

Regents Place Community Affordable Workspace

Business Plan: September 2022

Contents	Page
1. Executive Summary	3
2. Context	6
2.1 Regents Place Community Affordable Workspace	
2.2 Partners	
2.3 Section 106 agreement	
2.4 Local government priorities	
3. Vision and common purpose	11
3.1 Shared Vision and Social Value	
3.2 Illustrative Examples	
3.3 Values/operating principles	
4. Market and competition	17
4.1 KQ Innovation District	
4.2 The under-met needs	
4.3 Competition	
4.4 Our point of difference	
5. Operating Model	21
5.1 Space allocation/utilisation	
5.2 Coworking and desk rental pricing	
5.3 Meeting and event space pricing	
5.4 KQ team usage	
6. Business plan and financial model	24
6.1 Financial model summary and assumptions	
6.2 Comparison with KQ costs at British Library	
7. Start-up plan	25
7.1 Overview and timings	
7.2 Transition team	
7.3 Launch marketing	

8. Governance and legal	26
8.1 Legal Agreements	
8.2 Brand Identity	
Appendices	27

1. Executive summary

Overview

Knowledge Quarter London and Impact Hub have jointly developed this business plan to provide a compelling business case for a collaborative coworking space in the heart of the Knowledge Quarter.

The Regents Place Community Affordable Workspace (“RPCAW”) provides a unique opportunity to build on our respective world class experience as network broker and co working provider to allow KQ members, innovative start ups, social enterprises, local SMEs and local community members the opportunity to obtain affordable and accessible flexible workspace, meeting rooms and event space. In addition to workspace the RPCAW also provides a huge opportunity to co-curate connection, knowledge exchange and collaboration within the innovation ecosystem of the Knowledge Quarter geography.

In broad terms, the space is to be run to deliver on the KQ strategy, comply with conditions of the section 106 agreement between British Land and Camden Council, provide affordable workspace and promote social enterprise, inclusion and collaboration.

Partners/Management Team

Our partners are organisations and individuals with the relevant skills and experience to ensure an innovative approach to the development and delivery of the business plan.

Knowledge Quarter London has been nurturing a network of over 100 knowledge creating organisations within a one mile radius of Kings Cross, for the past seven years. It has a unique overview of the current innovation ecosystem and harnesses the knowledge, creativity and ideas from some of the world’s most innovative and diverse people and institutions.

Launched in 2007 Impact Hub Kings Cross is a founding member of the global Impact Hub Association. Impact Hub provides to their members flexible access to highly resourced co working spaces and the provision of various programmes designed to support the successful and sustainable incubation and scaling of social enterprises.

British Land has grown to become one of the UK’s leading property companies and has developed a number of mixed use campuses, including the one at Regents Place. It has extensive experience in place making and asset management, their increasing focus for Regents Place is to develop a knowledge and innovation campus that enhances the Knowledge Quarter offer.

Service Strategy

RPCAW main service will be composed of coworking and event spaces fit for Knowledge Quarter members, start-ups and entrepreneurs. Offering various packages based on user's needs (micro offices, anchor desks and hot desks), the space will provide conducive and flexible amenities that boost collaboration, innovation and productivity.

The RPCAW will also be topped with various programs of support, workshops and events to assist users and stakeholders to develop their businesses efficiently and promote social enterprise, inclusion and collaboration.

A key part of the service offer is the development of a program of activity for the benefit of the local community, specifically for local SMEs and individuals seeking to start up an enterprise across both Camden and Islington boroughs.

Marketing Plan

The partners have developed an innovative pricing strategy in order to address the needs of its diverse users, the predicted need for flexibility and its core values of inclusivity. Its marketing strategy encompasses relationship and content marketing.

Collectively Knowledge Quarter and Impact Hub Kings Cross have developed meaningful relationships with the business community and local business networks which will be a key part of the strategy. Pre-marketing and sales work will take place in parallel to the fit out, including the detailed design of a co-curated events programme which engages all the Partners, our members and local community.

Financial Plan

The RPCAW will have an active role in providing world class coworking and event spaces with other relevant services. British Land will be responsible for managing and financing the initial fit out. Impact Hub as lessee will be responsible for financing the working capital, running the operation and repaying the fit-out costs to British Land on an amortised basis in the first 8 years of the lease.

The lease is expected to make provision for a 'profit rent' to be shared with British Land after all operating expenses, financing costs and tax have been deducted. The profit rent is expected to kick in after the first year of operation being 'profit-rent free' in keeping with traditional rent free periods. As a result we are forecasting year 6 (2026-27) will be the first year of distributable surplus for Impact Hub and Knowledge Quarter.

2. Context

2.1 Regents Place Community Affordable Workspace (“RPCAW”)

Regents Place is a mixed use campus developed by British Land (“BL”), lying to the north of Euston Road directly opposite Warren Street underground station. BL’s vision for Regents Place is *‘to create a sustainable, inclusive campus where arts and science, research and creativity come together’*. The campus includes 1 Triton Square, which will provide the European HQ for Meta, and includes a Community Affordable Workspace (“CAW”) on the ground floor governed by a Section 106 (“S106”) agreement with Camden Borough Council.

The 10,645 square foot Net Internal Area (NIA) CAW on the ground floor of 1 Triton Square, currently shell and core, will be run by Impact Hub King’s Cross (“IHKX”) in collaboration with Knowledge Quarter (“KQ”) in order to activate its vision for Regents Place and meet the specific requirements of the S106 agreement.

2.2 Partners

2.2.1 Knowledge Quarter (KQ): There are few districts in any city across the world that can boast the sheer range and quality of knowledge organisations that can be found within the one-mile radius of Kings Cross Station, across two London boroughs and encompassing St Pancras, Kings Cross, Bloomsbury and Euston. From centuries-old institutions such as the British Museum and Sadlers Wells, to relatively recent arrivals like the Francis Crick Institute and Google, the area has that rare kind of vitality that comes from the daily collision of diverse ideas, people and perspectives.

For the first time in 2014, the Knowledge Quarter has brought together over 100 cultural, research, scientific, business and academic institutions large and small under one umbrella, positioning the area as unique in the knowledge economy. It has become a recognisable brand that resonates with all kinds of knowledge seekers, whether prospective visitors, UK and overseas students or other knowledge based institutions and businesses.

