of artists were 'priced out' of Parkhall as Workspace reinvested in the property. Many have remained in the borough, creating a new cluster at Parade Mews, whilst Parkhall has attracted a range of more office and studio based activities that are less production based (and therefore have lower impacts on their neighbours).

Whilst these KIBAs have a predominant focus on CDI related activity the majority of KIBAs are either more mixed or have no real CDI role at this point in time, instead accommodating a range of other services.

KIBAs at **Loughborough Road**, **Shakespeare Road** and **West Norwood** provide a mix of activity with some CDI activity already occurring as part of a much broader business base. Facilities such as the Shakespeare Business Centre provide a range of studio spaces on flexible terms that are attracting CDI activity. Railway arches in the area also offer lower cost spaces for more industrial activities.

The CDI activity at West Norwood is less significant as a share of total activity however Edmund de Waal's studio and ABN are important CDI activities occupying industrial spaces within the area.

A number of the KIBAs currently have no role in accommodating CDI activity however lie close to some of the strongest clusters in the borough and could, in the future, provide an opportunity to retain and grow more production based elements of the sector. The **Coldharbour Lane** KIBA in Loughborough Junction forms part of the LJ Works area and is planned to accommodate new workspace and food businesses. At present the **Ellerslie Road Industrial Estate** and **Milkwood Road** KIBAs are dominated by a range of storage, distribution and trade counter activities but have the potential to link to growing clusters of activity in and around Brixton.

The challenge for all the KIBAs in increasing their role in the CDI sector will be their ability to continue to adapt and accommodate the range of activities that may be demanded by the sector. KIBA policy (ED1) does allow for some non-B class use, however this is restricted to a "small scale". Anecdotally this has been suggested to have been a challenge in some locations where CDI businesses have sought a more mixed use proposition to allow the provision of a 'shopfront' or outlet for the creative activity.

It is critical that the KIBAs continue to function as the reservoir for B class activity and provide the capacity for the borough's economy. However, to support the CDI sector specifically the interpretation and implementation of the existing policy made need careful consideration in certain locations where CDI

demand is seeking a broader range of activities. In time, the KIBA policy could sit alongside more site-specific guidance to more effectively provide a clear direction.

### **Railway Arches**

Lambeth is bisected by a number of rail lines serving central London stations such as Waterloo and London Bridge, in many parts of the borough lines are elevated with the spaces underneath providing spaces for a range of business activity.

Much like industrial space within KIBAs railway arches have traditionally provided lower cost space for a range of 'industrial' and servicing activities. In recent years, as the areas around them have evolved Network Rail have refurbished spaces to provide a much broader range of accommodation including studios, restaurant and retail.

The most visible examples of this changing focus for arches is within Waterloo and along Albert Embankment to Vauxhall where a range of CDI related activities have been accommodated, including gallery and studio spaces. The success of arts activity within the Leake Street area of Waterloo has driven a wider cluster of activity that helps to attract CDI activity. In Vauxhall itself the arches accommodate a range of ancillary amenities (dining, café, nightclubs) that provide the character and offer that can attract CDI businesses.

Within Brixton and Loughborough Junction the use of arches is more mixed but again is going through a period of change with traditional activities being displaced by 'higher value' uses. In Brixton this has impacted a number of artist and creative workspaces which are either being priced out or displaced as part of wider development projects. These introduce new types of space that can support CDI activity, however also place at risk some of the character that has made the area attractive in the first place.

The pace of change has been slower within Loughborough Junction, with a number of arches remaining a range of industrial uses (including waste processing) in particular along Belinda Road and between Herne Hill Road/Hinton Road. However, at Rathgar Road Meanwhile Spaces (with support from the Council and Network Rail) has brought into use a number of

vacant arches which accommodate a range of creative activities – particularly in production based sectors.

The stock of arches within the borough (particularly those outside the major town centres) offer the potential to provide a significant contribution to accommodating CDI activity. In particular there are opportunities to provide (relatively) more affordable spaces that are orientated towards the industrial end of the CDI spectrum. This will require a proactive partnership with Network Rail to bring arches forward and positively manage letting processes.

### **Home-Working**

In recent years the nature of work has become more agile. Many corporate jobs are able to be completed remotely and businesses seek to reduce overheads in expensive 'headquarters' locations such as Central London a large number of individuals are now working remotely. As technology has allowed a greater number of roles to be undertaken without the need for a large corporate resource many more skilled workers are starting their own businesses or working as freelancers. Both factors are leading to greater levels of home working allow individuals to benefit both from lower costs and also to achieve an enhanced work-life balance by removing the need to commute.

Nationally there has been a significant increase in self-employment and home working as the 'gig economy' and freelancing have become more integral to the economy. The business survey conducted as part of this study suggests that up to 30% of the CDI workforce within Lambeth may work from home for all or part of the time. As such the residential stock of the borough needs to be considered as part of the portfolio of spaces underpinning the sector.

Traditionally areas of Lambeth have provided relatively affordable locations to live, particularly towards the centre and south of the borough where a large stock of family housing has attracted a range of professionals seeking larger dwellings.

However, house price inflation is having a significant impact on the affordability of the borough, with average prices increasing by c.43% over the last 5 years (source: Land Registry). These average uplifts are significant and

underline the scale of challenge in terms of continuing to attract and accommodate a broad base of workers. This challenge is exacerbated further when we consider sub-areas such as West Norwood, which have traditionally provided a strong housing proposition, where values have increased by over 48% in 5 years.

The CDI sector (as discussed elsewhere) is heavily reliant on the talent it can attract and retain, as such increasing house prices provide a risk in terms both of potential people working from home or people being able to live and work in the same broad locations. This could affect occupier decisions, however it is a challenge for any location of London so is unlikely to disadvantage the borough in competition with other central locations in particular.

However, the biggest challenge will be for the borough to continue to accommodate freelance and entrepreneurial activities that are a core part of the sector. With larger housing units becoming more expensive, sub-division of stock and new development often focussing on smaller flatted stock the opportunities to work from home may be increasingly limited.

Future activity will therefore need to consider how to provide a mix of residential properties that enhance affordability, deliver a mix of typologies and allow people to remain in the borough. To support homeworking this may require more innovative products such as live-work, co-work/co-living or Build to Rent models.

## 7. Theme: Inclusive Growth

The Future Lambeth borough plan sets out a clear aspiration to achieve inclusive growth: “Our people, location, character and assets make Lambeth a great place to invest. We will encourage investment and regeneration and make sure that it benefits all.” This section assesses how growth in the CDI can contribute to this goal, covering three areas: the role of education; career entry and progression; and placemaking.

### 7.1 Inequality in Lambeth

The Lambeth Equalities Commission states: “we may be able to offer children and young people a good start in life, there are real challenges in making sure that these translate into good outcomes for them in later life if they remain in the borough”.<sup>54</sup> The Commission sets out an evidence base which informs any interventions supporting the CDI in the borough.

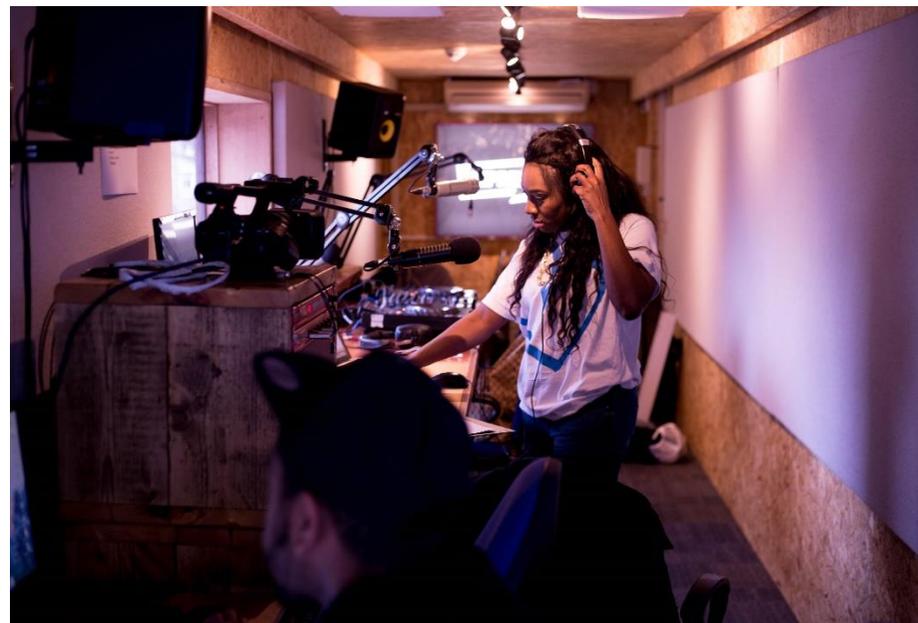
“Lambeth is open for business and bold in our ambitions but, at the heart of it all, there must be fairness. We must be honest about the inequality we still have in our borough, and ensure that the proceeds of Lambeth’s growth are spread fairly amongst our communities” Lib Peck, Lambeth Equality Commission Report 2017

Lambeth is a diverse borough. 32% who live here were born abroad (London average of 37%) and 42% are from BAME groups (London is 42.5%). 39% of pupils first language is not English (London 29%).<sup>55</sup>

There are also relatively high levels of deprivation and children in care. It has a higher number of Looked After Children than the London average (73 per

1000, against 51) and 18% of children are living in out of work households (18% against 14%).<sup>56</sup>

Lambeth has pockets of severe deprivation and there are also some significant disparities in economic and health and wellbeing outcomes between demographic groups and in different parts of the borough. The borough has therefore **made inclusive growth – in this case ensuring everyone can access employment opportunities in the CDI – an important part of its strategy.**



Represent Radio

<sup>54</sup> Lambeth Equality Commission (2015) A Lambeth for all Residents Briefing Paper 1: Context

<sup>55</sup> All figures 2015. GLA data store

<sup>56</sup> All figures 2015. GLA data store

## Addressing inequality in Lambeth

The Lambeth Equalities Commission sets out the context for the Inclusive Growth theme, stating:

### In education, there are significant and specific attainment gaps:

- Lambeth is home to 67,000 children and young people, and has one of the fastest birth rates in the country.
- Attainment in schools has risen, but there are significant differences between groups. These gaps are between girls and boys; children living in poverty (using receipt of 'free school meals' as a proxy); particular ethnicities; children for whom English is an additional language and the national averages.

### Inequality in employment is systemic to similar groups:

- The Commission identifies four groups of residents of concern in relation to inequality: Black African and Caribbean, Somali, Portuguese, and people with disabilities.
- Lambeth residents who are out of work are more likely to have lower levels of qualifications, live in social housing, come from BME backgrounds, or have a health condition. They are also likely to be under 24 or over 50 years old.

### Representation in senior roles can help address these issues:

- Diverse representation improves results.
- 'Research suggests that biases about certain groups is universal and unconscious, and that this bias can have a profound effect, especially in recruitment.'

Lambeth Equality Commission (2015) A Lambeth for all Residents Briefing Papers 1 - 4

## 7.2 Diversity in the CDI

The CDI **workforce itself lacks diversity**. In 2014, 11% of jobs in the creative industries were filled by people of black, Asian and minority ethnic (BAME) origin, not far below their share of the workforce. But much of this was concentrated in the IT and software sub-sector with other sectors significantly less diverse. In addition, other measures of diversity suggest that **they do not draw from the full spectrum of talent**. They are largely taken by those from the most advantaged socio-economic groups. This can be attributed to a range of barriers, such as a lack of structured career pathways, and the hiring for 'cultural' fit which are close to systemic discrimination. The barriers to access and progression in the CDI closely align with those identified by the Equalities Commission.

“ The creative sector likes to portray itself as tolerant, meritocratic and diverse. But this image is starkly at odds with the facts. The types of people who make so much of the culture in this country bear little resemblance to the people who consume it. – Professor Kate Oakley

**Women are underrepresented** in both the uptake of digital qualifications and in digital roles. Just 17% of people who work in the tech sector and only 9.5% of students taking computer science A level courses are female.<sup>57</sup>

Despite the poor representation for many businesses, **diversity is a driver of business success**. The BFI's research into audiences found that relevance to their lives – including whether the stars of films look like them – helps consumers choose which films to watch. Many creative businesses are looking to what the Creative Industries Federation call the *“hard economic case for the creative industries to*

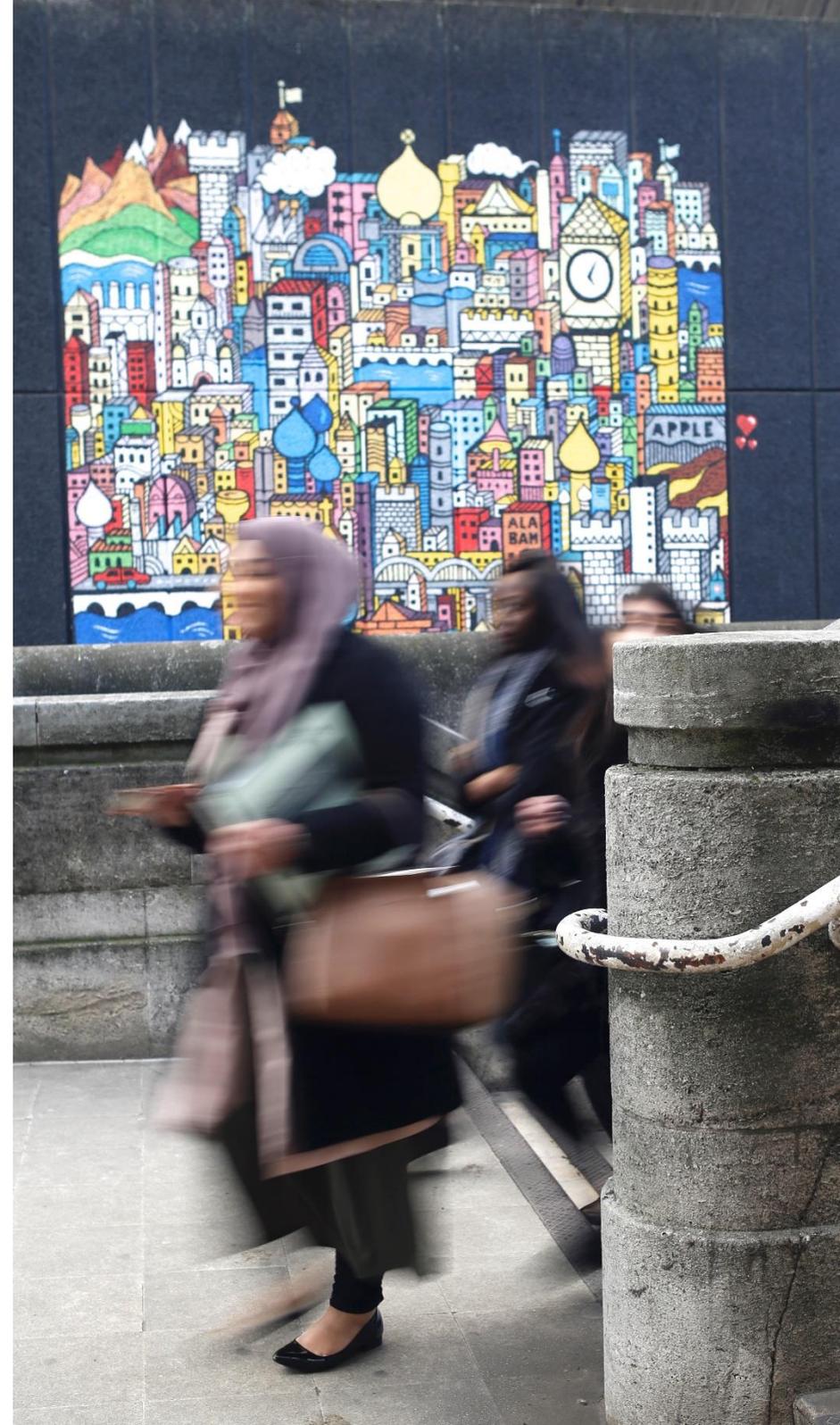
<sup>57</sup> UK Digital Strategy (2017)

*diversify their workforces*".<sup>58</sup> This is embedded in other initiatives, like the BFI Diversity Standards which state: "our definition of diversity is to recognise and acknowledge the quality and value of difference".

Dr Ruth Eikoff highlights a range of factors which contribute to a lack of diversity in the Creative Industries, under the headings:

- Work and employment conditions
- Importance of HE degrees
- Perceptions of talent & CCI work

These are set out in Figure 36 and explored in more detail in the following sections.



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<sup>58</sup> CIF (2015) The Diversity Agenda

**Figure 36: Factors contributing to lack of diversity**

Factor	Detail
<b>Work and employment conditions</b>	<ul style="list-style-type: none"> <li>• High employment insecurity; Low/unpaid entry-level jobs</li> <li>• Recruitment through networks</li> <li>• Long and unsocial working hours</li> <li>• Unequal participation &amp; progression for specific groups</li> <li>• Gender and racial pay gaps</li> </ul>
<b>Importance of HE degrees</b>	<ul style="list-style-type: none"> <li>• Studies important for cultivating talent; acquiring skills, art form and sector knowledge; developing marketable creative persona.</li> <li>• Degree seen as quality signal for talent in recruitment.</li> <li>• HE experience crucial for building social networks and connections.</li> </ul> <p>Issues include:</p> <ul style="list-style-type: none"> <li>• Working class less likely to finance HE or working class and ethnic minority individuals less likely to access crucial application information.</li> <li>• Arts/drama applications require cultural knowledge and skills that white and middle class individuals are more likely to have.</li> <li>• HE staff's perceptions of 'talent' skew admission decisions in favour of middle class.</li> </ul>
<b>Perceptions of talent &amp; CCI work</b>	<ul style="list-style-type: none"> <li>• Perceptions of talent dominated by white, middle-class Eurocentric ideas.</li> <li>• Dominant habitus and industry culture is also white, middle-class, able bodied and mostly male.</li> <li>• Deviant expressions of talent require disproportionately more work to establish/get recognised.</li> <li>• Recruitment, admissions &amp; awards decisions skewed by decision makers' perceptions of talent.</li> <li>• Non-white, working class, disabled and female individuals must make extra effort to acquire (where possible) dominant talent markers.</li> <li>• Exclusionary and discriminating industry culture.</li> <li>• Working class, ethnic minority and disabled youth less likely to see career in CCI as possible/desirable</li> </ul>

Source: Dr Doris Ruth Eikhof, CAMEo Research Institute for Cultural and Media Economies, University of Leicester

## 7.3 Context

This section sets out the national and London context for issues related to the CDI in Education, for Skills and Career Progression, and for Placemaking.

## Role of arts and creativity in education

Technological change is profoundly reshaping our economies, and new skills will be required. Careers in the CDI will require individuals to continually adapt to the next context. This is forecast to require a combination of both creative and soft skills, as well as the development of competencies such as resilience.<sup>59</sup> Many of these skills are required in other sectors as well.

A growing body of evidence suggests that early and consistent engagement with creative learning (often through a focus on the arts or culture in education) supports the acquisition of these creative and soft skills. For example, taking part in a short arts course has been found to result in improved problem-solving skills as it can help students to reconceptualise problems.<sup>60</sup> While maths and sciences are also undoubtedly creative subjects, they are not viewed by the CDI as supporting the acquisition of these skills in the same way.

Other nations – including Finland, South Korea, China, and even Scotland – have embarked on wide-ranging educational initiatives that emphasise the importance of creativity as a skill that can be taught. For these countries, this means embedding arts and cultural subjects into curriculums; or focusing on engaging with digital technologies in an open and creative way.

In England, there has been an overall reduction in the emphasis on creative learning in recent years. For example, the £50m Creative Partnerships programme embedded arts in schools across deprived areas of the UK (including in Lambeth) but was axed in 2010.

A key change has been the implementation of the English Baccalaureate, which supports attainment in STEM subjects, which is perceived to be at the

expense of arts subjects. The impact has already been profound in the UK, with GCSE and A-Level take-up dropping, and the number of primary school children taking part in after-school arts classes falling by a third since 2010.<sup>61</sup> There was a 50% drop in the number of students taking GCSE Design and Technology between 2003-2013.<sup>62</sup>

The response to these changes from the creative industries has been highly critical. The UK Government's representative body, the Creative Industries Council (CIC) argued that:

“Much of the curriculum and teaching in schools has become too focused on what can be easily taught and examined rather than what gives children and young people the deep skills and emotional connection to a subject on which they can build.”

The CIC argues for a more balanced multi-disciplinary approach to the curriculum, one which combines the “artistic interests, technological innovation and entrepreneurial energy which is so distinctive of the UK's creative and digital industries and which underpins its competitive advantage.

Now arts subjects are no longer as integrated into the curriculum, **access to arts subjects is likely to become more uneven**, and the impact of the changes of the EBacc is likely to hit people from poorer backgrounds harder. With the introduction of the EBacc, schools with a high proportion of children on free school meals have been more than twice as likely to withdraw arts subjects than schools with a low proportion (21% versus 8%)<sup>63</sup> Consultees also felt that the forthcoming changes to the funding formula will represent a 2.8% cut in funding for most schools in the borough, and that creative subjects are among the most likely to be cut.

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<sup>59</sup> CCS (2015) Building a Creative Nation

<sup>60</sup> Guggenheim Foundation (2015). The evidence is growing but still emerging, and further research into the impact of cultural education on young people's attainment in other areas has been commissioned by the RSA and the Education Endowment Foundation.

