MANAGED WORKSPACE STUDY

BURNTWOOD – LICHFIELD – TAMWORTH

Prepared for:
Staffordshire County Council

Staffordshire
County Council

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1. **Executive Summary**

The key points arising out of the following Report are as follows:-

i. Staffordshire County Council is the largest single provider of managed workspace centres in the County (13), with the private sector accounting for a further 15 centres (in 12 separate ownerships).

ii. The Burntwood-Lichfield-Tamworth corridor is under-represented with only one County Council scheme (Chasewater Innovation Centre) and eight other privately run centres – the largest of which offers only 24 rooms (Lichfield Business Village).

iii. There is a total of 107 managed workspace rooms (subject to definition - see item 2.6) for a combined population of approximately 131,000 in the Burntwood-Lichfield-Tamworth area.

iv. Demand for floorspace **is** affected by the general economic downturn, but the majority of centres are current showing occupancy rates of 70%+ and a reasonably good level of enquiries. Those below this level are either under-occupied due to issues relating to the Centre or – as is the case with Genesis in Stoke on Trent - currently being opened in phases.

v. Traditionally the recovery years after recession give rise to an increase in demand for managed workspace.

vi. There is justification for considering the following:-

Burntwood – workshop scheme only
Lichfield – high end serviced office scheme
Tamworth – Enterprise Centre model

vii. Of these, Tamworth is the most justifiable proposal due to the lack of current supply at any appreciable scale, the large population, and the established business culture (across professional services and industry).

viii. The key factors for a successful scheme within Tamworth will be:-

Location	fringe town centre, with good public transport access and suitability for some workshop units if possible
Critical Mass/Mix	suggested 30 offices, 12 workshops and 10 studios
Site size	c. 2.0 acres
Overall size	c. 17,000 sq.ft.
Unit size	**Workshops** – 300 - 1200 sq.ft., centring the majority at 600 sq.ft. with the potential to double up via knock-out panels. **Offices & Studios** – 120 - 850 sq.ft. with a greater proportion at 120 - 400 sq.ft.

Car parking	c. 70 spaces
Security	secure and gated site – consider CCTV
Easy-in/ easy-out terms	min. 3 month commitment and monthly thereafter
Rents	Subject to an agreed list of facilities and services to be included and subject to specification, rentals will be: **Offices** £180 - £350 per workstation per month **Studios** £150 - £250 per workstation per month **Workshops** £5.00-£6.00 per sq.ft. per annum

ix. The services/facilities which should be provided within a successful scheme differ between Offices, Studios and Workshops:-

Offices

- On-site management (equivalent to one full time job or two part-time jobs to cover usual business hours)
- Meeting rooms – 2/3 of different sizes 4/8/20 people
- Break-out areas - one per floor
- Large broadband capacity
- Post distribution/collection point
- Tea-making point – one per floor

Services available at extra cost can include:-

- Hire of meeting rooms
- Catering
- Photocopying, fax and printing
- Secretarial services
- Telephone answering (depending on staffing levels)

x. Workshops

- Secure gated site
- On site management

xi. The specification should reflect on the best practice established at other Enterprise Centres and Lymedale Business Centre. Full details are set out in Section 10.18-10.20.

xii. Environmental considerations – whilst potentially of importance to the County Council – are of little or no importance to occupiers if they impinge on cost and/or the manner in which the property can be used for the benefit of the businesses concerned. Accordingly a BREEAM Excellent rating is necessary (purely in financial terms) only if it comes at no additional cost to the occupier.

xiii. Consideration should be given to incorporating a caretaker's store (for maintenance equipment etc.) in the scheme, and also franchising out a coffee shop for the use of all occupiers.

2. Introduction

2.1 Kingston Commercial Property Consultants is instructed by Staffordshire County Council – to provide a report on the potential demand for managed workspace in the "corridor" of Burntwood – Lichfield – Tamworth.

A copy of the brief is attached as Appendix A.

2.2 This report has been researched and compiled by A. M. Buckman and G. P. Jones – both Partners of Kingston Commercial Property Consultants based in Lichfield. Support staff from within Kingston have been used where necessary to assemble information and process data.

The CVs for both Mr. Buckman and Mr. Jones are attached at Appendix B.

2.3 Where interviews have been undertaken with existing occupiers, these have been on the basis of strict anonymity. Where information sources have been utilised, these are acknowledged in the context of the report.

2.4 The majority of the sites, both within the area of search and in the hinterland, have been visited as part of a benchmarking exercise. We have not wanted in any way to cause concern to existing occupiers by being overly intrusive, and therefore where necessary we have relied on published information.

2.5 As a local commercial property consultancy, it is natural that Kingston CPC will have working relationships with some of the owners/developers/occupiers of existing schemes within the geographical area of the report and these are noted where they are relevant.

3. Definitions

A key part of interpreting the research is to have a clear understanding of the term "managed workspace".

After discussions with Rob Fletcher of Staffordshire County Council and also an inception meeting on 16th January 2012 with involved parties, we have adopted the following definitions into our research and reporting:-

3.1 Managed Workspace

Accommodation – refurbished or new – which caters for new, young and small enterprises by providing an appropriate size of unit in a suitable environment, with support services and on a flexible basis.

Under the heading of "managed workspace", accommodation is currently provided in three differing types of floorspace:

a) Serviced offices
b) Studios
c) Workshops

The term "managed" relates to the presence (temporary or permanent) of staff to run common services of the development, including common areas, and to ensure the smooth running of the business environment.

3.2 Serviced Offices

An environment which provides a critical mass of office rooms on a flexible basis (often even monthly) and most usually at an inclusive rate which leaves the occupier paying only phone bills, but with the option to acquire other services including use of meeting rooms, additional furniture and IT, photocopying, postage, catering facilities etc.

3.3 Studios

A lower quality of accommodation than offices and more usually offering fewer "add on" facilities, but providing a bridge between serviced office and workshop space.

3.4 Workshops

Differing only from starter unit workshop schemes provided more usually by the private sector, in that occupation is relatively short term (usually in terms of months). The environment in which the workshops are located dictates the extent to which only "sociable" users are encouraged (e.g. alongside serviced offices) or whether a more relaxed approach to the use can be taken (as would be the case on an industrial estate).

In the context of this Report workshop occupiers will have the availability to utilise some of the "serviced office" facilities, such as use of meeting rooms, where these are available, but in other respects are relatively traditional in respect of the occupational structure, making the occupier responsible for electricity, gas and water costs, Business Rates and repairs.

3.5 Business Centres

An over-arching term covering flexible/managed workshops and serviced offices.

3.6 Note

In analysing the provision of managed workspace, we have applied a cut off point between purpose built/refurbished centres offering a certain size and range of accommodation, as separate from small buildings, divided up into only a small number of rooms (typically 5 or less), created more out of economic necessity in a poor market, as opposed to an intended managed workspace facility.

4. Résumé of the Brief

Whilst the brief is attached in full at Appendix A, the key requirements can be listed as follows:-

i. To research the current availability of managed workspace within the Burntwood, Lichfield and Tamworth areas.

ii. To provide a detailed analysis and commentary relating to size, type, means of occupation, services provided and sector breakdown.

iii. To research the requirements of individuals or companies in managed workspace.

iv. To review the relative success/failure of other managed workspace centres in the hinterland.

v. To assess current levels of demand for such products by geography and type within the search area.

vi. To scope out the essential criteria for a successful managed workspace and/or serviced office centre.

vii. To provide commentary and put forward recommendations.

5.0 Context

5.1 National

5.1.1 The Business Centre concept originated in the United States in the 1960s, but did not appear in earnest in the United Kingdom until the mid-1980s. In its formative years, the concept centred principally on the serviced office sector.

5.1.2 By the late 1990s, the number of work stations in the UK within the serviced office sector was estimated at approximately 110,000 (over 50% of which were in London). By 2004 this had risen to 145,000[1], and by the end of 2010, to 174,000[2].

5.1.3 Furthermore, research by MBD[2] noted that, although the economic recession had given rise to a 2% decline in workstations since 2009, there was an increase in general activity in the marketplace, primarily due to companies seeking flexibility in an uncertain business environment. This extended to the potential for larger companies to look for short term space instead of taking longer term decisions.

5.1.4 For the period up to 2015, MBD[2] forecasts that the total number of workstations in the UK serviced office market is anticipated to increase with growth of 3% in 2011 rising to 5% by 2015 as most sectors recover from the adverse economic conditions, stimulating new business start-ups.

5.1.5 It is also noted by MBD that in an economic down-turn with increased financial pressures in an uncertain market, some larger corporate clients have justified moving to serviced office arrangements to reduce operating costs and maintain flexibility.