KQ’s mission is to *“work together to unlock our diverse neighbourhoods’ unique resources of knowledge and innovation, for the benefit of all.”*

The KQ’s four strategic priorities are as follows:

Advocacy - The Knowledge Quarter will increase the area’s profile through advocacy and stakeholder engagement, both nationally and internationally.

Knowledge exchange - The Knowledge Quarter will facilitate knowledge exchange and identify opportunities for openness, collaboration and networking between its members.

People - The Knowledge Quarter will work with its members to increase public access to their knowledge, resources and collections, creating opportunities for exchange with local citizens.

Place - The Knowledge Quarter will work with its members to identify and support work that improves our local environment, creating a great place for people to live, work and visit.

2.2.2 Impact Hub King's Cross ("IH"): Founded in 2007, IH is a founding member of the global Impact Hub Association - a membership community of independently owned and operated legal entities which number over 100 worldwide with collective membership of over 16,500. Their shared intent is to "*grow a locally rooted, globally connected community for measurable positive impact*". Impact Hubs do this by providing to their members flexible access to highly resourced spaces for working, meeting, learning, innovating and connecting, and through the provision of various programmes designed to support the successful and sustainable incubation and scaling of social enterprises and supporting the individuals and teams behind them.

Within this, IH defines its own purpose as '*catalysing entrepreneurial ecosystems for a socially inclusive, zero carbon economy*'. IH has been operating out of its current premises at 34b York Way since 2008, its 30/30 Vision is to provide 30,000 sq ft of linked affordable workspaces across London by 2030, each with a focus relevant to its local community and economy.

2.2.3 British Land (BL): founded in 1959, BL has grown to become one of the UK's leading property companies. BL describes its purpose as '*creating and managing Places People Prefer – outstanding places which deliver positive outcomes for all our stakeholders on a long term, sustainable basis.*' This translates into an approach to development built around five key pillars including '*a vibrant community – we work with our customers and community partners to bring people together so everyone benefits.*' BL has developed a number of mixed use campuses, including the one at Regents Place.

2.3 Section 106 agreement

The relevant sections of the S106 agreement can be found in full in Appendix 1. Delivering the requirements of the S106 between BL and Camden Council is an essential part of the creation and implementation of the RPCAW.

In summary, the S106 agreement for 1 Triton Square specifies a GIA of not less than 1,015 square metres (10,945 square feet) to be provided for the purposes of a Community Affordable Workspace (CAW) at a rent of no more than 50% of the rental value for comparable commercial floorspace in the surrounding area and minimising as far as possible the service charge.

The CAW local business support and community use requirements include the following recommendations:

- Provide a range of office accommodation and facilities to encourage occupation by SMEs
- Provide a range of tenancy/license terms, including flexible and short-term occupancy

- Facilitate the marketing of the affordable workspace to SMEs in the local area, including through local business networks (e.g. BIDs)
- Ensure that the CAW remains affordable for local residents, encouraging use by SMEs and startups
- Provide opportunities for local business support and community use (which must be created in consultation with the CAW provider and fulfilled in a way that is deliverable and viable for the CAW provider), potentially including:
 - Three months free use of the RPCAW for eligible local residents and businesses (i.e. which can demonstrate a positive intent to develop their business and to work in a cooperative way with other users of the space)
 - provision of training, mentoring, networking and employment support for local residents and local businesses, potentially in partnership with Westminster Kingsway College, Euston Town BID, Regent’s Place, Community Fund Partners and KQ.
 - free access for local schools, colleges, youth & community groups for work experience placements or outreach events
 - providing opportunities for school, college, youth and community outreach focussed on the tech and creative sectors
 - formation of a Training and Employment Steering Group to identify local needs and opportunities
 - use of Training and Employment (End User) Contribution to provide funding towards (these) costs via the Steering Group, which is also expected to seek match funding (eg Digital Skills for London; LEAP)

2.4 Local government priorities

To put the S106 and the RPCAW in context, and to understand how it links with other local government priorities, we have included details of LB Camden, LB Islington and the Mayor of London’s strategic priorities as they relate to the workspace.

2.4.1 LB Camden: Camden has a proud, rebellious spirit that throughout its history has seen communities come together to tackle problems, and to bring about real social change. In 2017 Camden launched its vision for the borough ‘Camden 2025’ where everyone contributes to achieving a safe, fair, creative and active community. The Camden Plan is the Council's response to Camden 2025 and sets out how Camden Council will support the community's ambitions.

The Camden Plan features a number of areas of focus, many of which are deliverable through the proposed RPCAW, particularly in the section dedicated to strong growth and access to jobs. These are:

- *We will help to make Camden the best place in London to do business and to work, working with the business community to deliver genuinely inclusive growth that benefits everyone.*
- *We will help to prepare young people to be successful in their working lives. Every child should be able to access the pathway that is right for them.*

- *We will drive forward the recommendations of the STEAM (Science, Technology, Engineering, Arts and Maths) Commission, and support young people to gain the skills they need to access 21st century jobs.*
- *We will focus our efforts on helping those furthest from the labour market into rewarding work.*
- *We will develop ambitious and critically important plans for the Euston area, maximising the potential to develop new housing and jobs. We will ensure local people reap the full benefits of redevelopment and that the government's commitments on HS2 are kept too.*

The 2017 Camden Local Plan and associated documents outlines their current position on affordable workspace provision. It identified that Camden has a large proportion of small businesses, with 83% employing less than nine people and a further 14% employing between 10 and 49 employees. It also identifies that space suitable for small businesses is under pressure due to “rising land values, limited land availability and ‘permitted development’ rights.”

It pledges to support start-ups and SMES within the boroughs. Part of this includes safeguarding existing employment sites and ensuring that there is provision of innovative new employment floor space in developments that meet the needs of start-ups and SMEs. In addition, Camden will seek that developments can incorporate managed workspace within their premises, which are suitable for “small and growing businesses and social enterprises.” Where there is a development of 1,000 sqm or more, there will need to be an element of affordable SME workspace.

2.4.2 LB Islington: Islington Council is currently in the process of reviewing its Local Plan. It includes a definitive commitment to provide affordable workspace and in particular “particularly space suitable for start-ups and small businesses.” Like Camden Council, it insists that any major developments of 1,000 sqm or more must incorporate at least 10% affordable workspace.

Much of this is influenced by its ambitious 2018 Affordable Workspace Strategy, which sets out a clear vision for workspace provision in the borough. It identifies that 98% of businesses employ less than 9 people or between 10 to 49 employees and (like Camden) identifies that suitable space for start-ups and SMEs is at risk. Most notably, it is now negotiating leases of office space from developers for between 10 and 20 years and using the Council's own property to create affordable workspace offered to providers at a peppercorn rent. It is pioneering the implementation of Social Value within contracts.