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<sup>61</sup> CIF (2015) The Education Agenda

<sup>62</sup> “Enriching Britain: Culture, Creativity and Growth. The 2015 Report by the Warwick Commission on the Future of Cultural Value.” University of Warwick, February 2015.

<sup>63</sup> Cairns, Sam. “English Baccalaureate Research: January 2013.” Cultural Learning Alliance, January 2013.

## Digital skills

The policy discussion around digital relates to the acquisition of maths and of general digital skills. Many **digital careers require maths**, and COADEC – the Coalition for the Digital Economy - recommend a system where young people are required to study maths to a high level before they leave formal education. Consultees felt that differences in attainment in this subject between students of different ethnic backgrounds may contribute to future shortage of qualified young people for careers in the digital sectors. Again, this suggests that there is likely to be a continued lack of representativeness in the sector.

Within schools, the **relatively slow adoption of new digital learning methods** is also likely to have further contributed to the industries' emerging skills shortages. According to PwC and Iain Livingstone, "Schools have, at least until recently, relied on somewhat 'outdated methods of learning', and so students tend to be ill-equipped for a career within an industry increasingly reliant on digital technology. For example, schools could better embrace principles of games-based learning, collaborative project work, learning by doing, computational thinking and problem solving".<sup>64</sup>

### 7.3.1 Skills and careers

Key issues relating to skills and careers include the low awareness of opportunities in these careers, the difficulty accessing the industry, the national focus on apprenticeships. These issues are detailed below.

#### Awareness of opportunities in the CDI

Lack of awareness of opportunities in the CDI was viewed by national-level consultees as a critical issue stopping the development of a diverse workforce. This is compounded by a **lack of a structured career progression**. Without role models working in the sector (such as relatives) it is hard to understand where to start and how to progress a career. For example, the Bafta Careers Pathways in Film survey (2012) found a range of perceptual challenges to a

career in film, including lack of awareness of qualifications needed, entry routes, and how to access training. It also found that young people are not necessarily aware of industry skills requirements.

“ There is a disconnect between supply and demand in the market. There is a lack of communication between schools and businesses as the networks just don't exist – Workshop participant

#### Challenges around accessing industry

**A critical gap in provision for young people looking to start careers in the CDI is between formal education and the start of a career.** As COADEC state, with high demand for them you would expect many people studying to become developers. But the traditional routes of A-Level and university degrees are not meeting demand.

This issue is particularly acute for 16-18 year olds in London. The 2014 UKCES Employer Perspectives Survey found that London employers are significantly less likely than employers in other regions to recruit 16-18 year olds.

**Socio-economic status is a significant barrier to entry.** Occupations within the creative industries tend to be higher skilled, and people with at least a degree or equivalent comprise more than half of the employees in the creative economy (59%), in comparison to 32% with overall employment<sup>65</sup>. According to DCMS, people in more advantaged socio-economic groups account for the majority of employment in the Creative Economy and the sector holds a higher proportion of jobs held by people in more advantaged groups in the UK. In 2014, more advantaged socio-economic groups accounted for 92% of jobs in the Creative Economy, compared to 66% in the wider UK economy (2015).

<sup>64</sup> Ian Livingstone and PwC (2015) Imagi-Nation: The Business of Creativity

<sup>65</sup> DCMS (2015). Creative Industries: Focus on Employment.

**Socio-economic status can be an indicator of the likelihood of overall participation in higher education.** Those from more advantaged socio-economic groups (NS-SEC 1-4) are around 3 times more likely to go to university and around 7 times more likely to attend more selective institutions than those from less advantaged groups<sup>66</sup>. As higher education moves toward a consumer choice model of supply, increases in tuition and cuts to arts-based courses may affect the decision to pursue higher education for those in less advantaged groups<sup>67</sup><sup>68</sup>.

## Work readiness

The British Chambers of Commerce Workforce Survey revealed that 76% of businesses, regardless of sector, believe that **a lack of work experience accounts for a lack of preparedness in young, entry-level job candidates**. 57 % report a lack of soft skills as a primary reason for the perception that the candidates were not work ready<sup>69</sup>. UKCES identifies the following as employability skills that are becoming increasingly important in the UK labour market: self-management, problem solving, communication and team-working, understanding the culture of the business and the effective use of numbers, language and digital technology<sup>70</sup>.

Within the creative industries, employers identify soft skills as a necessary part of the sector's future, but the evidence suggests that these are best developed in practical situations. Reflecting a gap for these skills, creative economy employers surveyed by Skillset identified these specific areas as needing development within their firms: customer handling (44%), problem-solving

(43%) and management (40%)<sup>71</sup>. In the creative industries, the need for work experience through internships or work placement schemes has helped to reinforce the lack of diversity in the sector.<sup>72</sup>

**A lack of digital skills can mean that other, higher paid jobs are not easily accessible.** The Tinder Foundation reported that already almost 90% of new jobs require digital skills, with 72% of employers stating that they are unwilling to interview candidates who do not have basic IT skills.<sup>73</sup> The lack of these basic creative and digital skills means fewer opportunities in the job market and entrenched inequality.<sup>74</sup>

The Mayor's Digital Inclusion Strategy for London (2015) promises to implement the London Enterprise Panel's Growth Deal digital talent programme, which aims to "*improve digital skills education and training, improve access to employment, and help address the skills gap in the industry*".<sup>75</sup> However, both the London Digital Inclusion Strategy and the Government Digital Inclusion Strategy (2014) are **primarily focused on developing basic digital literacy** rather than supporting inclusive growth in the creative and digital industries.<sup>76</sup>

## Apprenticeships

**For many, the challenge of work readiness can be addressed by apprenticeships**, which have received significant emphasis by government in the last decade. For example, the new Institute for Apprenticeships aims to ensure high-quality apprenticeship standards and advises government on funding for each standard. In 2015, the

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<sup>66</sup> Department for Business Innovation & Skills (2015). *Socio-economic, ethnic and gender differences in HE participation*.

<sup>67</sup> Creative & Cultural Skills (2010). *The Performing Arts Blueprint*.

<sup>68</sup> Sá, F. (2014). *The Effect of Tuition Fees on University Applications and Attendance: Evidence from the UK*. Forschungsinstitut zur Zukunft der Arbeit (Institute for the Study of Labor). Additionally, studies indicate that expected future earnings and employment prospects are increasingly a factor in a student's decision to pursue a particular course of study – courses with weaker employment prospects are more sensitive to fluctuations in tuition costs as students may consider the returns on investment in higher education

<sup>69</sup> British Chambers of Commerce (2014). *Developing the Talents of the Next Generation*.

<sup>70</sup> UKCES (2009). *The Employability Challenge*.

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<sup>71</sup> Skillset (2011). *Sector Skills Assessment for the Creative Industries of the UK*.

<sup>72</sup> Dave O'Brien et al (2016) Are the creative industries meritocratic? An analysis of the 2014 British Labour Force Survey

<sup>73</sup> Tinder Foundation, A Leading Digital Nation by 2020: Calculating the cost of delivering online skills for all (February 2014)

<sup>74</sup> <https://www.thersa.org/discover/publications-and-articles/rsa-blogs/2017/06/the-path-to-stability-in-a-digital-and-divided-nation>

<sup>75</sup> P26

<sup>76</sup> Additionally, the London strategy was produced under Boris Johnson, and it is unclear whether it is still in place under Sadiq Khan.

Government set a target of 3 million new apprenticeships by 2020.<sup>77</sup> But the **evidence around the take up of apprenticeships is mixed**. The 2014 Employer Perspectives Survey also found that only 11% of London employers had apprentices on site or offered formal apprenticeships, compared to 16% in the rest of England.

Apprenticeships provide a pipeline to address the mismatch between demand and supply. For the digital and tech sector, there is also an opportunity to use apprenticeships and the apprenticeship levy as a way to address the industry's diversity issues. The GLA report *Apprenticeships: an un-level playing field*<sup>78</sup> notes that 'there is evidence that apprentices from BAME backgrounds are not getting the full benefit of apprenticeship training. BAME and female apprentices tend to be clustered in low level, low pay apprenticeships. Worryingly, more than a quarter of all apprentices fail to finish their training'. The on-the-job training that apprenticeships provide is an important step in starting to fill this gap.

There is also some **concern over the format of apprenticeships and relevance for creative industries** and there has been a lukewarm response to the apprenticeships levy from employers. Challenges for CI employers include government requirements on the length of apprenticeships, which do not fit the way creative industries projects typically work. The Creative Industries Federation say that the levy does not show 'an understanding of the makeup and skills pipeline of the creative industries'. The Institute for Employment Studies work on creative industries says: "Some interviewees saw them as a way to address the deficiencies in technical skills in the sector, to match people's skills to jobs better, and to help create a more diverse workforce. Others felt that the business structure of the creative industries is not well suited to the apprenticeship model, and that the sector's graduate-heavy nature means that skills issues are best tackled at university."

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<sup>77</sup> House of Commons Library (2016) Apprenticeships Policy in England

<sup>78</sup> [https://www.london.gov.uk/sites/default/files/economy\\_committee\\_apprenticeship\\_report\\_fv.pdf](https://www.london.gov.uk/sites/default/files/economy_committee_apprenticeship_report_fv.pdf)

The response from the digital sector has been more positive, and many of the larger employers have begun to develop new schemes. Many of the largest digital and tech companies have been doubling down on their apprenticeship programmes - Microsoft, IBM, Virgin Media and BT Group pledged 30,084 new apprenticeship hires during last year's National Apprentice Week.<sup>79</sup>

## Adult learning

There is relatively little focus in general creative industries policy on adult learning or reskilling, although there has been an emphasis on 'creativity' as a cross-cutting skill that can support careers across development.<sup>80</sup> The arguments set out above relating to arts and culture in developing soft skills also apply. Arts Council England have argued for stronger partnerships between cultural organisations and the Further Education sector, saying that they can help attract adult learners back into education.<sup>81</sup> Digital skills have received greater focus, although the government's digital strategy has a greater commitment to tackling digital exclusion rather than providing skills for people to work in the digital industries.

### 7.3.2 Inclusive Placemaking

When integrated with wider regeneration and place-making strategies, **culture helps to shape the way places are lived and perceived**. Tate Modern is a prominent example: 26% of people questioned associated South Bank and Bankside with Tate Modern. Cultural activity attracts (inter-) national media attention, raising awareness of a place and creating positive associations. It also attracts footfall and visitors, and can drive economic growth.

Culture also enhances (potential) residents' sense of pride in/ attraction to an area, as well as their quality of life. The Angel of the

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<sup>79</sup> Mercer, C. (2017). Start a career in IT with these top UK IT apprenticeships. [online] ComputerworldUK. Available at: <http://www.computerworlduk.com/galleries/careers/best-it-apprenticeships-in-uk-3622450/> [Accessed 20 Jun. 2017].

<sup>80</sup> Livingstone and PwC (2015) *Imagi-Nation*

<sup>81</sup> Arts Council England (2012) *Response to Dual Mandate for Adult Vocational Education*

North for example makes 72% of residents “feel good when they see it”; and makes 64% “proud of Gateshead”.

In many places, it is **spaces of production which become active ingredients for place making**. Whether the workers are painters, sculptors, or ceramicists, studios can be open to the street, putting artists at the heart of civic lives. These can, in turn, support direct retailing to residents, workers, and tourists.

Cultural facilities also drive up property prices and so are associated both with regeneration and also gentrification. Research by CBRE showed that an area with twice average level of cultural density was associated with prices higher by £26,817 – e.g. following Liverpool Capital of Culture 2008, many areas experienced substantial increase in property value.

### Sustainable creative communities

Change is an inevitable effect of economic growth. The GLA report that: “gentrification can raise prosperity, wages, and even the quality of schools and public places in a city. The main problem, according to Edward Clarke of the Centre for Cities, is one of ‘poor city management’ which fails to secure suitable gains or spread the benefits of growth more fairly.”

Typically, the effects of gentrification are felt through:

- Property price or rent increases, as a place becomes more desirable to live or operate in. This can lead to existing businesses or residents leaving.
- A feeling of community displacement i.e. no longer feeling welcome in a certain area, and tensions between existing and new communities.

## 7.4 Context in Lambeth

This section sets out the available evidence for these three areas of focus in Lambeth, based on review of available data and the extensive consultation.

### 7.4.1 Education

#### Policy and programmes

Creative and digital skills do not feature in Lambeth Education and Learning Strategy 2015-18 or Lambeth Inclusion Strategy for Education 2006-2016. Lambeth’s Education and Learning Strategy 2015-2018 aims to ensure every young person leaves school with a recognised qualification and a clear destination into further education, employment, or training. Although these strategies do not mention the CDI, Lambeth’s education strategy, Education and Learning Strategy 2015/18, includes the priority of: “Ensuring all pupils have access to a broad balanced and rich curriculum focusing on STEM subjects but also maintaining emphasis on arts and music.”

Compared to other London boroughs, the activity *through schools* in Lambeth looks around average. For Lambeth, the number of students taking Art & Design GCSE is broadly at the national average, as set out below.

**Figure 32: Average entries per student for Art & Design GCSE<sup>82</sup>**

Lambeth	Wandsworth	Southwark	Average
0.27	0.21	0.28	0.27

#### Key organisations and institutions

The borough has a range of education or youth focused institutions of importance to this strategy as set out below. In addition, all cultural organisations consulted as part of the study ran some form of education activity.

<sup>82</sup> RSA (OPSD) 2015 GCSE. No data on maths available

**Figure 31: Selected key organisations**

Organisation	Relevance
<b>Connected Learning Centre</b>	Work with all 50 Primary Schools in Lambeth, funded by an SLA. Includes teacher training, access to their centre, and activities in schools. Strong partnerships with institutions on the South Bank e.g. the Robot Challenge which took robots into schools and was funded by IBM.
<b>Young Lambeth Coop</b>	Young Lambeth Cooperative commissions and coproduces Children and Young People Services. It has been operational since 2015. Plays a key role in engaging the civic institutions across the borough. 4,000 users between the ages of eight and 21.

### 7.4.2 Skills and careers

There is a mixed picture in Lambeth for schemes aiming to promote careers in the creative industries (such as apprenticeships). Consultees report relatively low take up in some cases, **especially among those from underrepresented groups**. Others, such as those run, by the South Bank Centre, are heavily oversubscribed. This suggests a role for improved coordination, to ensure that high demand is achieved across the different offers available.

Even though digital skills are in higher demand, there is less visible digital offer, and these are mainly linked with the types of digital skills sought in creative organisations rather than tech companies.

#### Specific skills gaps in Lambeth

There is no data available on specific local skill shortages in the borough, but, given the concentrations of creative and digital industries in London, it is reasonable to assume that the skills gaps largely relate to those at a national

level. Both consultation and discussions with the Study Advisory Group emphasised gaps around work experience / job preparedness; role models; existing networks; and weak connections between schools, FE, and HE. They also reinforced concerns around lack of demand for existing opportunities, which is likely a result of a lack of awareness of them.

“ The question is not how to get people, it's getting local people. Businesses easily attract internationals to London. We need to cultivate the local community. – Workshop participant

At a national level, the UK Commission for Employment and Skills assessed the projected demand for employment against likely gaps faced by the CDI, to estimate the number of workers that will be needed in each occupation to both replace those that leave (for example due to retirement, career moves or mortality), and to fulfil the demand for additional workers as firms expand their workforces. This was then weighted by the occupations that had greatest ‘value added’ to the economy.<sup>83</sup>

These five key shortages, along with their relevance to Lambeth are set out in Figure 50 below. These categories highlight:

- A close alignment between the sector skills gaps and the requirements of the borough. For example, the boroughs strengths in Film, TV, and performing arts are highlighted in future shortages around cultural production. This suggests that these skills gaps will be ultimately challenging for the CDI in the borough.
- The close links between technical and digital skills requirements, and how these are the critical issues for almost all creative industries subsectors. These “fuse” skills illustrate the combination of creative arts and design (on the one hand) and technology (on the other) which has

<sup>83</sup> This therefore excluded occupations such as artists, public relations officials, and authors, which appear on the list but are less economically productive

been identified as a critical driver of innovation and growth in the creative digital economy.

- The limited number of programmes or similar that aims to develop this approach, as found in the borough.

**Figure 34: National skills shortages in the CDI<sup>84</sup>**

<b>CDI Skill Shortages (National)</b>	<b>Description of specific relevant gaps</b>
<b>IT business analysts, architects and systems designers</b> (SOC unit group 2135)	Around VFX, games, and film companies; roles related to 'big data', which is a key issue for games, television and digital companies as they measure and assess potential markets.
<b>Programmers and software development professionals</b> (SOC unit group 2136)	Design and develop specialist software, for example for computer games. One of the fastest growing occupational groups in terms of demand, and one that is most exposed to skills shortages.
<b>Graphic designers</b> (SOC unit group 3421)	Especially the overlap between this group and web design and development professionals.
<b>Arts officers, producers and directors</b> (SOC unit group 3416)	This category is primarily related to the technical skills around film & TV production, games production etc, which are the primary skills shortages in the category.
<b>Photographers, audio-visual and broadcasting equipment operators</b> (SOC unit group 3417)	Especially around digital; skills shortages for more experienced workers in roles within companies operating these programmes.

<sup>84</sup> Adapted from UKCES (2015) Sector insights: skills and performance challenges in the digital and creative sector

For the three largest sectors in the borough, the national shortages align with those from our consultation, as set out below.

**Figure 35: National skills gaps in Lambeth strengths**

Lambeth strength	National skills gaps
Music, visual and performing arts	Sales and marketing, management, finance/accounting, and other managerial skills <sup>85</sup> .
Film and media	Technical skills e.g. production, production designer, 3D rigging, Vfx and pre-visualisation <sup>86</sup>
Digital	Software development and coding skills.

Some consultees, like IBM, say their skills gap are aligned with national trends. Others, such as Squire & Partners and Ninja Tune, say they are not experiencing any skills gaps, likely as they are addressed by the large pool available to them across the city.

### Accessing industry

Consultees believe work experience is at a '20 year low' across the borough. Almost half of survey respondents have internship schemes, with a lesser number offering apprenticeships (20%) and volunteer positions (26%) (Figure 36).

**Figure 36: Apprentices, Interns, and Volunteers (Q5)**

Do you work with/employ:	Yes
Apprentices	20%
Interns	46%
Volunteers	26%

*Sample size: 153*

Encouragingly, more than half of the respondents (55%) however offer or plan to offer 'education programmes with local schools, colleges, universities or training providers'. This suggests that a **significant proportion of businesses are aware of the importance of supporting young people** in accessing the industry, but tend to **prefer doing so through informal paths**. This may well be related to the fact that, as highlighted in one of the AG workshops for this report, **smaller businesses find it difficult to pay for apprenticeships** since their new set-up, as the apprenticeship levy is predominantly being paid for by big employers.

<sup>85</sup> CCSkills (2011) Skills gaps in the Music Industry

<sup>86</sup> Creative Skillset (2015)

### Inclusive recruitment in the CDI

The diversity challenges in the creative and digital industries begin with recruitment. Closed networks make it hard for new talent to enter the sector and advertised recruitment with structured recruitment processes are seen as a key way to avoid these challenges.

In Lambeth, word of mouth is the most frequently used method of recruitment (for 76% of businesses). 56% of organisations recruit via direct contact with applicants, and 49% advertise their open positions, with 31% using agencies.

The Lambeth Equality Commission includes a recommendation that the council should: “demonstrate leadership on equalities and promote best practice, including as part of its own HR practice, and use its influence across its networks to promote best recruitment and employment practices in terms of equalities.”

### Developing careers

A further challenge, especially for BAME talent, is that although they can enter the sector progression is hard. A range of cultural and other factors can stop individuals being promoted or reaching opportunities. Consultees emphasised that employment in the sector for BAME talent is disproportionately in lower paid roles, such as in front of house staff. Consultees also talk candidly about what they see as the intangible barriers to diverse talent developing careers within their own organisations.

### Key organisations and institutions

The borough has a range of education or youth focused institutions that are of importance to this strategy. These range from LSBU to much smaller organisations, as set out below. One common thread is that all have active programmes targeting the specific groups that are underrepresented in the sector overall.

Figure 31: Key organisations

Organisation	Relevance
<b>London South Bank University (LSBU)</b>	Actively engaged in the local community with 18,000 students in their site which spans the Lambeth and Southwark border. Focus on creative industries and well-known for diversity of intake.
<b>King’s College</b>	World leading research and teaching university. Facilities in Lambeth include a design laboratory equipped with construction tools that include a 3D printer and a laser cutter.
<b>London College of Communication</b>	Based just over the border in Southwark, take significant numbers of students from Lambeth and have strong partnerships with the borough e.g. Lambeth College. Strong programmatic partnerships with Lambeth civic organisations: LCC students produced the branding for the Brixton Pound.
<b>Morley College</b>	Adult Education College with prestigious alumni list. 22% of their students come from Lambeth. Includes a wide range of courses relevant to the CDI and delivered to a high standard.
<b>Lambeth College</b>	Further Education College with a focus on employability. Host around 1,200 apprenticeships each year. 40% of students are Lambeth residents.
<b>South Bank Engineering University Technical College (UTC)</b>	Technical college for 14-18 year olds, sponsored by London South Bank University and co-sponsored by world-leading employers such as Skanska, Guy’s and St Thomas’ and King’s College NHS Foundation Trusts. Strong industry partnerships; Fujitsu have sponsored a technical lab within the facility which is provided on condition it will be open for other industry use.