5.1.6 By reference to the number of business enterprises, figures produced by the Department for Business Innovation & Skills[3], highlight the importance of the micro/start-up business in the context of the general economy of the UK:-

- Of the 4.5m private sector businesses in existence at the start of 2010, 73% had no employees (i.e. were either sole proprietors, partnerships, or comprising self-employed or owner managers).
- 99.2% were small enterprises (0 – 49 employees).
- Within the West Midlands, 12.3% of the enterprises were in professional services, scientific and technical sectors (6th position nationally), and 21.1% were in the construction industry (2nd position nationally).

5.1.7 Further information from the Office of National Statistics[3] indicates that in 1980 there were 2.4m enterprises in the UK, and this rose to 4.7m by 2007. Critically 95% of these small enterprises employed less than 10 people.

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[1] DTZ research November 2004 "The Flexible Managed Office Market"

[2] MBD Due Diligence Ltd. release April 2011

[3] Department for Business Innovation & Skills Statistical Release 24th May 2011

5.1.8 In 2009, the Office of National Statistics calculated that new businesses were being formed at a rate of 500,000[3] every year, and that SMEs (with employees up to 249) represented 99% of the total market.

5.1.9 There is clearly a barrage of statistics available to be interpreted in a variety of ways. The key thread which runs through these, is that the small/micro end of the business enterprise sector is continuing to expand and represents the overwhelming majority of existing and new take-up of floor space (in terms of numbers of enterprises rather than amount of floor space).

5.1.10 The managed workspace sector is being supplied principally by three sources:-

i. Vacant traditional space – typically remaining empty for a considerable period of time due to the effects of the recession, and in the hands of private landlords who are looking to alternative means to create income and avoid Empty Rates.

ii. Private developers – targeted primarily – but not exclusively - in the serviced office sector and comprising a range of companies such as Regus, Network Space, Evans Easy Space and United Business Centres.

iii. Local Authorities – typically with an input of third party or grant aid funding.

5.1.11 Within each of these there are sub-divisions ranging from high end virtual office/hot desking for major corporations (typically city centre locations), down to small refurbishments of otherwise redundant or unmarketable premises. The recession has affected both the provision and take-up of space within this sector: small and start-up companies can respond faster to market conditions, but nonetheless are affected by the same economic drivers as more established companies, and have little capital backing or revenue reserves to be able to withstand difficult trading periods.

5.1.12 In recessionary times, the ability of those companies which can see a market opportunity and can capitalise on this, is dependent upon a supply of suitable flexible workshop and office space. In this respect the provision of accommodation has evolved substantially since the mid-1990s with providers becoming more "in tune" with the occupier requirements, thereby enabling start-up and under-capitalised enterprises to work smarter and be better able to concentrate their resource on the core business, and not the peripheral (but essential) obligations of running a property itself.

5.1.13 Over recent years the general economy has tended to concentrate substantially on the service industries for growth and – more recently – IT, medical, technological and research.

5.1.14 Within the managed workshop sector, there is far less commentary in the marketplace and far less product which provides a truly "managed" environment, as opposed to merely small industrial properties.

[3] Department for Business Innovation & Skills Statistical Release 24th May 2011

5.1.15 Within the context of the perceived decline in manufacturing in the economy, the managed workshop product – aimed at a similar level to serviced offices – has not materialised. This may be due in part to the decline in the sector, and partly the lack of the "service" requirement within manufacturing which prevails more substantially within the office sector. However it is notable that in February 2012, the Midland Chairman and Head of Real Estate at Wragge & Co. in Birmingham commented "Despite the prevailing trends affecting the marketplace, it is clear that there are opportunities for those with equity and those who can persuade the reluctant Banks to lend. One opportunity which may have been overlooked is the provision of nursery units for young manufacturing companies".

5.2 Regional

5.2.1 Within the Region, there has been a limited supply of privately funded development within the managed workspace sector. This is potentially due to three factors:-

i. The general economic environment since 2008.

ii. The southern part of the region is made up of a number of relatively small centres as opposed to major urban city populations.

iii. The lack of investment funding.

5.2.2 The general economic climate has undoubtedly been a factor and – as previously mentioned – the managed workspace and serviced office sectors are not immune to these circumstances.

5.2.3 It is notable that Regus – one of the world's largest serviced office providers – constructed its Birmingham North (Cannock) serviced office centre in 2007, just before the collapse of the economy and the commercial property market. It was not until mid-2011 that the 40 unit serviced office centre was fully occupied for the first time.

5.2.4 Similarly at Hednesford, the Centrix Keys development constructed in 2007 is as yet to reach full occupancy of the 60 office units which are available.

5.2.5 Save as to Regus and Centrix Keys in Cannock/Hednesford, Lichfield Business Village in Lichfield and the new Genesis Centre in Newcastle under Lyme, the only major provision of managed workspace in the county within recent years has been the 13 managed workspace centres created/developed by Staffordshire County Council.

5.2.6 Through its 13 centres, the County provides 434 units in a total of 191,922 sq.ft., representing an average of 442 sq.ft. per unit. This is by far the largest number of managed workspace centres in the County.

5.2.7 In terms of the County Council's representation, the schedule below indicates the population size of the conurbations where the existing centres are located, and also indicates the population sizes of Burntwood, Lichfield and Tamworth.

Town	Population	Number of Staffs CC funded Centres	Total Number of occupiable units	Population per unit
Stoke/Newcastle	457,165	5	149	3,068
Burton	64,449	2	81	795
Uttoxeter	12,023	1	18	668
Stafford	63,681	2	57	1,117
Cannock	56,638	2	94	602
Burntwood	25,647	0	0	2,565
Lichfield	31,000	0	-	-
Tamworth	74,531	0	-	-
Rugeley	22,989	0	-	-

5.2.8 Adding in the major private managed workspace/serviced office product within the county, the figures change to:-

Town	Population	Number of Staffs CC funded Centres	Total Number of Centres	Population per unit
Stoke/Newcastle	457,165	6	242	1,889
Burton	64,449	2	81	795
Uttoxeter	12,023	1	18	668
Stafford	63,681	5	136	468
Cannock	56,638	4	194	292
Burntwood	25,647	1	10	2,565
Lichfield	31,000	2	41	756
Tamworth	74,531	6	56	1,330
Rugeley	22,989	1	37	621

5.2.9 Based on population levels, Tamworth and Burntwood appear relatively under-supplied in terms of managed workspace. On this basis, Stoke-on-Trent and Newcastle combined would also appear to be under-supplied, however “chimney pots” is not the only test of need. The range of employment potential and established businesses in the area also need to be considered.

5.2.10 Tamworth has six private sector managed workspace buildings, but these offer between 5-19 rooms each – insufficient to provide the “managed” element which is integral to the success of these centres - and in total comprises only 56 occupiable units. The creation of these centres in Tamworth has – in the main – been enforced on private landlords seeking to generate some income from a currently over-supplied office sector in recessionary times.

5.2.11 There is currently a proposal being considered by Walsall Metropolitan Borough Council for the construction of a Walsall Business & Sports Hub linked in to the

College, and designed partly to fill a gap in the serviced business accommodation in Walsall. At present the town has only two sizeable managed workspace offers at Tameway Tower and Bradford Place – both privately owned/funded and in older converted premises.

5.2.12 The lack of any appreciable managed workspace in Burntwood would appear to leave an opening. However, the office sector generally in Burntwood has struggled to form a cohesive presence, notwithstanding the Burntwood Business Park Gladman development: in this scheme, whilst the larger building floor plate have let fairly successfully, the smaller units of 2,000 sq.ft. or less have struggled.

6. Existing Managed Workspace Centres

6.1 Appendix C gives brief details of each of the managed workspace centres within the area covered by this Report.

6.2 Appendix D provides similar information but in relation to those centres which are on the periphery of the Report area, and which could be seen as having an influence on any suggested proposals for the creation of additional managed workspace in the area of search.

6.3 A plan showing the location of the principal managed workspace locations within the County is shown in Appendix E.

6.4 It can be seen from the schedules, that there are a small number of major private sector centres represented in the Report area:

▪ Trent Business Centre, Lichfield	17 rooms*
▪ Leonard House, Tamworth	19 rooms
▪ Swan Park, Tamworth	10 rooms
▪ Mercury Business Centre, Tamworth	8 rooms
▪ Viking Park, Tamworth	7 rooms
▪ Amber Business Centre, Tamworth	5 rooms
▪ Pebble Business Centre, Tamworth	7 rooms

*6 further rooms to become available Summer 2012-03-19

[Additionally Stafford University's Lichfield Business Village provides a further 24 rooms.]