Providers who manage these spaces must deliver well-defined Social Value outputs instead of paying rent – these outputs will be decided on a case-by-case basis.

2.4.3 London's post-Covid strategy: The Mayor of London and London Assembly have outlined 9 post-Covid ‘Recovery Missions’ to build back in a more sustainable and inclusive manner. Amongst these strategic priorities, the ‘High Streets for All’ strand aims to tackle the following challenge: “Creating thriving, inclusive and resilient high streets and town centres, within easy reach of all Londoners.

Promoting local employment and near home working, protecting existing community and cultural spaces and introducing new types of businesses and civic organisations.”¹



The strategy identifies that a high street should be no more than a 15 minute walk from any London resident. Two of its key objectives are particularly relevant to the RPCAW:

Near home working – innovation and exchange

Shared workspaces can enable collaboration, knowledge exchange and increase business productivity. They can also speed up the adoption of new technologies. There is an opportunity to build on the momentum of remote working by providing flexible and family friendly local work spaces. In central London, traditional workspace can be reimagined as a centre for enterprise, collaboration and innovation. We can support both existing and new types of business and nurture innovation within local economies, through place-based policy development, targeted business support, planning, licensing cultural and economic development incentives.²

Community interest and innovation

To build strong communities we need to provide the kinds of local assets, business and partnerships that local people value. We need more ‘people focused’ businesses and services and we need to get locals more involved in the design and management of places. We aim to enable innovation in managing local

¹ <https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/recovery-context/high-streets-all#acc-i-61470> accessed 13th May 2021

² *ibid*

assets and the creation of opportunities for short-term uses to bring high streets back to life. For example, temporarily leasing a space awaiting redevelopment can provide for a range of creative and flexible community uses. We can ensure that high street economies generate public value, shared prosperity and benefit from the socially productive use of land and property for the communities they serve and promote social integration and active citizenship by strengthening local collaboration and securing vital social, civic and cultural infrastructure.

There is also an emphasis on technology and civic innovation to meet local community needs, equal access, growth in creative, knowledge-based, green and social economy sectors. In summary, they see “The role of High Streets reimagined as a centre for enterprise, collaboration and innovation.”³

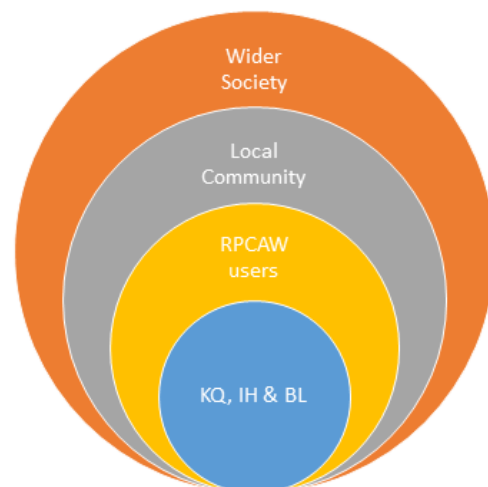
3. Vision and common purpose

3.1 Shared Vision and Social Value

The Partners share a common purpose in their ambition to promote innovation for the common good, which is also inclusive of and beneficial to the local communities in which they are located. In the case of the RPCAW this means local residents and local enterprises in the London Borough of Camden, in particular those located in close proximity and those experiencing some form of social exclusion or disadvantage. In particular, through the RPCAW they are jointly seeking to:

- facilitate and model the collaborative practices that are essential to success in scaling socially beneficial innovation;
- support the sustainability and growth of enterprises that use the RPCAW, particularly those that choose to be based there, and within that those that are directly benefiting the local community in some way;
- attract more people to engage actively with socially beneficial innovation, including starting or joining enterprises that are based at or otherwise supported through the RPCAW;
- raise the profile and build the reputation of the Parties individually and collectively, and those enterprises they serve through the RPCAW, with other agents that can impact upon their success in the wider public and corporate sectors in London, the UK and internationally;
- generally promote the principle and practice of socially inclusive innovation for the good of all;

The Partners see the potential beneficiaries of the RPCAW as falling broadly into four stakeholder groups which are outlined below and which were discussed in a workshop between the Partners on 18th February 2021. We have outlined the results of this workshop and aligned it with the S106 objectives, the Social Value TOMS measures used nationally



³ *ibid*

by government and impact organisations, and how we might deliver these objectives within the RPCAW.

The four groups are:

- The Partner organisations - KQ, IH and BL
- RPCAW users - including IH and KQ members
- Local community - both direct users and indirect
- Wider society

3.1.1 Partners (Benefits to KQ, IH and BL)

The RPCAW provides both IH and KQ with rent-free space and expert partners that allow them to deliver their local mission in a sustainable and inclusive manner. In particular, it is the perfect opportunity to demonstrate the People's Quarter initiative in practice, including an event space where we can convene potential collaboration partners and showcase our initiatives and the ability to collaborate with local stakeholders.

By serving local communities and start-ups (particularly in life sciences and creative industries) it creates a potential pipeline of new potential KQ members in a space delivered by an experienced operator. KQ members can receive discounted event and meeting room space and also where relevant, discounted workspace.

BL is keen to demonstrate a best-in-class, inclusive, knowledge-based campus that allows it to become the provider of choice.

3.1.2 RPCAW users - including IH and KQ members

The RPCAW provides a space which is both functional and inspiring. It allows KQ members, innovative start-ups, social enterprises, local SMEs and local community members the opportunity to obtain affordable and accessible flexible workspace, meeting rooms and event space.

The RPCAW also provides a huge opportunity to curate connection, knowledge exchange and collaboration between KQ, IH, BL, their members and customers, and local people (including schools, community groups, charities etc). It provides a 'shop window' for KQ and a window into an international innovation ecosystem for local SMEs and residents. There are opportunities for the best of KQ and IH's existing events to thrive and for collaborative learning events, supplementing what will continue to be offered at the premises of other KQ members.

KQ undertook a member consultation in May/June 2021 which demonstrated that there is high demand for the space being offered, particularly the larger event and exhibition space, but also the workspace and ability to provide outreach into the local community for many KQ members. Further details of this consultation can be found in Section 4.3.