## Signposting to opportunities

Careers signposting programmes are widely seen as critical in helping to address systemic skills gaps and in widening access to the sector. These programmes can improve the ability of young people to make career decisions, enhance optimism about the future, help to engage and increase attainment in secondary education, and increase the income of young people after education<sup>87</sup>. Consultees and the Study Advisory Group largely felt that this was a specific opportunity for Lambeth in this area.

“ Our task is to enable all children to reach their potential. If they are not able to do so because we don't know about enough about routes into good careers we are failing them - Lambeth Schools Improvement Team

### 7.4.3 Placemaking

Our consultation shows that many businesses are drawn to and stay in Lambeth for its active cultural life; a significant asset for the borough. Some CDIs also play an active role in the borough's urban fabric, such as around the Vauxhall Gallery Quarter. Both developers and Lambeth are encouraging artists to play a role in cultural production and artistic interventions in new developments and regeneration.

Many of Lambeth's cultural institutions are actively engaged in placemaking and consultees emphasised this is an area where more can be done. In Tulse Hill, the visual arts community are looking to improve signage and awareness of their cluster, and are happy to play a more open role; in Vauxhall (especially around the Pleasure Gardens) a number of units open onto public spaces; in Brixton, the Design Trail has already shown how the local creative community can enhance placemaking. **The South Bank cluster of cultural institutions**

**are internationally renowned for the blend of cultural and public space in creating a unique destination.**

Some of the most visible signs of change in Lambeth are in Brixton, as recognised in the Brixton Economic Action Plan, which says the area “has been at the forefront of London-wide debates regarding the pace of socio-economic change and the perceived impact of gentrification on existing business and resident communities.” One Brixton-based consultee was asked about the downsides of recent change:

“ Displacement. Gentrification. In-migrants have no connection with culture. Turning into the new Notting Hill – pushing out businesses because rents are going up.

The loss of diversity that may come with economic development may undermine the area's economic success. In Brixton and across other parts of Lambeth, consultees emphasised that they were drawn to the borough because of its cultural diversity:

“ In order to preserve the cultural richness and difference of the area there is a need to keep the diversity. Part of the richness is the number of independent businesses in Brixton. The cultural reference points for larger conglomerates to move here are not in Brixton and parts of Lambeth – Scott Leonard, Champion Agency

Consultees were cautious about ensuring that the benefits of future growth reach everyone in society, and that they do not undermine the distinctive and vibrant communities in which they are cited. Amongst all sector consultees there was a strong commitment to social inclusion to ensure that ensures

<sup>87</sup> The Careers and Enterprise Company (2016) What Works in Careers and Enterprise?

sustainable change, and which suggests strong support for additional initiatives that will help to address these challenges.

## 7.5 Opportunities

Currently, changes to education and other policy means that Lambeth Council's engagement with schools now has scarce resources and a reduced remit as, for example, Academy Chains are not required to engage with the local authority. The **Council's role should therefore be focused and strategic: coordination, programme development and awareness raising.**

### Targeting activities

Given scarce resources, programmes and organisations should target the following groups which are identified in both the work of the Equalities Commission and as shortages in the CDI overall, based on the review above:

- Black African and Caribbean, Somali, Portuguese.
- People with disabilities.
- Those from lower income backgrounds and levels of qualifications.

These groups are likely to be disproportionately based in the most deprived wards in Lambeth.

### 7.5.1 Education

#### Lambeth best practice

- The Connected Learning Centre works with all Lambeth Primary Schools to ensure digital technologies improve learning.
- Institute of Imagination run their Imagination Lab at Albert Embankment, targeting young people from 6-14 and aiming to develop learning clubs.
- Work experience programmes are run by Creative Access for talented young people from BAME backgrounds.
- School outreach programmes are run by the major institutions on the South Bank, as well as most smaller cultural organisations (e.g. Black Cultural Archives).
- The London Curriculum provides teaching resources to help schools use the capital as inspiration to bring the national curriculum to life at key stages 2 and 3.

**Future changes to the education sector in the borough may mean additional opportunities to reach schools.** Lambeth Schools Partnership<sup>88</sup>, which has recently been established, provides a mechanism to target young people through schools and headteachers, and raise awareness of options that are less well subscribed. It currently promotes some existing school engagement programmes run by cultural organisations, and there is potential for it to raise awareness of other offers directly with head teachers. LSP is enthusiastic about CDI Strategy and promoting opportunities:

<sup>88</sup> <http://www.lambethschoolservices.co.uk/Services>

“ Make the offer easy for teachers. Show that these activities do have an impact on the curriculum and SATs – LSP

There is also strong commitment from consultees to engage with schools, teachers and parents to demystify careers in the CDI:

“ The way to overcome misconceptions about CDI careers is parental workshops, skilling up teachers to have conversations with both children and parents, improving knowledge and understanding of current employment... Many jobs in the advertising and design sectors within creative industries provide more stable and structured career opportunities, in the context of parental and school perceptions that this is a precarious or 'hobby' pathway to take - Janet Hull, IPA

When making the case to schools for engaging with creative and digital subjects emphasising their role in attainment is likely to be crucial. Lambeth's own research, *Narrowing the Achievement Gap: Good Practice in Schools (2015)*, sets out the success factors behind narrowing the achievement gap of disadvantaged pupils who are entitled to free school meals. Of these, it identified an inclusive curriculum as a key factor and in each of the five schools that are part of the study it highlighted the use of the arts in some form: Vauxhall Primary School's annual trips to the Royal Ballet, or Woodmansterne Primary School's overnight stays on the Golden Hinde.

The Lambeth Equality Commission is exploring the potential role of wrap-around, enrichment and out-of-school activity in increasing the engagement with and attainment of young people with mainstream education, and promoting wider learning, with a potential focus on those children and young

people who the Commission understands to be at greatest risk of disengagement and under-attainment.

#### **Case study: Careers Cluster**

This ESF- funded project runs until the end of 2018 and is working with all 18 secondary schools in Lambeth including the special schools and the pupil referral unit. The project partners are LBL, LSBU and Lambeth College. It supports internships, pathways to university and FE, apprenticeships and career guidance. Each school has a service level agreement to work with an employer on a 26-week project. They run a series of Careers Days, with around 60 employers and around 300 students. There are opportunities to focus this activity on the CDI sectors.

## 7.5.2 Skills and careers

### Lambeth best practice

- Apprenticeship programmes are hosted by the National Theatre, BFI, the South Bank Centre, and many of the other cultural organisations in the borough. South Bank BID provide a brokerage service. Around one in five survey respondents employ an apprentice.
- Internship programmes include the South Bank's Positive Action Training placement or IBMs comprehensive range of University Placements. Around half of the organisations use interns (based on our survey findings).
- A range of programmes include School for Communication Arts, the Champions Agency, and Livity, all provide early career experience using a portfolio-based approach.

15 CDI businesses in Lambeth are likely to pay the levy. There are only three Creative Skillset accredited providers of apprenticeships in London (and none in the borough). By working with the sector (especially trade bodies) to develop an effective model tailored to it, may be a way to draw funds as well as provide a career route for young people.

“Birds Eye run courses for female and BAME film producers with high-level mentors subsidised by Creative Skillset. We would love to recruit a local apprentice, but as a small NGO need help to understand how it works - Vauxhall based film production company.”

### The Apprenticeship Levy

Lambeth Council has been playing an active role in apprenticeships provision. The Lambeth Apprenticeship Ambitions targets 16- 19 year old and is an awareness-raising programme run in partnership with Lambeth College and LSBU. It raises awareness with young people and their parents, and works with employers to increase vacancies for young Lambeth residents. The Council has also secured opportunities as part of agreements with developers on construction sites.

A key change – and potential opportunity for Lambeth – is the 2017 introduction of the Apprenticeship Levy. The levy applies to employers in England, who have an annual pay bill above £3m. The levy is 0.5% of the annual pay bill. Levy-paying employers are then allocated digital vouchers to fund apprenticeship training. However, based on employment data, only 10 -

## Apprenticeships for the CDI economy

Consultation and the review of literature above suggests that apprenticeships are not always well suited to the structure and requirements of the CDI. Suggestions for how these may be better designed for the sector include:

- Work with an industry-focused central coordinator who can provide a bridge between industry, education, and the apprentice.
- Develop a 'placement' model to allow smaller or microbusinesses to take on apprentices and fit them with their project-based working.
- Allow placements across a range of industry sectors, recognising the common skills required across digital and creative sectors such as coding.
- Provide centralised advice and services, which can minimise the high administration costs which may deter smaller businesses.

Successful models for apprenticeships the sector include the IPA's Creative Pioneers programme or Hyper Island's Digital Apprenticeships.

## Creative industries role in engaging young people

Often, creative industries-focused programmes are used to engage young people in the workforce and help to develop skills relevant to future careers. For example, 198 Gallery in Herne Hill run a range of programmes including Hustlebucks a social enterprise that is led by young people and which aimed to help them find new ways into work. This is based on, the very high levels of engagement with the sector (e.g. almost everyone in the UK will read, watch

TV or listen to music) and equally high levels of aspirations amongst young people to emulate their heroes and find jobs in the sector. Overall, around 13% of young people aspire to a career in the creative industries.<sup>89</sup>

## Lambeth organisations provide some routes into the sector

These themes echo the views of our consultees from Lambeth's education sector. For the South Bank Engineering UTC, there is sometimes "a disconnect between schools and what the economy needs. Schools have been piping students into university, but it is not clear what skills students will need in an uncertain future... We look at the additionality. If Google are looking for interns, how do they differentiate. The skills that are highly marketable for businesses – these are digital skills, team work, creativity...".

According to Nick Rampley from Morley College:

“ Creativity is threaded through the courses. One sculpture student is a structural engineer. Sculpture gives him a different perspective on his day to day work – it helps him solve problems. It is fascinating how the CI can have an impact on other sectors and jobs.

The majority of skills development opportunities are targeted at young people, and there are fewer opportunities from these organisations that are available for adults of all ages e.g. retraining, or improving training. Provision in this area is led by Morley College, which has a range of programmes including Digital Media & Photography; Lambeth College has a range of BTEC courses in Art & Design, as well as in IT.

<sup>89</sup> A survey for the EDGE found that the proportion of young people aspiring to a career in Information and communication was 7.6% (2015) <http://www.telegraph.co.uk/education/educationnews/11461047/Teaching-revealed-as-top-career-choice-for-teenagers.html>

“ Early intervention is important. Even in reception there are adults coming in to talk -mostly parents -bringing new ideas from outside is needed. Research shows that motivation and commitment comes from emotional experiences early in life - Lambeth Schools Improvement Team

### Successful models

Models for addressing these challenges vary across the CDI, and there has been insufficient substantive evaluation to come up with definitive conclusions around what models work. Effective programmes are also likely to be highly targeted and locally specific; they are also typically bespoke to the sector and individual (where possible); and they have close engagement with or are led by industry. The characteristics of a range of successful programmes are listed below, according to the challenge they aim to address:

Awareness in education:

- BFI Film Academy has a remit to target those from a diverse background and has shown striking success in equipping 16- to 19-year olds with understanding of how to shape careers in film and related disciplines. The Film Academy has one course in Lambeth (at the BFI Southbank) and nearly 40 across the rest of the UK.
- Arts Emergency works with 16- to 19- year olds from diverse backgrounds, and which aims to ensure those from disadvantaged groups are able to access the arts in higher education. It runs a national ‘alternative Old Boy Network’. Its programmes are based on a combination of mentoring, networking, and college workshops.
- The TechFuture Girls programme provides an out-of-the-box after-school club designed to encourage girls to stay engaged in IT.

Early career entry:

- Creative agency No Chiefs' Bonded initiative offers mentorship and guidance to women, helping them navigate their career development and develop their voices as up-and-coming creatives.
- Commercial Break aims to get creatively-minded 18-24 year old Londoners, from lower income families into advertising through a three-month ‘pop-up’ agency. Participants graduate into internships with real agencies.
- Blackgirl.tech is a support network and community for women of colour in tech or wanting to get into tech.

Career development:

- Entrepreneurship schemes such as You Make It, a highly targeted employment scheme in Bethnal Green which uses a combination of group workshops, mentors, and work placements to engage young people in the workforce, with a focus on creative industries.
- Bigga Fish provides performance opportunities and start-up loans to young companies in dance.
- The Bernie Grant Arts centre offers training and professional development for working class and BAME communities, and is distinctive because it is closely rooted in a community which has its own strong identity, whilst also maintaining strong professional connections.
- Women in Technology provides a commercial recruitment service to place women into digital roles, to help organisations employ a diverse range of talent in their organisations.
- UK Music recommend that all companies in the sector should undertake unconscious-bias training at all levels in each company.

### 7.5.3 Placemaking

#### Lambeth best practice

- Meanwhile Space provide a range of affordable workspace throughout the borough, including Granby Space on Lower Marsh and The Platform Project at Loughborough Junction, as interim use whilst providing opportunities for local creative employment.
- Southbank Centre work with community groups to actively curate their spaces along the South Bank.
- Brixton Design Trail connects local Lambeth businesses to the London Design Festival, with support from Lambeth and the Brixton BID.

Consultees suggest an opportunity to engage businesses more closely in the communities to which they were attracted, potentially through strengthen links with education institutions.

“ We want to work with schools in order to reach a diverse population - Wayra Telefonica Incubator

This should be considered alongside a broader shift in policymaking away from purely top-down development (e.g. the funding of a major new arts venue to regenerate an area) and towards bottom-up development (e.g. supporting a community to develop itself). In Lambeth, the changing nature of Loughborough Junction provides an example of where the latter approaches have been used with success. The ‘Loughborough Speaks!’ consultation was carried out in early 2011 by the London Community Foundation aiming to engage residents in the long-term regeneration of the area. This formed the basis for a wider programme of activity based on the principles of Asset-Based

Community Development - looking at what can be achieved with the existing strengths of a community, rather than focusing on weaknesses. The LJ Works proposal continues to build on the changes in part stimulated by this programme.

Community-focused development is now widely supported, although it is not without challenges. The GLA emphasise “Regeneration can be sustainable only if it focuses on community ownership and capacity building.”

“ 52% of Lambeth CDI businesses contribute to local community initiatives

The key mechanisms for mitigating the damaging effects of economic change, and which are specific to the CDI include<sup>90</sup>:

- Ensuring sufficient provision of affordable workspace
- Protection measures for under-pressure cultural facilities or heritage e.g. music venues, especially where they represent the diversity of a place
- Engaging the CDI sector with the community, especially in supporting and recruiting local talent, through engagement programmes or other schemes
- Ensuring that CDI activity is open and celebratory of communities, and not behind closed doors e.g. through Open Studios events.

<sup>90</sup> Drawn from various sources including GLA (2017) Creative Tensions

## The issue of work readiness Lambeth

“ Closing the gap on academic attainment is one thing. Closing the gap on employability means focusing on social and cultural capital, and this is the kind of activity that will go in funding cuts - Lambeth Schools Improvement Team.

One way to achieve this is by ensuring close partnerships between education institutions and industry, as happens at the South Bank UTC:

“ We have extensive partnerships with business. With Squire and Partners on how we can work together. Using the Windmill regeneration as a community space and involving the students in that... Fujitsu are sponsoring a room in the new building... We even work with the Impact Hub. – Dan Cundy, UTC.

There is a rich and varied offer of formal and informal programmes which aim to provide routes for a diverse range of talent to enter the sector, although consultees state that awareness of this work needs raising and better connections made between programmes.

Even though digital skills are also in high demand, there is a less obvious provision of initiatives to address careers in digital in Lambeth, and these are mainly linked with the types of digital skills sought in creative organisations rather than tech companies. One programme is the work of the London Connected Learning Centre, who take digital to Lambeth's schools and families through partnerships with businesses or sector bodies like IBM or the BFI. The DIGITAL BAZAAR initiative helped local people share skills with the internet, mobile phones, computers and cameras, and has been based in

Lambeth's libraries. The programme was delivered by Vauxhall CIC in partnership with Lambeth Libraries and Archives and local residents.

### Best practice: Skills and careers

- Photofusion Photography Centre (Brixton) delivers community outreach projects in partnership with community groups and schools, as well as photography courses for beginners through to professionals. Tri-pod is a project development workshop that provides peer support and facilitated feedback for professionals.
- Represent 107.3FM (Brixton) is a youth-led radio station providing training for young people on radio and music industry skills, and supports them to work toward a qualification and progress to further education and employment opportunities.
- St John's Church, Waterloo hosts The Bridge, an education, arts, and community initiative helping people build careers in the arts, tech, and digital sectors. This project launched in July 2016 with a coding and web development bootcamp, supplemented by workshops on soft skills.
- The Old Vic offers emerging theatre makers space and funding for creative projects, on-going professional development, and networking opportunities. Its youth offer includes paid work placements (Front Line), a leadership and employability programme (Stage Business), and training with industry professionals (Summer School). It also delivers children's workshops and education projects with schools, as well as a community company and drop-in sessions.



## 8. The case for supporting the CDIs in Lambeth

For Lambeth, the CDI can deliver against the Council's strategic priorities of providing inclusive growth, reducing inequality, and supporting strong and sustainable neighbourhoods. There are also specific opportunities to capitalise on the forecast growth of the sector.

### Benefiting from the growth of a strategically important sector

For Lambeth Council, this report sets out a context in which the borough has not benefited from the growth of the CDI as other boroughs have. The striking growth of the sector in London has been captured by those boroughs – especially those in the east of London - where there has been a strong commitment and focus on developing a supportive ecosystem in which these sectors can thrive. By developing this ecosystem, Lambeth can benefit from the forecast continued growth of the sectors.

The CDI are of particular value as sectors that:

- Provide a growing number of high-value jobs
- Enhance productivity in other sectors of the economy.
- Play an important role in supporting richer and more vibrant communities

### Continued focus on the CDI in national and London policy

The Mayor includes culture as one of his key priorities, and the London Enterprise Panel's Agenda for Jobs Growth sets out ambitions to establish a 'creative engine'. The CDIs are also one of the sectors of focus in the forthcoming UK Industrial Strategy. The government's Digital Strategy was released in 2017 and sets out an ambition for the UK to maintain its place as a leading digital sector.

There are therefore likely to be future funding opportunities for the borough to capitalise on. These include future growth funds in the forthcoming and place-based Industrial Strategy; as well as GLA funding, such as the Good Growth Fund or the London Borough of Culture. This study and strategy in part aims to position the borough to take advantage of these opportunities.

### Role in addressing key Lambeth strategies

These assets and opportunities can help to address the aspirations set out in Lambeth's strategies. Reflecting this, *Future Lambeth – Our Borough Plan* sets out a vision based on three pillars, each of which the CDI can make a unique and specific contribution towards, as set out in Figure 3 below.

**Figure 21: Future Lambeth – Key priorities**

Priority	Relevant aims	How CDI can address these aims
<b>Inclusive Growth</b>	<ul style="list-style-type: none"> <li>• Increase investment and regeneration in the borough, ensuring that this creates benefits for all. Focus on creating good jobs.</li> <li>• Increase the levels of labour market participation for our population, supporting more people into employment and increasing employment for those who are underemployed. Do this through improving skills; better apprenticeships; narrowing gaps in employment with specific groups.</li> <li>• A larger business base that makes a greater contribution to London's economy. Including attracting more businesses from creative and digital; and increasing affordable workspace.</li> </ul>	<ul style="list-style-type: none"> <li>• Typically, CDI provide good jobs and from growth sector.</li> <li>• Can provide jobs at all levels including access.</li> <li>• Creative industries can be used to engage groups not always represented in the workforce.</li> <li>• Cultural / digital activities can be used to engage young people in education, and increase attainment.</li> <li>• A range of existing apprenticeship offers in borough and significant potential for more.</li> </ul>
<b>Reducing inequality</b>	<ul style="list-style-type: none"> <li>• Making sure young people in Lambeth get the best start in their working lives. Narrowing engagement gaps.</li> <li>• All children receive the support that they need for happy and secure childhoods which give them the best start in life.</li> </ul>	<ul style="list-style-type: none"> <li>• CDI accessible and in demand sectors to operate in.</li> <li>• CDI are typically high-value added jobs that can often pay more than those in other sectors.</li> <li>• Culture an important part of a rounded education as helps develop soft skills and other characteristics in demand by employers, supports well-being etc.</li> </ul>
<b>Strong and sustainable neighbourhoods</b>	<ul style="list-style-type: none"> <li>• Make our streets places people feel proud to live and work in.</li> <li>• Make our communities places where people can enjoy a good quality of life and everyone can make a contribution and feel valued.</li> <li>• Designing our public spaces to make them more accessible and supporting groups and businesses to deliver cultural activities for everyone.</li> </ul>	<ul style="list-style-type: none"> <li>• CDI play unique role in creating and sustaining diverse and vibrant places.</li> <li>• CDI is reflective of and engages with communities.</li> </ul>

## Capitalising on Lambeth’s strategic advantages

Lambeth has a number of strategic advantages that can help it attract CDI businesses. In particular:

- The strength of the cultural institutions in the borough, especially those on the South Bank; and the international brand reputations of other areas including Brixton.
- The borough has an established network of key institutions with a commitment to engaging the CDI, and Business Improvement Districts (BIDs). These provide an opportunity to coordinate CDI businesses to the area; and to maximise the value that they bring. There is notably strong commitment from BIDs to engage and support the CDI, as demonstrated by the role of Brixton BID in the Brixton Design Trail. .
- There are some specific places with potential for growth. As set out in the study below, these include the potential of key ‘town centres’ (Brixton, Vauxhall, the South Bank / Waterloo). In all three areas, there are specific opportunities to use the CDI to address both economic and social goals; and a range of new developments coming on site which can provide space for the sector.