6.5 The majority of this provision is in converted premises (save as to Lichfield Business Village), and has been created mainly due to the substantial amount of vacant office space across the area as a result of the recession, combined with the current lack of demand for small traditional office accommodation. This has led to some property owners entering the serviced office sector in particular as a means of generating income from otherwise vacant property and avoiding Empty Rates liabilities. Equally the level of "Service" in the product is varied.

6.6 This private sector provision generally has to be funded without Bank facilities which have not been available for projects of this nature in recent years. Accordingly the "offer" for start-up and young enterprises within the area of search up until now, has been limited in size/number, and in quality by the financial returns expected by the private sector.

6.7 There is no managed workshop space within the area of search. Lichfield District Council provides small starter units at Ring Road, Burntwood (19 units of 900 sq.ft. and 1570 sq.ft. each) and at Greenhough Road in Lichfield (6 units of 800 sq.ft. each).

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6.8 Also in Burntwood, LCP – as a private landlord – has developed a number of “starter units” although these are available on more commercial terms (full repairing 3 year leases) than could be provided with a managed workspace scheme.

6.9 In Tamworth, the Borough Council owns the Tamworth Business Centre at Amington comprising 20 units of approximately 500-800 sq.ft. with communal toilet facilities. The units are available on short term occupation and on the basis that the occupier pays Rates and all occupational costs.

7. Enquiry Levels

7.1 From the schedules of Managed Workspace Centres both within the area of search and in the hinterland, it can be seen that few of these are up at 100% occupation, but generally levels are relatively high at between 70%-90% with only a few exceptions relating either to premises which are not particularly attractive in the current marketplace due to the historic nature of their location/services, or – as is the case for example with Genesis in North Staffordshire - the creation of a large number of units in one new development which naturally will take some time to fill.

7.2 From our conversations with the centre managers - both in terms of the County's own accommodation and that provided by the private sector – there seems to be a relatively common theme that extensive marketing by way of advertising is not generally felt to be a cost-effective manner to attract tenants.

7.3 Certainly website listings are important and independent brokers such as Office Broker.com have a useful part to play in fielding general enquiries in the marketplace and pointing these towards specific accommodation.

7.4 A number of the centres tend to use the services of a local commercial property agent for the first 12-18 months of a property's existence, and it is generally found that during this time as there is an increase in enquiries, word of mouth then takes over and perpetuates through a churn of tenants/occupiers.

7.5 Accordingly due to the limited way in which these premises are quite often marketed, there is only a fairly restricted amount of information available on enquiry levels.

7.6 Somewhat surprisingly, the majority of commercial property agents do not keep records of enquiries which can be analysed against a property's size and type requirements.

7.7 However, Kingston CPC has a database which can analyse on these criteria. Over the calendar year of 2011, the following table shows the number of enquiries received against certain key size ranges and types of accommodation. The figure for the office accommodation equates to almost 2 enquiries per week for office accommodation of less than 1,000 sq.ft. It is also worthy of note that there were no enquiries for any workshop space of less than 1,000 sq.ft.

Size range in sq.ft.		0 – 250	250 – 750	500 – 750	750 - 1000
Type of Accommodation					
	Office	45	35	10	1
	Studio	3	7	0	0
	Workshop	0	0	0	0
	Other (please specify)	0	0	0	0

7.8 Looking at the enquiries received in terms of geography, it is perhaps not surprising that as Kingston CPC is based in Lichfield, the majority of the enquiries related to Lichfield, although there is a useful contribution from both Tamworth and Cannock.

Type of Accommodation		Offices	Studio	Workshop	Other
Area of Search					
	Ashby	0	0	0	0
	Tamworth	15	2	0	0
	Burton	1	0	0	0
	Lichfield	48	5	0	0
	Burntwood	6	3	0	0
	Norton Canes	0	0	0	0
	Cannock	11	0	0	0
	Uttoxeter	10	0	0	

7.9 We have also obtained information from Make-It Stoke-on-Trent and Staffordshire. Whilst, as with a number of commercial property agents, there is no database for analysing detailed enquiries relating exclusively to managed workspace, there is general information available. In relation to the size range and type of accommodation, in the calendar year of 2011, 12 enquiries were received for office accommodation between 750-1000 sq.ft. and 12 enquiries for workshop accommodation between 750-1000 sq.ft. Of these, the majority were geographically orientated towards Lichfield and Tamworth, which take up 90% of the total enquiry numbers, with a far smaller representation interested in Burton and Cannock.

7.10 Although the statistical information on enquiry levels is limited, it should be borne in mind that there may be overlap in enquiry figures where an interested party has approached both Make-it Stoke-on-Trent and Kingston CPC.

7.11 It is not unexpected that during the last 4 years of recessionary times, enquiry and occupation levels will have dropped off or at least slackened in pace. As mentioned previously, the managed workspace sector is not immune to general economic circumstances. However, it is notable from speaking to all commercial property agents and centre managers, that there has been a marked increase in interest during 2011 in respect of almost all the centres concerned, and general optimism is indicating that occupation levels, as a result of increased enquiries, will rise during the remainder of the year.

8. Key Factors

8.1 In analysing the occupation of managed workspace centres, both within the area of search and within the hinterland, we have – where possible – entered into discussions with a selection of existing occupiers to ascertain the key criteria which first attracted them to the location/facility, and subsequently those aspects which have proved to be important to them or unimportant.

8.2 The considerable work undertaken by the County Council in its Managed Centres Survey dated May 2011, offers a large amount of statistical information relating to occupancy and employment density statistics for each centre, and also a section on customer satisfaction, which is valuable information to be factored into the decision-making process in relation to any future centres.

8.3 Relating to the County Council managed workspace only, there are a number of useful key statistics:-

- 93% of respondents deemed the size of accommodation to be excellent or good
- 94% of the respondents deemed the location of the property to be excellent or good
- overall satisfaction levels were extremely high, with respondents in 10 of the 13 centres reporting "very satisfied/satisfied" with the overall provision of facilities.

Some of the statistics need to be read in context due to a limited number of responses.

8.4 From our own discussions with occupiers, and in relation to enquiries received and lettings achieved on behalf of clients, we have been able to prioritise the factors which are felt to be of key importance to occupiers within the managed workspace sector.

8.5 For ease of reference, we have split the listings between serviced offices and workshop space, as there are some key criteria which are not universal to both. All of the factors were deemed to be important, and across a range of occupiers there were naturally some differing views.

<u>Serviced Offices</u>

1. Flexibility in the period of occupation and means of vacating the premises if surplus to requirements.
2. The provision of a professional working environment.
3. Proximity to town centre facilities.
4. Availability of a robust broadband service.
5. Easily accessible by public transport.
6. Helpful, informed and professional on-site management.
7. Transparent pricing.
8. All-inclusive monthly billing.
9. Free car parking.

10. Availability of add-on services/facilities at cost (meeting rooms, additional phones etc.)
11. Office furniture.

In relation to enquiries received by Kingston CPC, and relating purely to serviced offices, the availability of all-inclusive payments and “easy-in/easy-out” terms were the most important factors with over 85% of the enquiries received in the calendar year 2011.

8.6 Managed Workshops

1. Short term occupation – “easy-in/easy-out”
2. Good road access.
3. 24-hour access.
4. Security (in terms of fencing, gates and cameras).
5. On-site café
6. Clean working environment.
7. Potential for utilising facilities in the serviced office part of the premises.

8.7 In relation to the Enterprise Centre developments by the County Council at Silverdale, Newcastle and Waterside Court, Burton on Trent, it is notable that good on-site management and control has created an impressive working environment which is welcomed by the occupiers. Conversely at Lea Hall – now in private ownership – a much lower level of on-site maintenance and management, combined with private sector demands for (typically) 3 year lease terms, has led to this development currently showing a large percentage of voids.

8.8 Equally the workshops currently owned by the respective Councils in Lichfield and Tamworth are lacking in building and on-site management and therefore often preclude potential interest from image conscious/service industry occupiers.

8.9 Whilst many schemes combine serviced office and workshop facilities, this is not essential. Stand alone managed workshops do have a place in the market and can flourish in more fringe town centre commercial locations, providing public transport is available.

