

## Chapter 20: Planning Obligations to support affordable workspace

### Introduction

- 20.1 The successful economy of the Cambridge area means that rents for employment space are high. This makes it difficult for some types of businesses, such as micro business or social enterprises, which are important for creating successful places. Rather like affordable housing, there is potential for large new commercial developments to make provision for this type of space, where suitable units are let at below market rates.
- 20.2 The Cambridge Community Wealth Building Strategy highlights the importance of supporting a vibrant local economy and facilitating partnership action to tackle inequalities.
- 20.3 In the London Plan, affordable workspace is defined as: "...workspace that is provided at rents maintained below the market rate for that space for a specific social, cultural, or economic development purpose." Affordable workspace provision offers the opportunity make economic, cultural and social impacts. For example, the floorspace could provide start-up space within Greater Cambridge's key economic sectors, creative space for local arts companies, local community workspace for home-workers and organisations or affordable space for local charities and third sector organisations.
- 20.4 The adopted Cambridge and South Cambridgeshire Local Plans do not include policies requiring affordable workspace provision. The potential for a requirement is being explored through the emerging Greater Cambridge Local Plan.
- 20.5 However, the provision of affordable workspace within new commercial developments is encouraged. This section of the SPD sets out how it will be applied and managed if developers make provision within a scheme.
- 20.6 In September 2024 the [Greater Cambridge Growth Sectors Study: Life science and ICT locational, land and accommodation needs](#) was published. The study involved significant engagement with stakeholders, businesses and other organisations. In exploring the needs of these sectors. It identified that in order to support the future needs of these sectors a range of premises in terms of scale, particularly for life science businesses, ensuring that smaller start-ups and scale-ups are provided for. Opportunities for start-up space could also be delivered as affordable employment.

## **Policy Context**

### **Cambridge**

20.7 The Cambridge Local Plan 2018 includes a strategic objective to assist the creation and maintenance of inclusive, environmentally sustainable communities.

### **South Cambridgeshire**

20.8 The South Cambridgeshire Local Plan 2018 seeks to ensure that all new development provides or has access to a range of services and facilities that support healthy lifestyles and well-being for everyone.

### **Development types from which Obligations will be sought**

20.9 New major commercial developments, including mixed use schemes, may trigger a requirement for affordable employment space.

20.10 If provision is to be made, developers should submit the details of the affordable employment space with their proposal.

### **Form in which an obligation will be secured**

20.11 The provision of an element of affordable employment space will be most suited to large commercial schemes, and as a minimum over 10,000m<sup>2</sup>, in use classes E(g), B2 and B8. In London typical agreements have secured 10% of space within qualifying schemes.

20.12 If provision is to be made, early engagement with the relevant Councils' Economic Development team is vital. This may be during pre-app discussions or, where these do not take place, early in the planning application process.

### **Onsite provision**

20.13 The preferred sectors should be agreed on a case-by-case basis with the relevant Council Economic Development team.

20.14 A developer valuation, to be agreed with the LPA, will determine the local market rent and be used to agree a percentage of market price considered to be affordable.

- 20.15 In general, any provision of on-site affordable workspace must provide natural light and individual lockable units. There may be circumstances where small individual units may not be the best solution. Whilst these types of units are preferred, alternative measures such as shared workshops and makers spaces and hot-desking membership models, where justified by evidence of need, may be acceptable. This will be agreed on a case-by-case basis.
- 20.16 It is expected that on-site affordable workspace will be managed by a recognised affordable workspace provider. Where a developer wishes to manage the affordable workspace, they will need to provide information on how this would work.
- 20.17 Affordable workspace should remain for at least 15 years, but ideally in perpetuity, from the date of first occupation and be subject to an agreed Management Plan that should outline:
- The selected affordable workspace provider.
  - The sector focus for the accommodation and target tenants.
  - Units sizes, configuration of spaces, fit-out plans and the flexibility of layouts.
  - Lease arrangements, rents and services charges.
  - Shared facilities available to occupants.
  - Support services to be offered to occupants including relationships with business support providers.
  - Where appropriate, move-on mechanisms to be used, for example stepped rents.
- 20.18 Developers will be expected to provide annual reports to the LPA detailing the outputs and outcomes from the space(s) for the duration of the affordable workspace provision. Any significant changes to the provisions or management of the workspace during its lifetime should be agreed in writing with the LPA. The arrangements may be reviewed or ended where the LPA is satisfied that the developer/owner has been unable, having made reasonable attempts, to lease the affordable workspace to an approved affordable workspace provider, or directly to an approved charitable/ not for profit-end-user.

### **Off-site provision**

- 20.19 Where on-site provision is not possible, off-site provision may be accepted where it would deliver suitable benefits. Such circumstances could include:
- Where a hard to let vacant property is brought back into use.

- Within the overall development on mixed use sites where there are a range of landowners.

## **Exemptions**

20.20 No specific exemptions.

## **Further guidance**

[Greater Cambridge Growth Sectors Study: Life science and ICT locational, land and accommodation needs](#)