### 8.1 Role of Lambeth Council

The critical interventions that Lambeth Council can make should be focused on:

- Providing a business-friendly environment. The and recommendations are set out under the Industry Theme.
- Ensuring there is a supply of appropriate space for these businesses and that these are effectively integrated with communities and places – as set out under the Space theme.
- Ensuring ‘good growth which existing businesses and Lambeth residents can benefit from this growth – as set out under the Inclusive

Growth theme. It is clear that business as usual will perpetuate unequal growth, and these actions are crucial in ensuring the potential success of the CDI in the borough help benefit all, in terms of accessing better skills, jobs, living environments in Lambeth.



## 9. Vision and roadmap

The research to date confirms concerns that Lambeth's CDI are less than the sum of their parts – the presence of a cluster of world leading cultural institutions and multinational CDI businesses around the South Bank is not reflected in either the economic performance of the creative sector across the borough nor in a strong identification in any of residents, businesses or visitors with Lambeth itself.

This leaves the Council with difficult choices about the prioritisation between actions to secure and strengthen existing communities. But making those choices will help residents and businesses to identify more strongly with Lambeth and help frame the priorities for planned developments and new investments.

Part of Lambeth's strength is its diversity. This stems from its people, the range of their talents and the richness of their individual and community cultural histories; and is reflected in the range of lively cultural offers across the borough. In all cases, the opportunity to redouble those strengths by making connections between communities, cultural assets and businesses can support the strategy to become greater than the sum of its parts.

Lambeth is also one part of several major, cross-borough opportunities. These includes the South Bank (which it shares with Southwark) and Vauxhall (which it shares with Wandsworth). There is an opportunity for Lambeth to take a leadership role in coordinating these developments.

The clear lack of commercial property can be addressed with a proposition and vision that creates demand from CDI; and through ensuring a range of approaches that limit the displacement that threatens the loss of some specific sectors. To do this means creating a compelling vision for places (not only focusing on existing developments as opportunities to integrate the CDI).

The vision is structured in two parts. First, a range of cross-cutting actions that aim to integrate the CDI across the borough. Second, a detailed set of actions which set out how to create four distinct CDI districts recognising

Lambeth's unique role at the heart of London's creative economy, and the distinctiveness of its opportunities.



## In summary: Key overarching actions

Focus	Now – immediate actions	Next – short or medium term	Vision
Industry	<p>Appoint a coordinator to deliver the strategy and help access funding.</p> <p>Join key member organisations to ensure the borough is engaged with the key issues.</p> <p>Build on the Lambeth Now platform with distinctive messaging around individual locations.</p>	<p>Look to attract an anchor institution to support the creative/digital cluster, potentially a tech accelerator in the the redeveloped International House in Brixton.</p> <p>Work with the BIDs to partner with specialist CDI networking organisations to engage freelancers and small businesses that make up the bulk of the CDI but which will may not sit within BID membership.</p>	<p><b>A growing, thriving CDI that is engaged with the borough priorities.</b></p> <p><b>Lambeth Council recognised for its proactive and entrepreneurial stewarding of the CDI.</b></p>
Inclusive Growth	<p>Appoint a coordinator to focus on raising awareness of CDI careers in schools through a coordinated campaign engaging the sector and using existing mechanisms of the Careers Cluster project; the LSBU outreach team; and the Lambeth Schools Partnership.</p> <p>Use S106 Funding to support CDI related apprenticeships, working with a major trade body and the key institutions in the borough.</p>	<p>Ensure that the industry and education sectors are better connected e.g. the UTC partnering with the film sector through the BFI.</p> <p>Shared funding bids to target specific gaps in provision.</p>	<p><b>Every young person has had the opportunity to try out creative and digital activities, to understand careers in the sector, and to get their first step on the ladder.</b></p> <p><b>Lambeth positioned to capitalise on future funding opportunities.</b></p>
Space	<p>Play a strong advocacy role for workspace in new development, through “Meet the provider sessions” that bring together landowners, developers + providers. This should be tailored to providers in the CDI sector and tailored to local offers. This could also help inform the Local Plan review should (as part of ongoing engagement) align with the Local Plan’s engagement timetable.</p> <p>Work with occupiers and providers to encourage wider thinking about affordability, not just focussing on rent, this would be relevant for existing properties and new development.</p>	<p>Use the Local Plan review to test opportunity to establish a borough-wide affordability policy, including the CDI component to support micro businesses and those are the ‘arts’ end of the spectrum.</p> <p>Adopt strategic policy linked to ‘approved providers’ – as in Hackney – drawing on GLA Open Workspace Providers.</p> <p>Use more directive area specific policies that link more closely to the nature of the CDI offer in each (as set out in the place based recommendations). These should ensure places retain and enhance their diversity of uses.</p>	<p><b>A forward looking, proactive policy framework through the Local Plan Review that secures the future of the existing CDI activity across the borough and provides the right spaces in the right locations to secure new forms and levels of activity.</b></p>

## In summary: Interlinked creative districts

District	Now – immediate actions	Next – short or medium term	Vision
South Bank / Waterloo	Proactively connect the institutions with emerging talent in the south of the borough. Capitalise on the South Bank's strong image and credentials by creating a coordinated set of messages and provision in Waterloo. Look ahead to ensure issues around infrastructure, public realm, and affordability are addressed ahead of forecast growth in employment and visitors.	Capitalise on major new developments coming on stream including the BFI International Centre for Film, TV and the Moving Image and the refurbished South Bank Centre, by reviewing marketing, through improvements in the public realm, and coordinating with nearby landowners. Focus on securing large floorplate office (Elizabeth House) and office- focused co-working (County Hall).	<b>Arts and digital innovation district, building on South Bank's world-leading cultural offer.</b>
Vauxhall	Show the potential of the area as a location for major CDI businesses by working with the gallery quarter and HEI partners to develop a programme of meanwhile uses in the public realm. Adopted a more coordinated planning approach in major new developments.	Focus on securing large floorplate office or office-focused co- working (especially at Island Site and Vauxhall Square); studio/maker spaces south of railway at Vauxhall; Evolving interim use in at Keybridge House and through the emerging Cultural Programme, using new public spaces at Vauxhall Square and Tideway Tunnel sites..	<b>A prestigious Central London offer, targeting commercial digital.</b>
Brixton	Ensure the distinctiveness of the area is maintained as it changes, such as by continuing support to activate the business base, such as Brixton Design Week and looking at capitalising on the new property likely to come on stream.	Maintain the cultural vibrancy (music venues, diverse retail offer) which attract CDI components in the borough. Address the shortage of workspace: ensure at least a proportion of International House is devoted to CDI use (inc. a possible accelerator).	<b>Distinctiveness and energy draws start-ups and creative industries which are genuinely engaged with local communities.</b>
Tulse Hill / West Norwood	Begin to explore new partnerships (e.g. LSBU or Morley College) to open up new uses of 'distressed inventory – light industrial, garages, retail, undercrofts – that offer larger spaces for making and 'messy' creative uses. Conduct market testing with workspace providers including well established charitable ones.	Scale up space (both in size and range of offers) once demand and supply chain linkages are more established. Continue to assess viability of individual sites recommended for further exploration in the West Norwood and Tulse Hill Manual for Delivery 2017. Consider a special policy zone that takes the best of the KIBA approach while retaining retail frontages.	<b>London's new maker district, anchored by a key institution and supported by the strong local food offer.</b>

## 10. Detailed Action Plan

The action plan sets out a framework for industry and Council coordinated development of the CDI in Lambeth. It is set out in two sections. First, a section of cross-cutting actions that include potential partners and sources of funding. These mainly relate to improving the business environment in the borough overall and addressing the specific issues around Inclusive Growth, and tie in to the key findings set out in the remainder of the text. Second, a section on the specific place-based actions and how these can be addressed; as these are largely related to planning policy and the stewardship of the council, these include more detailed rationales.

### Key funding opportunities

The likely funding opportunities for the delivery of the strategy are:

#### *Current*

- GLA Good Growth Fund
- GLA London Borough of Culture
- S106 funding and developer contributions
- Business partnerships and contributions.

#### *Future*

- Industrial Strategy investment (to be determined)
- Final round ERDF and ESF funding
- ACE Great Places scheme



## 10.1 Cross cutting actions

### Industry

Action Lead and partners

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#### Delivery

*Specify job descriptions for and identify funding for three new roles to support the delivery of the strategy:*

Lambeth Council

- A CDI **Coordinator** post to manage the delivery the strategy, make connections between organisations (especially businesses and the council), and secure additional funding. The Coordinator should play a key role in ensuring that the Council is outwardly focused on stimulating the digital sector in the borough e.g. through ensuring the Council is proactive in supporting digital sectors.
- A borough-wide **Cultural Programmer**, who can ensure culture is threaded through Lambeth and that it retains its strong, diverse identity. They should bring together partnerships to enhance the public spaces in the borough; and ensure that cultural organisations activities are connected and coordinated (including with the BIDs).
- A CDI **Employment and Skills Coordinator** (likely to be funded by S106) who can ensure that the borough's education institutions, industry, and the Council's activities are closely aligned and coordinated. The first responsibility should be to map and assess the existing offer.

#### Coordination and advocacy

- Ensure the Council is an active member of key CDI membership organisations: Capital Enterprise; Creative Industries Federation; Tech London Advisors; to ensure the borough is engaged with the key issues affecting the CDI. Actively engaging with these organisations can ensure that Council understand current issues for the sector, and can make connections with the sector which may help in drawing them to the borough.
  - Ensure the CEO of the Council can lead on digital initiatives. The CDI Coordinator will tap into assets and requirements in the borough to catalyse engagement with local tech companies, including reducing barriers to public procurement, sharing information about public sector tech requirements and acting as a hub for engagement around emerging Smart Cities opportunities in partnership with Future Cities Catapult and CDI hubs and accelerators.
  - Promotion of CDI should recognise the existence of existing clusters, including those that straddle administrative boundaries, to ensure that business support and networking activity reflects need and demand. LBL will continue to engage Wandsworth and Southwark to share intelligence about market trends and changes to ensure their activities are aligned with the Action Plan in this strategy and with other external funding opportunities.
  - Continue dialogue between LBL licencing policy review and business to develop an effective, sustainable vision and 'zoning' to support the night time economy; align the Council's Business Rates campaign with those of CIF, UK Music, and the GLA.
  - CDI Coordinator to work in partnership with Universities and other institutions to identify activity to support the growth of clusters in emerging markets, such as healthtech and 5G, which already have a well-defined presence in Lambeth.
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**Branding and messaging**

- Retain and expand the Advisory Group formed for this study and explore its potential role as a source of 'champions' for the CDI sector in Lambeth – along the lines of the 'Creative Director' role in Manchester, a high-profile advocate with a time-limited role as an adviser and advocate for key investment and planning decisions that affect the sector.
- Raise the profile and increase functionality of the Lambeth Now platform as a single point of information for businesses and developers about interim use spaces suitable for CDI use, and to promote awareness of critical spaces in the borough where those opportunities exist.

Lambeth Council

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**Support and start-ups**

- CDI Coordinator to work with LBL investment marketing and planning teams to attract more business accelerators and knowledge institutions to Lambeth. A key location for any accelerator could be the redeveloped International House.
- CDI Coordinator to support the BIDs in recognising and working with local business-to-business and cultural programming organisations. BIDs to consider their role as co-investors in the development and sustainability of cultural and creative activity, to engage freelancers and small businesses that make up the bulk of the CDI but which will may not sit within the BID membership.

Lambeth Council & LSBU.

BIDs

## Space

### Action

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#### Promotion and advocacy

- Take a strong advocacy role for workspace in new development. Hold “Meet the provider sessions” that bring together landowners, developers + providers. This should be tailored to providers in the CDI sector and tailored to local offers.
- Messages to add/amplify should include:
  - i) For Corporate occupiers: Part of a Central London market (Proximity/connections to non-Lambeth assets; and potential linked approach with Southwark/Wandsworth as many assets shared); Comparative costs compared to other locations seeking the same activity (e.g. London Bridge/Southbank, Shoreditch/Tech City); Details of larger floorspaces.
  - ii) For Developers / Landowners: Examples of successful delivery in the borough; and the demand pipeline.
  - iii) For Start Up and Micro-Enterprise: Space provision; Business networks and support provision; Cultural vibrancy.

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#### Planning policy

- Across all new policy include supporting text to the adopted policies to be more descriptive in terms of relationship to CDI and the need to provide different spaces in different locations within the borough.
- Work with occupiers and providers to encourage wider thinking about affordability, not just focusing on rent. This would be relevant for existing properties and new development and should include: Overall occupancy cost considerations – micro generation in new developments; Targeted affordability through own portfolio – International House example; Space in ‘undiscovered’ locations - commercial portfolio, Estate Renewal – where rents are not driven to higher levels.
- Consider specific design guidance to integrate culture into new developments.
- Ensure a commitment to digital sectors is integrated into planning guidance by encouraging forward looking approaches to future cities e.g. fibre optics in the public realm.

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#### Local Plan Review

- Develop a forward looking, proactive policy framework through the Local Plan Review that secures the future of the existing CDI activity across the borough and provides the right spaces in the right locations to secure new forms and levels of activity.
- Local Plan review offers opportunity to test a borough-wide affordability policy:
  - i) CDI component to support micro businesses and those are the ‘arts’ end of the spectrum
  - ii) Draw on GLA guidance on affordability for rent levels
  - iii) Develop strategic policy linked to ‘approved providers’ – similar to Hackney – drawing on GLA Open Workspace Providers. A potential sub-

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category specifically aimed at those tailored to CDI – could then be directed.

- Developing distinctive non-residential space that aligns with the wider character of individual parts of the borough and the preferences of the CDI sector allowing the promotion of alternate brands and independents.
  - i) Scope the opportunity for a link to NCGM and the propositions being developed for Battersea Power Station in the north as these will be truly distinct offers on London. Linked promotion of these offers could be attractive to CDI actors.
- Ensure that provision for placemaking and reinforcing place identity is built into the plan through a strong commitment to high quality, functional and animated public realm, shaped with close engagement with local communities, businesses, and institutions. Policy should consider how public spaces are 'future proofed' with appropriate (flexible) utilities infrastructure to enable future opportunities for public events to be efficiently realised.
- Across all new policy there is the potential for supporting text to the adopted policies to be more descriptive in terms of relationship to CDI and the need to provide different spaces in different locations within the borough.

## Inclusive growth

Action	Lead and partners
<b>Positioning and advocacy</b> <ul style="list-style-type: none"><li>Using case studies drawn from the experiences of residents, community groups and creative employers, position Lambeth as the London borough where employers can capitalise on the opportunities presented by its diverse population.</li><li>Define that diversity in terms of: market opportunities presented by diverse communities; skills; links between community and commercial development in town centres across Lambeth.</li><li>Invite RSA or similar thought-leaders to collaborate in a 'Schools Commission for the Creative Economy' to help raise awareness of Lambeth's ambition to play a leading role in defining inclusive growth for the sector and to underpin a 'place-based' skills strategy which responds to industrial strategy consultation and promotes inclusive growth as the strategic objective for LBL's bid to be London Borough of Culture.</li></ul>	Lambeth
<b>Coordination</b> <ul style="list-style-type: none"><li>Appoint skills coordinator to support the partnership opportunities between organisations e.g. Work to connect the UTC with the film and media sector through the BFI and other major institutional partners. This should open access to the UTCs technical facilities and allow access to the South Bank for the students. The skills coordinator should identify and capitalise on other similar opportunities.</li><li>Use the Coordinator role to extend and deepen partnership working between IPA and other industry bodies on the Advisory Group and local colleges and training providers to stimulate the development and piloting a range of targeted and innovative programmes (both accredited and non-accredited) which can position Lambeth as a leader in the sector (see Programme Development below)</li><li>Develop and map shared access programmes between schools, colleges and the professional sector to allow students and learners to take advantage of facilities, training, workshops, paid internships and work placement opportunities in cultural institutions</li><li>Ensure that the CDI strategy is reflected in Lambeth's Estate Renewal programme to optimise availability and take-up of different typologies of creative workspace in locations across Lambeth: targeting affordable workspace and retail units where that is available and underutilised; identifying 'meanwhile spaces' to promote community cultural programmes and start-up growth, or as an interim solution for displaced businesses; or in masterplanning 'creative friendly' commercial space as part of a regeneration programme.</li></ul>	Lambeth (Coordinator)  SBEG and UTC

**Awareness raising**

*Where possible, these activities should be targeted at young people that are not typically represented in the CDI workforce as set out above in the Inclusive Growth section.*

- Raise awareness with cultural institutions and creative businesses of Lambeth's ability to communicate directly with schools through the Lambeth Schools Partnership, to ensure cultural and business organisations have a hotline into motivated teachers.
- Use the Careers Cluster project to host a series of days targeting careers in the CDI, recruiting employers via SBEG and the Advisory Group.
- Use the LSBU outreach team to deliver a range of targeted workshops at higher education, closely engaged with key industry organisations e.g. IBM. Connect the LSBU's design Saturday School with the LSP. These workshops should aim to build networks for longer-term programmes of activity.

LBL and Lambeth Schools Partnership

Lambeth, SBEG

LSBU, SBEG

**Programme development**

- Ensure that the CDI are appropriately embedded in the delivery of the recommendations of the Equalities Commission, especially under the aim of supporting transitions into work for those furthest away from the job market and where the CDI can make a major contribution to addressing the borough's goals.
- Work with trade bodies and benchmark against case studies, recommendations in the Equalities Commission report and best practice in creative apprenticeships in other parts of the country in developing and piloting formal apprenticeship frameworks, group training schemes and other non-graduate pathways that offer more effective routes to employment for local people and creative and digital employers.
- Provide some contestable resource for colleges, incubators and other organisations to address the possible gap in digital skills provision by promoting hackathons, coding 'dojos', 'unconferences' and competitions
- Direct S106 into supporting CDI skills development where there are clear skills shortages, especially where the end use of the building is focused on the CDI

Lambeth and partners e.g. B3 Media, the UTC

## 10.2 Place based actions

### Borough-wide

#### Policy

The policy base at present provides a strong basis for both protecting and encouraging continued provision of commercial (particularly office) floorspace. However, there are a couple of challenges in how this delivering:

- A variety of space to meet needs – particularly larger stock for corporates
- Affordable space – general issue for smaller businesses, with new (and refurbished space) pricing out existing tenants
- Flexibility of space – to enable the borough to respond to changes in demand or occupier requirements

In the future there is a need to develop a forward looking, proactive policy framework through the Local Plan Review that secures the future of the existing CDI activity across the borough and provides the right spaces in the right locations to secure new forms and levels of activity.

#### Short Term

In the short term the focus will not be on policy development but how to help implement it; with the Council taking a much stronger advocacy role for workspace in new development, in the first instance this should include **“Meet the provider sessions”** that bring together landowners, developers + providers. This should be tailored to providers in the CDI sector and tailored to local offers. This approach has been used in both Hackney and Waltham Forest to build relationships.

The Council can also work with occupiers and providers to **encourage wider thinking about affordability**, not just focussing on rent, this would be relevant for existing properties and new development and should include:

- Overall occupancy cost considerations – micro generation in new developments
- Targeted affordability through own portfolio – International House example
- Space in ‘undiscovered’ locations - commercial portfolio, Estate Renewal – where rents aren’t driven to higher levels.

#### Medium Term

In the medium plan the Local Plan review is an opportunity to:

- Test opportunity to establish a borough-wide affordability policy:
  - i) CDI component to support micro businesses and those are the ‘arts’ end of the spectrum
  - ii) Draw on GLA guidance on affordability (sub £12/sqft for Artist, £300/desk/month co-working)<sup>91</sup>
- Consider strategic policy linked to ‘approved providers’ – similar to Hackney – drawing on GLA Open Workspace Providers, and with a potential sub-category specifically aimed at those tailored to CDI
- Consider more directive area specific policies that link more closely to the nature of the CDI offer in each

A key question is retaining and enhancing diversity of place, as much about the mix of uses in an area as the floorspace itself – quality floorspace is available ‘everywhere’ so it’s the range of other amenity assets that will ‘sell’ Lambeth. In particular, Policy may need to continue (and strengthen) the provision of:

- The KIBAs as a location for business activity

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<sup>91</sup> The GLA affordability guidance is set out within the “Creating Open Workspaces” Regeneration guide and has been prepared in partnership with Capital Enterprise, reviewing a number of spaces across London. Values set out in the Guide are now subject to a more detailed review by GLA Officers, which will be published in due course. However, the experience of Lambeth’s Investment and Growth team suggests rental levels suggested are in line with their understanding of local conditions.

- A diverse retail offer
- Leisure and dining
- A range of cultural venues
- Arts and performance space
- Education

Developing distinctive non-residential space that aligns with the wider character of individual parts of the borough and the preferences of the CDI sector allowing the promotion of alternate brands and independents.

There is a potential for a compelling link to NCGM and the propositions being developed for Battersea Power Station in the north as these will be truly distinct offers on London. Linked promotion of these offers could be attractive to CDI actors.

Across all new policy there is the potential for supporting text to the adopted policies to **be more descriptive in terms of relationship to CDI** and the need to provide different spaces in different locations within the borough.

