

CABINET MEMBER DELEGATED DECISION –13 APRIL 2021

Report title: Lambeth Future Workspace Fund – First Round Funding

Wards: All

Portfolio: Cabinet Member for Planning, Investment and New Homes: Councillor Matthew Bennett

Report Authorised by: Eleanor Purser and Sara Waller, Strategic Directors for Sustainable Growth and Opportunity

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REPORT SUMMARY

In December 2020, the Council launched the Future Workspace Fund. This by application loan and grant fund will support and invest in affordable workspaces across the borough, supporting Lambeth's economic recovery and accelerating growth in Lambeth's three priority innovation-led growth sectors, namely low carbon, creative and digital and life sciences. The Council aims to deliver outstanding economic return and social value for residents through the fund.

Five applications were received to the first round of Lambeth's Future Workspace Fund. Following assessment by the Investment Panel, this report recommends funding is allocated to four projects.

FINANCE SUMMARY

Cabinet agreed a capital budget of £28m in July 2020 for Economic Infrastructure Investment for the period 2020/21-2024/25. £8m of this has been allocated to the Future Workspace Fund, through the November 2020 Cabinet Member Delegated Decision ('Lambeth Future Workspace Fund').

This report recommends allocating £1,849,500 of the Fund through the First Round. Of this, £750,000 would be provided as loan finance, and £1,099,500 as grants. A further £100,000 loan finance would be provided through the Brixton Creative Enterprise Zone capital budget.

RECOMMENDATIONS

1. To agree to fund the recommended projects and that the Council enters into the respective loan and grant funding agreements.
2. To authorise spend of £1,849,500 of the allocated Future Workspace Fund budget on the four projects outlined within this report.

3. To authorise the spend of £100,000 of the Brixton Creative Enterprise Zone Capital Budget on the Ten87 Studio Project.
4. To delegate the decision regarding finalised terms of funding agreements to the Director of Finance and Property and the Director of Economy, Culture and Skills.

1. CONTEXT

1.1 Future Workspace Fund

- 1.1.1 The Future Workspace Fund (“the Fund”) was established and launched in December 2020. The £8m Fund will make loan and grant investments in affordable and supportive workspaces to enhance provision across the borough.
- 1.1.2 The Fund, and supporting Investment Strategy, Prospectus and Application Form, were approved through a Cabinet Member Delegated Decision in November 2020 – [‘Future Workspace Fund’](#).
- 1.1.3 The Future Workspace Fund has 3 key objectives;
- a) to stimulate high value cluster growth and inward investment in innovation-led sectors;
 - b) to support economic recovery by helping existing businesses to survive, adapt and thrive in the new economy;
 - c) and to attract and generate new business growth and new employment, self-employment, employment pathways (with a focus on black, young and disabled residents) upskilling, reskilling, training and apprenticeship opportunities for residents.

1.2 First Round

- 1.2.1 Following approval of the Fund in November 2020, the First Round was opened for applications on 08 December 2020.
- 1.2.2 The First Round funding objectives are as follows:
- unblock otherwise ready to go projects with a financing gap but substantial match funding in place;
 - accelerate economic recovery and resilience;
 - fund projects that could showcase the fund to support fund development for 2021 onwards
 - provide a range of financial products, including loans, to inform the fund’s strategy for 2021 onwards; and,
 - seek a range of project types to inform the fund’s future strategy for 2021 onwards.
- 1.2.3 The Fund was widely promoted through Council communication channels (i.e. Love Lambeth release; social media), through Lambeth Now (e-bulletins to workspace providers; dedicated page on website; launch video) and through partners (Greater London Authority; Lambeth Business Improvement Districts). Officers have engaged directly with over 20 interested organisations since the launch of the Fund.