KQ members and local residents / SMEs / local charities will receive complimentary membership and discounted event space rental according to the schedule set out in Section 5. The Partners intend to incubate solutions that have particular benefit to the local area, and make links with investors, customers and collaborators through their incubation programmes, raising the profile of local businesses.

Impact Hub's experience on the benefits of co-locating include data from existing members. In 2019:

- 69% of members were connected to advisors and experts
- 48% received jobs, investments or customers by networking in our community
- 75% partnered or collaborated with other members
- 31% attributed their professional success to Impact Hub

3.1.3 Local Community

The Partners see the RPCAW as a fantastic opportunity for the local community, both residents and community organisations and are keen that they are involved in a co-creation process and engaged from the beginning to ensure there is an empowering, locally-led partnership that achieves genuine social impact. We are aware of the inequality that characterises the local area and the sense of divide and disconnect, and we will prioritise co-creation, openness and trust building in the way we operate.

As a result we intend to bring in key local organisations to help to develop the plans for the workspace and events, and create an ongoing and active Steering Group of local people to ensure that the workspace truly serves its purpose. This Steering Group will be co-chaired by KQ and IH and will include representatives of British Land, KQ members, workspace members, local community organisations, residents and the local authority.

IH and KQ also plan to employ a local Community Outreach Manager whose role will be to develop links between the Partners and local community groups, schools, colleges, universities, SMEs and residents. The COM will ensure that local people are aware of what the RPCAW has to offer. They will also provide workshops and support in local community settings around the knowledge economy, enterprise and employment, including contributing to career guidance and work placements for local young people.

The Partners are also keen to generate local procurement opportunities and suppliers that are local, sustainable and inclusive, providing local employment.

The local community will also benefit from activities and events within the RPCAW, curated and run by KQ and IH and their members. The Partners will also facilitate links between larger BL tenants (e.g. Dentsu Aegis, Meta), KQ members and IH members and local SMEs and residents to provide mutual mentoring, incubation programmes, events and learning opportunities.

We aim, through this activity, to demonstrate best practice for a partnership that truly benefits the local area, while also striving for continuous improvement, engagement and inclusion in our decision making and delivery.

3.1.4 Wider Society

The Partners see the RPCAW as an opportunity to be a shop front to tell a story, nationally and internationally, of how a best in class innovation district can operate, demonstrating innovation in its own practices and reconciling the tensions between growth and sustainability.

For KQ and IH, the RPCAW is a window into the KQ, an externally-facing and visually impactful touchdown point for international visitors, governments and other stakeholders looking to learn about developing local knowledge economies, social innovation ecosystems and community development. We already have extensive networks through KQ members, the IH global network and BL's UK-wide scope and we aim to provide thought leadership, and the possibility of replicating the model in other locations in the future.

We are all organisations that believe in collaboration for the good of all. The RPCAW allows us to 'engineer serendipity' to strengthen this still further.

3.2 Illustrative examples

We have considered some illustrative 'member journeys' for individuals and organisations that may use the RPCAW. In reality, these will be ever-changing and unique to the users themselves, but may provide some insight into the type of activity that may be possible as a result of securing the RPCAW.

3.2.1 Ecosystem integration - illustrative programme

To demonstrate how the RPCAW collaboration could enable collaborations between the parties for the benefit of the local community, we have devised "The Creative Careers and Enterprise Programme", which would support young women from lower socioeconomic and/or minority backgrounds in the Camden and Islington area. It would align with:

- KQ's strategic objective to contribute to a more inclusive economy
- IH's purpose to catalyse entrepreneurial action to generate a more socially inclusive economy.
- BL's local community engagement strategies and plans.

The target group is at the intersection of two groups (women and young people) who have been particularly hard hit by the pandemic, and the creative sector which is one of the most important for the UK economy but which has found it hard to operate during the pandemic.

It also reflects a sector which is strong amongst KQ members, in neighbouring Clerkenwell which has the highest concentration of design businesses in Europe and with other BL tenants who are world leaders in creative/advertising/digital media: Dentsu Aegis, Google and Facebook. Funding and support from any of these organisations could allow the creation and delivery of an exciting support programme delivered by Impact Hub and other Knowledge Quarter members and local community organisations such as schools, FE colleges, universities, local authorities, charities and housing associations.

The programme would combine mentoring, work placements, business planning and career development, networking and funding opportunities, as well as workspace at Regents Place and access

to Impact Hub's online networking platform. By the end of the programme, we'd expect participants to have either found a job, started freelancing or a small business or have clear plans and networks to support them to do so in the near future.

3.2.2 Illustrative start-up member journey

The workspace at Regents Place would welcome all members, but have a particular focus on the knowledge economy, innovation, community and social tech. IH has existing members who focus on these themes, and frequently attracts members who are not yet running an organisation, but are interested in starting an innovative enterprise. IH also runs regular incubation and acceleration programmes, and those associated with knowledge, innovation and education would normally be located at the RPCAW.

These members and programme participants would benefit from the relationship with KQ members, including events, mentoring and networking opportunities. Those who succeed in starting a new organisation are then in prime position to become new members of the KQ and enhance the RP campus.

3.2.3 Illustrative university spin off journey

When university research breaks new ground, there is the possibility that it may also provide an exciting new commercial opportunity. Forming a spin-out company is just one way to commercialise intellectual property.

The KQ has 14 universities within its membership with over 100,000 students, whilst a number of these institutions do have accelerators and incubators often they are oversubscribed, sector specific and select participants via an application process. The RPCAW will be able to provide an alternative provision to University spinouts with the benefit of remaining, in part, connected to the HE ecosystem in the Knowledge Quarter area.

Knowledge Quarter academic partners may indeed signpost their students to the RPCAW as in addition to the access to affordable workspace the wrap-around benefits including the relationship with KQ members, mentoring and networking opportunities will assist them as their businesses develop.

3.2.4 Illustrative KQ member space usage

The KQ has over 100 members within its one mile radius, each unique in size, sector and operational governance. Many of these members already occupy flexible working space, whilst others, in response to the pandemic, are seeking alternative and more flexible offices in the future.

Through the KQ member consultation we identified five KQ members who would be interested in the workspace, their rationale varied from having to rethink current office provisions due to financial challenges associated with the pandemic, the changing nature of work and an increase in employee desirability for more flexible working office space and the desire to work more collaboratively with other KQ members and communities. The RPCAW offers a solution to all those challenges.