### **Loss of Office Floorspace**

Lambeth has experienced one of the highest rates of floorspace loss within Inner London, as noted in this report and by the GLA's London Office Policy Review and the Council's own Commercial Development Pipeline Report (noting that a significant amount of loss can be attributed to prior approvals). Developments such as Urbannest at Waterloo West or The Corniche at Albert Embankment have removed a significant quantum of floorspace from the borough, replacing it with a lower amount new (albeit higher quality) space.

The current policy position within the Local Plan requires developers to provide evidence of "unsuccessful marketing" over a one year period to demonstrate a property is no longer required before change of use is considered. This is supported by a Guidance Note to set out clear expectations of any applicant.

This guidance is a relatively standard approach by local authorities and includes a set of criteria that are generally robust and understood within the industry. However, the scale of loss experienced within Lambeth highlights the challenge facing the Council in the implementation of the policy, as often developers are able to draw on much more significant information and advice to make their case. As such there will always be limitations to an approach that relies on developer evidence, given the scale of resources available to developers in comparison to the local authority.

It needs to be recognised that decisions for redevelopment that may result in a lower quantum of employment space being provided will be made on the basis of a range of factors rather than solely workspace quantum. Clearly the Council is balancing a range of priorities for the borough and whilst employment floorspace may be lost the developments will be increasing housing supply or other priority land uses.

Scale of space is not the only factor in 'success', clearly the provision of a small amount of modern, fit for purpose space will be of greater value to the borough economy and businesses than large amounts of space that is redundant. Again the Council works hard to secure the most significant amount and quality of space for business, balanced against wider needs.

To enable the Council to prepare a more robust defence of employment capacity (either through resisting change of use or securing equitable space in a new development) it is critical the Council has more information or data available to inform discussions with developers and (ultimately) decision making.

Lambeth Council's Investment and Growth team is currently developing a database of enquiries for space within the borough, coupled with more general data provided by the likes of CoStar the Council should seek to develop its own (regularly) updated assessment of demand and values to act as a benchmark to challenge developer submissions. For more significant schemes this may require external support to provide expert market input to counterbalance that provided by an applicant – retained advisors LSH could be used for this or an independent view could be sourced on an ad hoc basis.

For the CDI sector specifically there may be a need for more tailored advice or evidence that lies outside of traditional property data. The Council may be able to draw together a 'panel of experts' in this area that can support the preparation of evidence to challenge the information received. This could draw on specialist providers of space (to challenge on appropriateness/refurb potential), agents (such as Union Street Partners – to challenge on market demand/values) and surveyors (to advise on viability assumptions).

This will have significant budget implications for the Council, with each advisor requiring resources to properly research/evidence their position. As such it could only be deployed sparingly and on those most significant cases and where an initial review suggests a robust case can be made.

Critically the policy tests are a 'final test' of an application once more proactive approaches through the pre-application process have been complete. The Investment and Growth team having more resource would allow them to engage positively with developers at an early stage and provide timely advice to the planning team to inform the pre-application process and (potentially) reduce reliance developer evidence alone.

A more positive relationship with the developer community can aide the achievement of key aspirations, therefore the Council's Investment and Growth team could take on a more supportive/enabling role by using its database to spot market trends and act as a 'broker' between landowner/developer interests and occupiers (or indeed workspace operators) to assist in the letting of spaces within the borough. This will also help the Council gain intelligence about which landowners may be 'blocking' viable interest in order to secure a change of use.

Within all planning discussions deliverability will be the key consideration, with the provision of affordable workspace in particular needing to be balanced against wider viability factors. The ability to utilise Section 106 payments for this, against multiple other priorities, will need more detail consideration, which the Council is undertaking – more detail is contained within an appendix to this report.

## Promotion

The recently launched inward investment campaign ([lambethnow.co.uk](http://lambethnow.co.uk)) has already established a strong base from which the borough is being promoted, importantly CDI activity is a key theme at the heart of the approach.

With the base proposition established and beginning to gain traction there is the opportunity to be proactive and target specific segments and audiences. This will require different messages to be amplified to different parts of the CDI sectors and potentially an evolution of some of the information.

A key focus should be on promoting the area to larger/corporate activities to ensure there is a pipeline of demand to underpin proposed developments and have demonstrable enquiries that can help as evidence in the context of any future change of use proposals.

The Lambethnow platform provides the starting point but the Council should seek to deepen this to target specific audiences, key messages to amplify include:

- Audience: Corporate occupiers:
  - Part of a Central London market
    - Proximity/connections to non-Lambeth assets
    - Potential linked approach with Southwark/Wandsworth as many assets shared
  - Comparative costs compared to other locations seeking the same activity
    - London Bridge/Southbank
    - Shoreditch/Tech City
  - Details of larger floorspaces
    - Where
    - Quality
    - Timing of delivery
    - Key contacts
  - Wider network of businesses and amenities
- Audience: Developers/Landowners
  - Examples of successful delivery in the borough

- Demand pipeline
- Audience: Start Up & Micro-Enterprise
  - Space provision
    - Specific types (studios, accelerators etc)
  - Business networks and support provision

The Lambethnow site focuses on the most immediate priorities of Waterloo, Vauxhall and Brixton. If the potential of West Norwood is to be realised the coverage of the material should be extended to cover the area. However, this will need to be carefully managed to ensure it aligns with a clear strategy/direction that the Council wishes to take in order to create confidence in the market. The West Norwood Manual for Delivery provides the platform for this strategy.

#### **‘Outreach’**

In the longer term, to truly grow the sector and integrate it into the whole borough’s economy and communities there needs to be a concerted effort to take workspace out of the core market-orientated areas to where those seeking to access the sector are based.

This provides the opportunity to not only break down social barriers but also provide new capacity in areas where values will be lower, potentially addressing some of the affordability issues in more prominent locations.

Overlapping a CDI strategy with the boroughs Estate Renewal programme may provide an opportunity to provide workspace in new locations – either in existing estates where existing non-residential space is under-utilised, or as part of a regeneration programme where new space can be ‘designed in’ as part of the masterplan.

Wimbletech provides an example of where non-employment spaces have been efficiently repurposed across London to provide co-working space such as libraries (Northolt, Hanwell, Wimbledon). Another approach may be to combine nursery/workspace offers (such as Third Door or V22 Workspace

Crèche) to alleviate some barriers to the sector for single parents, working parents or housewives/husbands

### **North Lambeth**

The North of the Borough forms part of the expanding Central London market commercial market, which is itself diversifying its economic base, with the creative, digital and tech sectors wholly integrated as part of the core offer.

Significant office market demand in the CAZ now comes from businesses that would fall within the broad CDI definition. Waterloo and the South Bank traditionally been a focus for large scale activity both in terms of the provision of major office floorspace and large CDI institutions. The refurbishment of the South Bank Centre and (most dramatically) the proposed BFI International Centre for Film, TV and the Moving Image (due to open 2022) will secure the cultural credentials of the area.

Interest is now extending along the Albert Embankment towards Vauxhall, eventually creating a continuous offer as far as Battersea Power Station, which will be a new tech anchor once Apple move in. The Office Group’s investment at Tintagel House demonstrates how the opportunity at Albert Embankment and Vauxhall is rapidly changing, bringing back office employment in locations where capacity has traditionally been lost.

While the area has tended to attract attention for the high profile activities (such as the South Bank Centre, IBM, Newport Street Gallery) it is also home to range of specialised/niche provision that helps create a unique sense of place.

Pepper-potted across the area these have colonised unique spaces such as large Railway Arches, temporary buildings or under-used community spaces – allowing a more disparate array of uses than may be expected to remain in the area.

Key focus should be on securing workspace forms including:

- Large floorplate office
- Office-focussed co-working

- Studio/maker spaces south of railway at Vauxhall.

## Facilitation & Promotion

### Short Term

The policy framework for North Lambeth is well established and seeks to build on the character of the sub-areas within it. Many of the major opportunities are agreed and being brought forward so there are limited opportunities to influence at pre-planning stage.

For larger office provision there are no 'guarantees' that CDI activity will be attracted, although the assets in place and the general growth trends of London indicate the likelihood is strong. However, it will be the market forces and availability of stock at the right time/price that will determine whether partners need to continue to work on the promotion messaging for why North Lambeth is a location of choice for CDI sectors – alongside others – playing off the strategic recommendations.

Council effort should focus on working with the developers on the more unusual opportunities and developers with less knowledge of workspace and the CDI sector to build understanding. There is potential to continue to focus on and work with:

- County Hall – facilitate introductions to co-working providers
- Network Rail – not all arches are suitable for restaurants etc, larger arches at Waterloo West could become available post ongoing platform works – with an opportunity for further CDI activity to build on the Vaults Theatre, House of Vans, Leake Street etc. Potential to form 'joint venture' with Network Rail to roll out more affordable workspace across the borough should be considered. Potential to extend Loughborough Junction approach and provide lower cost space in key locations as part of wider revenue raising strategy.
- Guys & St Thomas' Charitable Trust (as part of West Waterloo) – opportunity for major health tech/research cluster which can flow into a range of other digital and tech based activities, and building on work of

the Health Foundry. This will require provision of an appropriate range of space and linkages to other areas.

- Mount Anvil – Basement – significant potential to attract a range of unique uses that may evolve over time, from interim 'events' uses through to permanent rehearsal and performance space.
- Vauxhall Island Site – work with owners for development of appropriate office space. Use evidence in this study and borough wide workspace analysis to demonstrate case for large scale provision.
- Vauxhall Square – review the CLS proposals, work with them to find potential CDI opportunities for large office component. Work proactively to promote space with CLS to London and international audience

Within these discussions the Council should seek to broaden the focus of the offer within these developments, engaging with developers to secure an amenity offer that reflects the diversity of the area. Potentially policies relating to affordable or independent retail, leisure, dining provision as well as securing the future for cultural venues could be considered even outside of designated centres.

### Medium Term

Focus on ensuring CDI space components are incorporated in next generation of sites, including West Waterloo, (Carlisle Lane arches and frontage with Westminster Bridge Road, Lower Marsh) and sites south of the Vauxhall viaduct.

Critically this will need the borough to evolve the policy base to consider affordable provision within developments as values rise and a number of uses that have created the area's character are at risk of being displaced. Innovative solutions to this may extend beyond simple rent levels to targeted types of occupiers and provision – similar to the focus being applied at International House.

The question of affordability could also be reflected back to some of the international institutions, who are some of the most vocal in highlighting the challenges facing many creative and tech businesses in the area. Working

with them to identify any potential space they could turn over to workspace may be an option for the future, so may securing their support for the provision of space in more affordable parts of the borough (West Norwood for example) to better enhance the borough-wide network.

There are some specific opportunities to use the CDI for placemaking. These are:

- Morley College are refurbishing their own building to ensure that it is accessible to the public and visibly open to all. This development includes gallery facilities. This development can help to provide joined up corridor of cultural provision between the South Bank and the Imperial War Museum. There may be room to bring this activity further out into the street and into the nearby neighbourhoods.
- The Waterloo City Hub / IMAX roundabout public realm scheme has potential for structures / pavilions which could house performance, art and information.

Consultees have noted that these spaces are often highly curated and delivered in close partnership with higher education. For example, the Southbank Centre curates the buskers who work on its site; Brixton Village was initially animated by Changemakers. This programmatic role could be extended across the borough, and integrated with activity at Vauxhall, in Brixton, and at West Norwood.

## Lambeth Assets

### Opportunities include:

#### *Short Term*

- Continue to provide CDI orientated space within LB Lambeth properties and developments, using ownership as a lever to ensure space and conditions are geared to meeting the sector's needs.

#### *Medium Term*

- Granby Place – secure proportion of affordable space in future development – focus on more creative / arts end to support wider Lower Marsh offer
- Garages at Vauxhall Gardens Estate – investigate usage/utilisation – potential to bring back into use – similar approach to “Open Poplar” Poplar Harca/”The Livesey Exchange” Ledbury Estate Southwark.

## Placemaking

### *Short Term*

Use the Lambeth Now brand to promote unique opportunities – Leake Street, Waterloo International, Lower Marsh – character that can attract CDI occupiers.

In Vauxhall, to attract more ‘corporate scale’ activity to new development proposals the shared public realm needs enhanced management, in particular focus on:

- Legibility
- Cleanliness
- Anti-social behaviour

Greater animation and use of spaces to increase perception and sense of safety.

Should seek to balance the authenticity with the more professional environment businesses in the more corporate elements of the sector would expect.

## Embedding a vision for CDI use in Vauxhall's proposed cultural strategy

Lambeth Council and partners can demonstrate their vision for CDI usage in Vauxhall to developers and businesses by programming a series of low-cost, high impact interventions that support a single identity in the space, engage communities and local institutions.

This can be delivered through the current Vauxhall Cultural Strategy and the role of Cultural Programmer, through the inclusion of two enhancements:

- Choose a **consistent and clear visual theme** to run through the programme of interventions. For example, Schieblock in Rotterdam used a yellow painted line as a road and as a visual motif that joined up disparate institutions and signalled the pathway through its creative district.
- **Work with local institutions:** LSBU and London College of Communications, to embed this design into the local environment in a series of temporary installations. These can be run as part of the post-graduate programmes in the institutions. Funding can be sourced from developers or local businesses. For example, create distinctive pavilions as the Architectural Association do in Bedford Square.

### *Medium Term*

Issues to address include:

- Severance issues around gyratory on both sides of the viaduct in Vauxhall.
- Better integrate workspaces already along Kennington Lane.
- Enhance use of Pleasure Gardens as a business and leisure asset.
- Activity within new and existing public space to create sense of ownership by all communities.

## Summary of actions: North Lambeth

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- Focus on securing workspace forms including: Large floorplate office; Office-focussed co-working; Studio/maker spaces south of railway at Vauxhall.
- Work with developers on the more unusual opportunities and developers with less knowledge of workspace and the CDI sector to build understanding, including the list of specific sites where there are opportunities for CDI workspace.
- Ensure each development is part of an amenity offer reflecting the diversity of the area e.g. retail, dining.
- Evolve the policy base to ensure affordable provision as values rise e.g. through simple rent level mechanisms.
- Investigate Lambeth assets as part of estate renewal programmes.
- Use Lambeth Now to promote opportunities further into Waterloo e.g. Leake Street.
- To attract corporate activity to Vauxhall, focus on legibility, cleanliness, and avoiding anti-social behaviour.
- Use creative animation of the area and meanwhile uses alongside branding, to show a creative vision for Vauxhall. Work with partners on this to engage communities and local institutions.

## Central Lambeth Specific

The economic offer of Central Lambeth is changing significantly, driven by the rapid evolution of Brixton, which is attracting a new generation of more office-based employers within the CDI sector seeking to exploit the image, connectivity and lower cost the area offers.

Plans for Brixton are well evolved and set out the major development and growth opportunities. The Economic Action Plan provides a roadmap for enhancing the scale and value of employment generating activity within

Brixton, focussed principally on CDI growth underpinned by several relocations into Brixton from Central London, including the development of a major new headquarters for Squires and Partners.

The strength of the established policy and strategy proposition for Brixton sets the framework within which enhanced CDI activity can be achieved. In physical terms, key development opportunities have been identified and are being brought forward, each committed to providing a significant component of workspace.

As Brixton has evolved it has driven increased and diversified demand within the wider area as businesses either relocate as values change or seek to be part of the wider network of activity. Loughborough Junction has seen a significant change in the level and nature of demand for industrial space, with LJ Works providing a pioneering opportunity for a range of activities (including a number in the CDI sector) to occupy Network Rail arches.

The focus for the area is therefore on delivering the range of plans in a truly integrated way, that supports as broad an array of CDI activity in both office and industrial spaces. The recommendations in this strategy therefore consider how what to prioritise within existing plans to support the CDI sector to grow or how these may be tweaked to maximise the impact in CDI activities specifically.

## Promotion

Using the Lambeth Now platform and material there is an opportunity to better articulate the offer Brixton makes to the CDI sector, which can also help to bring a disparate group of events, businesses and activities into a platform that attracts a range of CDI actors.

Key targets of a Brixton specific component of Lambeth Now should be:

- Workspace providers – to alert them to the opportunities coming forward;
- Occupiers and investors – to attract new businesses to existing and new spaces; and

- Landowners – to educate them on the office-based workspace opportunity and encourage the re-use of existing buildings.

## Professionalisation

### *Short Term*

Public Realm has been recognised as a key priority for intervention and investment within then the Brixton Central masterplan and initial interventions at Electric Avenue and signage on railway viaducts around Pope's Road has begun to have a positive impact on the 'feel' of the area.

Interventions should focus on key routes between station entrances and places of work including existing properties such as Squires, Bon Marche and International House as well as new developments within Brixton Central, the Town Hall and Gresham Road.

Ultimately it is critical that the urban fabric that stitches the area together should be of equal quality, design and functionality as the developments that have happened or being promoted within the town centre, ensuring it offers a safe, legible and usable series of spaces and connections that create a more 'professional' environment for business activity.

This should not require significant investment in materials or the 'standardisation' of treatments in the manner of new build commercial districts such as Canary Wharf. Retaining the authenticity will be critical to continue to attract CDI activity, who may be deterred by over-sanitised spaces. However, spaces will need to be clean, well lit and safe to use – this may require much more consideration of the relationship between buildings and the street, lighting and the use of events, activities and art to animate spaces and provide incentives for a wider range of people to take ownership.

Consultees emphasised that attempts to drive out anti-social use may also discourage community use: CCTV or warning signs can deter community use.

Activities that animate the spaces are therefore important. The Council should continue support for Brixton Design Week and consider extending these partnerships (e.g. London Design Week, London Architecture Festival) using Pop Brixton as a venue.

### *Medium Term*

Networking spaces are an increasingly important element of any successful commercial location, particularly where there are high levels of activity where interaction between individuals and businesses is paramount to success, as is the case in many CDI activities.

Locations such as Shoreditch offer a range of facilities such as private members clubs, boutique hotels, quality restaurants, coffee shops, arts venues and relaxed drinking environments that blur the lines between business networking and leisure.

The Council should seek to attract similar types of activity to Brixton as part of the wider commercial ecosystem that provides an alternative to the predominant 'stand up drinking' offer in many bars. There is already growing restaurant and diversifying coffee shop offer, the provision of a networking lounge within the Squires building will also add a new dimension of to the Brixton proposition.

However, it is also a signal that that company may feel there are a lack of appropriate facilities within the rest of the town for their staff/clients.

New development or repurposing of existing buildings can offer these spaces. The Council could seek to work with well-known providers (such as Shoreditch House who already lease property in Brixton or House of St Barnabus which has a creative-led social enterprise model) to test the market and develop a concept that matches the broader ethos and offer of Brixton.

### **Facilitation**

The Council will continue have a critical role as a facilitator in Brixton, bringing relevant partners and stakeholders together to ensure that activities and investments are coordinated to maximise their impact on the CDI sector.

Brixton should be a priority focus for the borough in working with landowners seeking to bring properties forward for redevelopment or refurbishment, gaining behind moves such as Squires and DHDSA to the town centre. Given its position it is unlikely Brixton will attract major 'corporate' scale activity however it will appeal to a range of CDI businesses looking for a more edgy

location and smaller enterprises seeking higher quality co-working and managed office space.

Through ongoing site promotion, planning negotiations and early engagement with landowners the Council should seek to maximise the scale of new establishing links with respected workspace providers to ensure proposals are developed that provide appropriate space.

### *Short Term*

There is a significant opportunity to provide a much denser, high value and more office-orientated employment base within Brixton, building on momentum employment space provision within proposals.

The rejuvenation of the former Job Centre Plus offices as a new major hub for Brixton could be a key move, it offers the potential for a new landmark CDI orientated facility that has the capacity to accommodate a significant scale and mix of workspace and, potentially, provide wider amenities that can support the sector.

Changes in Brixton are causing several the early pioneers of the creative sector in Brixton to be priced out, however through creative use of secondary spaces and better integration into the wider area some could be preserved and even enhanced.

Doing so will be critical to retain the authenticity and culture of Brixton and the Council will need to use a range of planning, land ownership and facilitation tools (including land acquisition) to create new space for these businesses and activities.

The potential to expand the LJ Works offer should be explored with Network Rail and Meanwhile Spaces, both around its current location at Rathgar Road and more widely in the area, such as arches along Herne Hill Road. These arches are currently under-used and are unlikely to be in a location where Network Rail is seeking to significantly refurbish or upscale the offer so could still provide affordable space for most industrialised activity.

Whilst activity in Brixton and Loughborough Junction is spatially proximate there are opportunities to increase the linkages between the two areas, both physically through improved streetscapes and perceptually through enhanced business networks and potentially linked events programmes to showcase activity and opportunities.

#### *Medium Term*

Opportunities to provide less formal/office orientated spaces could be secured through redevelopment in the following locations:

- Arches provision towards Loughborough Junction (Belinda Road) – which may include the need to consolidate/relocate some of the waste processing activity
- New development along Somerleyton Road – redeveloping sites alongside the rail line that currently accommodate low density employment activity such as minibus storage
- Milkwood Road corridor towards Herne Hill – where a mix of older and more modern industrial buildings and under-utilised sites occupy a strategic link between Brixton and Herne Hill.

Some of these sites will lend themselves to creative mixed use development, which should ensure that ground floor uses provide a wider range of commercial spaces than retail or leisure. The Somerleyton Road development may be a key opportunity given the relationship to the rail corridor and the level difference between the embanked railway which may limit the attractiveness of the ground floor units to some activities.

### **Lambeth Assets**

The delivery of workspace will principally be driven by assets under the Council's own direct control over the short and medium term and it will be critical these proactively support the evolution of the CDI offer.