9. Sectors

In relation to twelve of the managed workspace centres both within the area of search and the hinterland, we have obtained details of occupiers, and in the table below have set down numbers in each business sector. For ease of reference, we have utilised the sector headings incorporated by the Department for Business, Innovation and Skills[1] in its statistical releases:

	No. of occupiers	**% of total**
Agriculture, Forestry & Fisheries	0	0
Mining, Electricity, Gas and Water	4	1.4
Manufacturing	16	5.7
Construction	32	11.4
Wholesale & Retail Trade Repair	5	1.8
Transportation & Storage	15	5.3
Accommodation & Food Service	9	3.2
Information & Communication	23	8.2
Financial & Insurance	8	2.9
Real Estate	6	2.1
Professional, Scientific & Technical	37	13.2
Admin & Support Services	15	5.3
Education	15	5.3
Human Health & Social Work	19	6.8
Arts, Entertainment & Recreation	14	5.0
Other Services	63	22.4
Total	**281**	**100%**

It is interesting to note from the BIS 2010 Statistical Release that on a national basis, the construction industry accounted for the highest percentage of occupiers at 20%, with professional, scientific and technical at 13% and wholesale and retail trade at 11%. It should be noted that this is in the general economy in total, and not merely the managed workspace sector.

In the table above, whilst "other services" is the largest proportion of those capable of being categorised, "Professional, scientific and technical" and "construction" account for almost one quarter of the 281 occupiers.

[1] Department for Business Innovation & Skills Statistical Release 24th May 2011

10. Commentary

From the research undertaken throughout this Report, there are a number of conclusions which can be drawn.

General

10.1 As the product created by the County Council has evolved over years, it has improved in response to feedback from occupiers, and particularly with the latest scheme at Newcastle Business Centre, there would appear to be a high level of satisfaction amongst the occupiers in relation to the facilities and services provided. A development of this nature does rely on a large local population base.

10.2 The private sector serviced office centres – mainly Regus/Centrix Keys in the Cannock area, United Business Centres and Staffordshire University in Stafford and Lichfield – have fared reasonably well but have struggled to reach a high level of occupancy. This is partly due to locational factors.

10.3 The south-east part of the county is under-represented in terms of managed workspace, with only a limited amount of private sector accommodation in the Burntwood – Lichfield – Tamworth corridor.

10.4 Enquiries for accommodation are more often than not emanating from potential occupiers living in close proximity to their area of search. This is not a particularly surprising factor, but is important in relation to the provision of a number of centres in the Stoke-on-Trent/Newcastle conurbation, where there is a high population concentration, as opposed to the centres in the Burntwood, Lichfield and Tamworth conurbations, which are smaller and separated by countryside.

10.5 Critical mass is an issue in achieving a successful managed workspace scheme. In the smaller schemes – most typically provided by elements of the private sector – occupiers quite often do not feel part of a single larger centre, but merely occupy individual rooms in an older, converted and lower quality building. Equally, there is a critical mass which is important to the economic viability of a centre in terms of the services provided and the overhead to run the operation – particularly in terms of management staff.

10.6 Those managed workspace centres which combine serviced offices and workshop space, work well notwithstanding an initial perceived conflict in these two uses. The workshop accommodation provided at Lymedale Business Centre has proved very popular and is perhaps under-supplied in relation to the number of enquiries received: and it could be considered that in future models, a slightly higher number of workshop units could be accommodated.

10.7 The only key factor for workshop accommodation which separates managed workspace from more traditional, private sector industrial development, is the offer of “easy-in/easy-out” terms, and to a lesser extent, the availability of support business services (meeting rooms, video conferencing etc.) which the adjoining serviced office building could provide.

10.8 Within the private sector, the provision of very small workshop units – particularly if these can be constructed only by utilising Bank funding – is a high risk project where often the requirements of the funding package between the developer and the funding source, demands a relatively lengthy period of occupation by the tenants (typically minimum of 3 years), which conflicts with the requirement of small businesses to have easy-in/easy-out terms. Accordingly, the County Council product, whereby flexible occupation can be readily provided, offers a product which the private sector cannot provide.

10.9 The three population centres in this Report have differing economic profiles and potential:

Burntwood:

- indigenous industry, former coal mining area
- poor quality retail town centre offer (although redevelopment proposals are being formed)
- generally lower property values/rents
- the newer commercial developments on Attwood Road (both office and workshop) have struggled to attract occupiers

Lichfield:

- a “professional” sector base
- an unacceptably high number of vacant office suites available on traditional terms
- a relatively small but economically active and high value business population
- limited site availability

Tamworth:

- the largest population centre
- active industrial, professional and out-of-town retail areas
- potential town centre redevelopment site option
- very limited managed workspace product – private sector only

10.10 The locational requirements for serviced office and managed workshops can – on occasions – result in successful single location developments (such as Lymedale). However comment was made by some occupiers of studio space at Silverdale and office space at Cannock Chase Enterprise Centre, that the fringe urban – or even rural – location was not best suited to office type occupiers at this level.

Location

10.11 As a general rule, the following locational considerations will lead to more successful schemes:-

Serviced Offices	-	(a)	fringe town centre
	-	(b)	Business Park providing there is a large enough critical mass (typically with other offices and office centres) with on-site facilities and good public transport
Mixed office & workshop	-	(a)	fringe town centre
	-	(b)	Business Park
Managed Workshop	-	(a)	industrial estates, preferably with good public transport

10.12 Managed workshops such as at Delta Way, Cannock, Chase Enterprise Centre and Chase Innovation Centre, can only work in their current environment.

10.13 The most successful managed serviced office schemes are close to town centres, are easily accessed by public transport and have a high level of car parking.

Car Parking

10.14 Notwithstanding environmental issues, occupiers expect a good allocation of free car parking. The County Council Enterprise Centre developments at Silverdale, Waterside Court and Lymedale, all appear to be well provided for in this respect with few adverse comments from occupiers.

Management

10.15 Good on-site building and site management and maintenance leads to better quality occupiers and better occupation levels.

Scheme Size

10.16 In terms of the overall size of any development, this will be determined by a combination of the number of units created to achieve a business community, with the prospects of some inter-trading, offering the ability for occupiers to be seen to be "punching above their weight" and the level of in-house management requirement (in terms of facilities and staff) to service the occupiers properly.

Typically less than 40 units would be uneconomic.

10.17 Individual unit size will tend to range as follows:-

Offices	100 (1 desk) to 850 sq.ft. (6 desks)
Workshops	300 to 1200 sq.ft.

Where possible – particularly with workshops – mixing units of differing sizes so as to create the potential for "doubling up" should be considered in the design by inserting knock through panels in dividing walls.

Specification

10.18 The serviced office environment needs to impress both for the occupiers and their customers/suppliers.

The Lymedale Business Centre specification and layout works well, save as to issues with temperature control.

Consideration also needs to be given to the current provision of communal kitchen and break-out areas, sufficient to cater for requirements, but not over-supplied so as to create too much non-income producing space.

Offices Carpet tiles, plastered and painted walls, suspended ceilings, recessed lighting (LG7 min), dado trunking cabled up for internet and power (large number of ports/sockets), heating, comfort cooling (cassettes), window blinds, partial glazed (louvred) wall to corridor, lockable door.

There should be an imposing reception with desk, back office, hub IT room, lift, toilets and wet room with changing facilities.

Offices should have an appropriate number of desks, office chairs, filing cabinet/shelving as standard: further furniture can be acquired at a cost.

Studios Clear to underside of insulated roof, LG7 (min) lighting, painted block walls, carpet tiles, cabled up dado trunking, cold water and waste services capped off.

10.19 Managed workshop space should provide a clean, uncluttered working environment – again best modelled on the Lymedale Business Centre (whether located independently or as part of a combined managed workspace centre).

Workshops Painted block walls and floor, up and over goods door, 3 phase power to distribution board, cold water feed and waste, fluorescent lighting, unisex/disabled WC.

10.20 In general terms, occupiers are little concerned with BREEAM ratings, if they increase cost.

Rent

10.21 For managed workshop space, rentals tend to follow the market generally and range from £5 - £6.50 per sq.ft. per annum. Typically power is supplied to the unit – and in some cases the standing charges are included in the rent. Thereafter however, tenants pay Rates, for all services consumed and for repairs.

In some cases (e.g. Lymedale), the maintenance of the goods access doors, alarm and fire systems are included in the payment. In all cases the Landlord includes the maintenance of external areas/services and buildings insurance in the licence fee.

10.22 Serviced office rentals vary considerably, partly based on the quality/location of the facility, but substantially in respect of the facilities/services included within the monthly fee.

Generally the majority of serviced office centres include:

- Furniture
- IT/Telecom cabling
- Free use of kitchen
- Free car parking
- Reception (whether manned or not)
- All maintenance and running costs (save as to occupied damage)
- Building Insurance
- Uniform Business Rates
- Post allocation and collection

On this basis, rentals range from £180 - £350 per workstation. There are discounts for larger rooms and some private sector providers have been offering "soft deals" including rent free, to boost occupier levels in difficult times.