2. PROPOSAL AND REASONS

- 2.1 Following their submission, the applications have been assessed by the Fund Investment Panel, using the following approach as outlined within the Fund Prospectus:

Area	Description	Weighting
Eligibility Criteria	Meeting, or quickly being able to meet, the selection criteria that the Council asks its suppliers (e.g. health and safety compliance); Commitment to social value; Commitment to joint working with the Council; Eligible project type; Eligible expenditure type; Compelling case for public sector support (such as a demonstration of market failure at the workspace provider level)	Pass / Fail
Strength of the Project	Clarity of concept; Value for money; Alignment to Priority Objectives; Alignment with Pilot Round Funding Objectives; addressing market failure in the services offered	33%
Deliverability	Strong team with robust track record; Credible business model and plan; sufficient capitalisation and ease of means to access more finance if required; demonstration of market demand	34%
Good Conditions for Investment	Capacity to repay any loan finance provided; Capacity to receive any grant funding; Match funding in place at time of entering the funding agreement	33%

2.2 Following assessment, the Investment Panel recommend that the following four projects are provided with investment through the Future Workspace Fund:

2.3 Sustainable Workspaces – County Hall:

Sustainable Workspaces – County Hall
Project Overview:
<p>Sustainable Workspaces is the UK’s leading incubator of early stage cleantech businesses, leading London’s shift towards a low-carbon economy. They have already developed Europe’s largest sustainability cluster, across SE1.</p> <p>The opportunity has now arisen to create a long-term cluster of excellence in cleantech and low-carbon innovation within Lambeth, with the 20-year acquisition of 45,000 sq ft of new workspace at 5th Floor County Hall (a space that has been unused for 30 years).</p> <p>Funding through the Future Workspace Fund is sought to complete the fit out works in full and enable the workspace.</p>
Key Rationale for Investment:
<ul style="list-style-type: none"> • The project presents the opportunity for the Council to lead the way in catalysing the growth of the cleantech and low carbon sector within Lambeth, and London. • With a focus on sustainability, the project aligns with the Fund’s innovation priorities, the Council’s own commitments for carbon reduction and becoming carbon neutral by 2030 and will support a greener economic recovery from Covid. • The site is expected to become one of the major hubs of cleantech activity in Europe, attracting significant inward investment to the borough and driving growth in one of the Lambeth and the Mayor of London’s key priority sectors • Transforming 45,000 sq ft of unused space into supportive and affordable workspace, the project would revive one of the borough’s flagship buildings. It has the potential

<p>to create an exemplar demonstration of the rejuvenation, on sustainable principles, of an iconic neglected space in a premium location.</p> <ul style="list-style-type: none"> • With the space in County Hall being vacant since 1986, the project is estimated to deliver up to £7m in additional Business Rates income over a 10-year period. • Every member of the workspace will be required to have sustainability at the centre of their business, and many will be likely to deliver additional social value, for example working to address poverty of providing employment opportunities for underrepresented groups. 	
Forecasted outputs:	
<i>New/improved affordable and supportive workspace (sq ft gross internal area (GIA))</i>	45,000 sq ft (GIA)
<i>Number of businesses benefiting each year (once the space is operational at capacity)</i>	150 businesses benefiting p.a.
<i>Number of jobs (part and full time) being supported at any one time (once the space is operational at capacity)</i>	750 jobs supported at any one time
Finance:	
Funding ask:	£650,000 Large Capital Loan £800,000 Large Capital Grant
Investment Panel recommendation:	To invest in line with the above funding ask.
Implications should funding not be provided:	Without council finance the County Hall project is unlikely to go ahead. Over a significant period of time Sustainable Workspaces have secured large amounts of funding into the project from other sources but have been unable to raise the remaining gap in funding which the FWF intends to meet. The current economic climate also makes further fundraising more challenging. There is a borrowing limit stipulated by one of the major project debt funders which dictates the need for the grant funding proposed.

2.4 Ten87 Studios:

Ten87 Studios – Brixton House Basement	
Project Overview:	
<p>Ten87 is a musical community open to all. They provide affordable, high-quality, long-term let recording studios where creators can connect and grow.</p> <p>They aim to occupy the basement of the new Brixton House / Somerleyton Road development, housing a thriving community of established audio professionals and emerging local talent, via the creation of between 25 and 30 affordable production studios and high-spec recording/production studios.</p> <p>A large capital loan of £200k is sought to complete the fit-out works and enable the workspace.</p>	
Rationale for Investment:	
<ul style="list-style-type: none"> • The project aligns with the Fund's priorities and presents the opportunity to grow an innovation-led sector in the borough in the form of music and recording studios. This is in line with our Creative and Digital Industries Strategy – A Creative Way to Grow and the ambitions of the Brixton Creative Enterprise Zone. 	