KQ members would be able to take advantage of the available micro offices or anchor desks as a permanent base for their organisation, with the added advantage of access to the KQ executive, IH network and other space users to open up numerous collaborative opportunities. Additionally they could also have direct access to local communities for the creation and delivery of company specific outreach programmes, with the advantage of a pre-existing set of values and facilities to support it.

3.2.5 Illustrative Events series

Over the course of 3 months, 10 art and design students from CSM each mentor and carry out workshops with a small group of pupils from local primary and secondary schools in the KQ area who have an interest in Science and Tech.

Pupils are first asked to imagine and illustrate what it must be like inside the offices/ labs/ buildings of places like the Crick, Google, Turing Institute, UCL, Wellcome Trust, MSD, Facebook, RVC, Institute of Physics and Digital Catapult, based just on a description of what they do. Those pupils are then taken on physical tours of their assigned building and then asked to illustrate what they saw.

The before and after (imagined and reality) illustrations are put on display in the events space. Pupils are invited to bring their friends and family to the exhibition, along with the 10 partner organisations and CSM art students.

This will allow young people living and studying in the KQ to learn about the buildings on their doorstep and to take a deeper interest in STEM subjects. To allow the demystifying of these buildings through an artistic form. To allow CSM students to mentor younger artists in using art to communicate science. To inspire local communities to visit these buildings during Open House days.

3.3 Values/operating principles

The following operating principles were agreed in the MOU which the Partners signed up to prior to developing this Business Plan. The Partners agreed that the way we deliver the RPCAW is arguably as important as what we deliver. Examples of operating principles we agree to be guided by include:

- **collaboration:** we hold collaboration at the core of solving the issues of our time. We undertake to use our best endeavours to collaborate in bringing the RPCAW to fruition and making it a benchmark for collaborative practice;
- **transparency:** we understand that transparency is a key ingredient in building and maintaining trust between us, so we agree to share important information openly and in a timely fashion;
- **inclusivity:** we recognise each other as equal partners, acknowledging different strengths, challenges and experience, and respect that we each have the same right to be heard;
- **mutuality:** we empower each other to represent our common purpose, common interest and joint business plan to relevant third parties, and undertake in doing so always to recognise all Partners equally;
- **accountability:** we honour the agreements and commitments we make to each other, and hold ourselves and each other accountable to them;

4. Market and competition

4.1 KQ Innovation District

Innovation districts are urban areas with networks of knowledge producing organisations such as universities, research bodies, teaching hospitals, cultural institutions and knowledge intensive businesses. They bring together innovators, entrepreneurs, researchers, creatives, knowledge workers and investors to collaborate, compare and compete, creating the conditions for business growth.

The KQ positions itself as a significant UK innovation district and hosts what is arguably the most dense concentration of scientific and knowledge-based organisations anywhere in the world, creating an ‘incubator for the UK’.

In recent years the KQ has seen substantial improvements in the public realm, associated with redevelopment of former railway lands to the north of St Pancras and King’s Cross. Ongoing developer and investor interest in the area in part reflects its location at the heart of a vibrant global city. However, the KQ is also a magnet for businesses because of its highly-skilled workforce, linked to institutions that undertake world-leading scientific research.

The quality of place-making and the burgeoning cultural offer aids recruitment and retention of these staff. Key to the KQ’s success is an integrated transport network, i.e. fast connections to other parts of London, the wider UK, mainland Europe via Eurostar, and the world beyond, through London’s airports. This provides ready access to a huge pool of skilled labour. These factors combine to give the area a competitive advantage over other cities.

4.2 The under-met needs

In 2018, KQ undertook a Government-backed Science and Innovation Audit which was a part of a new Government approach to regional economic development focusing on analysing regional strengths and identifying mechanisms for realising potential. The audit is a comprehensive mapping of an area’s research and innovation strengths.

However, the audit also identified potential problems surrounding the provision of support for start-ups. This included a lack of networks between key actors in the area, difficulty in attracting venture capital and a lack of ‘genuinely affordable’ workspace for early-stage start-ups. In particular it identified:

- Low availability and high cost of appropriate commercial sites and premises.
- A dearth of innovation space, particularly space for Life Sciences start-ups and small businesses, including wet-laboratories.
- Lack of suitable move-on space in the KQ for companies wishing to expand their operations and/or take on additional staff.

- A lack of business accelerators for start-ups and other small firms. Mapping of physical space showed few examples in the KQ area, compared to adjacent clusters such as ‘Tech City’.⁴

Subsequently the KQ delivered a piece of research in an attempt to identify the start-up infrastructure in the area in which the wider innovation ecosystem is dependent.⁵ A key recommendation from this research was to support the model of ‘Co-working Plus’ provisions in the KQ area. Whilst there are plenty of coworking spaces within the KQ, there is a relative lack of workspaces that provide more than just a desk and Wi-Fi. If the area wishes to become a true start-up ecosystem, this type of provision should be prioritised over traditional flexible workspace models.

4.2.1 Flexible Workspace in the KQ Area

The provision of incubators, accelerators and co-working spaces (IAC) across London was considered through a study commissioned by GLA and LEAP and produced by URS (now part of Aecom) (published by the LEAP as part of the London Open Workspace Forum), as key to supporting an ecosystem of start-up and scale-up SMEs.

Focusing specifically on life sciences, MedCity commissioned a London-wide investigation of physical provision. It identified a shortfall and recommended that there should be: increased provision of small-scale units close to the research base; innovation centre space; grow-on space; and space within or close to hospitals. It noted further that “from our survey, the most popular location is the area around Euston Road” (i.e. the heart of the Knowledge Quarter).⁶

There are only a few sources of information which track flexible workspace provision in the capital. Office Freedom is a digital broker of flexible workspace in London. In 2019, it published a report based on its internal data, which found that whilst average rates had declined in other parts of London due to increased workspace operator competition, Kings Cross and its surrounding neighbourhoods had increased in price over the years. (Office Freedom, 2019)

Office Freedom also tracks changes in transaction volumes. The area with the least transaction growth is Kings Cross where transactions fell on average 22% per year between 2014 and 2018. According to Office Freedom, this was due to the lack of available office space in the area, which could be developed for flexible workspace provision.⁷ Anecdotally, flexible workspace which is developed in the area is often pre-let or at maximum occupancy often only weeks after opening and providers have waiting lists from clients wishing to locate themselves in the area. It is not unreasonable to suggest that demand for flexible workspace in the area far exceeds available supply.