Other facilities which generally are charged as an "add on" include:

- Catering
- Photocopy/fax/printing
- Hire of meeting rooms (and equipment)
- Secretarial services
- Telephone answering

Occupiers typically negotiate their own internet connections and pay for their own telephone costs (save as for Staffordshire University Business Villages).

There is no consistency in the market however – some provide phones and line rentals within the fee, some provide free meeting rooms and some separately meter offices on top of monthly fees.

For studios, the general specification should be between the workshop and the offices and the level of services required can be slightly reduced, reflecting potentially lower rentals.

The studio occupier can utilise many of the facilities/services in the office building including:

- On-site management
- Hire of meeting rooms
- Building Insurance
- On-site maintenance
- Internal maintenance
- Electricity costs
- Furniture
- Cabled up for power, IT and telecoms

Rentals will range from £150 - £250 per work station per month.

Rates

10.23 Uniform Business Rates will be chargeable in each of the premises, however a number of the occupiers will be able to claim Small Business Rates Relief. Accordingly these users can balk at having to pay a monthly fee which includes Rates.

To have each office/studio separated Rated will add to occupiers' costs, but potentially is the only pragmatic way to provide a "level playing field".

Workshop occupiers would expect to pay Rates directly to the Local Authority.

11. Recommendations

Based on our research, we would recommend the following:-

11.1 Burntwood

11.1.1 Within the area of search, the provision of a serviced office facility at Burntwood of a large enough critical mass, is unlikely to be as successful as would be the case in either of the two other areas of Lichfield and Tamworth.

11.1.2 However, there is a strong indigenous industrial base to the Burntwood area, and the provision of flexible small workshop units would be successful. The largest local developer LCP plc provides what it deems to be small starter units, but these generally are 1500 sq.ft. and above, and tend to be on minimum 3 year terms, which are not as attractive in the marketplace.

11.1.3 The starter units at Burntwood owned by Lichfield District Council have proved successful but lack any tight management control to maintain good standards of occupier and maintenance.

11.1.4 Plots of land close to Sankeys Corner – mostly in LCP ownership – could be considered suitable.

11.2 Lichfield

11.2.1 The “professional” sector represented in the city of Lichfield, would support a serviced office model akin to that provided at Lymedale Business Centre, but the principal difficulties are in locating a site of sufficient size and proximity to the city centre facilities, on which to develop, and the relatively small business and residential community in the city.

11.2.2 We are not of the opinion that a location such as Eastern Avenue, Britannia Enterprise Park or Lichfield South, would be close enough to the key facilities which a large proportion of the serviced office occupiers require. At present, whilst Lichfield has an extraordinarily high proportion of vacant office space across a range of sizes and quality, it is notable that the serviced office provision at Lichfield Business Village is currently full and has been running at over 85% occupied throughout the entirety of the recession.

11.2.3 A location within the Friarsgate retail development (providing “front door” access is created) could be considered suitable or the former Redcourt House site on Tamworth Street.

11.3 Tamworth

11.3.1 Tamworth provides the largest population mass within the area of search (appreciably bigger than Lichfield and Burntwood combined). There are a number of industrial locations around the town, and some more modern office developments such as at Ventura Park and Amington.

11.3.2 The current serviced office provision in Tamworth is relatively small and all in private sector ownership with the limitations that brings.

11.3.3 Depending on site location, an Enterprise Centre development (akin to Waterside) will prove attractive to the market.

ENDS

APPENDIX A

STAFFORDSHIRE COUNTY COUNCIL BRIEF

Staffordshire County Council

STAFFORDSHIRE COUNTY COUNCIL

MANAGED WORKSPACE STUDY: LICHFIELD AND TAMWORTH

November 2011

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1. Purpose

1.1 The purpose of the study is to examine the demand for a new managed workspace scheme in the area of Tamworth and Lichfield.

2. Background

2.1 Staffordshire County Council is the major developer and owner of managed workspace schemes in the County. The Council has developed a portfolio of business incubators over a period of years. It now manages 13 centres, throughout Staffordshire, containing 409 separate units totalling 17,264 square metres. These units provide a home to about 242 companies who employ approximately 875 people.

2.2 The County Council now wish to commission a study to examine whether there is sufficient demand in the area of Tamworth and Lichfield to justify the construction of a new centre.

3. Definitions

3.1 Managed Workspace is distinctly different from a "normal" business property. It typically has four basic characteristics.

- It provides small amounts of business space for new and small companies, often from less than a few hundred square feet upwards, allowing businesses to keep their costs down in the early years of formation. With regards the smaller office provision this could equate to 'one man offices' or 'hot desks' which could be rented by the hour, part day or full day. An assessment for the provision of such hot desking facilities should be incorporated into this study, together with potential demand for such provision; this will be especially important for home based start up businesses.

- It offers an 'easy in and easy out' licence agreement which allows a person to start a new business without the liability of a long lease on a property. If things go badly, the person should be able to leave without accruing large debts.

- It provides some common services such as meeting rooms, which the businesses can use, kitchens, toilets and reception facilities.

- It offers a supportive environment, which includes business support or access to business support and business information.

4. Area

4.1 The study area will cover the towns of Lichfield, Burntwood and Tamworth and their immediate hinterlands. Although the County Council would only consider the provision of new managed workspace within Staffordshire, the potential ‘catchment’ for such a centre will clearly cover parts of North Warwickshire.

5. The Study

5.1 The study will report on;

a) the existing provision of small business space in the study area, which should be described fully, including size, nature and quality of services provided, including business support, costs to occupiers including any service charges and the extent to which the units are ‘managed’. Analysis should also be sought with regards to existing provision, looking at the types of businesses and sectors currently catered for and whether there is any customer perception/feedback data on said provision.

b) current and potential demand for managed workspace in the study area, based on a range of sources including enquiries and waiting lists held by commercial agents, landlords, local authorities and Invest Stoke and Staffordshire.

c) the study should identify the nature of the demand by sector, identifying the different needs of that sector which should be quantified and specified. Demand by different locations, i.e. town centre, business park, industrial estate, should also be examined and the relative advantages and disadvantages of each type of location explored. Potential sites for any facilities across the two districts should also be identified with a brief appraisal of each site (to include any District, Borough and County Council owned sites and assets).

The study should also identify demand by;

(i) use - studio office, high tech, B2, B8 etc

(ii) size - a breakdown in size band for each use; up to 250 sq. ft, 250-500 sq. ft, 500-1000 sq. ft and 1000-2500 sq. ft, and over 2500 sq. ft.

(iii) quality - quality of construction, finishes, and external areas. (The County Council's preference is to build to a high quality, such as the scheme at Waterside Court, Centrum 100. An analysis of the quality requirements of prospective occupiers is, therefore, very important.)

(iv) communal facilities and parking. What levels of communal facilities and car parking are appropriate for a successful scheme.

(v) location - from the study area, from within 25 miles, from the rest of the UK

d) the study must forecast likely future demand, based on the appraisal of current demand, and any other relevant factors. The consultants should advise on the demand for each category of accommodation assuming that the scheme is built within 1-2 years, with the objective of achieving 90% occupancy within one year of opening.

6. Consultation

6.1 The consultant would be expected to consult the following organisations during the preparation of the study;

(i) Tamworth Borough Council – Andrew Barratt
(ii) Tamworth Borough Council – Rob Mitchell
(iii) Tamworth Borough Council – John Lord
(iv) Tamworth Borough Council – James Roberts
(v) Lichfield District Council – Craig Jordan
(vi) Lichfield District Council – John Brown
(vii) Staffordshire County Council – John Flynn
(viii) Business and Economic Partnership – Peter Farmer
(ix) Invest Stoke and Staffordshire – Tony Joynson
(x) Business Enterprise Support – Judith Kirkland
(xi) Staffordshire and Black Country Business Innovation Centre – Geoff Riley

6.2 Contact details are given in Appendix 1.

7. Timetable

7.1 The project will be completed by end of February 2012.

7.2 An inception meeting will be held on TBC

7.3 The draft report should be completed in TBC. A meeting with the client will be held at this stage.

7.4 The consultant should allow half a day for a post project presentation/meeting with the client, and other local partners, to discuss the report and how to take forward a possible new enterprise centre project.