#### *Brixton Central*

This presents the major opportunity for the Council to direct the nature of future Brixton and set a standard for private sector therefore it is vital to get both the mix right in terms of space typologies and also the rent and affordability offer to enable it to appeal to a cross section of business activity. This may require the Council to balance its commercial return against wider regeneration outputs in procuring a development partner(s) of the site in the future.

#### *International House*

The Council offices will become vacant within the next 12 months; International House therefore represents an opportunity to release additional employment space in Brixton. Currently the Council is working up proposals for mixed approach which provides 20% of space on 'affordable' terms to targeted businesses or activities. The Council should continue to work this proposal up and seek a new workspace provider partner.

International House provides an opportunity to provide low-cost or free space to an anchor initiative that can draw the digital sector to Brixton (see Industry Theme Actions).

#### *Brixton Rec*

Recent interest has been shown in creating new workspace within under-utilised parts of the existing Rec building. This could provide a new form of space within the area which, we understand, would be supported by a specialist provider. The visibility of the building and location will create a prominent and potentially destination location. It can also help address affordability issues given it is using space that would otherwise be vacant and not currently generating income for the Council.

### **Summary of actions: Central**

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- Continue support for Brixton Design Week and consider extending these partnerships (e.g. London Design Week, London Architecture Festival) using Pop Brixton as a venue.
- Investigate a space for networking activities through engagement with a major provider.
- Through ongoing site promotion, planning negotiations and early engagement with landowners the Council should seek to maximise the scale of new employment space provision within proposals. This should include the Job Centre Plus offices.
- The Somerleyton Road development provides an opportunity to enhance the linkages between Brixton and Loughborough Junction, benefiting both areas.
- International House is a key opportunity to attract the CDI, and low cost space in the development may entice an 'anchor' initiative like a tech accelerator.

### **South Lambeth Specific**

The south of the borough has the most disparate and least well established CDI (and more general) workspace offer. It requires the building of the market and proposition from a much lower base – however this provides opportunities to be more directional in the type of space provided.

Whilst there are standalone workspaces or businesses across South Lambeth the key focus and opportunity for growth is at West Norwood and Tulse Hill, where there is a unique combination of lower values, protected employment land, designated high street and good transport connections as well as a nascent cluster of art-based activity.

Alongside the changing population/demographics it offers a real opportunity to develop a new CDI hub in the south of the borough that protects and enhances the capacity for more production orientated elements of the sector.

Key target activities/space types should include:

- Light industrial
- Maker spaces
- Studios

The area offers the unique quality of a retail frontage that passes through a KIBA, which presents an opportunity to attract arrange of activities that need production space but also seek a 'front door' where they products can be sold.

The West Norwood and Tulse Hill Manual for Delivery provides the spatial strategy to addressing the area and identifies a similar opportunity for the mix of space – activity in the South of Lambeth should seek to build on this base and deliver the objectives on the Manual.

### **Focus & Proposition Development**

The establishment of a CDI cluster within West Norwood will most likely need a catalyst to focus activity and set the tone for wider growth. Otherwise the area is likely to continue to either be held in stasis whilst landowners seek a change of use (and it is difficult to prove demand exists) or it will continue to attract a mix of lower value industrial/storage/trade counter activity as it is displaced from other parts of the borough.

Given the focus of the market in the area, the policy status and the nature of the environment there is potential to create a unique offer – one that draws on and integrates with the wider CDI ecosystem, yet is a distinct component that will attract investment.

Many more centrally located workspaces or institutions are seeking to promote more production or 'maker' orientated activity, however due to their location and property values lack the space to support businesses as they grow or need to produce bigger products or batch runs. An example is Makerversity in Somerset House, where members need to outsource activity or relocate once they reach a certain scale. Internationally, NDSM in Amsterdam has replicated this model in a fringe location with over 10 football pitches of space. Central institutions such as Morley College have similar offers and may benefit from

the provision of larger space in an accessible but more affordable location, and from which they could run their south of the borough outreach activities.

West Norwood offers an opportunity for a large, linked facility to be delivered which works with the more central hub to provide the larger production or move on capacity businesses may need. This would allow maker communities established to continue to function and support business growth, as well as offer new facilities and equipment in an affordable and well-connected location.

With the right partner, there would be the potential to significantly raise the profile of CDI activity in West Norwood relatively quickly and many would come with some funding to deliver the space. It may also be an investment opportunity for the borough, some of its larger businesses/networks or the GLA.

Initiatives like the West Norwood Feast or the Library of Things provide an engaging and salient message likely to attract these businesses and should continue to support.

## **Policy**

There is an opportunity to establish a new policy framework for at least part of the area. Currently the KIBA and High Street sit in two separate designations. The Manual for Delivery recommends de-designating the High Street to allow a broader range of development to be brought forward – recognizing the retail frontage is failing. The Manual hopes that this freedom would secure a new mixed use environment that supports greater business activity.

However, this could leave the High Street in a policy vacuum that would result in the Council having no control over future development, with the likelihood that the development industry would bring forward largely residential development, given the proximity to West Norwood station. In turn this would both mean new economic floorspace capacity is not realised and potentially begin to impact on neighbouring KIBA businesses.

As an alternative, the creation of a special policy zone in this location could be explored. Such a policy could seek to bring together the adjacent KIBA offer

with a 'retail frontage' to allow the attraction further businesses that have a customer facing activity. This would protect the KIBA (which is vital for the area) and encourage new forms of development on the High Street. It would potentially be a unique selling point around which a Creative Enterprise Zone could be developed.

The new special policy area could also test opportunities for the provision of more mixed development, albeit still with a strong employment lead, assisting development viability and also creating a potential location for new forms of 'live/work' where the High Street provides a front door for a tethered residential and workspace offer.

## **Promotion**

West Norwood currently does not benefit from the same profile as a workspace location as the rest of the borough, greater activity could be attracted by simply raising the profile of opportunities.

It is critical this process is not rushed, and that a clear strategy is in place to ensure there are mechanisms in place to direct and manage interest.

### *Short Term*

The short-term focus should be on workspace providers to build demand in the area, highlighting the opportunities identified in the "Manual for Delivery". This could be a first step towards the introduction of workspace providers to key landowners to potentially utilise existing stock that is current under-utilised.

Part of the wider messaging should also highlight the wider attributes in the area including existing businesses, artists and the leisure/dining/amenity offer.

West Norwood should also be promoted as a relocation opportunity to businesses from other parts of the Borough to retain the sector within Lambeth.

### *Medium Term*

Development opportunities should be actively identified and promoted in line with the Manual vision, the Council will most likely need to play a proactive

role in brokering land owner and provider relationships for development sites, to create truly integrated mixed use where new policy will permit it in the area.

## **Facilitation**

Focus on the relocation of uses and encouragement of purpose built new industrial to the south end; allow new uses that are more reliant on public transport (rather than road) to be attracted to locations to the north.

This may require more positive engagement including:

- Land/premises acquisition
- Investment alongside land owner (soft loans – Tottenham Opportunity Investment Fund as an example)
- Using it to form the basis of future funding bids

## **Summary of actions: South**

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- Begin market testing with a range of institutions and maker space management companies to understand demand for space in the area.
- Continue support creative / community initiatives that are drawing new residents and employees to West Norwood.
- Test the establishment of a new special policy zone along West Norwood High Street that can combine workspace, retail and other uses Use the policy to position Lambeth to become a Creative Enterprise Zone, as the GLA tests and develops the idea.

# 11. Appendix

## 11.1 Indicators of success

The following indicators of success are designed to align with those set out in the Manifesto Tracker, and provide a high-level indication of success.

**Figure 56: Key indicators**

Theme and indicator	How measured	Aligns with Manifesto pledge
<b>Industry</b>		
Growth in CDI employment	BRES data	Support the creation of 5,000 new jobs for local people
Growth in number of CDI enterprises in Lambeth		
New incubators / accelerators / support programmes	Monitoring	
Perception of Lambeth as business-friendly	Qualitative	
Networking events / forums	Monitoring	
<b>Space</b>		
Space released targeting CDI use	Pipeline	Support small businesses
Placemaking initiatives in each of the targeted areas	Qualitative evidence	-
<b>Inclusive growth</b>		
Number of CDI related apprenticeships provided through Lambeth-related schemes	Collated by partners / assessed by skills team	Offer every young person access to job support, training and an apprenticeship
Create pipeline of opportunities for young people	Qualitative evidence	

## 11.2 Profile of survey respondents

In total, we received 190 responses to the survey. Of these, around 30 responses were discarded as either duplicates, incomplete, or not within (or sufficiently close to) Lambeth.

At a confidence level of 95% this provides a margin of error of between 5 and 7 (depending on the level of analysis). This provides a largely industry standard margin of error.

The businesses broadly meet the profile of the sector identified using BRES data, with three quarters creative industries and 31% digital; Not there is significant overlap between these sectors, although it could not be precisely demarcated using the survey responses (Figure 57).

**Figure 57: Business Sector**

Sector	% of Sample
<b>Creative</b>	73%
<b>Digital</b>	31%
<b>Other</b>	3%

*Sample size: 159*

Most of the survey respondents take the form of limited companies (Ltds) or public limited companies (Plcs) (59%), followed by sole traders and freelancers (13%), and registered charities (8%) (Figure X). A large portion of the CDIs in Lambeth have a long standing presence in the area [are well established] – 41% have been in operation for over 15 years. Newer businesses – those formed within the last two years – make up 7% of the CDIs in the borough (Figure 58).

**Figure 58: Business Organisation (Q2)**

Type	% of Sample
<b>Ltd or Plc</b>	59%
<b>Registered Charity</b>	8%
<b>Sole Trader/Freelancer</b>	13%
<b>Other</b>	18%

*Sample size: 155*

**Figure 59: Years of Operation (Q3)**

Years	% of Sample
<b>&lt;2</b>	7%
<b>2-5</b>	13%
<b>5-10</b>	18%
<b>10-15</b>	18%
<b>&gt;15</b>	41%

*Sample size: 154*

There is a significant variation in earnings –spanning those with a turnover of £50k or less (20%) to those with a turnover of greater than £1m (25%) (Figure 60).

**Figure 60: Turnover (Q6)**

Turnover	% of Sample
Up to £50k	20%
£50k to £99,999k	9%
£100k to £249,999	9%
£250k to £499,999	11%
£500k to £999,999	8%
£1m to £5m	16%
Greater than £5m	9%

*Sample size:155*

As far as the breakdown of creative industries subsectors, IT (29%), design (27%), and architecture (21%) are the most prevalent in the survey sample. Music (18%), film and television (11%), and museums (12%) also have a strong presence, with publishing (8%) and the craft sector (5%). Although a full stratified sample is not possible, these are broadly aligned with the breakdown of businesses in the borough (with a possible over representation of architecture).

**Figure 61: Business Subsector (Q8)**

Subsector	% of Sample
Advertising	12%
Architecture	21%
Crafts	5%
Design	27%
Film/TV	11%
IT	29%
Publishing	8%
Museums	12%
Music	18%
Other	27%

*Sample size:154*

## 11.3 Overview of the study brief

To assist with the development of a new Study and Growth Strategy to support economic development and inward investment, targeting the CDIs. The project should engage business communities and other stakeholders and help prepare the Council and partners for implementation.

### Main Outputs

1. A **Creative and Digital Industries Study and Executive Summary** to provide a detailed and engaging insight into Lambeth's existing CDI economy and potential for growth. Key components included:
  - Lambeth's Creative and Digital Industries DNA
  - Rationale for public sector intervention
  - Place branding and positioning
  - Supply of space
  - Employment, education and skills
  - Highlighting good practice
2. A **Creative and Digital Industries Growth Strategy**. This should include both borough wide and local level recommendations and practical steps that can be taken by the Council and its external partners to safeguard and encourage CDI job growth and agglomeration. The strategy should also provide guidance on how the council can work with industries and education providers to help reduce inequality in the borough.

### Thematic approach

To address the range of issues relevant to the strategy, a thematic approach was taken to structure the research:

- The **Industry** theme assessed the national / London context, and where Lambeth is positioned within this. It included a review of policy and research including: GLA Creative Industries; Creative Industries Council; Tech UK; as well as other reports and publications. Its analysis primarily aimed to address the questions around London level trends, and the potential impact of Brexit.
- The review and analysis of **Inclusive Growth** assessed employment, education and skills issues, as well as community engagement and outreach activities in relation to the creative, digital and technology sectors.
- The work on **Space** looked to establish a robust baseline understanding of the CDI workplace provision / market in Lambeth, to include space already provided and new opportunities that are in the development pipeline. This profiled: the range of existing provision (general/specialist/interim); operational models (income / rental offer); and spatial distribution (locations/ characters/ clustering).

### Summary of the workplan

The project has been divided into distinct phases, shown in Table 1 below (detailed project masterplan is found in the Appendix). We have aimed to consult widely, including with individuals drawn from:

- Sector businesses and organisations
- Developers, landowners and agents
- Lambeth policymakers
- The GLA and Neighbouring Boroughs
- Education and skills organisations

- Sector trade bodies

In addition, we ran a series of workshops with Lambeth's BIDs, a dedicated project Advisory Group as well as four industry workshops.

Alongside this, an online survey reached out to CDI businesses and organisations in the borough.

*See below for the detailed workplan, as well as details of the consultees, AG members and the online survey.*

## 11.4 Detailed workplan

Figure 63: Summary of project workplan

<b>Kick off</b>	<b>Phase 1</b>	<b>Phase 2</b>	<b>Phase 3</b>	<b>Reporting</b>
<i>Completed December</i>	<i>Completed January</i>	February	March	April
<p>A1. Kick off and evidence workshop</p> <p>A2. Analysis of secondary business data</p> <p>A3. International best practice</p> <p>A4. Development of initial briefing deck</p>	<p>B1. BID workshop and follow up</p> <p>B2. Drafting of mapping survey</p> <p>B3. Synthesis of Lambeth evidence and data</p> <p>B4. Analysis of key clusters, flagships, awards</p> <p>B5. Initial review and analysis by theme</p> <p>B6. Development of briefing note</p> <p>B7. Development of consultation tools</p> <p>B8. Site visits x4</p> <p>B9. Internal consultation</p> <p>B10. AG launch</p>	<p>C1. Advisory panel launch / interviews</p> <p>C2. Consultation with businesses / organisations</p> <p>C3. Consultation with landowners etc</p> <p>C4. Neighbouring boroughs consultation</p> <p>C5. Outline strategy workshop</p> <p>C6. Development of synthesis findings and outline strategy (interim report)</p>	<p>D1. Consultation with education organisations</p> <p>D2. Bid workshop / consultation 2</p> <p>D3. Steering group workshop / consultation 2</p> <p>D4. Consultation with trade bodies</p> <p>D5. Consultation with businesses / organisations (II)</p> <p>D6. Refinement workshop</p> <p>D7. Refinement of study and strategy</p>	<p>E1. Mapping - Analysis and presentation</p> <p>E2. Analysis of rationale for intervention</p> <p>E3. Final consultation - Action plan development</p> <p>E4. Lambeth best practice identification</p> <p>E5. Final workshop</p> <p>E6. Final report, presentation, and design</p>
<i>Kick off and initial evidence review</i>	<i>Internal consultation, site visits, and development of mapping survey</i>	Wider external consultation and development of outline strategy.	Further consultation and refinement of strategy.	Final analysis and design.

## 11.5 Place-based SWOT analyses

To inform the place-based action plans, the following SWOT analysis were developed based on the conclusions of three area-based workshops.

**Figure 64: Brixton**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Strong identity built on long history of cultural diversity and history: e.g. music, art</li> <li>• Strong network of individual creatives; no single dominant organisation</li> <li>• Vibrant community</li> <li>• Strong transport links</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing costs and business rates e.g. rent</li> <li>• Lack of workspaces, e.g. creative, working space</li> <li>• Profit driven industries taking over, especially residential</li> <li>• Insufficient infrastructure for creative industries</li> <li>• Lack of inter-community connections</li> <li>• Lack of visibility for the creative sector</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Formalising the active network of businesses and organisations that are already</li> <li>• Make opportunities for people visible and promote the sector</li> <li>• Fast growing spaces and people with disposable income contributing to Brixton's businesses</li> <li>• Capitalising on redevelopment of area</li> <li>• Strengthening engagement with education e.g. Lambeth College</li> </ul>	<ul style="list-style-type: none"> <li>• Changing nature of and identity of Brixton</li> <li>• Fragile economy and impact of potential economic downturn</li> <li>• Continued lack of space</li> </ul>

**Figure 65: Vauxhall**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Strong sense of community</li> <li>• 'Eccentric' atmosphere</li> <li>• Exceptional transport links</li> <li>• Relatively affordable accommodation and space</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of national institutions tend to not get involved in the local area</li> <li>• Urban design e.g. Businesses/cafes mostly physically shielded from customers</li> <li>• Lack of communication between different businesses</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Enhancing connections e.g. through a Platform/forum should be created to connect businesses and people for training/work and space</li> <li>• Making Vauxhall a cultural destination by profiling artistic vibrancy, integrating businesses and the space</li> <li>• Capitalising on available pockets of space</li> </ul>	<ul style="list-style-type: none"> <li>• Danger of duplicating Shoreditch 'atmosphere' and not finding unique identity</li> <li>• Creative spaces are disappearing</li> </ul>

**Figure 66: South Bank / Waterloo**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Committed employers with opportunity for collaboration</li> <li>Area has an 'international brand' and 'reputation'</li> <li>Central location and transport connections</li> <li>Density of creative organisations in area</li> </ul>	<ul style="list-style-type: none"> <li>Lack of affordable workspaces</li> <li>No incubator space for startups</li> <li>High costs in rent due to location in Central London</li> <li>Operator's ambitions absorb time, resource and their focus</li> <li>Lack of collaboration between businesses and schools, colleges, and unis</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>Collaboration between HE institutions and borough co-investment</li> <li>Collaborative-sharing spaces in the area e.g. digital</li> <li>Significant future infrastructure e.g. BFI</li> <li>High footfall of visitors to more established businesses</li> <li>Big draw for international companies</li> </ul>	<ul style="list-style-type: none"> <li>Infrastructure needs significant investment to cope with footfall</li> <li>Lack of affordable rent pushes people too far out</li> <li>Competition from other parts of London, e.g. nightlife</li> <li>Young creatives cannot afford to live in Waterloo / Southbank</li> </ul>

CDI activity. The area competes on a global level for occupiers, attracting corporate scale activities to locate alongside world famous universities and exhibition and performance spaces.

The area includes:

- Southbank** Anchored by internationally renowned creative and cultural institutions including the Southbank Centre Royal Festival Hall, the British Film Institute (BFI), The Southbank Centre and National Theatre the Southbank accommodates more than 50% of Lambeth's employment within the CDI sector.
- Waterloo** The area around the UK's busiest rail hub has long been a focus for major business as well as public sector activity. On the cusp of major change Waterloo has fast become a home to major health tech, creative and innovation activity.
- Vauxhall** is being reimagined as a vibrant commercially led city district, evolving from a series of 'grass roots' cultural and artistic activities to attract internationally significant offer. Future development will deliver major new workspace with excellent access to Central London's economic heart. To the west the new Apple HQ at Battersea Power Station will help attract a new generation of CDI and related sectors.

## 11.6 Detailed spatial analysis

### North Lambeth

The North Lambeth CDI cluster comprises the areas of Southbank, Waterloo and Vauxhall. It is home to iconic businesses and institutions that are the driving force of the borough's economy, with a particularly strong cluster of

**Figure 45: CDI Cluster – Southbank and Waterloo**



### **Southbank & Waterloo**

This area forms the anchor for the CDI sector within the borough and is a major driving force of creative and cultural activity within Central London. It is home to some of the most recognisable cultural assets in London including the National Theatre, Queen Elizabeth Hall, Royal Festival Hall as well as a range of other destinations for visitors. These institutions sit alongside major CDI operators such as IBM and ITV studios to create a diverse economic base within the sector. These institutions present a major opportunity for leveraging the cultural offer into wider CDI business activities.

This part of the borough provides the broad ecosystem of activities and provision that enables the CDI sector to thrive, blending workspaces with cultural venues, amenity provision and high quality public realm to attract a range of activity. Figure 45 provides a snapshot of Arts organisations and small workspace distribution across Waterloo and Southbank area. It shows that there is a significant cluster of arts related organisations clustered around the Southbank and there is a relatively high presence of small CDI workspaces in Waterloo.

In terms of range of CDI occupiers, the area includes a range of typologies including large scale corporate and institutional occupiers such as the IBM employing over 2000 employees and more mid and smaller range of workspaces that allows flexible leasing.

#### **Large CDI Occupiers**

Large corporate tech and creative activities (such as IBM and London Television Centre) and arts related occupiers (Theatres, Halls, Galleries and Museums, education) are situated along the South Bank.

**IBM office:** 22,000 sqm building designed by Denys Lasdun, architect of the adjacent National Theatre. IBM is a technology MNE which manufactures and markets a range of computer products alongside offering hosting and consultancy services within this building. The IBM office on the South bank is one of IBM's largest offices in the UK and acts as a base of operations.



**ITV:** 200,000 Sqm building. ITV is an integrated producer broadcaster, operating the oldest and largest commercial television network in the UK. ITV has 5,500 employees and its channels attracted 21.2% of the total share of UK viewing in 2015. ITV produces programming for its own channels and for other broadcasters such as the BBC, Channel 4, Sky and networks in Europe, the US and Australia. THE LWT building on London's Southbank is ITV's main production base and programmes such as Good Morning Britain are based here.