⁴ <https://www.knowledgequarter.london/sia/>

⁵ <https://www.knowledgequarter.london/download/the-knowledge-quarters-start-up-ecosystem/>

⁶ https://www.london.gov.uk/sites/default/files/supporting_places_of_work_-_iacs.pdf.

⁷ <https://www.knowledgequarter.london/download/the-knowledge-quarters-start-up-ecosystem/>

Post-Covid, the future of work is much discussed, but the consensus, and early signs of behaviour from IH members and new enquiries, seems to suggest that it is larger fixed offices that are under threat, and flexible, affordable options are experiencing a new renaissance.

4.2.2 Knowledge Quarter member consultation

The Knowledge Quarter held five consultation meetings in June 2021 to solicit the membership for their views on this proposal. In total 40 different Knowledge Quarter members took part in the consultation which represents a high percentage of KQ members, below is a summary, a full write up can be found in the appendices.

- All partners are generally enthused by the idea of a KQ space.
- Our consultation suggests that there is strong demand for the space both in terms of community use but also by KQ partners themselves. This primarily focuses on using the space for events and outreach activities.
- The biggest demand from partners was for large event space. There was some suggestion for small workshop space, but generally meeting spaces/meeting rooms were not mentioned as a priority.
- Many suggested that a KQ space could be the interface between KQ members and the general public/community.
- Need for discreet meeting rooms with a degree of sound proofing. The use of hybrid and smart technology as well.
- Some interest in taking desk space.

4.3 Competition

4.3.1 Existing local flexible workspace provision

Coworking spaces and other flexible workspaces are proliferating in London, but demand is also growing. IH has operated successfully in King's Cross for almost 14 years despite new operators springing up around them, including WeWork, The Office Group and Premier Inn all offering space in the same street.

Of the spaces available locally we have identified the following:

- [Impact Hub King's Cross](#) (IH) has been based in York Way since 2008, providing coworking, fixed desks, meeting rooms and business support services focused on the social enterprise sector. IH has over 400 members at King's Cross and is part of a global network with 16,500 members. Rather than a competitor, we see the York Way space as an enrichment to the offer for members at the RPCAW. Our passport system means that RPCAW members will be able to use coworking, meeting and event space at both locations, and ensure a presence in both LB Camden and LB Islington.
- [Storey](#) is a flexible workspace offered by British Land with locations across London, including at Regents Place. Storey offers micro-offices of minimum 20 people on a 1-3 year lease basis, and

therefore is not a direct competitor to the RPCAW which will offer co-working, fixed desks and offices up to 20 people with a 1-6 month notice period (see section 5 for details). It could, however, provide useful 'move on' space for some rapidly scaling users of the RPCAW.

- **International Workspace Group** (owns the Regus and Spaces brands): IWG is one of the largest networks of workspace in the UK. IWG tends to go for the cheap and convenient market across the world and their spaces tend to be functional rather than inspiring. There is a 'Spaces' at [307 Euston Road](#) almost directly opposite Regents Place. They offer coworking, fixed desks and micro-offices at prices comparable to the RPCAW. Their Google reviews are mixed, with a combination of 5 star and 1 star. There was previously a Regus at Regents Place which is now closed.
- **The Office Group** (TOG) is another large international player with a wide network of spaces across London. Close to the RPCAW, they have a number of spaces which offer coworking, offices, meeting rooms and events, plus access to their other locations. Local spaces include:
 - [210 Euston Road](#)
 - Eastside, King's Cross Station
 - The Stanley Building, 7 St Pancras Square
 - Gridiron Building, 1 St Pancras Square
 - York House, 221 Pentonville Road

These spaces are nicely designed, but priced far higher than the RPCAW. For example, a coworking hot desk at the Euston Road office is offered for £425 per month, which is the price the RPCAW would offer for a fixed desk with storage.

- [WeWork](#) - King's Place, York Way offers coworking, dedicated desks, offices and full company branded floors, meeting rooms and a roof terrace with an attractive if sparse building.
- [Camden Collective](#) offers free coworking and affordable desk space in vacant buildings in Camden for creative businesses. Camden Collective is run by Camden Town Unlimited, the Business Improvement District for Camden Town. It now has a fully sustainable model having previously relied upon grants and has used 18 spaces since opening in 2009.

4.3.2 Comparative knowledge economy workspaces in London (Case Studies)

London is home to a number of innovation districts, many of which have a centralised coworking space to drive knowledge and innovation in their respective ecosystems. They vary in terms of focus, size and sector support but offer a touchdown space to support local businesses and communities and showcase the activities taking place within their innovation district.

- [Imperial White City Incubator](#): The Imperial White City Incubator is run by Imperial College to take advantage of the IP spin outs coming out of research conducted by students. Initially the accelerator was based in the main university campus, but they began losing IP and start-ups to Oxford and Cambridge, so took on dedicated space in White City to capture these losses. The space was opened in 2016 and specialises in supporting VC funded bioscience and deep tech businesses, providing paid coworking and shared lab space as part of an accelerator for a maximum of three years. Start ups graduate to dedicated offices and labs elsewhere in the

building, as they still need time to complete their drug discovery and take the product to market.

- **Plexal:** Based in the Press Centre building in Queen Elizabeth Olympic Park, Plexal is Here East's innovation centre and coworking space. Collaboration is at the heart of its approach. Plexal's innovation team delivers programmes for clients like Innovate UK and Transport for London, and specialises in connecting industry, academia, investors, startups and scaleups to tackle some of the biggest challenges facing society. Plexal supports inclusion through OpenDoor and the Social Inclusion Unit, while its cyber team is delivering the London Office for Rapid Cybersecurity Advancement (LORCA): a three-year innovation programme scaling cybersecurity solutions.

Designed as a 'mini-city' (it has its own indoor park, high street and indoor street food stand), Over 700 startup and scaleup members of Plexal's workspace come together for regular community events and benefit from on-site professional services. They can also take advantage of Eagle Lab at Plexal: Barclays' flagship workshop with 3D printers and a VR/AR zone where innovators can prototype solutions.

4.4 Our point of difference

The RPCAW is ideally located within the Knowledge Quarter, close to its 100+ members including leading organisations in the Knowledge Economy: academic, cultural, research, scientific and media of all sizes. This rich membership provides a perfect basis for an innovation centre that can showcase the best of the Knowledge Quarter, which in itself represents arguably the densest concentration of knowledge-based organisations anywhere in the world, while providing enriching educational, employment and enterprise opportunities for members of the local community. Impact Hub brings a rich history of supporting impact businesses with a social or environmental focus. Together they can build a knowledge based ecosystem that serves the KQ members, the local community, SMEs and wider society through innovation, enterprise and inspirational events.