<ul style="list-style-type: none"> • The site will address the severe lack of affordable creative spaces to create music throughout London and support a particular clustered interest around Brixton. • The proposed complex will provide 10,383 sq ft of high quality creative workspace for musical professionals including; recording artists, record producers, songwriters, sound engineers and record labels, with office areas providing workspace for other music industry professionals including; music publishing companies, management and booking agencies. • The project will support around 110 jobs at any one time and will provide significant social value in Brixton. • The project will secure a long-term tenant for the basement space within the development. 	
Forecasted outputs:	
<i>New/improved affordable and supportive workspace (sq ft gross internal area (GIA))</i>	10,383 sq ft (GIA)
<i>Number of businesses benefiting each year (once the space is operational at capacity)</i>	Circa 40 businesses benefiting p.a.
<i>Number of jobs (part and full time) being supported at any one time (once the space is operational at capacity)</i>	Circa 110 jobs supported at any one time
Finance:	
Funding ask:	£400,000 Large Capital Loan
Proposed funding:	Whilst the application was initially for £400,000 loan funding, it is now proposed that the Council provides a loan of £200,000 match funded with a further £200,000 loan the applicant has secured from a significant match funder, the Arts & Culture Impact Fund ¹ which is managed by Nesta. Of the Council's £200,000 Loan, £100,000 would be provided from the Future Workspace Fund and £100,000 from the Brixton Creative Enterprise Zone (CEZ) capital budget.
Investment Panel recommendation:	To provide £200,000 Large Capital Loan
Implications should funding not be provided:	Whilst the project would likely be able to secure additional loan finance, this would result in increased project risk as there would be less cashflow due to shorter repayment terms offered. This would also impact on the ability of Ten87 to deliver affordable workspace and social value aspects of the project.

2.5 198 Contemporary Arts and Learning:

198 Contemporary Arts and Learning
Project Overview:
198 CAL is a pioneering, black-led, arts, creative and cultural organisation which nurtures and supports the careers of young Black, Asian and Minority Ethnic artists, curators, creatives and entrepreneurs and has done so for over 30 years. 198 CAL's work is particularly focussed on issues of social inclusion and diversity and seeks to engage with global issues whilst being rooted in the history of its locality.

¹ The [Arts and Culture Fund](#), managed by Nesta, is the world's largest impact investment fund for the arts.

<p>198 CAL acquired their building in Herne Hill as an asset transfer from Lambeth, and subsequently raised £1.2m to construct two new floors above the gallery.</p> <p>They are requesting a grant of £99,500 to complete full fit-out of the space, and the workspace could be active within weeks.</p>	
<p>Rationale for Investment:</p> <ul style="list-style-type: none"> • The project aligns with the Fund’s priorities and presents the opportunity to increase the amount of affordable workspace for charities and social enterprises supporting priority groups in the borough, whilst also increasing the amount of cultural workspaces in the borough. • 198 CAL primarily supports young Black, Asian and Minority Ethnic artists and makers in a range of ways. The site will include a specific aim to support Black-led not for profit enterprises and will foster an atmosphere of skills sharing between groups. • Any surplus income or profit from the space will be reinvested into charitable activities. • There is existing demand for space from another public sector group which aims to use the space to deliver health and wellbeing services in the community, extending 198 CALs existing engagement and collaboration into this this sector. • This project will create new space in one of our flagship charity buildings for up to 6 separate workspaces, addressing a lack of affordable space in the borough which is tailored to a specific demand. • The Gallery and ‘The Factory’ space for young people will provide ample space to showcase the charity and support its tenants and target communities. 	
<p>Forecasted outputs:</p>	
<p><i>New/improved affordable and supportive workspace (sq ft gross internal area (GIA))</i></p>	<p>2,530 sq ft (GIA)</p>
<p><i>Number of businesses benefiting each year (once the space is operational at capacity)</i></p>	<p>10 businesses benefiting p.a.</p>
<p><i>Number of jobs (part and full time) being supported at any one time (once the space is operational at capacity)</i></p>	<p>26 jobs supported at any one time</p>
<p>Finance:</p>	
<p>Funding ask:</p>	<p>£99,500 Small Capital Grant</p>
<p>Investment Panel recommendation:</p>	<p>To invest in line with the above ask.</p>
<p>Implications should funding not be provided:</p>	<p>198CAL have undertaken a long fundraising campaign. Whilst they have had significant success there remains a funding gap which is holding back their ability to fit out the new workspaces created through the building extension. Without funding from the Future Workspace Fund, the project will not be able to provide new workspace and facilities for young people this year. Providing funding will allow the project to complete quickly and secure a key anchor tenant(s) which will underpin the financial sustainability of 198CAL required to deliver social returns.</p>