**Elizabeth House:** 86,000sqm of office space. The redevelopment of Elizabeth House which lies adjacent to Waterloo station is part of a wider £600 million investment to create a new business district, for which Elizabeth House will act as a catalyst. 8,500 jobs are expected to be accommodated on the site, many of which are expected to be within creative and digital industries given the current strength in the area.

**Southbank Centre:** The Southbank Centre is a complex of artistic venues that includes the Royal Festival Hall and Saison Poetry Library, the Queen Elizabeth Hall, Purcell Room and Hayward Gallery. It is the largest arts centre in Europe and attracts more than 6 million visitors a year with thousands of music, dance and literature performances. The recent Festival Wing proposal intends to add a new arts space to the Hayward Gallery and Purcell Room buildings with a glass pavilion, cafes and commercial units.



### **Small and medium sized workspaces**

Unlike elsewhere in Lambeth, the Waterloo smaller workspace offer includes co-working spaces that cater to specific sectors that are at the outer reaches of the CDI definition but play an important part in the wider economic ecosystem that can attract CDI activity. It predominantly comprises offices, co-working, studios and combination typologies. CDI offices identified in Waterloo are some of the most expensive in Lambeth, at an average of £500pcm per desk, reflecting the proximity and connectivity it offers.

**Small office workspaces:** Examples of workspace offer include The Build Studios for built environment SMEs and the Health Foundry for businesses in digital health. The Build Studios has been directly supported by the Borough of Lambeth and provides an example of what can be achieved to foster target sectors.

**Figure 46: CDI Workspaces**

Space	Use	Occupiers	Floorspaces	Costs
Waterloo Business Centre/Murcury House	Office/Co-working (B1)	Digital	Desks and offices (3-20)	Desk - £400/month for permanent, Office £500/month/person
Build Studios (203 Westminster Bridge Road)	Co-working (B1)	Built Environment	260sqm, Desks to rent	hot desk from £20/month, fixed £425/month +
Health Foundry	Co-working (B1)	Digital health	Desk to rent	8 hours/month = £24, 24/7 access =
Granby Space (114-118 Lower Marsh)	Office/Co-working (B1)	Design/Digital/Social Enterprise	Desks and office (up to 4)	50-80% of market based on social value of enterprise
Make Space Studios	Studios (B1/Sui Generis)	Arts/Design (primarily individuals)	studios from 10 to 50sqm	from £180/month(application process)
Old Paradise Yard	Studios (B1/Sui Generis)	Arts/Design (primarily individuals)	studios up to 140 sqm	
Capital Tower	Office			

		(B1)		
99 Waterloo Road	Office (B1)		offices 62 sqm upwards	£500/person

Waterloo has an absence of maker spaces which may be explained by high property and rent costs as a CAZ location. Typically maker spaces are large and offer facilities that are not utilised to full capacity, and therefore locate in cheaper spaces. Yet this does not suggest that there are no potential spaces available that could be utilised as maker spaces. For example, Make Studios at Waterloo is home to over sixty artists and designers and creative businesses working across in painting illustration and fashion, photography, films and other design mediums. A creative approach to maker spaces in Waterloo would likely complement the existing offer and assist in making the local CDI cluster more diverse.

Drawing attention to how diversity of offer is supporting CDI in Waterloo, the recently opened **Granby Space at 114-118 Lower Marsh** provides affordable space for microbusinesses to set up on the high street. Previously used as the Waterloo Library, the Granby Space is an interim use of site that is up for redevelopment. The building is being leased to Meanwhile Space for a 2-3 period on a peppercorn rent and includes retail, co-working and office space with 20-50% discounted rents for social enterprises. Any surplus generated, after running costs and tax, will be split 50/50 between Meanwhile Space and Lambeth Council, and distributed at the end of each financial year.

**York House** is another example of recently completed developments in Waterloo. It is a 19 storey building comprising 1,093 beds students' accommodation, a 6,500 sqm. College, and 400 sq. m of affordable workspace.

Future opportunities exist at **Waterloo West** where a range of undeveloped or underutilised sites are being reimagined through a new economic vision for the area. Allied to St Thomas' Hospital there is a significant opportunity to attract major new research activity around future health care, building on the existing health tech offer of the Health Foundry. Further CDI activity opportunities exist

building on the unique offer of Leake Street, the new retail destination at Waterloo and the small business workspace at Lower Marsh.

### **Granby Space, Waterloo**

Located in Waterloo's Lower Marsh, Granby Space is a new temporary creative workspace hub, which opened its doors in September 2016 in the space of the old Waterloo library. It will remain in place until August 2018; while a longer-term plan for the site is being developed. The hub currently offers a range of affordable spaces, including retail units, small office units, as well as co-working desks for freelancers or micro-enterprises, which are let at 50-80% of their current market value.

Granby Space focuses on providing space for creative start-ups and growing independent businesses with a stake in the local area, with an aim to 'harness the creativity, knowledge and entrepreneurial talent of local people'.

Granby Space was sponsored by Lambeth Council, designed by If\_Do architects and is managed by Meanwhile Space, a social enterprise promoting the 'meanwhile use' of spaces across the city. It provides an opportunity to test the viability for such a workspace/retail model in that location, with a view to informing the development of more permanent premises in the future.

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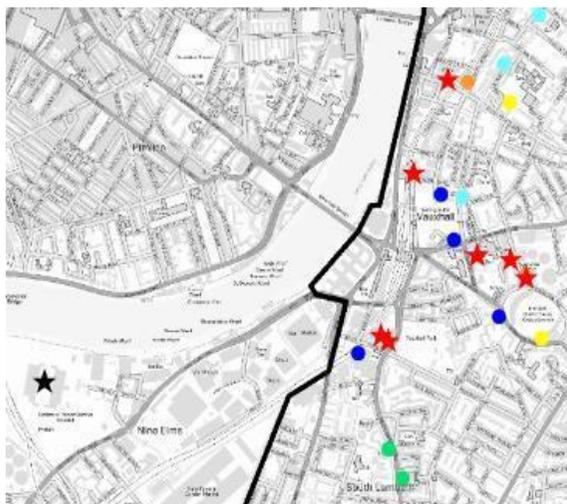
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Vauxhall presents **one of the most significant opportunities for commercial development and jobs growth in the borough**, creating a new district in Central London that blends housing, a new town centre and a wealth of cultural venues.

Building on a long tradition as a place of entertainment Vauxhall has attracted a host of new venues, from internationally renowned galleries to indoor climbing. These diverse activities are attracting a range of new business activities to complement the existing government, third sector and service businesses that populate the areas workspace.

Now is a time for major expansion. A new town centre at the heart of Vauxhall will provide the focal point for major new large scale commercial activity. With over 75,000sqm of space consented and much under construction, new anchors such as Apple and the US Embassy in the wider area and excellent connections to London's economic hubs there is significant potential for increased CDI sector activity at Vauxhall.

**Figure 47: Vauxhall CDI activity**



### CDI Sector Activity

Vauxhall District Centre will deliver 3,500 new homes and 8,000 jobs and is the key opportunity for the borough to deliver major new corporate scale office floorspace that can attract headquarters activity in the CDI sector. Through developments within the heart of the district centre (such as the Island site, Vauxhall Square or the refurbishment of Tintagel House) and major upgrades to the stations and gyratory there is the potential to extend the corporate offer of the Southbank through to Battersea Power Station, which will itself be a major CDI driver following the decision for Apple to locate there.

Redevelopment will change the character of the Vauxhall CDI activity, with a number of smaller scale activities 'crowded out' through either redevelopment or rent increases. Appropriate relocation options will need to be identified to retain these activities in the borough.

To the north of Vauxhall along Albert Embankment there is a growing cluster of arts activities and gallery space alongside small business provision such as Southbank House. Opportunities exist to greatly enhance this offer through the redevelopment of the former Fire Service facility and neighbouring KIBA.

### Small and Medium Sized Workspaces

Ten workspaces in Vauxhall were identified; most of which fall under the category of office/ co-working spaces. Most of these workspaces associate with the arts and design sector, average desk spaces tend to be in the range of £500 to £600 pcm per month. All tend to be small in scale and offer limited availability and therefore opportunities for new CDI activities to move into the area. They include:

- The Foundry: The Foundry near Oval provides office space for social justice and human rights organisations in a RIBA award winning and BREEAM 'Excellent' rated building. A range of office spaces are available in The Foundry with 25 current occupiers. Costs include security, reception services, cleaning and access to communal facilities.

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**Figure 48: CDI Workspaces (Small and medium)**

Space	Use	Occupiers	Floorspace	Costs
Gasworks	Studios (B1, Sui Generis)	Arts/design (primarily individuals)	13 total studios, gallery space.	9 studios dedicated to London-based artists for 5-year lease terms.
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## Central Lambeth

The central cluster of the borough includes Brixton, Loughborough Junction, and Clapham, offering some of the fastest emerging CDI clusters in London. While each of these areas have distinctive qualities, their locational and property market characteristics tend to exhibit similarities, which is why these are broadly classed under the same group.

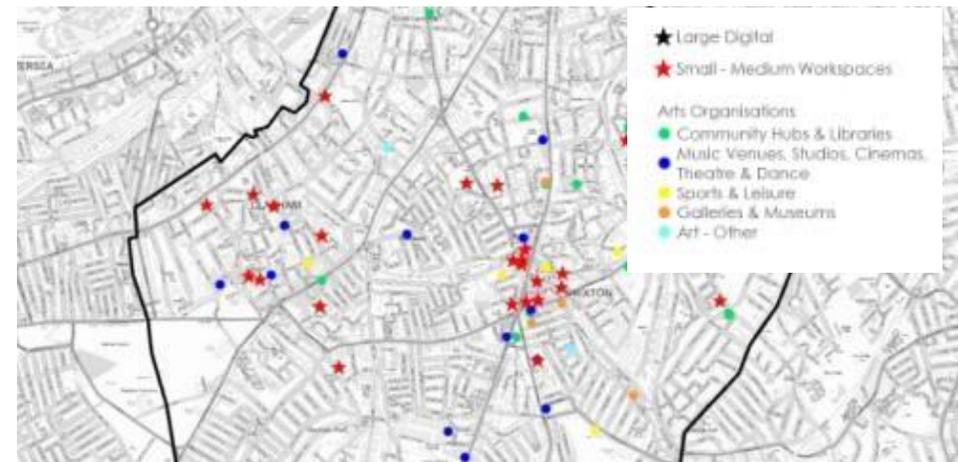
In terms of the wider economic landscape, Central Lambeth has a comparatively low value economy; employment strengths currently lay within sectors which typically contribute lower levels of economic value added (such as retail, leisure and energy & drinks and public sector activities). However, there are number of specialisms that make these places unique, for example, **Brixton has its cultural and leisure offer and its strong civil society activity which helps to define them in a competitive market place.** In addition, the area has been increasingly seeing creative and professional activities locate here. While historically these have been small in size and concentration, these have been growing in recent years, a number of high profile investments in the areas which provides a thrust to accommodate future growth in these higher value sectors in future years, which will make Central Lambeth an important part of London's growth proposition.

### Links with the CDI

As shown in Figure 48, there is higher concentration of CDI related institutions and workspaces in Brixton compared to Loughborough Junction and Clapham. Most of this is a natural bent towards Brixton's town centre role; however, the area also benefits from a highly skilled and economically active labour market. It is home to higher value creative professional activities, which has seen a significant growth in size. Most CDI related workspaces in Brixton are converted stock hosting co-working, managed and flexible workspaces. There are some artist studios and maker spaces too, but most of these spaces lean towards the Clapham Junction area.

Clapham has a relative concentration of workspaces, most of which is associated with studios and maker spaces. Although the area does accommodate some flexible co-working and managed workspaces, there is a good balance of other typologies too. The lower rents, availability of stock and proximity to Brixton are some of the factors that contribute to its existing workspaces.

**Figure 49: Central Lambeth CDI activity**



### Small and Managed Workspaces

We have mapped approximately ten workspaces in Brixton, which has a varied offer but includes a large amount of office and co-working space. Co-working desk space in Brixton costs approximately £350 per person per month.

The supply of space in Brixton appears particularly constrained given the profile of the area as a focal point for creative and cultural activity. There is significant potential for Brixton to play a much larger role in the CDI sector in London, building on its culture and character. The area seems particularly under-served in terms of good quality office space, as well as long term locations for artists.

**Figure 50: Identified workspaces in Brixton**

Space	Use	Occupiers	Floorspace	Costs
Eurolink Business Centre	Office (B1)	Mixed - includes occupiers outside C&I		
Piano Club	Co-working (B1)	Design/Digital (retail/travel website etc)		Desk = £345/month
465 Brixton	Co-working (B1)	Digital/Arts/Social Enterprise		Desk = £360/month
Tibor Jones Hub	Co-working (B1)	Writers		Desk = £325/month (+v at)
Pop Brixton/Impact Hub	Office/Co-working (B1)	Arts/Design/food/music SMEs	35% leisure/65% office/community, Impact Hub - 225sqm	Varies but large office in 12m shipping container for 8 people = £1260/month + 12.5% service charge (20-50% market rent)
Stockwell Road Studios	Studios (B1/Sui Generis)	Arts/Design (primarily individuals)	40 studios, 1400sqm	varies but 33sqm unit = £692.65pcm
Brixton Village Market Studios	Studios (B1/Sui Generis)	Arts/Design (primarily individuals)	23 studios, 465sqm	
Photofusion	Makers (B1, B2)	Photographers (primarily individuals)		£50 yearly membership fee with discount on hiring equipment i.e. darkroom £30-40 for 6 hours
Bon Marche Centre	Office (B1)	Design/Digital/Social Enterprise	office units range from 10 to 65 sqm	
Squires Building	Office (B1)			

We have mapped approximately eight workspaces in Loughborough Junction, most of studios and maker spaces. Co-working space in Loughborough Junction is approximately £190 per person per month

**Figure 51: Identified workspaces in Loughborough Junction**

Space	Use	Occupiers	Floorspace	Costs
Warrior Studios	Studios (B1, Sui Generis)	Arts/Design (primarily individuals)		
Coldharbour Studios	Studios (B1, Sui Generis)	Artists/Curators (primarily individuals)	studios - 20 sqm to 140 sqm, gallery 325sqm	
Clockwork Studios	Studios (B1, Sui Generis)	Arts/Design (primarily individuals)		
Shakespeare Business Centre/ The Work Lounge	Office/Co-working (B1)	Hatch Incubator/ creative arts and culture	52 studios and workshops (17.2-232 sqm)/ 17 offices (8.3 - 83.6 sqm)	Permanent co-working desk - £195/month, £24/8hour day
Rathger Rd Arches	Studios (B1, Sui Generis)	Arts/Design		
The Remakery	Makers	Design/Craft	1,000sqm	£190pc

## South Lambeth

South Lambeth includes four centres that have workspace provision; Streatham, Tulse Hill, Norwood, and the west of Herne Hill (albeit Herne Hill town centre falls within Southwark). The total number of CDI businesses

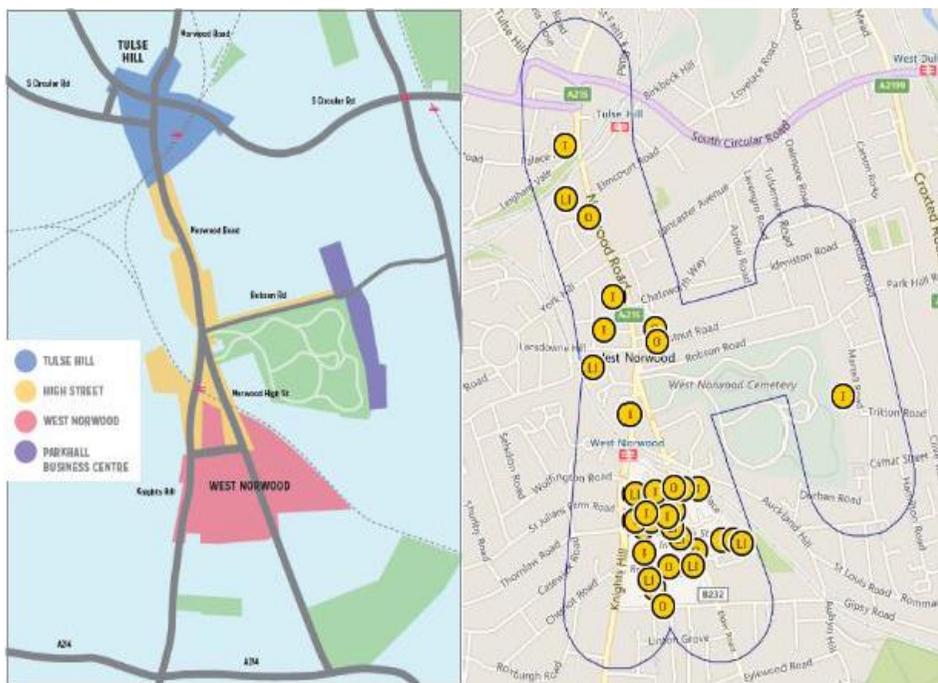
located in south Lambeth is not as large as in the north and central clusters but two distinct centres are evident within the Streatham and Tulse Hill/ West Norwood business improvement districts (BIDs). Aligning analysis with these BID areas, south Lambeth is shown to be home to uniquely flexible and affordable CDI work spaces which add to the strength of the wider Lambeth provision.

## West Norwood/Tulse Hill

West Norwood and Tulse Hill together comprise the station to station BID area that is connected via the Norwood Road High Street. A large Key Industrial Business Area (KIBA) is located to the south of the BID which includes a host of industrial and office units as the primary employment area in the BID. The BID includes the Park Hall Business centre to the east of West Norwood Cemetery and connects via Robson Road. The workspace quality in the BID area is not comparable to the stock available to the north of the borough but typifies the south with a mix of affordable and more flexible workspaces.

Figure 52 shows the extent of the Station to Station BID and the location of office and industrial workspaces. As shown, there are no significant geographies of individual workspace typologies, yet there is a clear general clustering in south West Norwood, within the KIBA areas. Also notable that a single industrial unit has been identified as part of the Parkhall Business Centre to the East despite the offer of the Centre now focussing on office/studio spaces.

**Figure 52: Tulse Hill and West Norwood BID area**



Source: Costar and [http://stationtostation.london/sites/default/files/station\\_proposal\\_final\\_0.pdf](http://stationtostation.london/sites/default/files/station_proposal_final_0.pdf)

**CDI Linked Spaces**

There is early evidence of clustering and growth in creative activities and new business start-ups, as well as strongly enhanced community and business perceptions about the area. Figure 53 shows CDI related spaces in the BID and illustrates their spread through the BID but the offer is most diverse in West Norwood.

**Figure 53: CDI Space in the Tulse Hill and West Norwood BID area**



**Spaces**

West Norwood has several flexible workspaces that are suited to CDI businesses including Parade Mews, Carlew House, Bainbridge Print Studios, Parkhall Business Centre (designated as a KIBA).

Figure 53 shows CDI workspaces that are located within the Station to Station BID. As shown, this includes maker spaces and studios in addition to the Parkhall Business Centre that provides a mix of office space. Floorspaces vary as so their cost regimes.

- Parkhall Business Centre: Located on the fas side of West Norwood Cemetary, Parkhall Business Centre provides a variety serviced offices and co-working space in an old Pye Electronics building. Operated by the Workspace Group, spaces range from 334 sq ft to 2,500 sq ft, accommodating over 100 businesses and include communal services such as showers, mail services and a café. The Parkhall is also designated as one of Lambeth’s KIBAs. While the business mix is varied, there are a large number of small creative enterprises.

- **Parade Mews**- A small cluster of studios located just off Norwood Road at Tulse Hill, accommodating artists and makers. These range from craft activities (such as Parade Mews Pottery, a pottery workshop offering a variety of pottery classes and a shared pottery studio for rent), to higher profile creative makers (such as Michael Ruh, a luxury glass blowing business with some high profile supply chain linkages).

**Figure 53: CDI Spaces**

Space	Use	Occupiers	Floorspace	Costs
Carlew House				
Bainbridge Print Studios	Makers (B1, B2)	Arts/Print	Shared spaces and equipment	Monthly membership - £165 or £175 for 10 * 5 hour sessions (to use in 6 months)
Parkhall Business Centre	Office (B1)	Mixed - includes occupiers outside C&I	Units up to 250 sqm	varies but for example 15 sqm = £450/month, 240 sqm = £5310/month
ACME art studio	Studio (B1, Sui Generis)	Affordable and flexible Studios for Artist		

- **Southbank** Anchored by internationally renowned creative and cultural institutions including the Southbank Centre Royal Festival Hall, the British Film Institute (BFI), The Southbank Centre and National Theatre the Southbank accommodates more than 50% of Lambeth’s employment within the CDI sector.
- **Waterloo** The area around the UK’s busiest rail hub has long been a focus for major business as well as public sector activity. On the cusp of major change Waterloo has become a home to major health tech, creative and innovation activity.
- **Vauxhall** is being reimagined as a vibrant commercially led city district, evolving from a series of ‘grass roots’ cultural and artistic activities to attract internationally significant offer. Future development will deliver major new workspace with excellent access to Central London’s economic heart. To the west the new Apple HQ at Battersea Power Station will help attract a new generation of CDI and related sectors.