This means the RPCAW is perfectly placed to serve university spin-outs, accelerator alumni. As the KQ's Start-up Ecosystem research outlines:

*"Coworking and a wider events program can provide a quick network for start-up founders. This can provide an opportunity for peer-to-peer learning which was viewed as beneficial for early-stage startups in successfully formulating their ideas. They can also cultivate trust and connections, leading to potential new collaborations and partnerships. However, success is dependent on the culture of the workspace provider. It was made clear that the motivation between people-to-people connections needed to be genuine. Occupiers can distinguish between altruistic and purely transactional ecosystems and there need to be values that people can align with"*⁸

⁸ <https://www.knowledgequarter.london/download/the-knowledge-quarters-start-up-ecosystem/>

IH's 'Art of Hosting' philosophy is at the heart of its experience in curating community and events within a workspace setting. KQ is expert at building collaboration between its members, creating events, advocacy and mutual learning opportunities. Together they have extensive local, London-wide, UK and global networks to enrich the offerings at the space. It already provides a 'coworking plus' model, combining flexible and affordable workspace with business support, networking opportunities, social events and links to investors.

The RPCAW's location close to three major National Rail stations which connect to the Midlands, North of England and Scotland, six London Underground lines, and a single train ride to 4 international airports makes a huge difference to likely usage. Members at the RPCAW would also get a passport to use IH's other space in York Way, King's Cross and over 100 other Hubs worldwide for 3 days a year each. All of this is offered at affordable prices, with discounts for KQ members, local SMEs and residents and those who contribute to the community (see 5.2 below for more details).

5. Operating Model

All of the numbers in this section are based on current information available and are subject to change as the project progresses. Further work is ongoing and most of these will be fixed by the time that the lease is signed, others such as final space allocation and pricing will be further refined through the co-design process explained in 7.1 and appendix 10.4.

5.1 Space allocation/utilisation

5.1.1 Fire safe capacity: Confirmed as 720 for the workspace - well above envisaged maximum occupancy levels and therefore not a constraint.

5.1.2 Net Internal Area (NIA): 10,645 square feet for the RPCAW, excluding toilets and plant room.

5.1.3 Workspace space allocation: the detailed design process is well underway with design agency Feix and Merlin. The working assumptions in the design brief are:

- Workspace:
 - Enclosed micro-offices @ 45 sq ft/desk = 54 desks
 - Open-plan team desks @ 30 sq ft/desk = 60 desks
 - Co-working @ 25 sq ft/desk = 44 desks
- Event space:
 - Capacity: min 100 seated theatre-style, 150 standing
 - Additional reception area
 - Capable of partitioning into two 50-person capacity workshop areas, or opening up incorporating the reception space into one large open exhibition area
 - Separate from workspace, enclosed and sound-proofed, but fully accessible both internally and externally via separate entrance
- Meeting space:

- In addition to event/workshop space
- 40 seat total capacity across several separate, bookable, enclosed, equipped meeting rooms
- Additional free-to-use open plan informal meeting areas for members and guests
- Other facilities:
 - Members kitchen (also catering facility for meetings and events)
 - Phone/video-conferencing booths
 - Member lockers, post boxes and printing facilities
 - Chill out zone
 - Toilets and shower facilities
 - Secure bicycle storage (separate adjacent space)

5.2 Co-working and desk rental pricing

Note: all prices are provisional and subject to further local market validation up to launch.

5.2.1 Partitioned micro-offices:

- Undiscounted: £650 pp per month.
- Discount: introductory 10% 3 month discount on up to 3 desks per team for KQ members and qualifying local community businesses (worth up to £585 vs tier 1 KQ annual membership of £500)
- Terms: six month minimum commitment and rolling sub-lease. Deposit required.

5.2.2 Open plan anchor desks:

- Undiscounted: £430 pp per month (same as IH@KX).
- Discount: introductory 10% 3 month discount on up to 3 desks per team for KQ members and qualifying local community businesses
- Terms: three month minimum commitment and rolling contract. Deposit required.

5.2.3 Open plan coworking desks:

- Undiscounted: pricing as IH@KX, eg Hub 30 = £90 pp per month for 30 hours (£3/hour)
- Discounts: local people eligible under S106 provision:
 - Six months free Hub 30 membership - worth £540 pp
 - Free participation in all IH normal business support workshops, mentoring etc as part of this membership
 - Discounts on meeting rooms etc in line with all paying Hub 30 members
 - Followed by a further six months half price Hub 30 membership - worth an additional £270pp
- Discounts: KQ member organisations outside S106 provision:
 - introductory 10% 3 month discount on up to 3 desks per team for KQ members and qualifying local community businesses

5.2.4 Complimentary Hub Connect membership for all KQ member organisations:

- Three complimentary memberships per KQ member organisation (worth £540/year). Hub Connect entitles them to the same discount on meeting room and event space bookings and guest passes as paying Hub Connect members (see below and IH website for latest rates)

5.3 Meeting and event space pricing

Note: prices will be finalised with space allocations but are comparable to IH@KX on psf/per head basis, undiscounted

- Discounts and access for local community under S106 (criteria and list tbc):
 - An allocation of meeting rooms and event space each month available free of charge for room rental (ie incidental costs such as consumables, casual staff to be paid) at selected off-peak times. Off peak assumed to be approx 30% of total time available.
 - A quota system to ensure fair allocation if demand exceeds supply
 - A significant discount (equivalent to IH's most generous member discount) at all other times
- Discounts for KQ members:
 - See 5.2.4: all KQ member organisations regardless of size would be entitled to free Hub Connect memberships, which in turn guarantee the same discounts on meeting rooms, event bookings, and guest passes as paying Hub Connect members.