Artists Studio Company – Purchase of 47c Streatham Hill	
Project Overview:	
<p>Artist’s Studio Company (ASC) is the leading charitable provider of affordable artists and makers workspace in Greater London and has been in operation for over 27 years.</p> <p>Since 1993, they have developed 22 buildings totalling over 445,000sq ft and supporting over 8,000 artists. They currently provide affordable space to 342 artists and makers across 3 buildings in Lambeth. ASC will lose 2 of these properties to development in the next 2 years, but now have the opportunity to purchase the Streatham Hill site.</p> <p>A grant of £200,000 is sought to ensure ASC safeguard this space at affordable rents, with a significant amount of loan funding having also been secured by ASC to assist the purchase.</p>	
Rationale for Investment:	
<ul style="list-style-type: none"> • ASC’s mission is to aid and facilitate artists, applied artists, art production, art promotion and to educate the public in the arts through the development, provision and management of affordable, sustainable and excellent workspace, exhibition space, advice, services and grants. • The project aligns with the First Round’s aims to grow an innovation-led creative sector in the borough, in line with our Creative and Digital Industries Strategy – A Creative Way to Grow. • The project presents the opportunity for the Council to maintain and safeguard affordable space for 59 artists in the borough as ASC lose their other properties in Lambeth. This is coupled with the recent loss of major artists spaces elsewhere in the borough. • Funding from the Future Workspace Fund will ensure this space is truly affordable for artists and makers, with spaces being at least 30% below market rent, and up to 50% or more below market rent. • The purchase of 47 Streatham Hill would ensure that a population of creatives would not be lost from the borough. Currently the property has a 98% occupancy level and has over 1,056 artists and makers registered on the waiting list. Without acquiring the property, these would be lost from the borough as ASCs other properties are lost to redevelopment. 	
Forecasted outputs:	
<i>New/improved affordable and supportive workspace (sq ft gross internal area (GIA))</i>	12,150 sq ft (GIA)
<i>Number of businesses benefiting each year (once the space is operational at capacity)</i>	59 businesses benefiting p.a.
<i>Number of jobs (part and full time) being supported at any one time (once the space is operational at capacity)</i>	70 jobs supported at any one time
Finance:	
Funding ask:	£200,000 Large Capital Grant
Investment Panel recommendation:	To invest in line with the above funding ask.
Implications should funding not be provided:	Without funding from the Future Workspace Fund, the purchase of the property would likely still go ahead. However, this would require further mortgage borrowing as ASC’s existing reserves are committed capital. The increased cost of

	the monthly repayments in this case would be passed onto tenants and would bring rents over their defined affordable rent for artists, leading to pricing out and displacement of some tenants / local artists. Investment will secure the ability of ASC to maintain rents at affordable levels over a 10 year period.
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The First Round in summary:

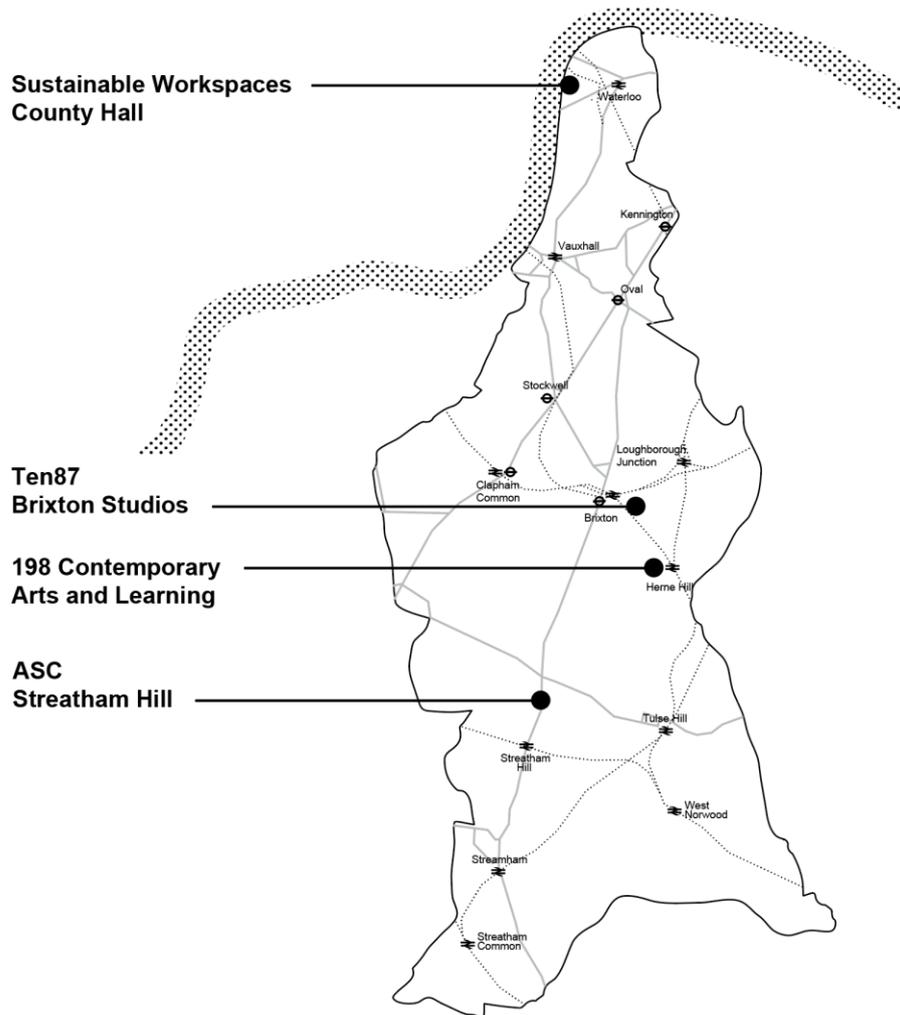
- 2.7 Collectively, the four projects recommended for approval represent a diverse and aligned suite of investments for the First Round.
- 2.8 The sectoral focuses of Low-Carbon and Sustainability and the Creative and Digital Industries align strongly with the Fund's priorities, the Council's, and Mayor of London's key sectors. Investment will be made both in growing innovation-led sectors alongside safeguarding vital cultural workspaces and those supporting priority groups.
- 2.9 Investing in these First Round projects will see a significant return on investment (ROI) for the Council. For every £1 invested by the Future Workspace Fund, we have secured just under £3 of match funding across the portfolio of projects at a total of £5.5m of match-funding. These investments will see the council investing alongside major social impact finance organisations including Nesta (Arts and Culture Impact Fund), Big Issue Invest Social Enterprise Investment Fund II, the Greater London Authority; and major banks / commercial lenders. Furthermore, the County Hall project has the potential to generate significant new business rates income, estimated at £7m over a 10-year period.
- 2.10 Investment in these four projects recommended for approval in the First Round is essential to their success. Without the Council's funding in the form of the Future Workspace Fund, the projects would likely not go ahead or would deliver significantly less social return for residents.
- 2.11 In total, the amount of funding being asked for in the First Round equals 24% of the amount available over the 5-year fund. For 24% of funding invested from the 5-year pot, the projects collectively have the potential to deliver around 50% of overall programme outputs and could far exceed our targets for the First Round. These outputs and outcomes committed to through the application process will be tracked by the Future Workspace Fund Team on a regular basis through an ongoing dialogue with recipients of funding and formal Monitoring Reports, the frequency of which will be agreed with the applicants.