8. Output

8.1 The consultant should provide the report electronically in Office2003 word format.

9. Payment

9.1 The quotation will be exclusive of VAT, but inclusive of all expenses

9.2 The fee will be payable on satisfactory completion of the study.

10. Project Management

10.1 The project will be supervised by

Rob Fletcher
Economic Regeneration Programme Officer
Staffordshire County Council
Riverway (GH)
Stafford
ST16 3TJ
Telephone: 01785 276792
Email rob.fletcher@staffordshire.gov.uk

10.2 The contractor will nominate a member of staff to be a single and consistent point of contact for the project.

11.0 Terms of Engagement

11.1 You should submit an electronic copy in Office 2003 Word format. This should be via e-mail to the person named in Section 10.1.

11.2 The quotation document should be no longer than 20 pages. It should include the following;

- A detailed description of how the consultants propose to address the component elements and functions of the feasibility study, and the methodology to be used in the preparation of the said study.
- A programme for the feasibility study indicating appropriate dates.
- Specific details of how consultations with local partners will be conducted.
- A brief resume of the members of staff who will be undertaking the feasibility study, and details of any proposed use of any subsidiary contractors and their input into the said study.
- A breakdown of the days employed on the feasibility study by each member of staff.
- Full CV's of key staff who will be working on the feasibility study should be included as an annex.
- A summary of relevant experience should be included as an annex.
- The successful company to supply a copy of Public Liability Insurance to the value of £5,000,000.00

12.0 Confidential Infomation

Subject to sub-clauses 12.3, the consultant agrees at all times to treat all Confidential Information as secret and confidential and shall not use or disclose to any person whatsoever any Confidential Information save to the extent necessary for the proper performance of the services by the consultant or otherwise with the prior written consent of the County Council.

Where any Confidential Information is disclosed by the consultant to any person (including any employee, agent or sub-contractor of the consultant) such disclosure shall be subject to the imposition by the consultant on such person of enforceable confidentiality obligations no less stringent than those imposed on the consultant under this clause 12 and the consultant shall use its best endeavours to procure that such person complies with such obligations.

The consultant shall indemnify the County Council against any and all claims made against the County Council arising from any disclosure or use of Confidential Information by any person to whom disclosure has been made by the consultant.

The obligations of confidentiality imposed by this clause 12 shall not extend to any matter which is required to be disclosed under any applicable law including but without limitation the Freedom of Information Act 2000 and the Audit Commission Act 1998, or by order of a court or governmental body or authority of competent jurisdiction.

On termination of the Contract howsoever such termination may arise the consultant shall deliver up to the County Council if so required all working papers, computer disks and tapes or other material and copies provided or prepared for or in connection with the Project.

13.0 Intellectual Property

The consultant warrants that in providing the Services it shall not infringe any Intellectual Property right of any third party and shall indemnify the County Council against any and all claims made against the County Council arising from any breach by the consultant of this sub-clause 13.1.

All Intellectual Property rights in materials produced in the course or as a consequence of providing the Services shall belong to the County Council absolutely. The County Council hereby grants to the consultant a perpetual non-exclusive licence to copy and use such materials for its own reference and records only.

14.0 Definitions

“Services” means the services to be provided by the consultant to the County Council in accordance with the Contract as described in the Project Brief.

“Project” means the project described in the Project Brief.

For the purposes of clause 12 “Confidential Information” includes all information concerning the Project or the County Council affairs provided by the County Council to the consultant or which comes into the possession of the consultant during or as a consequence of the consultant providing the Services but shall not include any information which is in or has become part of the public domain otherwise than as a result of a breach by the consultant of clause 12.

For the purposes of clause 13 “Intellectual Property Rights” shall include but shall not be limited to rights in any copyright, design and applications thereof, registered and unregistered trade mark and service mark, patent and applications thereof and any other invention or discovery (whether patentable or not), specification, drawing, plan, map, trade secret, technical know-how and other information arising out of the Project.

Appendix 1 - Contact Details

Andrew Barratt
Deputy Director Assets and Environment
Tamworth Borough Council
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Tamworth
Staffordshire
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Chair - Tamworth
& Lichfield Business and
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APPENDIX B

CVs
ANDREW BUCKMAN
GRAHAM JONES

KINGSTON
Commercial Property Consultants

CURRICULUM VITAE

NAME:	Andrew Martin Buckman
DATE OF BIRTH:	13th April 1955
CONTACT DETAILS:	Kingston CPC 30 Bore Street, Lichfield. Staffs. WS13 6PQ Tel: 01543 414300 Fax: 01543 268098 email: andrew.buckman@kingstoncpc.co.uk
QUALIFICATIONS:	BSc in Urban Estate Surveying Nottingham Trent – 1977 Member of the Royal Institution of Chartered Surveyors No. 55351 – January 1979
CAREER PROFILE:	On leaving college, I joined Redditch New Town Development Corporation in 1977, leaving as a Senior Estates Surveyor in 1983 when I joined Heywood & Sons, Chartered Surveyors in Newcastle-under-Lyme as Commercial Property Surveyor In April 1985 I joined George Robinson & Partners (now Kingston CPC) in Lichfield as Industrial, Office & Business Space Surveyor. I became an Associate Partner in April 1989 and a full Equity Partner in January 1990.
EXPERIENCE:	From 1985 onwards I have been based in Lichfield and have built up considerable experience in Office, Industrial and Warehousing Agency work (Sales, Lettings and Acquisitions), along with RICS (Red Book) Valuations for private Clients, Accounting Purposes, Pension Funds, Secured Lending Purposes and Matrimonial Disputes. Geographically practising within the area of Southern Staffordshire, North Birmingham, Black Country, South Derbyshire and North Warwickshire. At present I act for a wide range of clients including Evans Property Group, F & C REIT, Lichfield District Council, Morston Assets, HSBC, F & E V Linford and Redrow Commercial.
MEMBERSHIPS:	West Midlands Regional Chairman of the Business & Industrial Agents' Society 1991/92. Member of Chase Business Leaders. Member of Southern Staffordshire Chamber of Commerce & Industry. Member of Lichfield & Tamworth Business and Economic Partnership

KINGSTON
Commercial Property Consultants

CURRICULUM VITAE

NAME:	Graham Paul Jones
DATE OF BIRTH:	12th December 1965
CONTACT DETAILS:	Kingston CPC 30 Bore Street, Lichfield. Staffs. WS13 6PQ Tel: 01543 414300 Fax: 01543 268098 email: graham.jones@kingstoncpc.co.uk
QUALIFICATIONS:	BSc in Land Management Leicester Polytechnic – 1987 Member of Royal Institution of Chartered Surveyors Membership Number 0083167
CAREER PROFILE:	On leaving college, I joined Brown & Merry Chartered Surveyors in Milton Keynes as a Graduate Surveyor within their Commercial Department. In 1988 I moved to John Briggs & Calder in Tamworth as a Commercial Property Surveyor becoming an Associate Partner in 1990. In 1992 I helped set up Calders Chartered Surveyors in Tamworth as one of four Partners where I was jointly responsible for commercial property. I remained a Partner until 2008 when I became a consultant but continued working for Calders in Tamworth. In 2010 I joined Kingston CPC in Lichfield as a consultant, again dealing with commercial property.
EXPERIENCE:	From 1988 onwards I have been dealing with commercial property including, Offices, Warehousing, Industrial and retail premises within Tamworth and the surrounding areas. During this time I have built up considerable experience in Commercial Property Agency (Sales, Lettings and Acquisitions), Valuations (for Secured Lending, Pension Funds and Accounting purposes) along with Landlord and Tenant matters. At present I act for a wide range of clients including Cedar House Investments, The Aucott Group, Punch Taverns, Shire Business Group and CBRE Investors.
MEMBERSHIPS:	1990 – 2008 Founder member of the M42 Business Breakfast Club

APPENDIX C

SCHEDULE OF EXISTING MANAGED WORKSPACE & SERVICED OFFICE CENTRES IN AREA OF SEARCH

SCHEDULE OF EXISTING MANAGED WORKSPACE AND SERVICED OFFICE CENTRES

WITHIN SEARCH AREA

Address	Town	New or Conversion	Type	Owner/ Manager	Total size (sq.ft.)	Range (sq.ft)	No. of units/ rooms	Current level of occptn.	Excluding*	Quoting Figures	Deposit	Notes
Business Village, The Friary 	Lichfield	New	SO	Staffordshire University	5109	117 - 451	24	92%	SEC BA PFP REC TA	From £355 per month	6 weeks	- Purpose built in 2000 - Attached to the front of the university buildings but with its own identity. - Some shared services (main entrance, reception) - Unique in its provision of telephone computer, broadband connections and – critically – IT support from within the University - Tight on car parking - Some issues with student presence - Occupation on 11 month, 6 page licence - "In town" location - [KCPC client]
Trent Business Centre Phase I Eastern Ave 	Lichfield	Conversion	SO	Swan Park Ltd.	2621	76 - 504	17	88%	T SEC BA PFP REC TA	From £350 per month	1 month	- Adapted from a former ATS Tyre depot and offices - Available from 2010 - Privately funded - Phones and IT cabling provided - Shared broadband (causing some problems) - Two page licence - Fringe town location on mainly industrial – but main road – area - Phase II conversion of former workshops to create 5 further offices, due fro completion late Spring 2012 - [KCPC client]
Trent Business Centre Phase II Eastern Ave	Lichfield	Conversion	SO	Swan Park Ltd.	2273	351-426	6	N/A	T SEC BA PFP REC TA K	N/A	N/A	