5.4 KQ team usage

The KQ team will have a six-person team desk free-of-charge under the agreement. A six-person desk allows an unlimited number of team members to have use of the desk over time - but obviously a maximum of six at any one time. In addition, on the same terms as the Impact Hub team:

- Access to meeting rooms and event space on same terms as local community organisations (see above), including specifically two free 4-hour event space bookings per week (see IH:KQ collaboration agreement for details)
- A significant discount (equivalent to IH's most generous member discount and internal CIC x-charge rate) at all other times

6. Business plan and financial model

6.1 Financial model summary and assumptions

The financial model is based on a commercial start date of September 2023, for a 15 year lease period. Fit-out costs will be borne by British Land with the space offered to Impact Hub on a turnkey basis, with completion due in August 2023. After a 12 month holiday, Impact Hub will then repay British Land fit out costs on an amortised basis over the next 7 years. British Land will charge a fixed % profit rent from year 2, which will be derived from profits before the amortised fit-out repayments, so these will effectively

be funded from Impact Hub and Knowledge Quarter's share of the profit.

The financial forecast anticipates British Land's profit rent to be the equivalent of circa £15 psf, but this is not guaranteed until year 10. In any event, this falls well within the 50% market rent cap set by the s106 agreement.

The revenue forecast is based on the space utilisation, pricing and discount assumptions explained in section 5, with an occupancy build over the first 24 months based on typical IH experience. Staffing, premises and other overhead costs in the financial model are all met by Impact Hub and are based on IH norms and/or assumptions provided by BL.

A major assumption for the financial model is the cost of fit out, together with initial working capital requirements. Fit out costs are only broad estimates at this stage in the project and will be firmed up between now and the lease sign-up. The latest estimate used in the financial model is a total capital outlay of £1,120,000 for cat B fit-out.

The table below shows an illustrative P&L for KQ for the first five years, based on an assumption of 15% profit share from year 5.

6.2 Comparison with KQ costs at British Library

Income	Forecast Income	Y1 2022-2023	Y2 2023-2024	Y3 2024-2025	Y4 2025-2026	Y5 2026-2027	TOTAL 5 years
	Distributable surplus (based on 15% profit share TBC)	0.00	0.00	0.00	54,834.05	52,940.00	107,574.05
Expenditure	Forecast Expenditure	Y1 2022-2023	Y2 2023-2024	Y3 2024-2025	Y4 2025-2026	Y5 2026-2027	
Staffing							
	Shared Community Manager (£30,300) split	7,575.00	15,150.00	15,150.00	15,150.00	15,150.00	68,175.00
Marketing							
	Launch event	1,500.00	0.00	0.00	0.00	0.00	1,500.00
	Brand development and consultancy	2,500.00	0.00	0.00	0.00	0.00	2,500.00
	Marketing materials	1,000.00	0.00	0.00	0.00	0.00	1,000.00
Accommodation							
	6 desks at new space	0.00	0.00	0.00	0.00	0.00	0.00
	Retaining 2 desks at the BL (currently 5)	-7,416.00	-7,416.00	0.00	0.00	0.00	-14,832.00
Legal fee							
	Legal fees	2,500.00	0.00	0.00	0.00	0.00	2,500.00
Equipment							
	IT equipment (if relinquishing BL desks)	0.00	0.00	10,000.00	0.00	0.00	10,000.00
	IT support service (if relinquishing BL desks)	0.00	0.00	5,000.00	5,000.00	5,000.00	15,000.00
	Mobile phones (if relinquishing BL desks)	0.00	0.00	2,000.00	0.00	0.00	2,000.00
	Mobile contacts (if relinquishing BL desks)	0.00	0.00	2,000.00	2,000.00	2,000.00	6,000.00
TOTAL (Expenditure)		7,659.00	7,734.00	34,150.00	22,150.00	22,150.00	93,843.00
TOTAL (Income)							107,574.05
COST TO KQ IN FIRST 5 YEARS							-13,731.05

7. Start-up plan

7.1 Overview and timings

We are targeting end October 2022 as the deadline for both leases and the IH:KQ collaboration agreement to be signed.

Fit out work will begin in Q1 2023 and pre-marketing and sales work will take place in parallel, including the detailed design of a co-curated events programme.

7.2 Transition team

As well as the Operational team who will eventually run the building, Impact Hub will engage a small, specialist transition team to get the building and its operations set up. There are essentially three elements to this transition team:

- Design lead: acts as the point of contact between the construction/fit out team, the designer and the client (Impact Hub) to ensure that the design will meet the needs of the operating team. This individual should have experience in operating a similar workspace and of the operational culture, practices and systems used by Impact Hub, so they can be integrated smoothly.
- Operations Manager: ensures that the operation is ready for launch. In this case, they will be required to take into account local and sustainable/ethical sourcing as well as value for money.

- PR and Marketing: launching the space using events and PR, developing key messages and copy in varying formats, to supplement the content and networks that the Partners can already access.

7.3 Launch marketing

Detailed planning for a launch will need to be undertaken closer to the time, but will involve a co-creation process which engages all the Partners, our members and local community members. However, we expect the elements to be involved:

- Branding development, as part of the fit out process (see also section 8.2 below)
- Development of promotional materials, social media assets and press/newsletter content
- Lead generation and sales outreach for tenants and space bookings
- Launch event with a high profile person (potentially a minister) to officially open the space. Local stakeholders, KQ and IH members, BL tenants, innovation experts, social enterprise partners, community members, space brokerage sites and journalists to be invited to attend

8. Governance and legal

8.1 Legal Agreements

The main legal agreements governing the RPCAW will be:

- The AWS lease - led by BL, working with IH, signed by both.
- Collaboration agreement - developed jointly by IH and KQ, signed by both.

A working draft of the collaboration agreement is attached. It is a requirement from BL that the collaboration agreement is a legally binding document that will be referenced in both leases. However KQ will not be expected to be a signatory to either lease, so will have no legal obligation for the leases.

8.2 Governance

Whilst the legal entity holding the leases and operating the business will be an IH subsidiary, due to the unique profit rent arrangement and transparent accounting required for this, there is definite scope for a more inclusive form of governance to have oversight of this, and ensure the RPCAW delivers against its stated purpose for the benefit of all stakeholders. It is envisaged that this will reflect the intent behind the Steering Group outlined in 3.1.2.

8.3 Brand identity

The brand identity for the space still needs to be established. IH and KQ will undertake a co-creation process to ensure that it represents the vision and community that the RPCAW is designed to serve. Key principles also include that IH and KQ will ensure that their brands each have parity.

IH is part of a global network and is obliged to comply with licencing obligations in relation to co-branding. Key features of this include that Impact Hub is a standalone brand, perceived to operate independently, free of pressure and opinion and cannot be seen as a feature of another brand. Co-branding proposals will need to be reviewed and signed off by the global Impact Hub Association.

Appendices to follow