Table 1: Potential Outputs achieved

Output	Total funding ask from the Future Workspace Fund	% of total funding for the 5 year fund being asked for	Target aim for the overall fund	Amount confirmed in First Round recommended applications	% of total fund aims over 5 years met in the First Round
New/improved affordable and supportive workspace	£1,849,500	25%	144,000 sq ft GIA	69,164 sq ft GIA	48%
Number of businesses benefiting each year			640 businesses	258 businesses	40%

Number of jobs (part and full time) being supported at any one time			1900 jobs	960 jobs	51%
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2.12 The map below shows the locations of the projects we propose to fund through the First Round of the Future Workspace Fund. The proposed projects are spread across the borough, with locations spanning north to south: Ten87 Studios will be in Brixton, Sustainable Workspaces will be based at County Hall, South Bank and Artists Studio Company will secure their property in Streatham.



Due Diligence:

2.13 The Fund Management Team are at an advanced stage of undertaking thorough due diligence across the recommended projects, including:

- Financial checks on the company and due diligence of the management team
- Review of due diligence / valuation undertaken by match-funders
- Review of capital works budgets, ensuring value for money and sufficient budget allowed for works
- Review of company references
- Further review of business plans as set out in the application forms and clarification with applicants

- 2.14 Entering into funding arrangements and transferring of funds will be dependent on passing due diligence checks (as outlined above) and satisfactory terms from match funders.

3. FINANCE

- 3.1 Cabinet agreed a £28m capital budget for Economic Infrastructure in July 2020, of this £8m has been allocated for workspace projects. This report represents the first allocation of that £8m.
- 3.2 This report recommends allocating £1,849,500 of the Fund through the First Round. Of this, £750,000 would be provided as loan finance, and £1,099,500 as grant.

Table 2: Funding asks

Project	Total project budget	Recommended funding award	Match Funding	Match funding as a % of the total project cost
Ten87 Studios – Brixton House Basement	£515,000	Capital Loan: £200,000	£315,000	61%
Sustainable Workspaces – County Hall	£4,800,000	<i>Capital Grant:</i> £800,000 Capital Loan: £650,000	£3,300,000	70%
Artists Studio Company – 47c Streatham Hill	£2,007,170	<i>Capital Grant:</i> £200,000	£1,847,170	92%
198 Contemporary Arts and Learning	£199,500	<i>Capital Grant:</i> £99,500	£100,000	50%
Total		£1,949,500		

- 3.3 For the Ten87 Studios project, it is proposed that £100,000 of the £200,000 Capital Loan will be met from the Brixton Creative Enterprise Zone (CEZ) Capital Budget (funding secured from the Greater London Authority (GLA)). This funding is ringfenced for the delivery of permanent creative production space within the CEZ, and investment in the Ten87 Studios project will result in a 140% increase in current CEZ programme targets for amount of space delivered with the funding. The GLA have approved the allocation of spend on the project, subject to this decision. Upon repayment of the loan, the funding will be reinvested in creative workspace within the CEZ.
- 3.4 Where funding has been allocated as grant then clearly this money can only be spent once and will represent a reduction in the capital funding available. Where funding has been allocated as a loan, any repayments or interest received can be used to replenish the capital budget available.

- 3.5 The exact terms and conditions for loans will vary due to the nature of the businesses being supported and the presence of other funders. The start-up nature of some businesses means that the loans may be unsecured loans or have limited security, although it should be acknowledged that the Council has the benefit of the workspace being created and this is likely to exist in the longer-term even if an individual business fails.
- 3.6 In making a loan the Council needs to be aware of State Aid regulations and thus the interest rate is likely to be at market rates.
- 3.7 The Director of Finance / Section 151 Officer has delegated authority to authorise loans and will be consulted on the specific terms and conditions relating to each loan.
- 3.8 The Council potentially benefits from increased business rates if the workspace is newly created, although the extent of this will depend on the nature of the business and future government decisions on how business rates income is allocated to Councils.