Address	Town	New or Conversion	Type	Owner/ Manager	Total size (sq.ft.)	Range (sq.ft)	No. of units/ rooms	Current level of occptn.	Excluding*	Quoting Figures	Deposit	Notes
1 Viking Park Claymore 	Tamworth	New	SO	Your Business Centre Ltd	1723	186 - 343	7	25%	SEC BA PFP T IT REC TA	From £450 p.c.m.	1 month	- Former admin office block to modern warehouse unit but with its own separate entrance - I on-site parking space included per office, additional spaces available at £5 per week but total on-site parking limited. - Industrial estate location. - Flexible monthly licence - £325 plus VAT arrangement fee per agreement.
Leonard House 12-14 Silver Street 	Tamworth	Conversion	SO	DRE Property Services Ltd.	3200	78 – 303	19	61%	SEC PFP BA CPKG M T	From £171 per month	1 month	- Converted former storerooms to upper floors of retail premises, as such some offices do not have external windows. - Town centre location near to public car parks but no on site parking. - Monthly licences with no arrangement/ legal fees. (KCPC client)
Swan Park Business Centre Kettlebrook Road 	Tamworth	Conversion	SO	Swan Park Ltd.	3886	150 – 700	10	82%	SEC BA PFP REC TA	From £200 per month	1 month	- Converted former BT Depot office block - Limited on site parking. - Flexible lease or monthly licence - Fringe town centre location with mixed commercial/industrial and residential uses.
Mercury Business Centre, Amber Close 3 Mercury Park 	Tamworth	New	SO	Swan Park Ltd.	2398	120 – 550	8	100%	SEC BA PFP REC TA	Not available	1 month	- Purpose built office building refurbished as a serviced office business centre. - Business park location but with industrial property in close proximity - Limited on site parking (10 spaces for the whole building).

KINGSTON
Commercial Property Consultants

Address	Town	New or Conversion	Type	Owner/ Manager	Total size (sq.ft.)	Range (sq.ft)	No. of units/ rooms	Current level of occptn.	Excluding*	Quoting Figures	Deposit	Notes
Amber Business Centre, Amber Close, 4 Mercury Park 	Tamworth	New	SO	Swan Park Ltd.	2611	Not available	5	100%	SEC BA PFP REC TA	Not available	1 month	- Purpose built office building refurbished as a serviced office business centre. - Business park location but with industrial property in close proximity - Limited on site parking (10 spaces for the whole building).
Pebble Business Centre, 17 Pebble Close 	Tamworth	New	SO	EBY Design Ltd	1000	65 – 1,000	7	100%	M SEC BA PFP	From £281 p.c.m.	1 month	- Purpose built office building let as serviced offices. - Limited on-site parking (4 allocated spaces for the whole building plus visitor spaces within the estate). - Rolling 3 month licence agreement - On site IT support included

List of facilities/services

Building Insurance	I
Business Rates	R
Furniture	F
Telephone	T
IT access	IT
Free use of meeting room	M
Cleaning	C
Shared kitchen	K
Car parking	CPK
Secretarial	SEC
Business Advice	BA
Photocopying/Fax/Post	PFP
Receptionist	REC
Telephone answering	TA

APPENDIX D

SCHEDULE OF NEIGHBOURING LOCATIONS

SCHEDULE OF NEIGHBOURING LOCATIONS

Address	Town	New or Conv.	Type	Owner/ Manager	Total size (sq.ft.)	Range (sq.ft)	No. of units/ rooms	Current level of occupt	Excluding*	Quoting Figures	Deposit	Notes
Lea Hall Enterprise Park Wheelhouse Lane 	Rugeley	New	SO MW	The Receiver	30,088	Office 270-542 Studio 155-488 Workshop 500-2267	Office 24 Studio 16 Workshop 17	Office 19% Studio 81% Workshop 61%	All items	Office £7.00 psf Studio £8.00 psf Workshop £7.00 psf	Min 2 months	- Originally a SCC Enterprise Centre - Last owner tried (and failed) to move occupiers on to standard 3 year leases - No "managed" element (save as to a general caretaker) - Currently being let on behalf of a Receiver - Substantial voids – particularly in the office element - Of the 17 studio rooms, 10 are occupied by one company - Fabric now showing wear - Out of town on a mixed employment site
Birmingham North Watling Court Orbital Plaza 	Cannock	New	SO	Regus	Not known	1-4 desks	40	100%	I IT M SEC BA PFP	£180 per month for 2 person room	2 months	- Regus – purpose built in 2007 - 100% occupancy reached Jan 2012 for the first time - Good on site management (local) - Prominent location for M6 Toll, but fringe "twilight" commercial location, appreciably out of town - Located in a new development comprising hotel, retail and business support premises

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Address	Town	New or Conv.	Type	Owner/ Manager	Total size (sq.ft.)	Range (sq.ft)	No. of units/ rooms	Current level of occupt	Excluding*	Quoting Figures	Deposit	Notes
Uttoxeter Bus Centre Dovefields Retail Park Town Meadows Way 	Uttoxeter	New	SO	Staffs. County Council	5,237	161-415	20	90%	F T SEC PFP REC TA	£236 per month	1 month	- Conversion of new built shell unit - On evolving out of town retail park one mile from town centre - Good car parking availability - Held on a head lease
Genesis Centre North Staffs Business Park 	Tunstall Stoke on Trent	New	SO	Northern Trust	32,638	177-1838	93	50%	SEC BA PFP TA Electricity	£400 per month (2 desk unit)	1 month	- Four sources of external funding - Fringe rural location - Electricity is metered individually - BREEAM "Excellent" - Break-out spaces on each of 3 floors - "Free for all" parking – may start to fall short - Fitted out with furniture and telecoms floor by floor
Centrix Keys Business Village 	Hednesford	New	SO	Network Space (Langtree & English Partner-ships JV)	19,223	150-1100	60	90%	T IT M SEC BA PFP TA	£300 per month 2 desk suite	1 month	- BREEAM "Very Good" - 62% "Managed" space on traditional leases and 38% "serviced" accommodation - Out of town centre on "business park" type of location - Allocated parking - Minimum 12 months commitment managed and serviced

Address	Town	New or Conv.	Type	Owner/ Manager	Total size (sq.ft.)	Range (sq.ft)	No. of units/ rooms	Current level of occupt	Excluding*	Quoting Figures	Deposit	Notes
Lymedale Business Centre 	Newcastle-under-Lyme	New	SO W	Staffs County Council	24,638	Offices 172-1560 Workshops 5 workshops 1 x 1625 4 x 1356	51	75% 100%	T M SEC PFP TA	£21.00 per sq.ft. pa. (serv off) £6.25 per sq.ft. pa. (wkshops)	1 month	- Modern purpose built BREEAM “Excellent” building - Free parking (may become a problem) - Cabling included but tenant provides own IT - Good range of meeting rooms (chargeable) - Good on site management - Business advice available via BIC - Workshops pay Rates and electricity - Workshops let on 6 monthly full repairing basis (save as to goods doors and alarm systems. - On modern business/warehousing estates out of town centre
Lymedale Court Enterprise Centre 	Newcastle-under-Lyme	New	SO S W	Staffs County Council	8,966	Workshops 600 Offices 110-320	31	76%	M SEC PFP REC TA	Offices From £165 per month	1 month	- Close to Lymedale Business Centre: industrial/warehousing environment - Mix of office, studio and workshop - Out of town but in an established built-up area - Reasonable on-site parking - Close to main road/bus route - BIC advice available - Workshops on 6 monthly licences

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Address	Town	New or Conv.	Type	Owner/ Manager	Total size (sq.ft.)	Range (sq.ft)	No. of units/ rooms	Current level of occupt	Excluding*	Quoting Figures	Deposit	Notes
Silverdale Enterprise Centre 	Newcastle-under-Lyme	New	S W	Staffs County Council	4,111	Studio 160-320 Workshops 600-2400	Studios 21 Workshops 9	66% 66%	M SEC PFP REC TA	160 sq.ft. £131.17 per month 600 sq.ft. £825 per quarter	None	- Mix of office, studio and workshop - Fringe of developed area – disjointed location - Reasonable on-site parking - BIC advice available - Workshops on 6 monthly licences - good site presentation and security
Cannock Chase Enterprise Centre 	Hednesford	Mainly conv.	SO W	Staffs County Council	56,844	Offices 90-1000 Workshops 400-3000	Offices 46 Workshops 34	72% 92%	M All items save as to car parking and insurance	From £200 per month From £565 per month	1 month 3 months requested	- Converted former colliery buildings - Workshops built using European grant money c.25 years ago - Rural location on edge of Cannock Chase - Difficult to establish and maintain a good image - "Serviced" element not as key to the occupiers as elsewhere - Public transport/access may be an issue for office occupiers in particular - Occupiers in workshops pay Rates and for own electricity used

Address	Town	New or Conv.	Type	Owner/ Manager	Total size (sq.ft.)	Range (sq.ft)	No. of units/ rooms	Current level of occupt	Excluding*	Quoting Figures	Deposit	Notes
Chasewater Innovation Centre 	Burntwood	New	W	Staffs County Council	4,500	450	10	100%	All except shared WC and car parking	£230 per month (under review)	No deposit	- Set in Forest of Mercia - part public funding for construction - Relatively isolated location for occupiers not relating to Chasewater County Park - Environmental/agricultural style design and construction - 3 monthly occupation
Stafford Business Village 	Stafford	New	SO	Staffs University	8,147	133 -303	41	76%[1]	M SEC BA[2] PFP REC TA	From £300 per month + VAT	1 month	- Built on the success of the Lichfield model - Initial marketing targeted towards University spin-off occupiers - Early marketing struggled – partly due to location away from town centre - Located on modern established office/business park - [1]Some “vacant” rooms utilised by the University rent free for student projects. - [2]Business advice available via the adjacent BIC (6 incubation units available here)
Parker Court 	Stafford	New	SO	United Business Centres	10,000	120 upwards	c38	92%	M SEC BA PFP	£200 per work station per month	1 month	- Private scheme - Telephone answering and on site management - Speculative office building converted and fitted out as serviced offices - Business Park location - Will accept 3 month commitment but looking for 12

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Address	Town	New or Conv.	Type	Owner/ Manager	Total size (sq.ft.)	Range (sq.ft)	No. of units/ rooms	Current level of occupt	Excluding*	Quoting Figures	Deposit	Notes
St Albans House Enterprise Centre 	Stafford	Conv	SO	Staffs County Council	13,035	140 – 990	38	45%	M SEC BA PFP F T IT	From £152 per month	No deposit	- Problem with environment (Civic Amenity Site) - Badly affected by economy - All monthly licences - Not full time management - No furniture, phone or IT as standard
Delta Way 	Cannock	New	MW	Staffs. County Council	7,500	750 each	10	90%	All items save as to insurance and car parking	£250 per month	1 month	- Industrial/commercial environment - Secure site - Showing signs of age - Occupiers pay for own power used and business rates
Waterside Court Centrum 100 	Burton on Trent	New	SO W S	Staffs. County Council	19,235	Wshops 600 Studio 160 - 320 Offices From 100	12 3 blocks 45 rooms 15 rooms	82% 90% 74%	M SEC PFP REC TA	£750 per quarter 160 sq.ft. £149 per month 320 sq,ft, £385 per month	3 months 1 month 1 month	- Standard product as for Lea Hall, Silverdale and Newcastle Enterprise Centres - Workshop occupiers pay own Rates, Insurance and utilities - Office & studio occupiers monthly - Workshops 3 monthly - Good site presentation and security
Burton Enterprise Centre Waterloo St 	Burton on Trent	Old	SO W	Staffs. County Council	7,750	130 – 990	18	88%	M SEC BA PFP REC TA	From £135 per month	1 month	- Old Victorian building converted - Occupied mainly from an industrial/manufacturing background - Occupiers pay for own electricity used

Address	Town	New or Conv.	Type	Owner/ Manager	Total size (sq.ft.)	Range (sq.ft)	No. of units/ rooms	Current level of occupt	Excluding*	Quoting Figures	Deposit	Notes
Venture Point Towers Business Park 	Rugeley	New	SO	VP Service	16,898	250 – 5000	37		SEC BA PFP	From	1 month	- Executive-style accommodation - Partly occupied on traditional letting basis. - IT infrastructure and support included - On-site coffee shop - Hire equipment available for meetings

List of facilities/services

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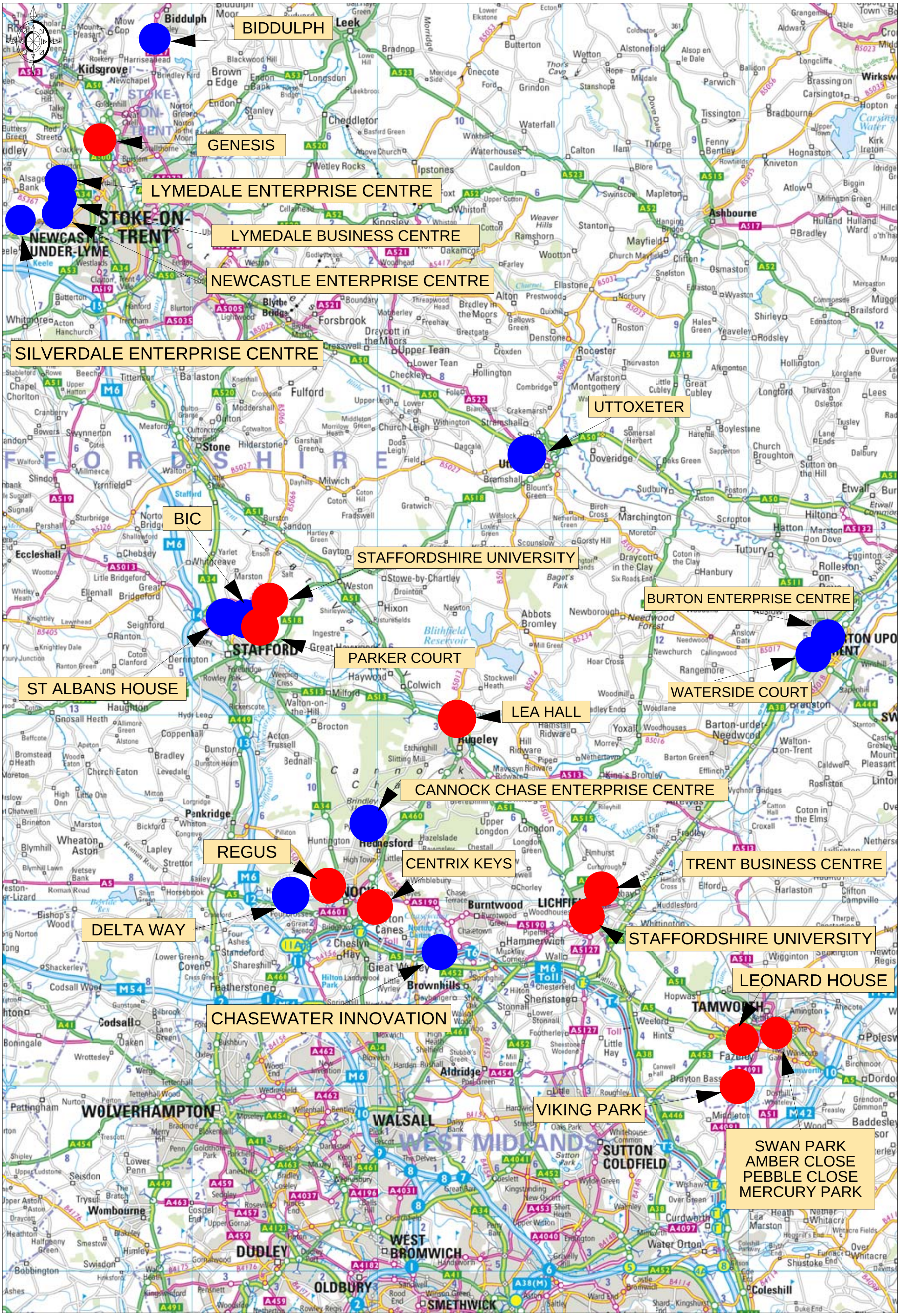
Photocopying/Fax/Post	PFP
Receptionist	REC
Telephone answering	TA

APPENDIX E

PLAN OF MANAGED WORKSPACE CENTRES IN STAFFORDSHIRE



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