## North Lambeth

The North Lambeth CDI cluster comprises the areas of Southbank, Waterloo and Vauxhall. It is home to iconic businesses and institutions that are the driving force of the borough’s economy, with a particularly strong cluster of CDI activity. The area competes on a global level for occupiers, attracting corporate scale activities to locate alongside world famous universities and exhibition and performance spaces.

The area includes:

**Figure 45: CDI Cluster – Southbank and Waterloo**



### **Southbank & Waterloo**

This area forms the anchor for the CDI sector within the borough and is a major driving force of creative and cultural activity within Central London. It is home to some of the most recognisable cultural assets in London including the National Theatre, Queen Elizabeth Hall, Royal Festival Hall as well as a range of other destinations for visitors. These institutions sit alongside major CDI operators such as IBM and ITV studios to create a diverse economic base within the sector. These institutions present a major opportunity for leveraging the cultural offer into wider CDI business activities.

This part of the borough provides the broad ecosystem of activities and provision that enables the CDI sector to thrive, blending workspaces with cultural venues, amenity provision and high quality public realm to attract a range of activity. Figure 45 provides a snapshot of Arts organisations and small workspace distribution across Waterloo and Southbank area. It shows that there is a significant cluster of arts related organisations clustered around the Southbank and there is a relatively high presence of small CDI workspaces in Waterloo.

In terms of range of CDI occupiers, the area includes a range of typologies including large scale corporate and institutional occupiers such as the IBM employing over 2000 employees and more mid and smaller range of workspaces that allows flexible leasing.

#### **Large CDI Occupiers**

Large corporate tech and creative activities (such as IBM and London Television Centre) and arts related occupiers (Theatres, Halls, Galleries and Museums, education) are situated along the South Bank.

**IBM office:** 22,000 sqm building designed by Denys Lasdun, architect of the adjacent National Theatre. IBM is a technology MNE which manufactures and markets a range of computer products alongside offering hosting and consultancy services within this building. The IBM office on the South bank is one of IBM's largest offices in the UK and acts as a base of operations.



**ITV:** 200,000 Sqm building. ITV is an integrated producer broadcaster, operating the oldest and largest commercial television network in the UK. ITV has 5,500 employees and its channels attracted 21.2% of the total share of UK viewing in 2015. ITV produces programming for its own channels and for other broadcasters such as the BBC, Channel 4, Sky and networks in Europe, the US and Australia. THE LWT building on London's Southbank is ITV's main production base and programmes such as Good Morning Britain are based here.



**Elizabeth House:** 86,000sqm of office space. The redevelopment of Elizabeth House which lies adjacent to Waterloo station is part of a wider £600 million investment to create a new business district, for which Elizabeth House will act as a catalyst. 8,500 jobs are expected to be accommodated on the site, many of which are expected to be within creative and digital industries given the current strength in the area.

**Southbank Centre:** The Southbank Centre is a complex of artistic venues that includes the Royal Festival Hall and Saison Poetry Library, the Queen Elizabeth Hall, Purcell Room and Hayward Gallery. It is the largest arts centre in Europe and attracts more than 6 million visitors a year with thousands of music, dance and literature performances. The recent Festival Wing proposal intends to add a new arts space to the Hayward Gallery and Purcell Room buildings with a glass pavilion, cafes and commercial units.



### **Small and medium sized workspaces**

Unlike elsewhere in Lambeth, the Waterloo smaller workspace offer includes co-working spaces that cater to specific sectors that are at the outer reaches of the CDI definition but play an important part in the wider economic ecosystem that can attract CDI activity. It predominantly comprises offices, co-working, studios and combination typologies. CDI offices identified in Waterloo are some of the most expensive in Lambeth, at an average of £500pcm per desk, reflecting the proximity and connectivity it offers.

**Small office workspaces:** Examples of workspace offer include The Build Studios for built environment SMEs and the Health Foundry for businesses in digital health. The Build Studios has been directly supported by the Borough of Lambeth and provides an example of what can be achieved to foster target sectors.

**Figure 46: CDI Workspaces**

Space	Use	Occupiers	Floorspaces	Costs
Waterloo Business Centre/Murcury House	Office/Co-working (B1)	Digital	Desks and offices (3-20)	Desk - £400/month for permanent, Office £500/month/person
Build Studios (203 Westminster Bridge Road)	Co-working (B1)	Built Environment	260sqm, Desks to rent	hot desk from £20/month, fixed £425/month +
Health Foundry	Co-working (B1)	Digital health	Desk to rent	8 hours/month = £24, 24/7 access =
Granby Space (114-118 Lower Marsh)	Office/Co-working (B1)	Design/Digital/Social Enterprise	Desks and office (up to 4)	50-80% of market based on social value of enterprise
Make Space Studios	Studios (B1/Sui Generis)	Arts/Design (primarily individuals)	studios from 10 to 50sqm	from £180/month(application process)
Old Paradise Yard	Studios (B1/Sui Generis)	Arts/Design (primarily individuals)	studios up to 140 sqm	
Capital Tower	Office			

		(B1)	
99 Waterloo Road	Office (B1)	offices 62 sqm upwards	£500/person

Waterloo has an absence of maker spaces which may be explained by high property and rent costs as a CAZ location. Typically maker spaces are large and offer facilities that are not utilised to full capacity, and therefore locate in cheaper spaces. Yet this does not suggest that there are no potential spaces available that could be utilised as maker spaces. For example, Make Studios at Waterloo is home to over sixty artists and designers and creative businesses working across in painting illustration and fashion, photography, films and other design mediums. A creative approach to maker spaces in Waterloo would likely complement the existing offer and assist in making the local CDI cluster more diverse.

Drawing attention to how diversity of offer is supporting CDI in Waterloo, the recently opened **Granby Space at 114-118 Lower Marsh** provides affordable space for microbusinesses to set up on the high street. Previously used as the Waterloo Library, the Granby Space is an interim use of site that is up for redevelopment. The building is being leased to Meanwhile Space for a 2-3 period on a peppercorn rent and includes retail, co-working and office space with 20-50% discounted rents for social enterprises. Any surplus generated, after running costs and tax, will be split 50/50 between Meanwhile Space and Lambeth Council, and distributed at the end of each financial year.

**York House** is another example of recently completed developments in Waterloo. It is a 19 storey building comprising 1,093 beds students' accommodation, a 6,500 sqm. College, and 400 sq. m of affordable workspace.

Future opportunities exist at **Waterloo West** where a range of undeveloped or underutilised sites are being reimagined through a new economic vision for the area. Allied to St Thomas' Hospital there is a significant opportunity to attract major new research activity around future health care, building on the existing health tech offer of the Health Foundry. Further CDI activity opportunities exist

building on the unique offer of Leake Street, the new retail destination at Waterloo and the small business workspace at Lower Marsh.

### **Granby Space, Waterloo**

Located in Waterloo's Lower Marsh, Granby Space is a new temporary creative workspace hub, which opened its doors in September 2016 in the space of the old Waterloo library. It will remain in place until August 2018; while a longer-term plan for the site is being developed. The hub currently offers a range of affordable spaces, including retail units, small office units, as well as co-working desks for freelancers or micro-enterprises, which are let at 50-80% of their current market value.

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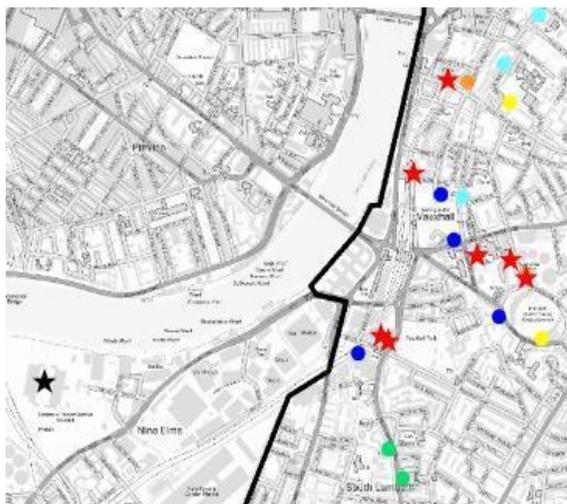
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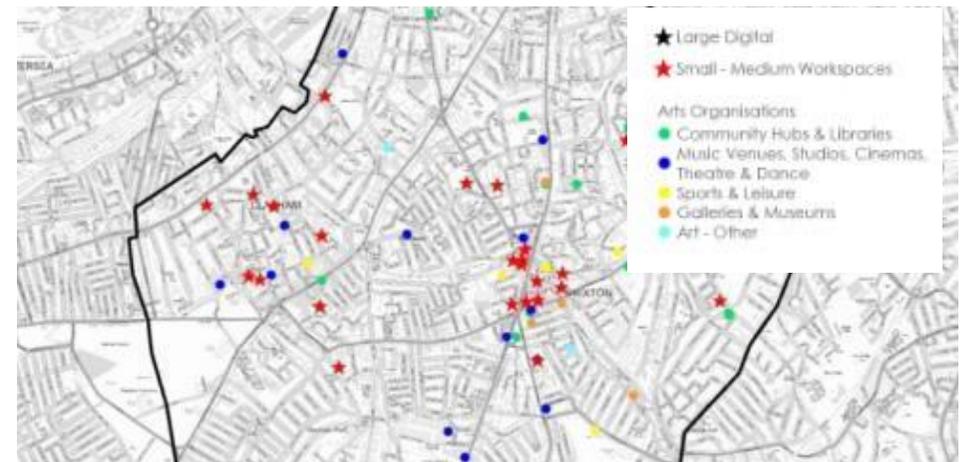
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### Links with the CDI

As shown in Figure 48, there is higher concentration of CDI related institutions and workspaces in Brixton compared to Loughborough Junction and Clapham. Most of this is a natural bent towards Brixton's town centre role; however, the area also benefits from a highly skilled and economically active labour market. It is home to higher value creative professional activities, which has seen a significant growth in size. Most CDI related workspaces in Brixton are converted stock hosting co-working, managed and flexible workspaces. There are some artist studios and maker spaces too, but most of these spaces lean towards the Clapham Junction area.

Clapham has a relative concentration of workspaces, most of which is associated with studios and maker spaces. Although the area does accommodate some flexible co-working and managed workspaces, there is a good balance of other typologies too. The lower rents, availability of stock and proximity to Brixton are some of the factors that contribute to its existing workspaces.

**Figure 49: Central Lambeth CDI activity**



### Small and Managed Workspaces

We have mapped approximately ten workspaces in Brixton, which has a varied offer but includes a large amount of office and co-working space. Co-working desk space in Brixton costs approximately £350 per person per month.

The supply of space in Brixton appears particularly constrained given the profile of the area as a focal point for creative and cultural activity. There is significant potential for Brixton to play a much larger role in the CDI sector in London, building on its culture and character. The area seems particularly under-served in terms of good quality office space, as well as long term locations for artists.

**Figure 50: Identified workspaces in Brixton**

Space	Use	Occupiers	Floorspace	Costs
Eurolink Business Centre	Office (B1)	Mixed - includes occupiers outside C&I		
Piano Club	Co-working (B1)	Design/Digital (retail/travel website etc)		Desk = £345/month
465 Brixton	Co-working (B1)	Digital/Arts/Social Enterprise		Desk = £360/month
Tibor Jones Hub	Co-working (B1)	Writers		Desk = £325/month (+v at)
Pop Brixton/Impact Hub	Office/Co-working (B1)	Arts/Design/food/musical SMEs	35% leisure/65% office/community, Impact Hub - 225sqm	Varies but large office in 12m shipping container for 8 people = £1260/month + 12.5% service charge (20-50% market rent)
Stockwell Road Studios	Studios (B1/Sui Generis)	Arts/Design (primarily individuals)	40 studios, 1400sqm	varies but 33sqm unit = £692.65pcm
Brixton Village Market Studios	Studios (B1/Sui Generis)	Arts/Design (primarily individuals)	23 studios, 465sqm	
Photofusion	Makers (B1, B2)	Photographers (primarily individuals)		£50 yearly membership fee with discount on hiring equipment i.e. darkroom £30-40 for 6 hours
Bon Marche Centre	Office (B1)	Design/Digital/Social Enterprise	office units range from 10 to 65 sqm	
Squires Building	Office (B1)			

We have mapped approximately eight workspaces in Loughborough Junction, most of studios and maker spaces. Co-working space in Loughborough Junction is approximately £190 per person per month

**Figure 51: Identified workspaces in Loughborough Junction**

Space	Use	Occupiers	Floorspace	Costs
Warrior Studios	Studios (B1, Sui Generis)	Arts/Design (primarily individuals)		
Coldharbour Studios	Studios (B1, Sui Generis)	Artists/Curators (primarily individuals)	studios - 20 sqm to 140 sqm, gallery 325sqm	
Clockwork Studios	Studios (B1, Sui Generis)	Arts/Design (primarily individuals)		
Shakespeare Business Centre/ The Work Lounge	Office/Co-working (B1)	Hatch Incubator/ creative arts and culture	52 studios and workshops (17.2-232 sqm)/ 17 offices (8.3 - 83.6 sqm)	Permanent co-working desk - £195/month, £24/8hour day
Rathger Rd Arches	Studios (B1, Sui Generis)	Arts/Design		
The Remakery	Makers	Design/Craft	1,000sqm	£190pc

## South Lambeth

South Lambeth includes four centres that have workspace provision; Streatham, Tulse Hill, Norwood, and the west of Herne Hill (albeit Herne Hill town centre falls within Southwark). The total number of CDI businesses

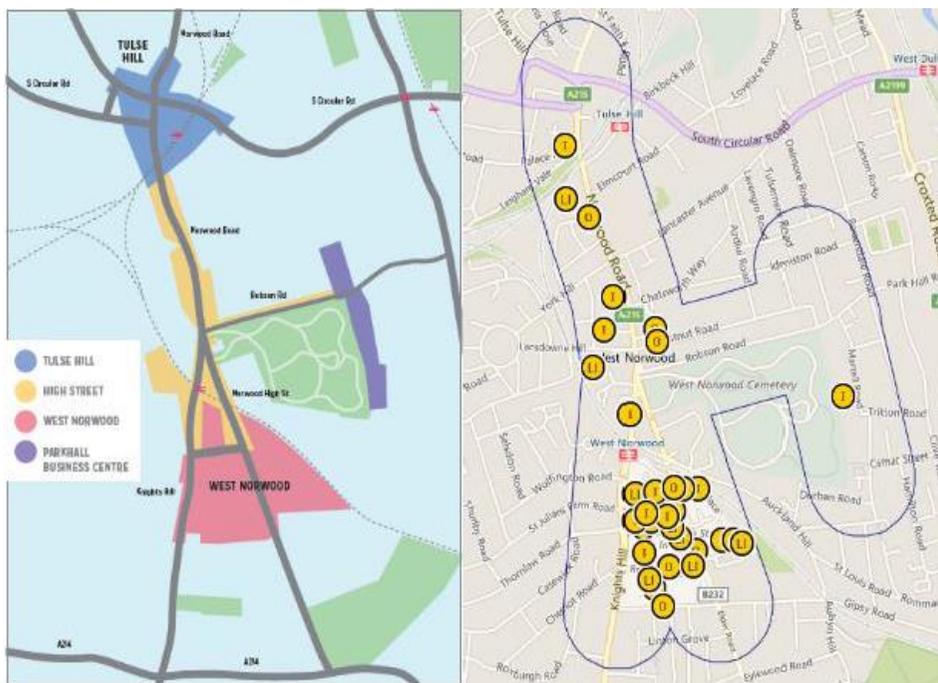
located in south Lambeth is not as large as in the north and central clusters but two distinct centres are evident within the Streatham and Tulse Hill/ West Norwood business improvement districts (BIDs). Aligning analysis with these BID areas, south Lambeth is shown to be home to uniquely flexible and affordable CDI work spaces which add to the strength of the wider Lambeth provision.

## West Norwood/Tulse Hill

West Norwood and Tulse Hill together comprise the station to station BID area that is connected via the Norwood Road High Street. A large Key Industrial Business Area (KIBA) is located to the south of the BID which includes a host of industrial and office units as the primary employment area in the BID. The BID includes the Park Hall Business centre to the east of West Norwood Cemetery and connects via Robson Road. The workspace quality in the BID area is not comparable to the stock available to the north of the borough but typifies the south with a mix of affordable and more flexible workspaces.

Figure 52 shows the extent of the Station to Station BID and the location of office and industrial workspaces. As shown, there are no significant geographies of individual workspace typologies, yet there is a clear general clustering in south West Norwood, within the KIBA areas. Also notable that a single industrial unit has been identified as part of the Parkhall Business Centre to the East despite the offer of the Centre now focussing on office/studio spaces.

**Figure 52: Tulse Hill and West Norwood BID area**



Source: Costar and [http://stationtostation.london/sites/default/files/station\\_proposal\\_final\\_0.pdf](http://stationtostation.london/sites/default/files/station_proposal_final_0.pdf)

### CDI Linked Spaces

There is early evidence of clustering and growth in creative activities and new business start-ups, as well as strongly enhanced community and business perceptions about the area. Figure 53 shows CDI related spaces in the BID and illustrates their spread through the BID but the offer is most diverse in West Norwood.

**Figure 53: CDI Space in the Tulse Hill and West Norwood BID area**



### Spaces

West Norwood has several flexible workspaces that are suited to CDI businesses including Parade Mews, Carlew House, Bainbridge Print Studios, Parkhall Business Centre (designated as a KIBA).

Figure 53 shows CDI workspaces that are located within the Station to Station BID. As shown, this includes maker spaces and studios in addition to the Parkhall Business Centre that provides a mix of office space. Floorspaces vary as so their cost regimes.

- Parkhall Business Centre: Located on the far side of West Norwood Cemetary, Parkhall Business Centre provides a variety serviced offices and co-working space in an old Pye Electronics building. Operated by the Workspace Group, spaces range from 334 sq ft to 2,500 sq ft, accommodating over 100 businesses and include communal services such as showers, mail services and a café. The Parkhall is also designated as one of Lambeth's KIBAs. While the business mix is varied, there are a large number of small creative enterprises.

- Parade Mews- A small cluster of studios located just off Norwood Road at Tulse Hill, accommodating artists and makers. These range from craft activities (such as Parade Mews Pottery, a pottery workshop offering a variety of pottery classes and a shared pottery studio for rent), to higher profile creative makers (such as Michael Ruh, a luxury glass blowing business with some high profile supply chain linkages).

**Figure 53: CDI Spaces**

Space	Use	Occupiers	Floorspace	Costs
Carlew House	Artist			
Bainbridge Print Studios	Makers (B1, B2)	Arts/Print	Shared spaces and equipment	Monthly membership - £165 or £175 for 10 * 5 hour sessions (to use in 6 months)
Parkhall Business Centre	Office (B1)	Mixed - includes occupiers outside C&I	Units up to 250 sqm	varies but for example 15 sqm = £450/month, 240 sqm = £5310/month
ACME art studio	Studio (B1, Sui Generis)	Affordable and flexible Studios for Artist		

## 11.7 Best Practice Review of Increasing Affordable Workspace Using Section 106 Agreements<sup>92</sup>

The Council has been participating in the Mayor's Workspace Advisory Group, and has analysed several s106 agreements that feature affordable workspace obligations for new developments in Lambeth, Camden, Westminster, Hackney and Islington. Combining this review with workspace experts, officers formed the following insights into best practice, especially with regards to deliverability.

The most common approaches for affordable workspace obligations is s106 agreements is either to provide workspace geared towards start-up and early stage companies, or workspaces for artists and other creatives at the lower end of the earning scale that can play a valuable role in the local cultural economy.

Typically developers are required to lease the affordable workspace to a professional workspace provider at an a discount such as 25%, 50%, 60% or even peppercorn. There are opportunities for Lambeth to also specify the maximum amount some or all of the space should be let at by the affordable workspace provider. Obligation periods can vary from an arbitrary period such as 10 years, up to a long-term period such as 50, 80 or even 125 years.

Best practice suggests s106 should dictate flexibility on sub-lets to end user businesses and require a provision of business support as signed-off by the local planning authority through an Operator Management Plan and subsequent Annual Affordable Workspace Plans.

Dictating use classes is essential, and specifying B1(b) and B1(c) is critical if the intended use is for artists and craft base businesses. Almost always, affordable workspace is required to be targeted as small businesses (under 50-employees), and typically sub-10 employees. Some s106 agreements require the workspace to be targeted at the borough's key sectors.

<sup>92</sup> Lambeth Council Business and Inward Investment Team. (2017)

Good s106 agreements including occupation triggers such that affordable workspace needs to be delivered before occupation of the private dwellings or commercial space.

In terms of fit out, a category A fit out is a common approach to ensure that the affordable workspace provider doesn't have a large cost that it needs to cover through charging higher fees to end user businesses. Good s106 agreements would specify the fit out and would ensure that the facility can handle higher numbers of people, as affordable workspaces can often have a higher density of workstations, with more people using the space than in conventional offices.

Going into greater detail in the s106 often can assist with the deliverability. For example, specifying a maximum rent deposit (e.g. 6-months), market rent

valuations to be conducted by commercial agents and rent review periods (e.g. 5-yearly).

Cash alternatives are not always used, but where they are used, they are equivalent to the financial value of the discount from market rent for the entire affordable workspace over the obligation period. If the cash alternative is exercised, the council should consider specifying its use for business support under the guidance of the council's regeneration and economic development team.

Some councils require 10% of all developments with commercial workspace over 10,000 square feet to be allocated as affordable workspace. This could be considered by Lambeth Council.

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