4. LEGAL AND DEMOCRACY

- 4.1 The authority to enact this report's recommendation is delegated to the Cabinet Member for Planning, Investment and New Homes in consultation with the leader.
- 4.2 Section 1 of the Localism Act 2011 provides the Council with the power to do anything that individuals generally may do. This power extends to doing things that an individual may do which are unlike anything that the Council currently, or public bodies do. The Council may exercise this power for, or otherwise than for, the benefit of the authority, its area, or persons resident or present in its area. This general power is limited by any restrictions in any existing or future legislation.
- 4.3 Section 111 of the Local Government Act 1972 provides powers for a local authority to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.
- 4.4 The Council may contribute, by way of grant or loan, towards the expenses incurred or to be incurred in providing any recreational facilities which the authority has power to provide by virtue of section 19 of the Local Government (Miscellaneous Provisions) Act 1976 by any voluntary organisation carrying on or proposing to carry on an undertaking otherwise than for profit.
- 4.5 This proposed key decision was entered in the Forward Plan on 1 February 2021 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. CONSULTATION AND CO-PRODUCTION

- 5.1 Applications have been assessed by the Investment Panel, which includes officers from the Future Workspace Fund project team, officers from Finance and Legal and external support in the form of the principal consultant from Original Futures.
- 5.2 Significant co-production with applicants will take place both through the First Round of the Future Workspace Fund through the due diligence processes and in the long-term through the commitment to joint working with the Council on the successful projects.

6. RISK MANAGEMENT

- 6.1 The main risks that impede on the successful delivery of these projects are:

Table 3 – Risk Register

Item	Category	Risk	Likelihood	Impact	Score	Control Measures
1	Programme	Low demand for workspaces from businesses (perhaps from Covid-19)	3	4	12	Invest in projects that demonstrate market demand and have a capacity to survive lower demand. Projects will demonstrate market demand as part of the application process.
2	Programme	Covid-19 further disrupts the economy and the fund	4	4	16	Invest in projects that demonstrate Covid-19 resilience, tested through the application process.
3	Project: Ten87 Studios	Rent reviews which become too expensive for the space	2	4	8	Brixton House is the Council's property, meaning that there will be a continuing dialogue with Ten87.
4	Project: Ten87 Studios	Local competition in the mid to long term	2	2	4	Ten87 have demonstrated a significant market failure in affordable studio space. It is expected that demand will remain at this level or grow for these spaces.
5	Project: Sustainable Workspaces County Hall	That planning approval for the change from sui generis to office use is not obtained	2	8	16	A number of other floors at County Hall have been successful at gaining similar planning permission, so this is seen as unlikely. Funding conditional on permission.
6	Project: Sustainable Workspaces County Hall	Not reaching occupancy levels required to afford repayment	2	4	8	Modelling provided by Sustainable Workspaces places sufficient capacity for break-even at 18 months. This is a generous estimate as other spaces have reached maximum capacity within 6 months.
7	Project: Artists Studio Company	Project budget overspend	2	4	8	Through due diligence, all applicants are being asked to demonstrate ample costings including contingency planning.
8	Project: Artists Studio Company	Interest rates rise, increasing the repayments which in turn influence affordability of space	3	4	12	The application process for the Future Workspace Fund has requested that applicants plan for any unexpected costs such as this. ASC also retain an ongoing dialogue with their mortgage lender.
9	Project: 198 Contemporary Arts and Learning	Britain's exit from the EU will affect construction haulage from Europe, delaying the project	3	2	6	198 CAL have committed to sourcing construction goods from local suppliers where possible.
10	Project: 198 Contemporary Arts and Learning	Undercapitalisation of the project leading to significant extra costs	2	4	8	The Design Team for 198 CAL is working closely with the contractor to identify any potential risks of unexpected costs and factoring this into the budget.

Key

Likelihood	Very Likely = 4	Likely = 3	Unlikely = 2	Very Unlikely = 1
Impact	Major = 8	Serious = 4	Significant = 2	Minor = 1

7. EQUALITIES IMPACT ASSESSMENT

- 7.1 The Future Workspace Fund addresses priorities, actions and projects included within 'Creative ways to grow' - Lambeth's Creative and Digital Industries Strategy for Growth and Lambeth's Economic Resilience Strategy (2020) where the Fund is cited as a Medium-Term goal. Both of these strategies benefited from an Equalities Impact Assessment and Equalities Impact Assessment Panel which informed the final versions of the strategies. Consequently, a new Equalities Impact Assessment is not required at this stage.
- 7.2 The Equalities Impact Assessment for the Economic Resilience Strategy has been appended to this document as Appendix A.

8. COMMUNITY SAFETY

- 8.1 There are no community safety implications.

9. ORGANISATIONAL IMPLICATIONS

Environmental

- 9.1 The Future Workspace Fund will contribute to growing innovation-led sectors in Lambeth, specifically the low-carbon sector. This Fund is committed to growing the number of green jobs in this sector and creates an opportunity for Lambeth to become a trailblazer in low carbon and generate a green economy.

Health

- 9.2 None.

Corporate Parenting

- 9.3 None.

Staffing and accommodation

- 9.4 The 2% per annum management costs associated with the Future Workspace Fund will be used to cover time spent by existing staff members and provide resources for fund management activities. This will include the establishment of a new full time post dedicated to supporting delivery of the Future Workspace Fund and other related affordable workspace activity.

Responsible Procurement

- 9.5 Not a procurement exercise.

10. TIMETABLE FOR IMPLEMENTATION

Activity	Proposed Date
Date published on Forward Plan	01.02.2021
Publication of Decision online	01.04.2021
Cabinet Member Decision Made	13.04.2021
End of Call-in Period	20.04.2021
Funding agreements entered into	May 2021

AUDIT TRAIL				
Consultation				
Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Councillor Jack Hopkins	Leader of the Council	23.03.21	01.04.21	
Councillor Matthew Bennett	Cabinet Member for Planning, Investment and New Homes	08.03.21	22.03.21	
Councillor Andrew Wilson	Cabinet Member for Finance and Performance	31.03.21	31.03.21	
Eleanor Purser and Sara Waller, Strategic Directors	Sustainable Growth and Opportunity	08.03.21	15.03.21	
Christina Thompson, Director	Finance and Property	16.03.21	17.03.21	Throughout
Matthew Gaynor, Assistant Director, Finance	Finance and Property	04.03.21	15.03.21	Section 3
Michael O'Hara, Legal Services	Legal and Governance	04.03.21	05.03.21	Section 4
Nabeel Khan, Director, Economy, Culture and Skills	Economy, Culture and Skills	02.03.21	03.03.21	Throughout
Marianna Ritchie, Democratic Services	Legal and Governance	04.03.21	08.03.21	Section 4
Matt Blades, Assistant Director, Economy and Inward Investment	Economy, Culture and Skills	02.03.21	03.03.21	Throughout
Nathan Vasey, Business, Culture and Investment Manager	Economy, Culture and Skills	15.02.21	02.03.21	Throughout

REPORT HISTORY	
Original discussion with Cabinet Member	14.08.2020
Report deadline	N/A
Date final report sent	N/A
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	Yes
Date first appeared on forward plan	01.02.2021
Key decision reasons	2. Expenditure, income or savings in excess of £500,000.
Background information	<ul style="list-style-type: none"> • Future Workspace Fund CMDDR (November 2020) • Economic Resilience Strategy (2020).

	<ul style="list-style-type: none"> • <u>Lambeth Council Borough Plan (2020-21).</u> • <u>Lambeth's Creative and Digital Industries Strategy for Growth, A Creative Way to Grow (2018).</u> • <u>Draft Revised Lambeth Local Plan – Proposed Submission Version January 2020</u> • <u>Lambeth Draft Affordable Workspace Policy SPD (2020).</u>
<p>Appendices</p>	<p>Appendix A – Economic Resilience Strategy Equalities Impact Assessment</p>

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board, and taken account of their advice and comments in completing the report for approval:

Signature: _____ **Date:** _____

Post: Nabeel Khan
Director, Economy, Culture and Skills

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature: _____ **Date:** _____

Post: Cabinet Member for Planning, Investment and New Homes
Councillor Matthew Bennett

Any declarations of interest (or exemptions granted):

Any conflicts of interest:

Any dispensations: