Historic England

Heritage Works for Creative Businesses

Guidance prepared for Historic England by Harlow Consulting and Purcell

HARLOW CONSULTING

PURCELL

Contents

Foreword

Heritage and the creative industries are major sectors of the UK economy. The former is often inspiration for the latter with our rich history playing an integral role in shaping art, film, television, fashion, technology, and music. Together, heritage and creativity are strong pillars of our soft power, influencing trade, inbound tourism, investment and politics.

Creative and cultural organisations are a key provider and exporter of goods and services. They generate around £125 billion per year for our economy (over 5% of GDP) and provide employment to over two million people.

The Government has recognised the importance of creative industries and has committed to nurturing their growth in its Industrial Strategy and the accompanying plans for both the creative industries and digital and technologies sectors.

Creative businesses are naturally drawn to and thrive in historic buildings. Around a quarter of all creative businesses in the UK are based in heritage conservation areas and listed buildings attract significantly more creative firms than non-listed buildings.

Former industrial buildings have been transformed with great success into creative workspaces. The Custard Factory in Birmingham and textile mills such as Dean Clough in Halifax and Sunnybank Mills in Leeds are hubs for a range of creative businesses. Places like these support an interconnected ecosystem of artists, designers and engineers where new ideas thrive and cross-fertilise, fuelling growth.

Regeneration projects such as these have not only breathed new life into vacant historic sites but also into the surrounding areas, providing opportunities for the local communities and neighbouring businesses, as well as instilling a sense of pride in places, towns and cities. But while many of our software companies, advertising agencies and media outlets are attracted to historic buildings, there is often a reluctance to take on the regeneration of these sites.

This is, of course, understandable. Developers and investors need to minimise risk and maximise return. Conversely, historic buildings can present challenges, both logistical and financial. It can seem that there are simply too many obstacles to overcome, many of which are hidden under brick, timber, and plaster.

This is where Historic England comes in. We have an intimate understanding of both the potential risks and rewards of repurposing historic buildings, be it for housing, leisure, or business. Moreover, we understand the need to de-risk such projects and provide certainty around budgets and timeframes.

In Wakefield, West Yorkshire, we're helping to fund the restoration of the Grade II listed Phoenix Mill, part of the Rutland Mills complex, which is being transformed into Tileyard North, a creative industries hub housing state-of -the-art recording studios, creative workspaces, and events venues. In Hastings, East Sussex, we played an integral role in advising, repairing and repurposing the derelict Observer Building, which has now reopened as office space for many creative professionals.

This publication makes the case for regenerating historic buildings for creative businesses and offers a step-by-step guide to enable you to navigate the process and set you up for success. We are here for you every step of the way.

Lord Mendoza CBE
Chair of Historic England

Introduction

Since 2017, Historic England has been seeking to develop and disseminate best practice guidance for developers of historic buildings for new uses. The initial guidance was aimed at historic buildings in general and was published as Heritage Works (Deloitte Real Estate 2017).[1] It complemented existing and contemporaneous research on the reuse of specific building types, focused on industrial buildings:

- Encouraging Investment in Industrial Heritage at Risk, Colliers for English Heritage, October 2011[2]
- Engines of Prosperity: New uses for old mills, Historic England, 2017[3]

More recently, this has been followed by sector-specific guidance for residential conversions, Heritage Works for Housing (Historic England, 2024).[4]

As part of the process of developing further sector-specific guidance for potential developers of historic buildings, Historic England has commissioned guidance focused on developing underused and unused historic buildings as hubs for creative businesses. The following research and draft guidance was produced collaboratively by Harlow Consulting and Purcell in response to this commission.

The creative sector in the UK

The creative sector is widely recognised as among the UK's greatest strengths. Creative and cultural organisations are a key provider and exporter of goods and services. They contribute directly to the UK's tourism offer, generate around £125 billion per year for the UK economy and provide employment to some 2.4 million people.

The DCMS definition of the creative industries is "those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property".

The DCMS recognises nine creative sectors:

1. **Advertising and marketing**
2. **Architecture**
3. **Crafts**
4. **Design: product, graphic and fashion design**
5. **Film, TV productions, TV, video, radio and photography**
6. **IT, software and computer services**
7. **Publishing**
8. **Museums, galleries and libraries**
9. **Music, performing and visual arts**

1.historicengland.org.uk/images-books/publications/heritage-works/

2.historicengland.org.uk/content/docs/research/encouraging-investment-in-industrial-heritage-at-risk-main-report/

3.historicengland.org.uk/images-books/publications/engines-of-prosperity-new-uses-old-mills/

4.historicengland.org.uk/images-books/publications/heritage-works-for-housing/

Creative space in historic buildings

Investment to repurpose redundant historic buildings can help kickstart economic and social renewal. There are many examples of conversions of disused or underused historic buildings that have become starting points for the development of 'creative hubs' – self-sustaining centres for creative and cultural businesses.

Research for this guidance has identified around 90 examples of substantial developments of this kind, and this is not a fully comprehensive list. Moreover, our research identified far more creative business developments involving buildings of heritage value than purpose-built new buildings. In many cases, they were initially regarded as 'problem buildings' that lacked other viable uses. This suggests that creative uses can be a particularly promising form of development for underused historic buildings.

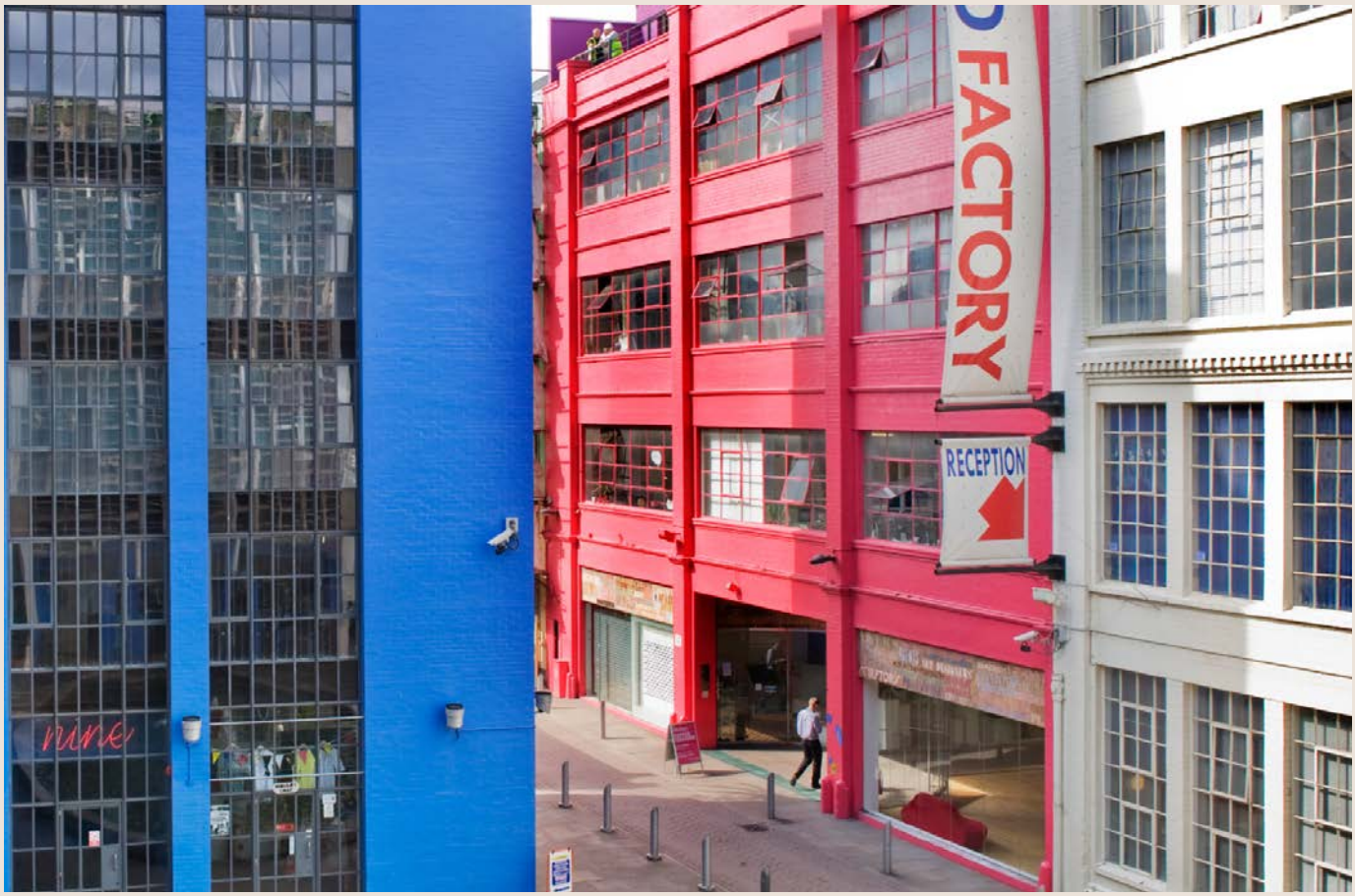
A number of these developments are located in areas that might previously have been thought of as having had low economic potential – areas characterised by deprivation and decline. In some cases, they appear to have had transformative impacts not only on individual heritage buildings but on the entire surrounding area.

No less importantly, keeping existing buildings in productive use, especially where they can be sympathetically upgraded to improve their energy efficiency, lowers our carbon footprint. The total carbon emissions that result from reuse and upgrading of an existing building are almost always far lower than those that come from replacing it with even the most energy-efficient new building.

Adapting historic buildings for creative business use, then, can be a 'win-win' for local economies, heritage and the environment.

The Custard Factory

Digbeth, Birmingham



This is a pioneering example of how heritage-led development for creative industries has unleashed a self-sustaining process of socio-economic improvement that turned a former ‘no-go’ area into one of the most vibrant and inspiring parts of Birmingham. Once established, the Custard Factory was acquired by a property company who have made further acquisitions and undertaken development of a range of similar historic industrial buildings in the area for creative industry uses.

In this guidance we explore why historic buildings seem to be particularly suited to creative industries. Almost by definition, creative businesses are likely to involve creative people who value individual expression and cultural distinctiveness. They are entrepreneurial in outlook but ultimately more concerned about what they do and the impact they make than the income they earn. It's often a natural choice to work in environments that reflect these values, that have character, that offer adaptive and unique spaces, which provide variety and flexibility and that have a strong sense of continuity, community and place.

All these characteristics are better met by historic buildings than contemporary offices and workspaces. These project corporate identity and status but offer relatively standardised environments. Built around conventional office-based working practices and activities, they are, by their nature, less conducive to individuality and expressiveness than historic buildings.

Indeed, the term 'creative business' itself embraces a very wide range of different working practices and activities. Since historic buildings encompass a similarly wide range of building typologies with significantly different physical characteristics, there is often potential to match a historic building with an appropriate creative use.

Such diversity is also reflected in the way that historic buildings are reused and developed for use by creative industries. The work is carried out by a wide range of developing agents, with equally diverse motivations and objectives.

All these factors interact to influence the choice of whether or not – and if so, how – to develop a historic building to provide creative business workspace. They are important to consider in addition to the inherent characteristics of the building itself. In this guidance we have sought to map out these interactions and how they will influence the development approach chosen when reusing a historic building to house creative businesses.

The guidance

This guidance is intended to support potential developers or partners in development of historic buildings for creative use. These may include:

- Charitable trusts and not-for-profit organisations
- Individual entrepreneurs, developers and owners
- Commercial property developers
- Local and regional authorities

The guidance sets out in a sequential format, based on eight basic steps, that process of developing historic buildings for creative use, each step of which is further subdivided into smaller components. These are summarised in the table on the adjacent page.

This guidance describes the development process as a single, self-contained development trajectory. However, in reality, these stages may be deployed in adapted forms. For example, a simplified version may be used repeatedly or iteratively, as part of a process of phased or incremental development. In these cases, different areas of a building or site may be developed in a series of distinct phases, with each area forming a complete, mini-development project. Alternatively, the building may go through a series of development cycles that each target different creative uses and/or different, usually increasingly ambitious, approaches to adapting the building.

These types of incremental development are especially common when existing buildings are redeveloped for creative use. The reasons for this, and the circumstances when such approaches may be particularly beneficial, are explored in more detail in the sections of the guidance on developing the business model (section 1.3) and defining the construction phases (section 5.2).

Development Process Road Map

Key Stakeholder Engagement

Wider Stakeholder Engagement

Ongoing Stakeholder Engagement

Creative Community Development

Project Concept

01 Opportunity
02 Need/Demand
03 Business Model
04 Stakeholder Community

Evaluation and Development Strategy

01 Feasability/ Options Appraisal (RIBA 1)
02 Development and Funding Strategy
03 Development Partnerships
04 Business Plan

Acquiring the Building

01 Acquisition Funding
02 Lease/Freehold Acquisition
03 Secure Condition
04 Meanwhile Use

Statutory Consents

01 Procure Design Team
02 Prepare Statutory Applications (RIBA 2-3)
03 Stakeholder Consultation
04 Application Submission and Determination

Planning the Delivery

01 Design Development (RIBA 4)
02 Phasing Plan
03 Construction Funding
04 Contractor Selection and Tendering

Implementation

01 Contract Letting and Mobilisation
02 Construction on site (RIBA 5)
03 Practical Completion (RIBA 6)
04 Fitting Out

Occupation

01 Operational Structure
02 Formal Marketing
03 Letting and Sales
04 Tenant/User Occupation

Management and Operation

01 Operational Delivery
02 Tenancy Management
03 Building Management and Maintenance
04 Tenancy/User Community Development

Project Marketing to Development Partners and Funders

Project Marketing to Tenants Purchasers and Users

Evaluation and Ongoing Marketing

Defining the project concept

01

1.1 Identifying the opportunity

Successful development for creative businesses comes from bringing together three factors:

- A suitable building or development site;
- A developer or developing agency with the resources and desire to develop; and
- A need or demand for creative space that justifies the investment in the development process.

But the way the development opportunity is identified and pursued will depend on which of these provides the initial impulse for development.

Building-inspired development

Underused and unused historic buildings are often meaningful to individuals and communities. This can inspire support for their redevelopment and reuse. In some cases, people may become involved in campaigning and fundraising to help save a building. In others they may even take on redevelopment of the site themselves. Development of this kind may be undertaken by individual private developers, project-specific charitable trusts or established regional or thematic charitable trusts.

Creative uses are often especially popular aims for such redevelopment. This is because of their potential to support flexible and incremental approaches to bringing buildings back into use, with the related potential for early income generation, as well as the broader social and cultural benefit such uses bring. These types of development can have significant regenerative impact, effectively acting as 'pilots' for wider area regeneration.

Developer-driven development

This is where a developer goes out looking for opportunities for development. In most cases, these are commercial businesses looking to generate a return on their investment. They will either use their own resources or, more usually, borrow from commercial lenders to finance development. Charitable, non-profit and public sector organisations may, however, become involved in leading or supporting creative development, because of the wider social, economic and cultural benefits that creative business may bring. They often work in partnership with each other or with commercial developers to do this.

User-led development

This is particularly important in the creative sector. Some creative activities – especially in the visual and performing arts – are only viable when large amounts of low-cost space are available. In these cases, practitioners or creative organisations may seek to undertake development on their own behalf. This allows them to cut out developer margins, and in many cases to develop to lower standards of finish and servicing that meet their own requirements, rather than the expectations of the wider commercial market. This means that they secure the space they need at lower than market cost.

All of these approaches can be successful, provided that the development approach and business model are defined carefully and appropriate resources are in place to support the development.

1.1.1 Potential development sites

There are many different types of historic buildings that offer potential for conversion for new purposes. This is especially the case with creative industries, which are very diverse. Different kinds of creative business need different kinds of spaces, meaning that a wide range of buildings can be adapted for creative use.

Late-18th to early 20th-century factory buildings, especially historic textile mills, are the most frequently converted. They tend to be very strong, well-built structures with large floor areas that can be divided up into many different kinds of small units, from small studios for individual creatives to large, shared offices and co-working spaces.

They tend to have high ceilings, big windows that offer lots of natural light and interesting features, such as cast-iron columns or vaulted ceilings. Because they housed powered machinery, they also tend to have plenty of ducts and channels that can be repurposed for modern heating, electrical and IT services. Depending on their age and specific features, they are often also relatively easy to upgrade to make them more energy efficient.

Other types of buildings can be more challenging to repurpose. Nevertheless, we have identified examples of successful conversions of buildings as varied as churches, transport buildings, barns and stables, historic offices, and former civic and leisure buildings – even a former public swimming bath. These can be in rural as well as urban settings. For example, a number of stables and outbuildings – whether associated with grand country houses or simple farms – have become centres for creative businesses.

In all these cases, it's a matter of matching up historic buildings and compatible creative uses, and finding sympathetic ways of adapting the structure for its new purpose. More detailed information on the characteristics and potential for adaptation of different types of historic buildings that are likely to have fallen into disuse can be found in the Appendix: Building types and considerations for their conversion.

Tileyard North, Wakefield, West Yorkshire

The United Reform Church

Leamington Creative Quarter

This ingeniously converted late Georgian church is now the home of 'The Fold', a digital media business and creative co-working space. The building was originally an 'auditorium' church with a double-height central space surrounded by galleries. By constructing a mezzanine floor over the historic galleries, the upper floor space was made into useable workspace and greatly increased in size. A central lightwell maintains the airy, open feel of the building, while also housing an elegant spiral staircase that connects the main floor to the upper and basement levels. Taking advantage of the natural acoustic insulation offered by the thick brick walls and vaulted ceilings of the basement, the individual crypt spaces were converted into recording studios and production spaces.

This project shows how a 'challenging' historic building can be repurposed for creative use, while retaining its most significant historic features.

Converting historic buildings, however, can present specific challenges, for example owing to:

- The building's structural or functional form, which may be too complex or difficult to alter easily for contemporary use;
- Difficulty identifying a market of potential tenants large enough or financially established enough to ensure a commercial return on the development cost;
- Challenges with the building's location and setting, for example with access or parking, that make it difficult to assess the likely demand for space;
- Concerns about the complexity and slowness of securing planning permission and Listed Building Consent;
- Known or suspected challenges with building condition and consequent uncertainty about the ultimate costs of repair and conversion;
- Other risk factors, such as contamination, flood risk, or the presence of asbestos;
- Consequent difficulties with meeting lenders' loan criteria and consequently with securing project finance.

This is especially the case with disused and underused buildings, where condition is often poor. When a building falls out of regular use, it still needs to be repaired, maintained and heated, but this often doesn't happen. Even when an owner is trying to keep the building in good condition, where people aren't on site regularly, problems can take longer to be noticed. If damage and disrepair take longer to be addressed, or aren't dealt with at all, serious decline can set in.

At a certain point, the cost of repair and renovation can start to outweigh the potential for a commercial return on redevelopment, even where the building can be acquired for a nominal cost. In the case of historic buildings, this difference between the potential for a commercial return and the cost of repair and restoration is referred to as the 'conservation deficit'.

Where a building lacks historic value and the proposed development is purely commercial, it can be difficult to overcome major condition problems. Replacement then becomes the usual approach to development. Historic buildings, though, may be different.

Historic buildings with a conservation deficit, where this hasn't been caused by deliberate neglect, will often be treated more flexibly in the planning system, opening a wider range of possible approaches to development. No less importantly, there are various ways that historic buildings that are 'at risk' can be formally recognised, and this can open up alternative funding routes.

Historic England enters the most important heritage assets that are 'at risk' in this way into its national Heritage at Risk Register (HARR). Some local authorities also maintain and publish their own registers of heritage assets 'at risk'. These can be an important source of information and recognition, especially in relation to Grade II listed buildings which, apart from in London, lie outside the scope of the national register.

When a building is included on the national Heritage at Risk Register, and to a lesser extent when it is included on local 'at risk' lists, it may be more likely to receive public grant funding. For example, key funding agencies such as Historic England and the National Lottery Heritage Fund may be able to support investigations and analyses to establish what the problems are and what it would take to make a development project viable. They may also be able to provide grants to help with development costs, especially (but not exclusively) where a charitable or not-for-profit organisation is involved.

This means that even where a historic building wouldn't otherwise justify purely commercial investment, development partnerships and alternative (blended) funding models can together turn it into viable development opportunity.

1.1.2 Potential developers

Whether development is undertaken by a solo developing agent or a partnership reflects the differing approaches taken by different types of developer to specific development sites. Each has distinct ways of working, motivations for investing, and priorities for outcomes. At the same time, these can often be complementary, especially where collaboration opens up potential for funding and long-term use that would otherwise be difficult to access. The following sections provide an introductory overview of the different types of developer and developing agency.

Commercial Property Developers

This category includes:

Commercial property companies that have a special focus on providing accommodation for creative businesses.

How they tend to operate:

- Usually use investment and bank funding rather than their own resources, unless they're mature companies; they consequently need reasonable certainty about financial viability and sustainability, and this in turn means rigorous financial development planning against standard investment models.
- Are not often the primary or initial developers of underused or unused historic buildings for creative workspace space, owing to:
  - The levels of financial and reputational risk associated with developing culturally significant sites with potentially serious condition issues;
  - The challenges securing loan funding for projects that envisage the kind of flexible tenancy arrangements required by many creative businesses, particularly in the field of start-ups.
  - Nevertheless, often provide short-term leases on buildings acquired for future development to creative sector-focused organisations, such as Acme in London; doing this can provide a 'meanwhile' use that ensures building occupation and generates income whilst development is being planned and consents and funding sought.
  - Like to work in larger regional centres with defined markets and market sectors, so are predominantly active in major conurbations, notably London, Bristol, Manchester, Leeds and Birmingham.
  - Often active in acquiring established creative and workspace developments where demand and market is proven and income streams well-established (for example, the sale of the Custard Factory in Birmingham by the original developer, Bennie Gray, and its acquisition by Oval Estates).
  - May partner with local authorities to work towards local/regional regeneration and development objectives and to access significant central government and regional grant funding to achieve viability and reduce development risk.

Individual entrepreneur-developers and owners

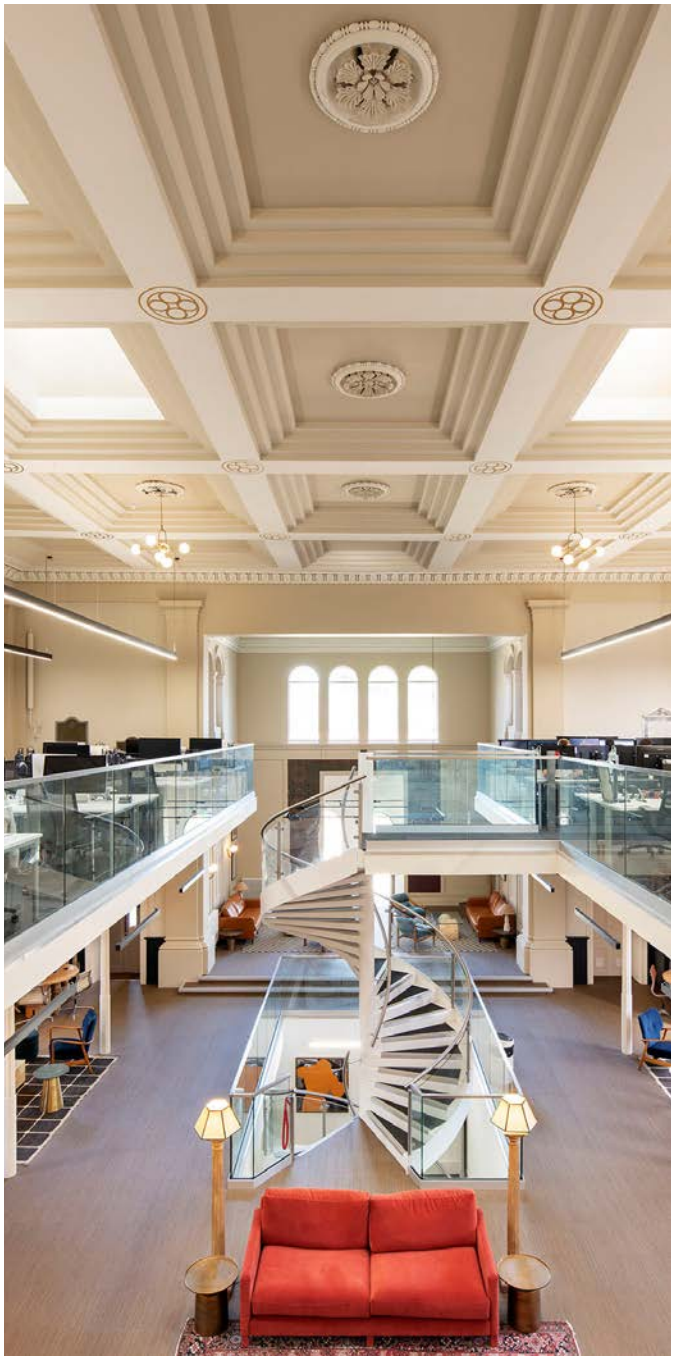
This category includes:

Visionary individuals who acquire property at very low cost and develop incrementally and over a long timeframe (for example: Salts Mill, Bradford; Dean Clough Mills, Halifax; or The Custard Works, Birmingham) initially using their own funds;

Private estates with extensive property holdings seeking to diversify income streams (for example, the Welbeck Abbey, Holkham Hall and Burghley estates).

How they tend to operate:

- Limited initial access to funding, so they usually develop incrementally and in response to demand and markets as they emerge.
- They usually build their own market demand through creating a sense of 'community' and building a critical mass of activity.
- Seek to take advantage of grant funding streams as they emerge.
- Not working within conventional property development criteria so more likely to encourage and accept flexible tenancies with no or poor covenant, particularly for creative and start-up businesses.
- Often include or draw benefit from a heritage or cultural 'attractor' in or near their development such as a gallery (as at Dean Clough or Salts Mill) and/or a heritage visitor asset (for example, at Welbeck Abbey).
- Often favour mixed-use developments to give diversity of income, higher footfall, complementary cross-sector uses and sustainability.
- Move up-market and to higher value tenancies as their project and its reputation and identity develops.
- Like to develop in proximity to 'attractors' which have initiated the process of regenerative change and value escalation (for example, Tileyard North in Wakefield, which is adjacent to the Hepworth Gallery)



Project-specific charitable trusts

This category includes various not-for-profit charitable and community organisations:

- Building Preservation Trusts (BPTs). These are represented at a national level by the Heritage Trust Network[5] (recently renamed the Heritage Network);
- Community Land Trusts (CLTs)[6]. These are represented at a national level by the Community Land Trust Network, a registered charity;
- Community Interest Companies (CICs);
- Community Benefit Societies (CBSs).

How they tend to operate:

- Campaign to save redundant historic buildings and in some cases take on the ownership, development, and management of these buildings.
- Often set up by concerned active members of the public in response to particular problems or a specific 'at risk' historic buildings.
- Seek support from a range of sources, including Historic England, the Architectural Heritage Fund, the National Lottery Heritage Fund, and other public and charitable funders.
- Usually fund projects entirely through grant aid from external sources and public fundraising activities.
- Often have limited human and financial resources, particularly during the early stages of development.
- May have little development expertise but do have very high commitment levels.
- Usually prefer incremental development, to enable development to take place as usage increases, new demand emerges or new funding streams become available.
- Often combine a heritage or cultural attraction with creative business workspace.
- Usually favour low-cost alteration and upgrading (in terms of cost per sqm) making a virtue of modest specification levels to maintain the building's character.
- Often need local authority or other public sector support to meet resource gaps, often forming partnerships to secure administrative support and financial aid.
- Have significant engagement and community ownership objectives and hence local support.

5.heritagetrustnetwork.org.uk

6.communitylandtrusts.org.uk/about-clts/

Building 17

at Cromford Mill

This Grade I listed mill was repaired and converted by the Arkwright Society, a charitable building preservation trust. The building houses a World Heritage Site visitor centre on the ground floor and 22,000 sqm of ‘dry’ creative industry workspace above – complementary uses reinforcing each other. The project was supported by funding from the National Lottery Heritage Fund, the European Regional Development Fund and other external sources.

Regional or thematic charitable trusts

This category includes:

- Larger established charitable preservation trust organisations, usually working on a regional basis; for example, the Heritage Trust for the North West or the Devon Historic Buildings Trust;
- Large-scale heritage organisations, usually operating nationally, such as the Churches Conservation Trust, which seeks to sustain and, in some cases, find new uses for redundant historic churches;
- Thematic or user-based organisations seeking to meet economic, cultural or heritage needs; for example, Acme in London (providing working space for artists) or the Midlands Industrial Association in the Midlands (providing business start-up space).

How they tend to operate:

- Often include cultural or heritage attractions alongside creative studios and workspace to build a wider 'cluster of compatible uses' (for example, Chapter Arts in Cardiff or the Hat Factory in Luton).
- Have more robust human and financial resources than smaller, project specific organisations, but still predominantly rely on high levels of grant-aid and regeneration funding from external sources.
- Make significant management contributions to building operation and tenant support (for example Spike Island Associates Bristol).
- Often user-led development, for example film making or media cooperatives seeking to provide local studio/recording space.
- Often provide 'meanwhile' uses for buildings awaiting development.
- Incremental and low-cost developments responding to building opportunity and available funding streams.
- Again, make a virtue of the building's heritage character, balancing lower user expectations with lower specification (and hence development costs) to keep rents affordable.

Spike Island

Bristol

Conversion of a very large mid-20th century tea packing factory (unlisted but with interesting design features) to provide a large artist studio complex along with galleries, creative workspace, café and learning facilities by a charitable artist-led trust with external funding.

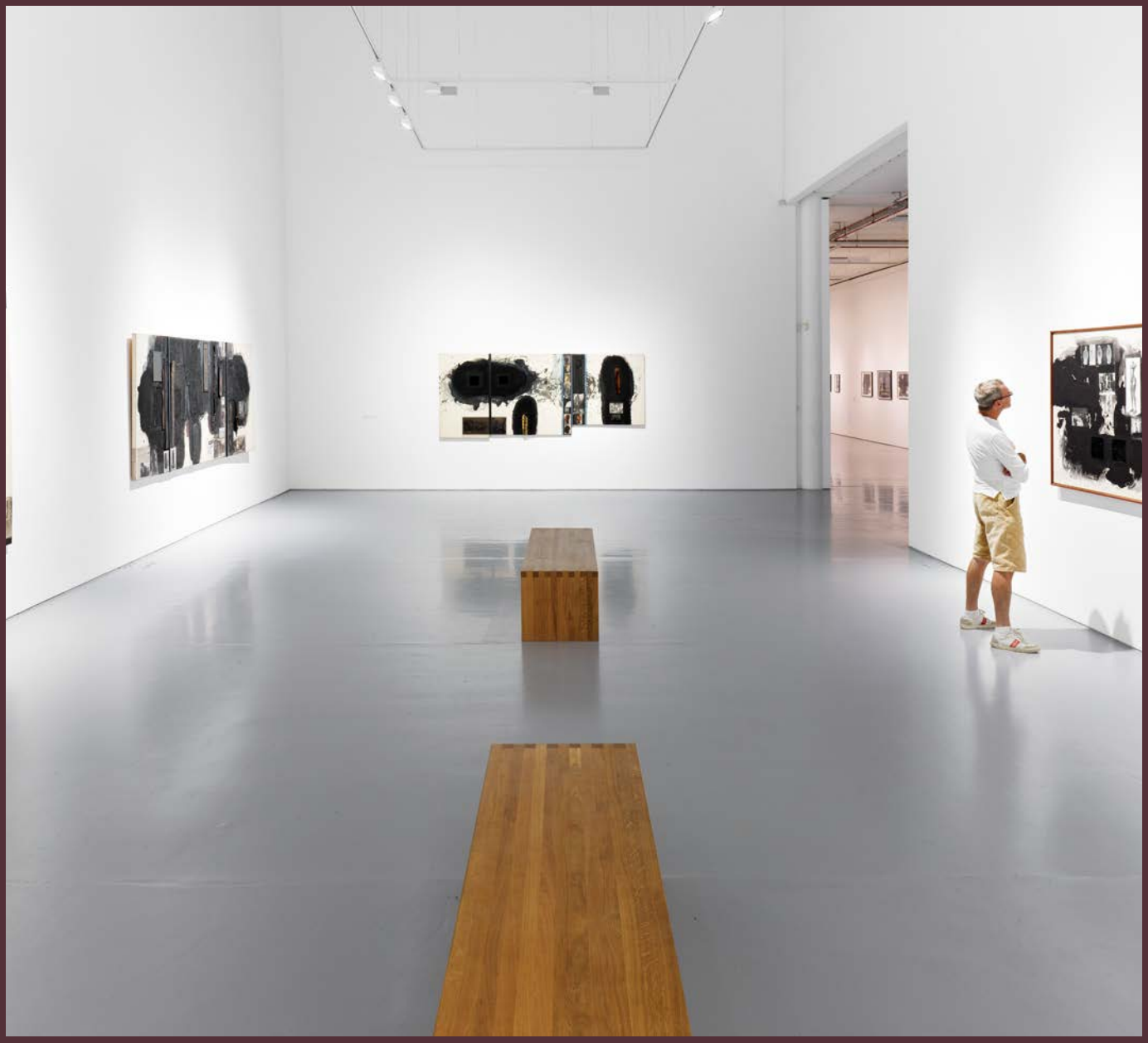
It is now home to many businesses across a broad range of creative industries, including architecture, arts education, printmaking, digital, graphic and product design.

The project was undertaken by a charitable artist-led trust with external funding support.

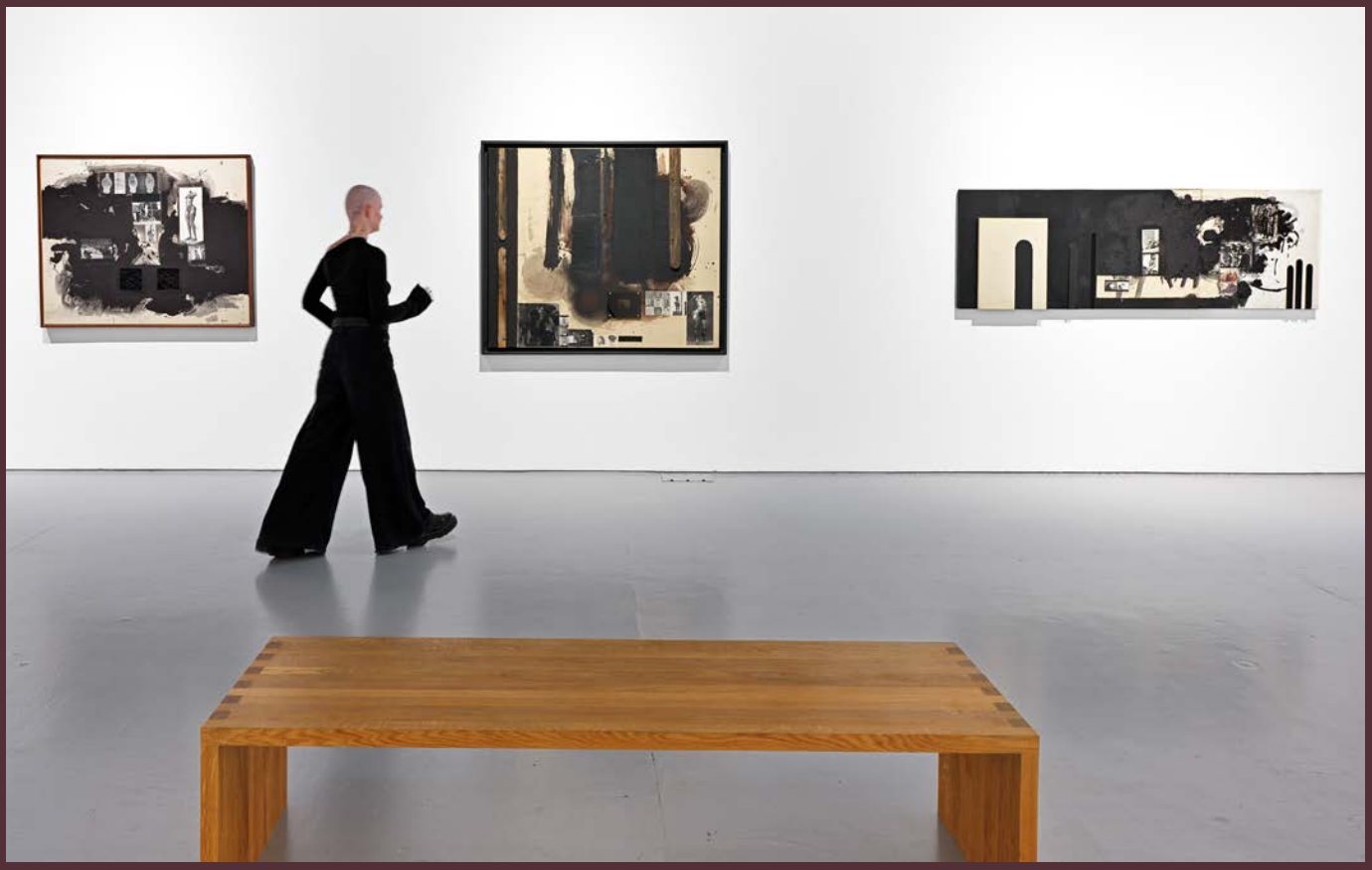
Local authorities

Local authorities play a crucial role in identifying, supporting and enabling new uses for redundant historic buildings. This category includes:

- City and city region councils, which often have substantial holdings of historic properties with the need or potential for development;
- Urban and rural district councils, that may hold stocks of historic buildings or wish to prioritise creative development but are likely to have limited resources for directly supporting it;




HOPKINSON & COPE
LATE R.W. COPE
FINSBURY LONDON




CHARMING
CHAMPIONSHIPS

- Unitary authorities, which are likely to have both stocks of buildings and access to substantial funding to support development;
- Combined and strategic authorities, that are less likely to directly hold historic buildings but have a larger strategic focus on economic development that may prioritise creative industries and support with access to resources;
- Other local planning authorities, which do not always coincide with local government boundaries (as in the case of the National Park Authorities and special development authorities, such as the London Legacy Development Corporation (LLDC)).

How they tend to operate:

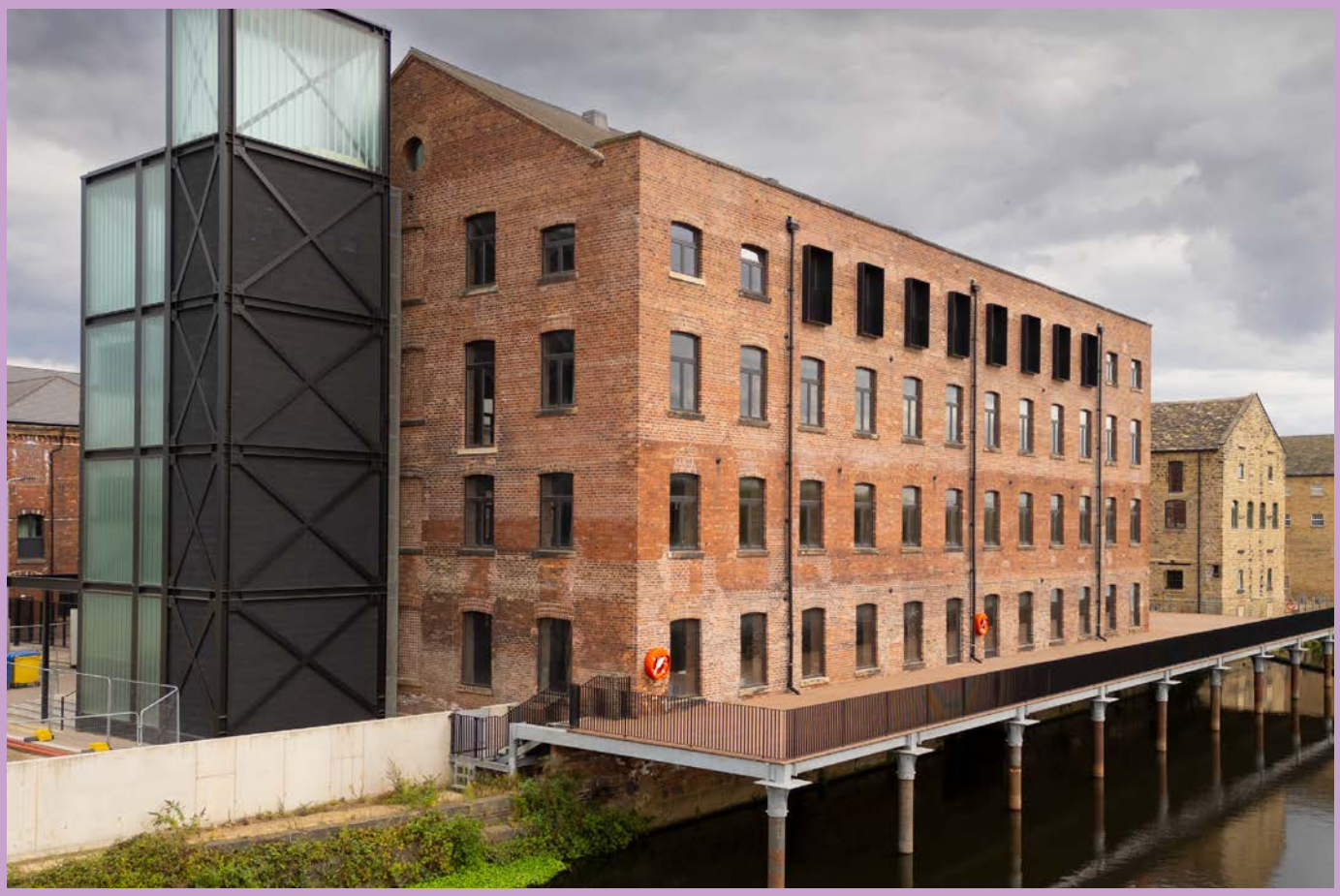
- Identify historic buildings that are in problematic condition or that have the potential for redevelopment.
- Use their planning powers to encourage the repair of historic buildings, including, where necessary, enforcement and potentially compulsory purchase.
- Tend not to be first movers in the development process, owing to limited human and financial resources and a concern to minimise risk to public resources.
- Make available historic buildings from their own property holdings for development, in some cases at sub-market or nominal prices.
- Encourage and support external initiatives to redevelop or regenerate buildings and areas.
- Seek to create effective partnerships with other agencies such as Historic England, the National Lottery Heritage Fund, regional mayors and emerging Strategic Authorities, and connect them with local community organisations and entrepreneurs.
- Provide funding for repairs, either directly or by negotiating funding from the private sector through Section 106 agreements, and through receipts from the Landfill Tax for environmental projects.
- Help secure access to strategic, area-based economic and regeneration funding.

Local authorities may also support effective approaches to promoting development by:

- Introducing a joined-up approach between departments and officials, including planning and economic development officers.
- Having a dedicated in-house project manager who can coordinate and lead their regeneration activities.
- Producing a strategy for buildings ‘at risk’ in their area which includes an audit of buildings which could provide a catalyst for area regeneration.
- Investing in public realm improvements and conservation area enhancements to generate confidence in areas that could benefit from regeneration and development.

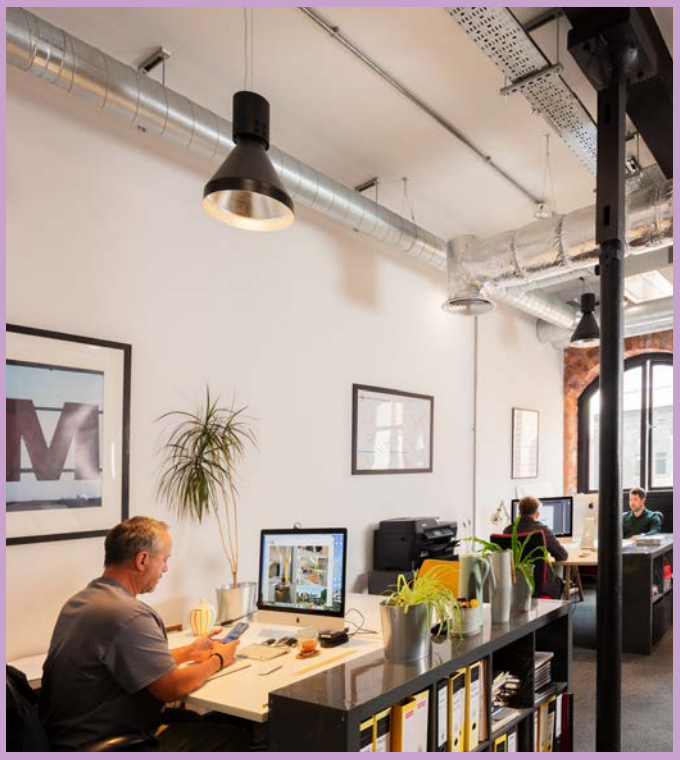
Tileyard North

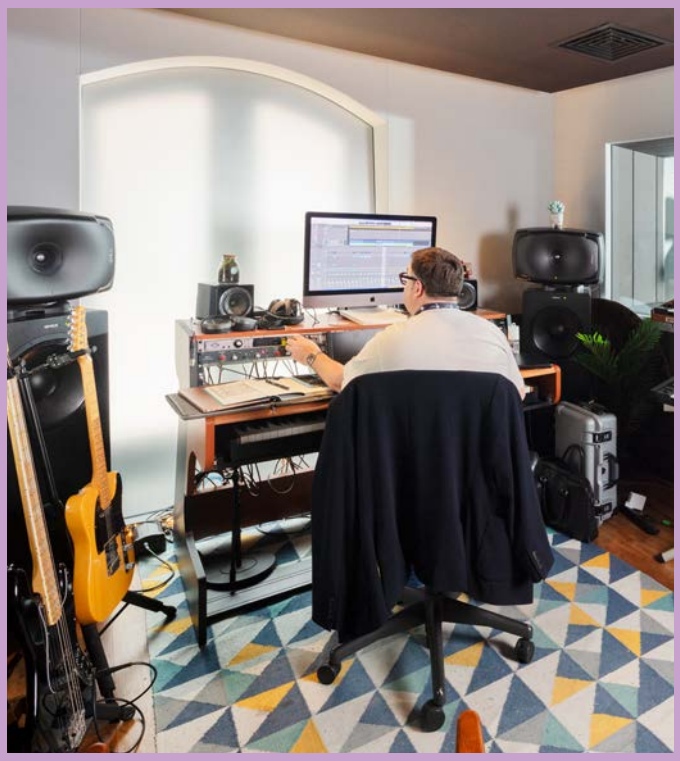
Wakefield



The former derelict Rutland Mills next to The Hepworth Wakefield are being regenerated into Tileyard North. This is part of a large area-regeneration scheme along Wakefield's river front undertaken by City and Provincial Property in partnership with Wakefield Council.

This will be done in two phases. A commercial developer is redeveloping the Grade II listed mill buildings into what will form the UK's largest creative community outside of London.





In some cases, local authorities may be willing to initiate a process of redevelopment by more direct investment in specific buildings or areas. Initial support may involve commissioning design-led master plans to change perceptions of an area and attract investment from other agencies and investors, or appointing architects to work up concept designs for specific buildings.

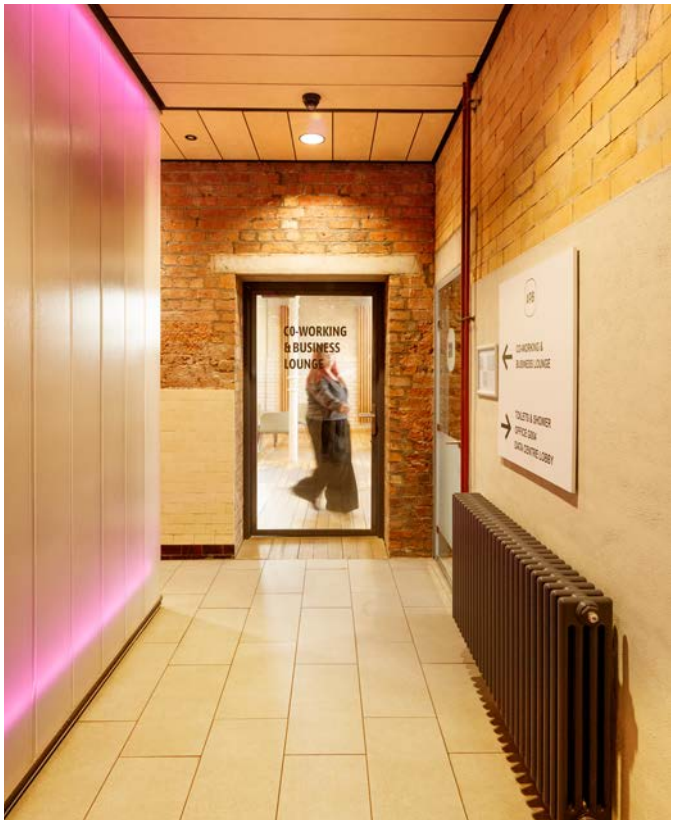
Examples where local authorities have taken a strong role in promoting redevelopment and regeneration include Tileyard North in Wakefield and Ashton Old Baths in Ashton-under-Lyne.

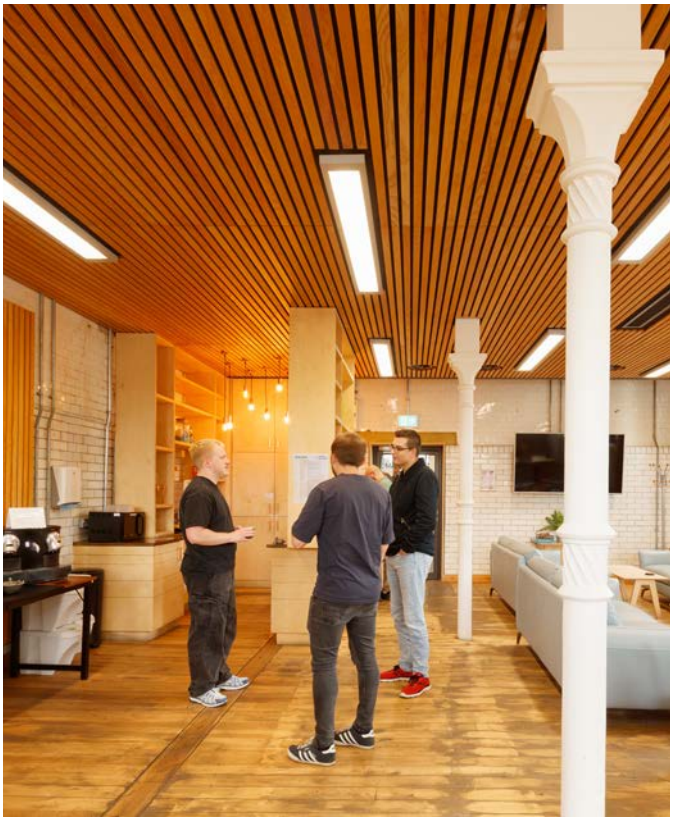
Ashton Old Baths

Ashton-under-Lyne

> **If it's a priority building, on occasions we will support and collaborate by appointing architects to proactively find solutions...**
>
> Strategic Housing and Regeneration Lead, City Council

This development was of a large 19th-century swimming baths to establish an innovation and creative centre. The local authority funded the development of the building which was managed by a commercial company (Oxford Innovation Space). Oxford Innovation Space subsequently took on managing the building lettings on behalf of the Council – a model also used elsewhere with other local authorities, for example at the Wellsprings in Bolton and Broadstone Mill in Reddish.





1.2 Types of creative business and their needs

Before a building can be considered as a candidate for development, it is important to consider the types of creative business that could be targeted as tenants or users. A successful development will be aimed at users whose requirements can realistically be accommodated within a potentially available building or wider development site.

- Creative industries and practices can be roughly divided into categories, each with distinct, though often diverse, spatial needs.
- 'Wet' or 'messy' industries that involve active making or production of physical artefacts, such as fine art and craft production.
- 'Dry' industries that are more concept - and design-based. In these areas, computers and other forms of IT increasingly define both the way outputs are produced and the nature of the outputs themselves.
- Performing arts, which have their own unique characteristics, are very diverse, and have supporting activities and disciplines that straddle the broad divide between 'wet' and 'dry' creative activities.

Each of these broad user types tend to have their own requirements, in terms of the preferred amount and quality of space, servicing requirements and tenancy types. While the various dry creative industries tend to have broadly similar needs, messy creative activities and the performing arts have constituent disciplines or activities that often have more specialised requirements.

1.2.1 Fine art

This broad area includes artists working in fields like painting, sculpture, printmaking, and installation art.

- **Spatial and servicing requirements:** Diverse, ranging from 10-15 sqm up to 100-150 sqm according to artistic practice. Can involve hazardous materials requiring specialist storage. Some shared facilities may be needed or desirable, such as printing presses and equipment (these may require high levels of environmental control compared to typical studio spaces). General servicing and environmental requirements tend to be basic, but good water supply and drainage/waste disposal are essential or desirable for most fine art disciplines. Large-scale sculpture will require excellent access for manual or mechanical handling and vehicular transport. Where sculpture is being made of stone, wood or fabricated or cast metal, there will usually be a need for special environmental arrangements, such as dust and fume extraction, acoustic insulation, and/or rigorous fire safety measures.
- **Preferred spatial characteristics:** Well-lit (ideally north light) with good ceiling heights. Robust simple finishes. Good hanging surfaces. Allocated space.
- **Preferred tenancy type(s):** Flexible licensed tenancy at sub-market rents with pay-by-use for shared facilities.
- **Associated ancillary spaces and facilities:** Gallery, catering, learning/teaching studios, shared reception, life drawing studio.

1.2.2 Craft production

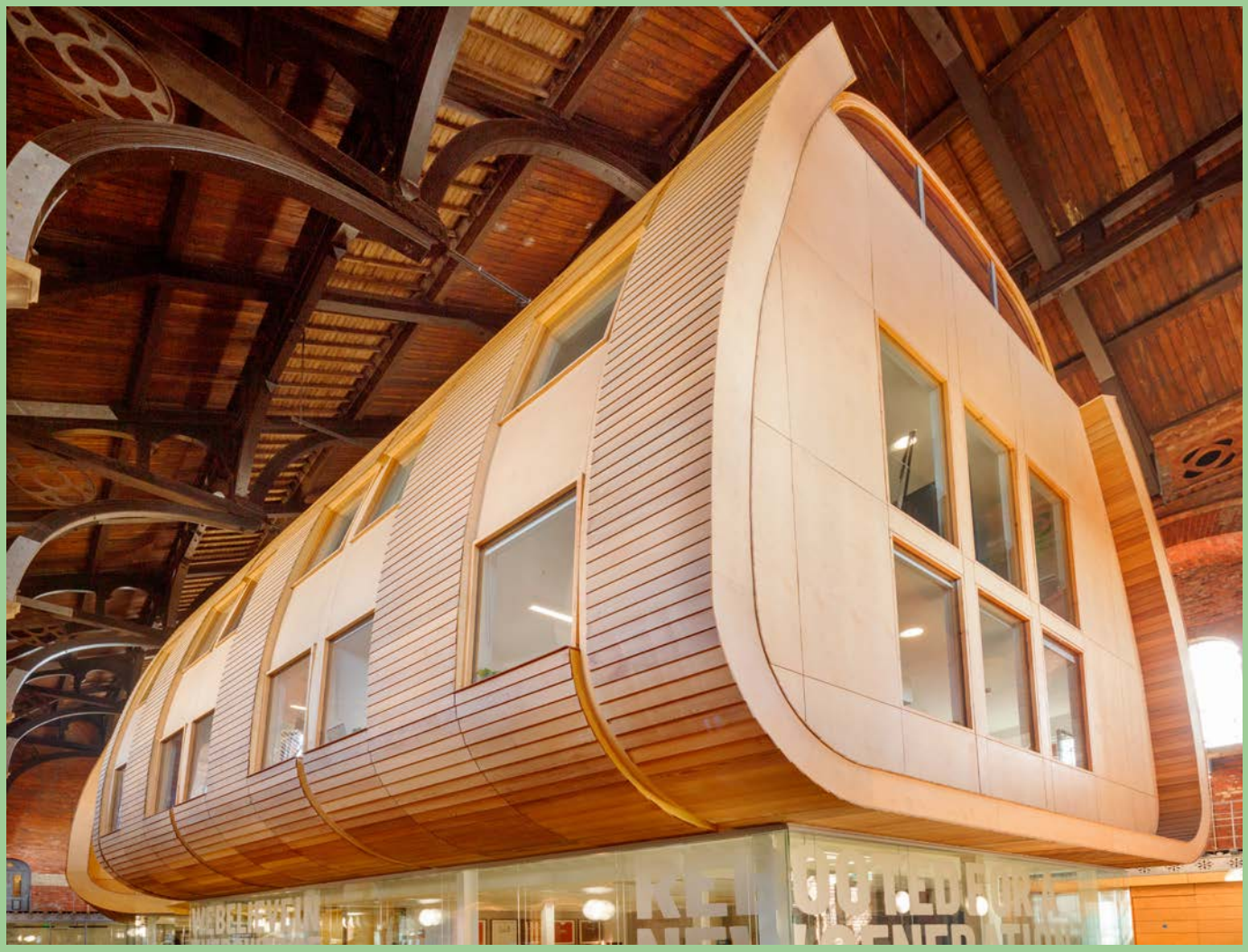
This diverse group of practices includes activities like ceramics, glassmaking, ironwork/blacksmithing, jewellery, silversmithing, fashion, and furniture making.

- **Spatial and servicing requirements:** From 10-15 sqm up to 1000-1500 sqm according to activity and business production scale. Basic general servicing but good water supply and drainage/waste disposal are essential or desirable for most craft activities. Can involve noise, dust and hazardous or high-value materials, so there may be a resulting need for good environmental, pollution and waste management control, or security. These may include, for example, specialist extract ventilation, specialist secure storage and security monitoring, delivery bays and good vehicular access.
- **Preferred spatial characteristics:** Well-lit, in most cases with good ceiling heights. Robust simple finishes. Allocated space.
- **Preferred tenancy type(s):** Smaller spaces on flexible licensed basis with larger spaces on formal lease tenancies. Shared facilities on pay-by-use basis. Rents comparable with light industrial uses.
- **Associated ancillary spaces and facilities:** Retail/gallery space, catering, learning/teaching studios, shared meeting spaces, shared specialist equipment workshop spaces (kilns, CNC tools, welding, lifting gear etc.).

1.2.3 Performing arts

This includes domains such as theatre, music, dance, film and TV, animation, and related production activities such set making, prop making, and costume making.

- **Spatial and servicing requirements:** Wide variety of space requirements according to activity. Rehearsal and small-scale performance spaces seating audience up to 150-200 people. In most cases there will be requirements for acoustic insulation/separation, high levels of fire security and protection, significant fitting-out and specialist equipment. In the case of film or TV production and animation, and related design-based disciplines, reliable, ultrafast/high-bandwidth internet is essential.
- **Preferred spatial characteristics:** Controllable daylighting requirements (including full blackout) according to space use. Good levels of environmental performance and control. Good levels of finishes, particularly floors (sprung floors for performance and very robust floors for film/TV production). Flexible room layout and facilities, potentially including retractable seating and staging for performance spaces.
- **Preferred tenancy type(s):** Significant time-based pay-by-use agreements and user charges combined with formally leased spaces where occupied by a (usually larger-sized) performance or production company.
- **Associated ancillary spaces and facilities:** Performance, film and media studio accessible to public, catering/beverage outlet, learning/teaching spaces, secure equipment stores, changing facilities and dressing rooms, green rooms, rehearsal studios, screening facilities. Function and event spaces.



1.2.4 'Dry' creative industries

- **Spatial and servicing requirements:** Wide range from single desk spaces (5-8 sqm) in a co-working setting, to larger cellular and open plan spaces (up to 1000 sqm). Secure with shared building reception and potentially shared toilet/shower facilities. Ultrafast broadband essential. Allocated self-contained space except for co-working space.
- **Preferred spatial characteristics:** Flexible space including potential for both cellular sub-division and open plan space. Good environmental standards and control, finishes and fittings - to Grade B/C commercial space standards. Controllable daylighting and flexible artificial lighting.
- **Preferred tenancy type(s):** Range from formal lease tenancies to serviced offices and to co-working space with pay-by-use for specialist/shared ancillary spaces. Rents comparable to Grades B and C commercial market rates.
- **Associated ancillary spaces and facilities:** Shared reception, meeting and conference spaces, media studio, catering, gym and well-being spaces.

1.3 Developing the business model

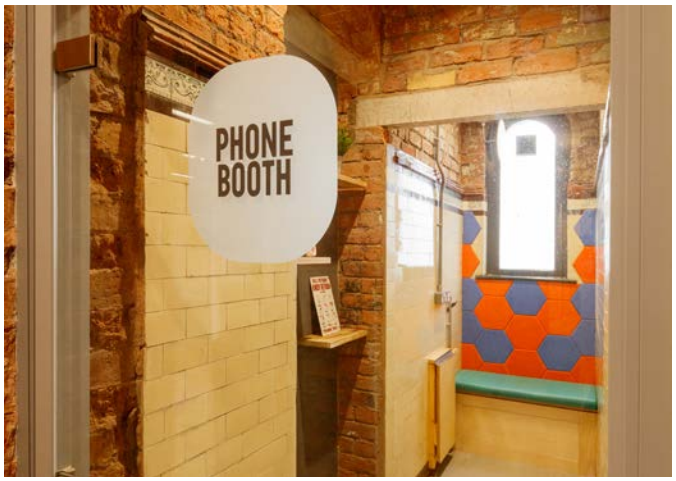
There are a number of different basic tenancy types for spaces let to creative businesses. These provide the options around which any particular business model will be developed. A critical consideration is whether the finished spaces will or will not be offered as formal leaseholds under the Landlord and Tenant Act (1954) or on more flexible 'licence' or 'membership' basis, or a mixture of the two.

Where the development will predominantly consist of formal leaseholds, it is generally easier to raise commercial loans to finance development, as there is an expectation of 'covenanted' income that, once agreed, is contractually due for a number of years. Where more flexible terms are envisaged, this is likely to make securing commercial loans more challenging. In these cases, development will need to be financed using alternative models. Funding sources are likely to comprise one or, usually, several of: private capital; public funding in the form of grant or subsidy (potentially including subsidised or non-commercial loans); grants or loans from grant-giving charitable trusts; or community fundraising.

Where securing finance to develop the whole building or site to the desired final state is challenging, it may be possible to use small-scale initial funding to kick-start a pattern of incremental or phased development. In this approach, income from low-cost early development is used to finance further works, and the pattern is repeated until the desired type and degree of development can be achieved.

As creative space tends to be offered on more flexible terms than conventional office space, and disused historic buildings often present significant conservation deficits, alternative finance and incremental development models are likely to be particularly important. For similar reasons, there is likely to be value in combined models. In these, formally leased spaces (which may not always be specifically aimed at creative businesses) generate longer term covenanted income that helps secure – or, in the case of charitable or not-for-profit developers with social goals, cross-subsidise – creative spaces available on more flexible terms.

> **"We do a lease of 7 years minus one day, so that it doesn't have to be registered with the Land Registry, which is an extra complication. It's a standard lease but opted out of the Landlord and Tenant Act because if we are renting the building and have to return it, everyone does need to be out of the building.**
>
> Third-sector creative space developer, London



1.3.1 Formal leaseholds

Formal leaseholds are the standard type of tenancy for commercial property and will tend to predominate in developments undertaken by commercial property developers. As noted, however, they are less typical of creative spaces.

Long lease (five years or more) – typical terms

- **Lease:** Formal lease with rent reviews - upward only.
- **Security:** Full during lease term.
- **Charge basis:** Annual rent with reviews, paid quarterly in advance, with significant repairing responsibilities.
- **Charge structure:** Rent and full internal repairing responsibilities with share of full costs of building maintenance and management. Tenant covers all other costs including rates and utilities etc. Fitting out costs by tenant.
- **Space allocation:** Allocated fully self-contained space.
- **Occupier/business type:** Longer-established business with good covenant.
- **Likely developing agent(s):** Regional and local authorities, commercial property developers.
- **Examples:** Tileyard North, Round Foundry.

Short lease (one to five years) – typical terms

- **Lease:** Formal lease advance – probably no rent review during lease term. Internal repair responsibilities.
- **Security:** Full during lease term.
- **Charge basis:** Annual rent paid quarterly in advance.
- **Charge structure:** Rent plus service charge covering building maintenance and management only. Tenant covers some operational costs such as rates and utilities. Minor fitting out costs by tenant.
- **Space allocation:** Allocated self-contained space.
- **Occupier/business type:** Established smaller businesses – covenant less secure.
- **Likely developing agent(s):** Regional and local authorities, commercial property developers, individual entrepreneurs, developers and owners.
- **Examples:** Salts Mill, Barley Mow, Busworks, Clerkenwell Workshops, Custard Works, Castleton Mill.

1.3.2 Flexible occupation

These types of leasehold are more common in creative developments. It is more difficult for developers to raise commercial loans against the promise of income from flexible occupation, but there is often high demand for this kind of property from potential occupiers.

Serviced space – typical terms

- **Lease:** Licence with mechanism for periodic updating of rent and service charges. Outside Landlord and Tenant Act (1954). No direct tenant repair responsibilities – covered in service costs.
- **Security:** Notice period between 1-3 months.
- **Charge basis:** Monthly rent payable in advance - with deposit usually 3 months. Annual service cost audit.
- **Charge structure:** Rent Plus Service charge covering all property and occupation costs including rates, utilities, insurances, reception management and so on.
- **Space allocation:** Allocated space with significant shared spaces, including reception, meeting and welfare spaces.
- **Occupier/business type:** Smaller and start-up business needing flexibility to grow or contract, with little covenant, and wanting some level of community/identity.
- **Likely developing agent(s):** Project-specific charitable trusts, regional or thematic charitable trusts, individual entrepreneurs, developers and owners, regional and local authorities.
- **Examples:** Spike Island, Britannia Works, Kaleider, Vulcan Works, Cromford Mills, Beck Mill, Ashton Old Baths, Castleton Mill.

Unallocated co-working space – typical terms

- **Lease:** Short-term user agreement or licence – no direct repair responsibilities. Outside Landlord & Tenant Act (1954).
- **Security:** No notice period.
- **Charge basis:** Time-based use charge.
- **Charge structure:** Single time-based charge covering rent and all building operational, servicing, utilities repairs and administrative costs. Workspace furniture and soft furnishing by landlord. Possible consumable charges. Soft support – business advice, marketing etc. – may be included.
- **Space allocation:** Unallocated desk space with significant shared reception, meeting administrative and supporting spaces.
- **Occupier/business type:** Micro-businesses no covenant – with occupants seeking community/networking opportunities and identity of place.
- **Likely developing agent(s):** Regional or thematic charitable trusts, individual entrepreneurs, developers and owners, regional and local authorities, project specific charitable trusts.
- **Examples:** Jordan Street, Liverpool; Dubarry Perfume Works, Hove.


WE BELIEVE IN
THE POWER OF
REINVENTION

Creative production/event space hire – typical terms

Lease: Space specific hire agreement – no direct repair responsibilities. Outside Landlord and Tenant Act (1954).

Security: No notice period.

Charge basis: Time-based use charge.

Charge structure: Single time-based user charge covering rent and all space operational, servicing, administrative and equipment servicing and update costs. All furnishing and specialist equipment costs covered by landlord.

Space allocation: Allocated fully equipped space.

Occupier/business type: Businesses seeking access to expensive equipment in a dedicated facility such as a recording studio, editing suite, printing studio etc.

Likely developing agent(s): Individual entrepreneurs, developers and owners, regional or thematic charitable trusts, regional and local authorities.

Examples: Roundhouse Works, Leeds; Hat Factory, Luton; The Biscuit Factory, Southwark, London; Suffolk Creative Spaces, Long Melford.

Membership – typical terms

Lease: Membership agreement – no direct repair responsibilities. Outside Landlord and Tenant Act (1954).

Security: No notice period.

Charge basis: Membership fee based on amount of time needed.

Charge structure: Single time-based user charge covering rent and all space operational, servicing, administrative and equipment servicing and updating costs. Workspace furniture and soft furnishings by landlord/operator. May include soft support including business mentoring, accountancy, marketing etc.

Space allocation: Unallocated desk space with significant shared reception, meeting administrative and supporting spaces – with extensive shared community/place component needed (break out, café, leisure spaces).

Occupier/business type: Micro-businesses wanting to be part of community with networking and shared resource facilities but no need of dedicated workspace.

Likely developing agent(s):
Regional or thematic charitable trusts, individual entrepreneurs, developers and owners, regional and local authorities.

Examples: Beehive Lofts, Manchester; Bonded Warehouse, Manchester; John Marley Centre, Newcastle; Unicorn Studios, Ipswich.

1.3.3 VAT Treatment

It is important to consider how a development is going to be treated for VAT purposes. In particular, it will be necessary to determine whether VAT can be recovered from development costs and whether it should be charged on tenancies. Where VAT is not recoverable, it can add up to 20% to the development costs.
A developer or landlord may also 'opt to tax', that is to say intentionally bring a building that would otherwise be VAT exempt into the tax system. This is usually to allow recovery of VAT on ongoing repair and maintenance costs. In these cases, VAT will also be charged on rentals.

Where VAT is payable on rents and/or service charges, this can greatly increase costs for tenants, who may not always be VAT registered and who will consequently not be able to recover any VAT charged by the landlord. Smaller and start-up businesses are less likely to have crossed the VAT threshold, and are likely to be particularly conscious of VAT.

Service charges will almost always be subject to VAT. On co-working and serviced space tenancies the services element can amount to nearly two-thirds of the overall charge, so the VAT can be significant.

VAT law is highly complex, so this is an area where specialised VAT consultancy advice is likely to be essential, especially for non-commercial developing agents.

1.4 Identifying the stakeholder community

In addition to identifying the potential business model, it can also be helpful at this early stage to begin identifying the full range of stakeholders with a potential interest in the site and the development being considered.

These are likely to include:

- Local authorities;
- In the case of highly listed (Grade I and II*) buildings or listed buildings where demolition is proposed, Historic England and the relevant statutory and local amenity societies;
- Local communities and community groups;
- Associations for creative practitioners and potential user group representatives (examples include Make Southwest at Riverside in Bovey Tracey and arts trusts and co-operatives, such as Spike Island Associates in Bristol);
- Other owners and users of other buildings and spaces potentially impacted by development.

As part of the development of the project concept, the likely reactions of relevant stakeholder groups should be considered carefully. Where proposals may prove contentious this should be factored in as a project risk. Where positive reactions are expected, this may help secure consents and funding support, reducing project risk.

Evaluation and development strategy

02

2.1 Feasibility studies and options appraisal

The essential starting point of any substantial development project is to identify the most promising development path.

There are three basic steps to doing this:

- Understanding the constraints;
- Exploring the options;
- Defining the preferred option.

2.1.1 Understanding the constraints

The first stage of any development project is to gain a good understanding of what kind of development is and isn't likely to be possible. This means undertaking basic investigations to identify the factors that will act as constraints on change. Accurately identifying the full range of constraints will usually require specialist input from a multi-disciplinary team.

Happier Festival, Shrewsbury Flaxmill Maltings

Putting together a team

At a minimum, understanding the development constraints and potential of a building of historic interest is likely to require an exploratory team consisting of:

- An architect and/or chartered building surveyor;
- A heritage consultant (especially if the building is nationally listed).

In addition, it may be helpful to engage on an advisory basis:

- A structural engineer, especially if there are signs of structural failure or where potential development options may require special structural considerations;
- A building services engineer, where there are existing mechanical, electrical and plumbing installations;
- A specialist damp, rot and infestation surveyor;
- A fire consultant, to help assess fire risks and recommend appropriate ways of assuring safe exit from the building and controlling fire spread;
- An ecological consultant (to ascertain whether there are rare or invasive species on the site, or potential for bats to be roosting in the building);
- An environmental consultant (especially the case of potentially contaminated industrial sites);
- A business consultant and/or chartered valuation surveyor.

Understanding building condition

To help decide whether development is economically viable and to ensure that an appropriate price is paid for the building, it is important to understand the building's condition and the cost of necessary repairs and other basic interventions. A condition survey by a RICS building surveyor or specialist conservation architect is recommended. This can then be used to produce a costed and prioritised schedule of repairs and temporary works to stabilise the building and control the identified risks.

It may also be necessary to seek specialist advice on matters such as:

- Structural condition, characteristics and performance under current and planned loads;
- Building services;
- Damp, rot and infestation;
- Asbestos;

More detailed guidance on vacant buildings is available from **Historic England**.

The outcome at this stage should be a clear understanding of whether there is a conservation deficit and, if so, its approximate extent. Early-stage investigations, however, are unlikely to be invasive, meaning that there will still be uncertainties about the condition of concealed building elements. These uncertainties should be borne in mind when making initial estimates of the likely costs and risks of the project.

Project Concepts and Business Model

Feasibility/Option Appraisal Process

01

Understanding

Defining the envelope of constraints

- Precedent Review
- Building Condition and Scope of Fabric Repairs
- Archaeological Constraints
- Building Metrics and Performance
- Outline Space, Functional and Aspirational User Brief
- Heritage Statement
- Site Constraints Analysis
- Traffic and Infrastructure
- Building Surveys Contamination (Infestation Damp etc.)
- Site Ecology and Constraints

02

Design Options and Evaluation

Exploring the options and comparative evaluation

- Funding Options
- Stakeholder Engagement and Consultation
- Option Impact Assessment
- Access, Parking and Infrastructure Options
- Sustainability Factors
- Option Comparative Costs
- Preliminary Market Testing and Review

03

Defining the Preferred Option

- Accessible Design
- Sustainability Strategy
- Project Phasing
- Programme and Sequence
- Option Drawings and Visualisations
- Statutory Consultee Engagement
- Heritage Impact Assessment Summary
- Development and Business Case/Plan
- Market Compliance Reviews
- Option Technical Parameters
- Stakeholder and Community Consultation

04

Initiate Implementation

> **What makes the development of a historic building successful or not is all down to whether the developer acknowledges the condition of the building and their responsibility to invest. It's the old mantra, "there's no such thing as a problem building, only a problem owner.**
>
> Strategic Housing and Regeneration Lead, City Council

Other potential constraints and requirements

In addition to understanding building condition, it may also be important to assess the building's current and prospective future:

- Environmental performance (energy efficiency, thermal performance, acoustic insulation);
- Accessibility – how accessible is the building to potential users, especially those with limited mobility, and in case of issues, what interventions would be needed to resolve them;
- Fire risk and fire management (including outline consideration of how the building might need to be adapted to meet fire safety legislation and regulations);
- Ecology, considering especially the possible presence of bats, rare species (that may need to be protected) and invasive species (that may need to be controlled or eliminated);
- The potential for site contamination (particularly with industrial and processing buildings);
- Traffic and parking – is there adequate parking for the proposed development on site or in the vicinity, or could it be created; will the expected traffic flows generated by the development exceed those from historic uses and if so will they be manageable on the existing network; are there any specific considerations with regard to existing or projected site access routes;
- Site security.

Where there is a change of use, the development will usually have to meet regulatory requirements for environmental performance and safety, accessibility, fire safety and emergency exit, and for any additional traffic to and from the site to be safely handled within existing road capacities. The site's ecology may also constrain development where there are protected or invasive species.

> **When we make an assessment, we look for the ability to bring it up to environmental standards, and the ability to bring it up to accessibility standards.**
>
> Third-sector Creative Space Developer, London

In the case of heritage buildings, however, there may be scope for 'relaxations' that balance the desirability of meeting current standards against the need to preserve the heritage significance of the site.

To judge where this is appropriate, as well as to understand the broader scope of the building to be adapted for new uses, both the planning authorities and the developers will need to understand the building's heritage significance.

Ashton Old Baths, Stamford St West, Ashton-under-Lyne

Understanding heritage significance

When considering development of a historic building, it is essential to understand the heritage significance of the building. This is especially the case where the building is listed. It is not only nationally listed buildings, however, that are recognised as 'heritage assets' for planning purposes; any building that may potentially be regarded as being of historic or architectural interest will benefit from proper investigation.

Judgements of significance should be made at two levels:

- The significance of the building and its elements in relation to other buildings and building elements of a similar type – regionally, nationally and, in the case of the most important buildings, internationally;
- The significance of the different areas and parts of the building, including its setting, relative to each other.

Relating the building and its elements to others of the same type will help determine the overall significance of the building. Looking at relative significance within the building and its setting will help identify where making changes will be least likely to harm the overall significance of the building.

Where a building, or an aspect of the building, is particularly rare or exceptional in design quality, historical or archaeological interest, or state of preservation, the approach to altering it will need to be correspondingly more careful and sympathetic.

Identifying which areas and elements within the building are most and least significant will then help define where there is most capacity for change. In general, the most significant aspects or areas of the building will be most sensitive to change. Interventions in these areas will generally need to be discreet and as sympathetic as possible in design and materials. For example, the main façade may be carefully composed and have decorative elements. Any changes proposed in this kind of area will usually need to respect the design and materials of the historic fabric. These are also areas where restoration of lost original features, where this can be done accurately, may bring particular benefits.

The less significant areas or building elements can generally be changed more to adapt the building to new uses. In many cases, these may be subsidiary or service areas, or parts of the building that have already seen extensive change or loss of historic features. It should not be assumed, however, that changes can only take place in these less significant areas. There are circumstances when even most significant parts of a building can be altered.

The planning authorities are required to make a 'balanced judgement' that considers any resulting harm against the potential public benefits of the change and the development more generally. In addition, introducing desirable changes that 'better reveal or enhance' significance can also help tilt the balance in favour of development.

The assessment of significance is usually made in relation to three basic kinds of value: architectural and artistic; historical; and archaeological. Historic England has produced detailed advice on researching and writing statements of significance, which it may be useful to refer to.

There are two basic sources of information that can help begin the process of understanding significance:

- A search to establish whether the building is nationally 'listed' by Historic England as a building of special historic or architectural interest. The official register is the National Heritage List for England.
- The local planning authority (LPA). The LPA will usually maintain the local Historic Environment Record (HER). It may also keep a 'local list' of heritage assets that do not meet the threshold for national listing but are nevertheless recognised as having local heritage significance. In many cases, however, there is no single source of information on locally listed heritage assets, so you will need to consult the planning authority's website or contact the planning department directly for guidance.

Where the building is listed, it will be particularly important to identify the sources of the building's 'special architectural and historic interest'. It is these that will act as the key reference points when changes are being assessed as part of an application for Listed Building Consent.

For more recent or recently revised listings there may be a 'Statement of Special Interest' that will help with this. Even then, however, this should not be taken as definitive or binding. There may be other sources of special interest that the person producing the listing was not aware of. The planning authorities will make their own judgment as to the sources of special interest when making their decisions.

It is important to understand the development history of the building. The local planning authority will have records of previous planning and Listed Building Consent applications, though they vary in how far back in time they go. It may be possible to find physical copies of older applications, held either by the planning department or the local archive. The building owner may also have copies of older planning applications and records of other changes and be willing to share them. These can be helpful in establishing the more recent history of the building.

For the building's earlier history, databases of historic newspaper articles are now readily available and can be invaluable for dating buildings and subsequent interventions, as well as for understanding their social history. Previous survey reports may yield valuable information about past repairs and maintenance issues. These can then be combined with analysis of the building fabric and information from historic maps and other sources to establish a sound outline understanding of the site's development.

To understand the building's archaeological interest, a search in the local HER should reveal past discoveries. This, in combination with a desk-based assessment of whether the building and its site are likely to yield new archaeological discoveries, will provide the foundation for understanding the site's likely archaeological interest.

Findings from all these strands of research and analysis can then be drawn together into a statement of heritage significance. The statement of significance can be used to inform options for development by showing which aspects or areas of the site can be changed with least impact on heritage significance. The submission of a statement of significance will also be required as part of any application for Listed Building Consent.

A suitably skilled and experienced heritage consultant can undertake the assessment, set out the findings in a statement of significance and help form an understanding of the building's capacity for change.

In the case of highly important assets, a conservation plan may be appropriate. A conservation plan combines a description of the building's historical development and an assessment of its significance with a set of 'policies' describing how the building can be developed and managed to enable its heritage significance to be sustained and enhanced. These can be especially helpful for stakeholder engagement.

Good quality information about heritage significance can therefore be seen as part of the basic 'due diligence' that should be undertaken prior to acquiring and developing a historic building. It will also help inform the approach eventually chosen to developing the building. Where the approach to alteration and adaptation takes account of significance and is supported by a clear rationale, a development proposal is more likely to be received positively by the planning authorities.

The Custard Factory, Birmingham

2.1.2 Understanding the options

With a good understanding of building condition and heritage significance, together with other relevant constraints, it becomes possible to work out the kinds of changes and alterations to the building that are likely to be realistically possible, in structural, regulatory and heritage terms. It will then be possible to explore how market needs for developed space could be met within these constraints.

This will usually involve developing a series of concept designs for the various ways in which the site could be redeveloped. Concept designs will usually be developed by an architect or other appropriately qualified and experienced construction professional. The professional appointed for this should either already be familiar with the needs of creative businesses or be properly briefed by the developer.

Once potential options have been developed in concept form, it becomes possible to work out indicative development costs for each option.

This will usually be followed by a high-level development appraisal and an exploration of potential funding streams and delivery models. Carrying out an appraisal will clarify which options are most likely to provide a long-term sustainable future for the building. Its purpose is to provide the basis for an informed decision about whether an organisation should commit to further cost, risk and effort in further developing the project. A template for a viability appraisal is available from the Architectural Heritage Fund.[7] The appraisal should be prepared by a suitably qualified practitioner and in line with Royal Institution of Chartered Surveyors (2021) Global Standards[8] (commonly known as the 'Red Book').

The end result of this stage of the process should be a series of potential options, along with an assessment of the relative risks and potential benefits they involve – in terms of physical/structural issues, heritage impacts, securing planning consents, and financial outlay and returns.

---

7. ahfund.org.uk/grants/England/

8. rics.org/profession-standards/rics-standards-and-guidance/sector-standards/valuation-standards/red-book/red-book-global/

2.1.3 Choosing the preferred option

Once options and their implications have been defined, a preferred option can be chosen as the basis for taking the project further. The choice will inevitably reflect basic economics – looking at the comparative costs and returns that different options are likely to entail. Some preliminary market testing and review by a business consultant may be helpful with this.

With historic buildings, however, especially where they are listed, it will also be important to consider the impact on significance of the different options. A more formal preliminary assessment of the heritage impacts of the most likely options may be helpful. The project heritage consultant will be able to carry this out.

The aim should then be to bring these analyses together to identify the 'optimum viable use' – the use that will enable the building to be economically sustainable while minimising harm to heritage significance.

Projects that demonstrably represent optimal viable use are likely to secure support from Historic England, other statutory consultees, and the local planning authority, and to be subject to fewer planning conditions than other approaches to development.

It may also be worthwhile to consider potential broader socio-cultural and economic benefits that may be appealing to external funders. This is especially the case as heritage development and developments for creative purposes may be able to attract specific strands of grant or loan funding that may not otherwise be available. It can therefore be helpful to undertake the options appraisal in conjunction with developing a broader development and funding strategy.

2.2 Development and funding strategy

Most development projects depend on raising finance from a variety of sources. Where the historic building is significant and the acquisition cost is nominal, not-for-profit developing agencies, such as project-specific charitable trusts, may be able to raise 100% of the development funding necessary by packaging funding from a range of agencies.

For example, larger projects often draw from a combination of the NLHF, Arts Council England, Historic England and central government funding programmes. By contrast, commercial and private developing agencies have far less access to grant funds other than when working in partnership with not-for-profit organisations or with regional and local authorities. Regional and local authorities may be able to access regeneration funds from central government programmes that can help kickstart private investment.

Before exploring options for investment, it is useful to consider whether the project meets the key criteria that investors are looking for:

- Does the project support funder goals and ambitions?
- Is the project viable in revenue terms? Once any repairs, renovations or extensions to the asset are complete, is it likely that income will exceed the running costs?
- Have the risks of the project been accurately assessed and can they be effectively managed?
- Who is involved with the project - do they have the skills, capability, capacity, commitment and enthusiasm to carry the project through?

Where a grant or loan may be available, it is also vital to know whether offers of funding have any restrictions or obligations that need to be met. For example, is the lease long enough to attract grants towards conversion to a new use? For example, NLHF requires a lease with a minimum (depending on grant applied for) of between 5 and 20 years left to run after the expected date of your project's completion, and commercial lenders can require a minimum term of 80 years.

2.2.1 The Architectural Heritage Fund

The Architectural Heritage Fund (AHF) is an important source of initial funding for buildings being transferred to building preservation trusts and other not-for-profit organisations throughout the UK. In England it gives grants for viability studies (currently up to £15,000), and project development (up to £20,000). The AHF can also offer loans to charities and social enterprises working on or operating from historic buildings for various purposes, including:

- Redeveloping a building;
- Buying a building (freehold or leasehold);
- Bridging finance;
- Smaller scale improvements to a building;
- Supporting the development of new activities or services.

2.2.2 National Lottery Heritage Fund

The National Lottery Heritage Fund offers a wide range of grants to support heritage-related projects. National Lottery Heritage Grants are available through two funding streams with different application and compliance requirements: smaller grants of £10,000 to £250,000 and large grants of £250,000 to £10 million. Smaller grants are available to not-for-profit organisations, private/commercial owners, and partnerships between not-for-profit and private/commercial owners.

Private owners must, however, show that the project that they are seeking support for will result in public benefits that outweigh any private gain.

Larger grants are available only to not-for-profits and partnerships led by not-for-profits. The grants are intended to help bridge the funding gap that prevents a historic asset in need of repair from being returned to a beneficial, economically viable use.[9] The case for grant funding will depend on there being a conservation deficit. As described in section 2.1.1, this is where the existing value of a heritage asset plus the cost of bringing it back into use is greater than the value of the asset after development has been completed.

Besides the National Lottery Heritage Fund, Arts Council England and the National Lottery Community Fund have both provided funding to support the re use of many heritage assets.

Charitable trusts and foundations only tend to support very specific uses. Information can be obtained from The Heritage Funding Directory.[10]

9.heritagefund.org.uk/funding/national-lottery-heritage-grants-10k-250k-0; https://www.heritagefund.org.uk/funding/national-lottery-heritage-grants-250k-10m/

10.heritagefundingdirectoryuk.org

2.2.3 Loans

A ‘soft loan’ is a loan with below market-rate interest, usually provided by the Government or social finance lenders to projects considered valuable or worthwhile. These may be available for projects with strong benefits for culture and creativity, or positive socio-economic impacts.

Loans may be available to charities from specialised institutions such as the Charity Bank[11] , Unity Trust Bank[12] and Triodos[13], as well as from banks and building societies in cases where the risks are small. Better Society Capital[14] is increasing the availability of loan finance through a range of intermediaries across England.

2.2.4 Development funding

Viability challenges may require an element of new build to ‘cross-fund’ the works to bring the historic building into a long-term viable use. It may be possible to generate funds from the development of adjoining land (often as part of a Section 106 agreement), or by commercial development of part of the asset itself, for example by selling or leasing part of the site for more conventional commercial use (subject to receiving the appropriate permissions).

2.2.5 Enabling development

In some cases, where there is no viable alternative source of funding, it may be possible to secure permission for ‘enabling development’. This is development that generates a commercial return that will be reinvested in the heritage asset, but which would not comply with local and/or national planning policies. Enabling development would not normally be given planning permission, except for the fact that it would secure the future conservation of a heritage asset. Enabling development proposals are subject to much greater scrutiny than other proposals. Guidance on where enabling development is or is not likely to be possible can be found in Historic England Good Practice Advice Note 4: Enabling Development and Heritage Assets[15].

11.charitybank.org
12.unity.co.uk
13.triodos.co.uk
14.bettersocietycapital.com
15.historicengland.org.uk/images-books/publications/gpa4-enabling-development-heritage-assets/

2.3 Development partnerships

In some cases, the complexity or scale of the required development or the extent of the conservation deficit may make it advisable or necessary to undertake development through a partnership. Working in partnership enables the development partners to share costs and risks and, in many cases, to access strands of funding that would not otherwise be available (as discussed in Section 1.1.2). These are a common feature of attempts to reuse major heritage assets that are in poor condition, especially where they are owned by local authorities. It is important to identify the appropriate contact, who may be involved with wider economic regeneration rather than specifically heritage.

Where this kind of partnership may be needed, it is advisable to begin identifying and making initial contact with potential development partners at this stage.

> **In most [larger] local authorities, the conservation team are just dealing with what's in front of them. To contact those responsible for the portfolio of historic buildings, it's more policy-led: you want to contact those developing regional strategies. Head for the top and see where you end up.**
>
> Planning Manager, City Council

2.4 Developing the business plan

Once a broad option has been identified, it will be beneficial – and in the case of larger developments or development requiring external support practically essential – to produce a formal business plan. This will summarise and develop the findings from the initial exploratory and options appraisal stages.

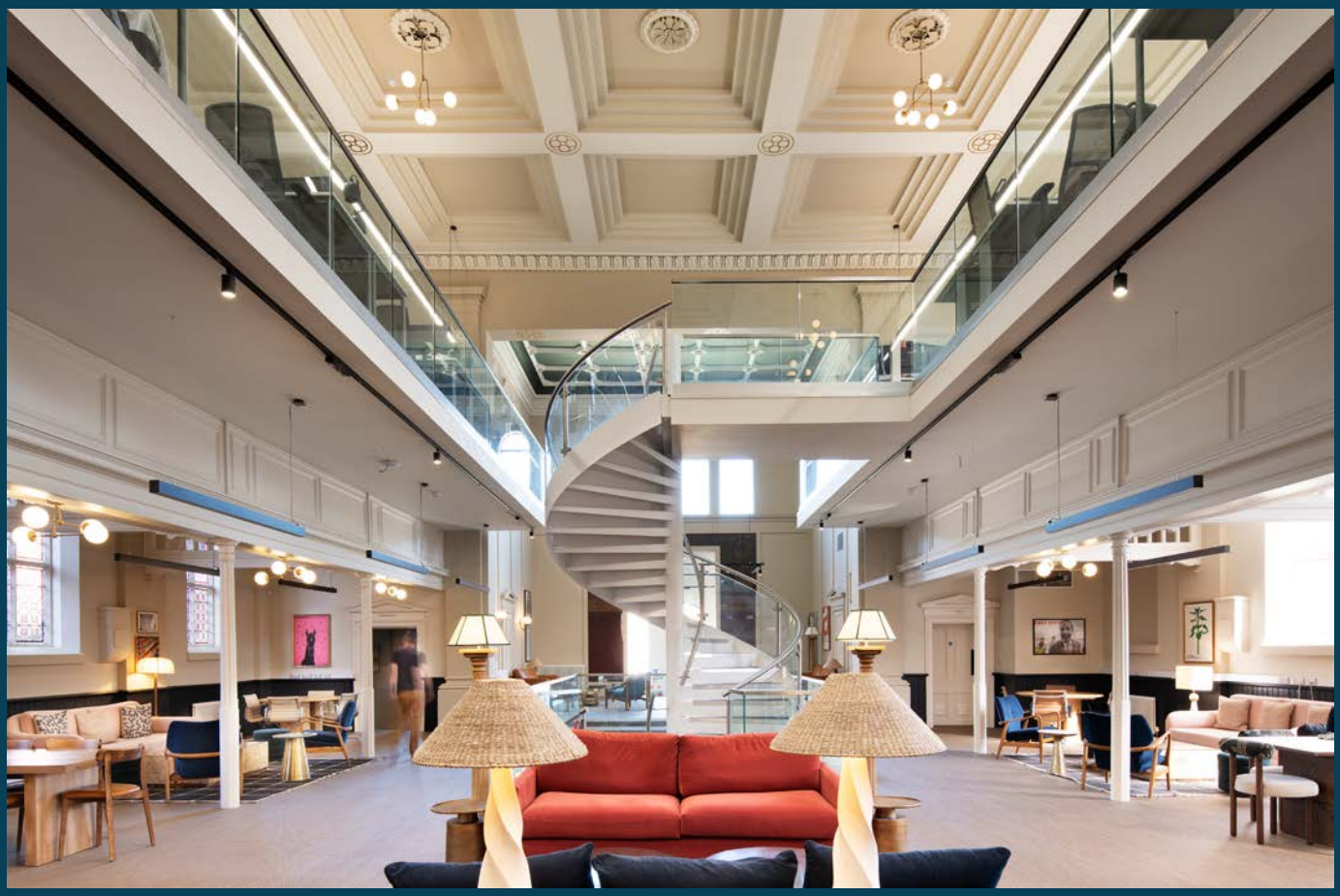
The business plan will need, at a minimum, to set out information on:

- The lead developer, its structure and aims, and the team managing the project;
- The property market, the target users for the development, and the needs and preferences it will need to meet to attract those users;
- How the property will be marketed;
- Financial data, including costs of development, projected expenses and income, and projected profit.

The business plan should include information on the expected overheads (including insurance, business rates, utility bills and management costs). It should identify how tenants will use and pay for their spaces.

Creative Quarter

Leamington



United Reform Church, Leamington

Warwick Council, with the support of the West Midlands Combined Authority, has teamed up with a private developer, Complex Development Projects (CDP), to develop a new creative quarter in the Old Town area of Leamington Spa. Initial funding in 2020 from the government's Future High Streets fund helped define a vision and identify a series of potential development projects. The council and CDP are now working together to transform a series of unused and underused buildings into creative workspaces and venues, including the United Reform Church, featured on page 16. Current works are focusing on the Town Hall.

Different tenancy models entail differing levels of operational and site management involvement from the landlord. This may range from minimal in the case of a development that will be let on long-term full repairing and insuring leases to full building management and repairing responsibilities in the case of serviced offices or membership models. These may also involve extensive provision of reception, wellbeing and business support services.

As part of this there should be consideration of how much to invest in reducing energy costs, for example through extra insulation, low-energy lighting, or some form of renewable energy source. A 'whole life costing' exercise could help in deciding on the best long-term solution.

In the case of a project that is likely to seek grant funding, the wider social, cultural and environmental benefits of the project should also be considered. In these cases, it will be important to consider potential funders and their criteria, ensuring that the project addresses them as far as practicably possible.

2.5 Marketing to funders and development partners

For many unused and underused historic buildings, there is a conservation deficit, and the funding gap has almost invariably to be met by external grant funding. If the gap can be removed, commercial and investment funding will become easier to secure to pay for the further development process.

The business plan will provide the basis for engaging with potential funders and business partners. If there is a need to apply for grant funding from a government or charitable source, it may be beneficial to seek advice from a professional fundraiser or development consultant.

In the case of development of 'problem' buildings or in areas which are recognised as needing regeneration, local authorities will often be able to play a role in assembling partnerships and identifying funding sources.

Acquiring the building

03

3.1 Acquisition funding

Where the options appraisal and business planning indicate that a site can be developed privately or through standard commercial development, it will usually be possible to fund the building's acquisition through a combination of working capital and standard commercial development loans. Loans will generally require a substantial proportion (30% or more) of the cost to be met from the developer's own resources. Charities and community interest companies with well-developed plans for a site of heritage interest may be able to secure early-stage grant funding to purchase a site.

In many cases, the conservation deficit means that the building needs to be acquired for a low or nominal amount. Where the building has a significant conservation deficit that outbalances its potential commercial value (as calculated under the RICS Red Book rules), and grant funding is being sought by a new owner or leaseholder, the cost of acquisition will have to reflect its poor condition. The principal funding agencies will not fund any 'hope value' the building owner may seek to recover in passing the building onto a developing agency.

For example, the National Lottery Heritage Fund (NLHF) will not fund projects involving acquisition of a historic building if the acquisition cost is more than 10% above the District Valuer's valuation. Likewise on the same basis Historic England will not normally consider offering grant aid if a building has not been in the applicant's ownership for more than two years and if the building condition was not taken into account when agreeing the acquisition cost.

Local authorities may be building owners and may facilitate low-cost acquisition to promote creative development in their area.

Where an unused or underused historic building is a target for development, but the owner is unwilling to market their property, compulsory purchase by the local authority may be an option. This can be difficult to implement due to shortages of both human and financial resources in local government and the financial risk to public funds that it involves. Where there is a viable purchaser with a secure funding package and there are clear public benefits from the proposed development, however, there is a greater likelihood of a local authority being prepared to consider this course of action. Where this is desirable, maintaining close contact with the local authority will be essential.

3.2 Leasehold/ freehold acquisition

With appropriate acquisition funding in place, the developing agent or agents can proceed to acquire the property. As with any property acquisition, appropriate due diligence should be undertaken to ensure that terms of the purchase are fully understood, any liabilities or risks considered, and the seller or landlord's good title to the property established.

If they have not yet been completed or are now out-of-date, a full set of building surveys should be completed as part of the due diligence process. These should include:

- Site survey.
- Building survey.
- Structural survey, if the building survey indicates potential structural issues.
- Mechanical, electrical and plumbing survey.
- Environmental survey.

A solicitor with an established specialism in commercial property transactions should be appointed to advise on and manage the legal aspects of the process.

The acquisition of assets may involve the progressive transfer of an interest in land or buildings, for example:

- An initial 'meanwhile' lease;
- A licence (e.g. the right to use property on certain terms, but without security of tenure);
- A short-term lease (e.g. less than seven years);
- A long-term lease (e.g. over 25 years and often 99 or 125 years);
- Purchase of the freehold (e.g. either on a sole basis or through a joint partnership arrangement).

Options include allowing a not-for-profit organisation to start occupation on a licence rather than a formal ease. A licence may enable the building to be occupied and used without granting any long-term rights, but legal advice should be sought in drafting such a licence. An option may be included in a licence contract that enables the tenant organisation to purchase a formal lease for a prearranged 'consideration' (or value), often after the project gains maturity and the level of investment increases.

Where the developing agent is acquiring a lease rather than a freehold and will be seeking public development or grant funding, the lease terms will need to take into account the requirements of any funding agencies. For example, funders like the NLHF will require a minimum lease length to be able to justify commitment of their funding, usually not less than 20 years and ideally significantly longer at 99 or 125 years. Equally they will expect any rental payments to reflect the building's condition and the 'conservation deficit'. In many cases they will expect a nominal or 'peppercorn' rent at least for an initial, usually lengthy, period. Lastly, the funders will be concerned to ensure that the lease does not impose excessive obligations on the leaseholder.

Historic England has issued guidance on the transfer of historic buildings from local authorities to community groups (Pillars of the Community, 2015)[16] .

16.historicengland.org.uk/images-books/publications/pillars-of-the-community/

3.3 Securing condition

Once a freehold or long leasehold on the property is acquired, it will be possible to undertake more comprehensive investigations of the structure and condition of the building. These may involve removal of a sample of finishes and fixtures to expose underlying structural elements. A 'soft strip' of items that are considered to be of no heritage significance can reveal hidden elements of the historic building and may also provide construction programme gain.

If not undertaken during feasibility studies, such intrusive investigations can help provide certainty or more details on particular aspects of the building e.g. structural condition and asbestos. In the case of a listed building, these may require Listed Building Consent if they have the potential to impact on its character as a building of historic or architectural interest.

Through such investigations it may be possible to de-risk a project and contractual negotiations due to the added certainty that the information provides.

These investigations will both support design development and provide the basis for developing a scheme of repairs to secure the short-term condition of the building. At this stage, these works are likely to involve temporary patch repairs, vegetation removal, pest/rot control, propping, temporary coverings over leaking building elements, provision of temporary services (where permanent services are not available) and the introduction of appropriate site security arrangements.

At this stage, it may also be beneficial to undertake some early works ahead of commencing the 'main' works. This can help to reduce risk by providing more programme and cost certainty. There can also be contractual benefits to 'enabling contracts' that are separate from the main contract.

These works can be agreed with the local planning authority either through an exchange of correspondence or a standalone Listed Building Consent application. Further information can be found in Consents for works to listed buildings (Historic England 2021[17]).

3.4 Meanwhile use

Where building condition allows and/or there is some funding available for limited initial development, it can be beneficial for the building to be given a 'meanwhile' use. This is a temporary use for the building. Meanwhile use generates income, secures the site through regular occupation, and ensures any serious emerging condition problems can be spotted and remedied early.

This can be done either through direct marketing to individual users or through a short-term lease to an organisation that specialises in providing spaces with the relevant use.

Some creative uses are particularly suitable for meanwhile use. Artists and other creators often prioritise the amount over the quality of space and favour low rentals and flexible terms. They are often willing to take a space with a very basic finish and customise it themselves.

17.historicengland.org.uk/images-books/publications/listed-building-consent-advice-note-16/heag304-listed-building-consent/

Because of the flexible terms, the meanwhile use can usually be ended as and when project finance becomes available for more extensive development.

Artistic use has particular advantages where development for creative use is being undertaken incrementally. It initiates the process of building a community and creative industry identity or location. The developer then uses the attraction of an artistic community and reinvests the resulting income to increase the space quality, services and specification.

As a wider range of creative tenants are attracted to the facility, rents can be increased – effectively 'trading up'. This process also establishes and adds credibility to the development, in turn improving access to external grant funding opportunities and to commercial finance and investment.

Alternatively, there may be potential for a meanwhile use to become permanent. A number of established artist studio spaces originated in meanwhile use. Where this is not regarded as a desirable outcome, however, building owners will need to ensure that licences or tenancy agreements are carefully drafted to ensure that they can be ended cleanly and efficiently at the appropriate point. They should also be aware that seeking to end meanwhile uses that have persisted for a long period can present reputational risks.

> **"Originally, we took this on piece by piece as the manufacturing company there reduced their floorspace needs. We are currently trying to purchase the building.**
>
> Third-sector creative space developer, London

Another point to bear in mind is that when a meanwhile use persists for a long period due to a lack of finance for alternative development, it may indicate that such use is the optimal viable use in current market conditions. This can be a 'win-win' for owners of problem buildings and for creative users. In some cases, the use can be formalised by sale of the building to its users or an associated developing agent.

3.5 Stakeholder engagement

While the acquisition process is progressing, it can be a good time to start engaging with the wider stakeholder group for the development.

In particular, where it is practicable to make early contact with stakeholders with the potential to influence the planning and consents process, it can bring benefits in terms of understanding, and being able to take into account stakeholder views on the proposed development. This is especially the case with highly listed buildings (Grade I and Grade II*).

In advance of any more formal pre-application consultation, some key stakeholders may be able to offer informal guidance on key considerations relating to the prospective development site and their likely approach to eventual planning and Listed Building Consent applications. Where this kind of advice is available, it can be extremely helpful for informing the next stage of the design and development process – applying for the necessary development consents.

Securing statutory consents

04

Any substantial development of a historic building is likely to require some form of statutory consent. Where there is a change of use or new construction is proposed, planning permission will generally be required. In almost all cases involving a listed building there will also be a need to secure Listed Building Consent.

The overall process and decision sequence is summarised in the figure on the page overleaf. The process of securing statutory consents can be complex and time-consuming, especially when dealing with heritage assets. It will be greatly aided, however, if submissions are informed by appropriate investigation, analysis and expertise. Where this is the case, proposals can be developed and presented in a way that shows clearly that the optimal development path has been defined and implemented. In particular, it should be possible to demonstrate that the project sustains and enhances heritage value as much as practicably possible.

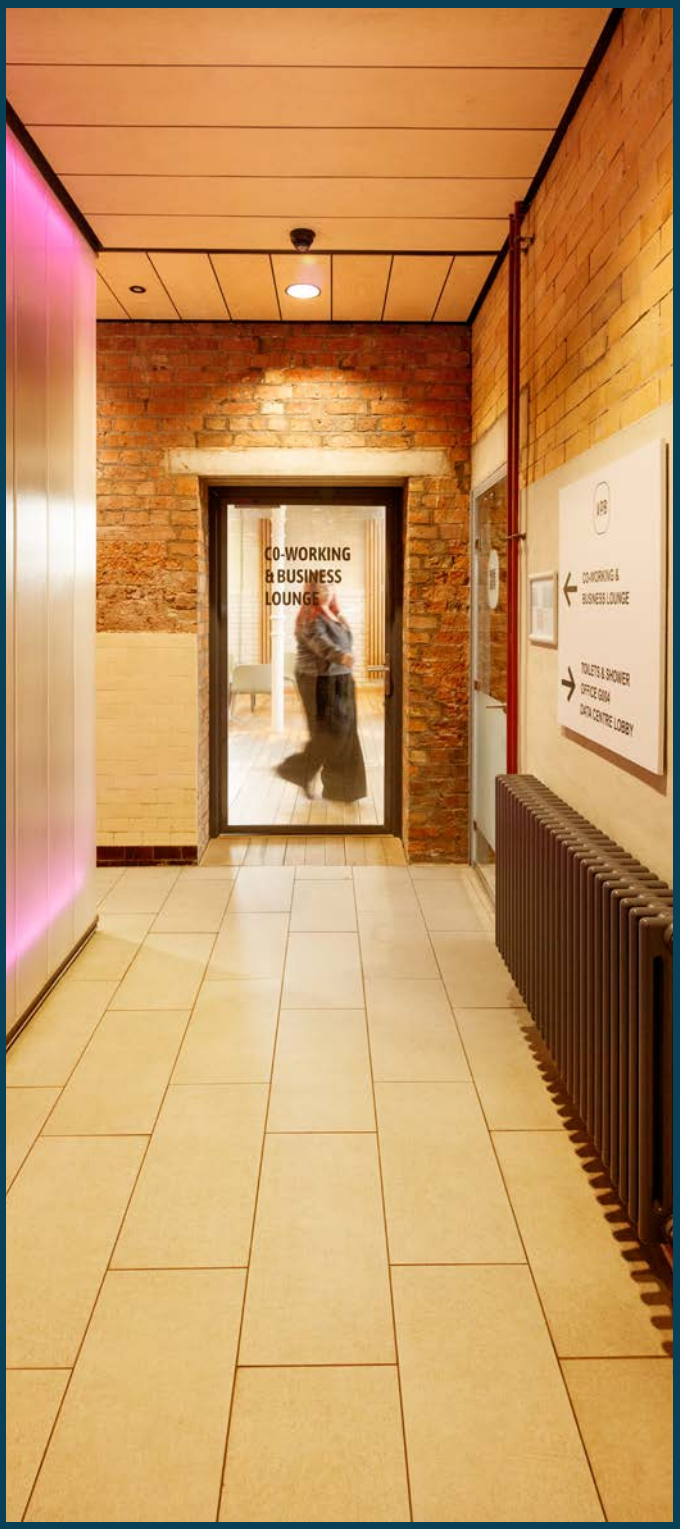
Where substantial works requiring consents are proposed, it will be necessary to appoint an appropriately skilled and experienced design team to prepare drawings, specifications and supporting documentation.

4.1 Procuring the design team

Once the preferred option has been identified and the site acquired, it will be necessary to appoint a full design team to take forward the proposals. The aim at this stage is to develop plans that are sufficient to secure planning permission and (where applicable) Listed Building Consent.

Key team members are likely to include:

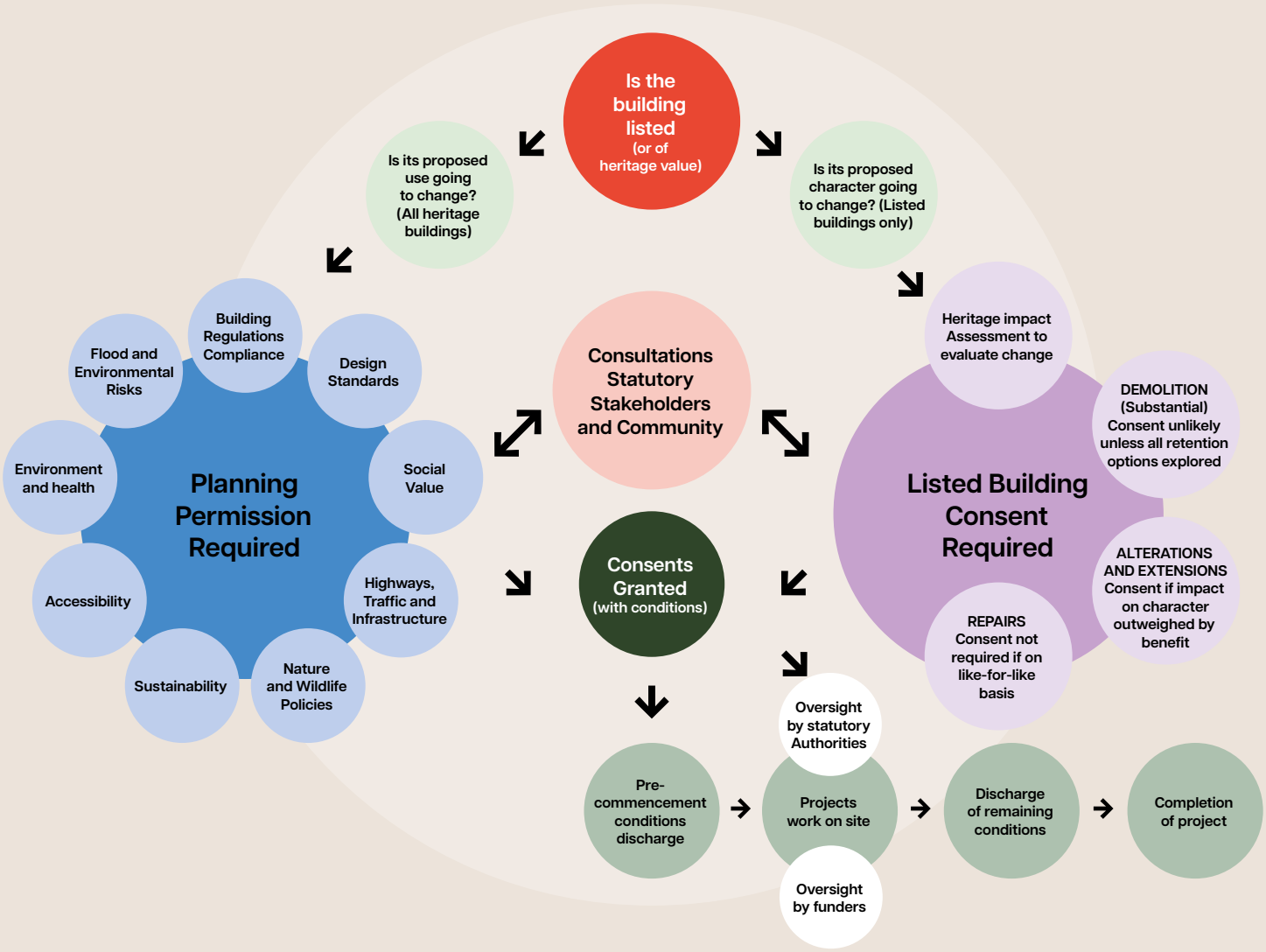
- An architect, ideally with specialist conservation accreditation;
- A heritage consultant;
- A building services (MEP) and sustainability engineer;
- A structural engineer;
- A Principal Designer as required under the Construction, Design and Management Regulations 2015 (CDM);
- A town planner;
- A project manager;
- A development manager;
- A valuation surveyor;
- A quantity surveyor.



Ashton Old Baths, Stamford St West, Ashton-under-Lyne

Heritage works for creative businesses

Figure 03: Statutory Consents Process



There can be efficiencies in using the same team as for the early feasibility study work. Their established familiarity with the building and project should help reduce risk at the design and implementation stages. Developers may nevertheless see this point as an opportunity to seek proposals from a range of designers. Where external grant funding is being pursued moreover, it may be a condition of any funding offered to undertake a formal, competitive selection process.

When the team is appointed, it is crucial to develop a clear client brief that sets out the vision and the project objectives. It should include any known constraints or opportunities associated with the historic building. For example, these could include legal or regulatory requirements (such as Building Regulations), access limitations, sustainability targets or aspirations, and programme requirements.

The quality and skills of the design team will have a critical role in meeting design and functional requirements and securing a smooth pathway through the process of securing statutory consents.

> **If we've got a proactive grant scheme, e.g. targeting shop fronts, we would be a bit more hands on, but generally it's down to owners and prospective owners to do the right thing and pay for good advice.**
>
> Strategic Housing and Regeneration Lead, City Council

4.2 Prepare applications

4.2.1 Developing the design

Drawings will need to be prepared at a sufficient level of detail to enable local planning authorities and statutory consultees to understand the form, scale and specification of the planned works. The proposals should also show how the proposed changes will impact on their wider context in terms of aesthetics, access, and servicing.

The principal challenges with converting historic buildings for new uses tend to relate to five main areas where change may be required:

- Combination or sub-division of spaces. How the building is sub-divided needs to be carefully considered. There should be a balanced consideration of the significance of the original planform and the sources of the building's special interest against market expectation, regulations, policy and guidance.
- Improving the environmental performance of the building through fabric upgrades and the installation of new energy-efficient services, including the possible use of alternative energy sources, in particular photovoltaic cells and heat pumps;
- Fire protection and circulation; there will often be a need for different or new forms of circulation space within the building and potentially new entrances and fire exits and staircases. It may also be that new openings are required to introduce lifts, or existing lifts are required to be modernised.

- Provision of full accessibility and compliance with the Equality Act.[18] Historic England has developed guidance on access to historic buildings, Easy Access to Historic Buildings and Landscapes.[19]
- Waste and servicing; proposals will need to provide adequate bin stores and servicing arrangements, which can be trickier to accommodate within a historic building.

These issues will need to be resolved in outline at this stage, though specific technical details will generally be resolved after consents have been obtained.

4.2.2 The heritage balance

As the design develops it is essential to assess the likely level of harm the proposed interventions may result in and how any harm may be outweighed by the public benefits resulting from the scheme (National Planning Policy Framework paragraphs 212-215). This can be set out in a heritage impact assessment prepared by the project heritage consultant.

Where interventions cause harm to the heritage significance it may be necessary to demonstrate why the interventions are necessary to deliver a long-term viable scheme. To support this, a viability appraisal may need to be submitted with the application that demonstrates that without a certain intervention it is not possible to secure an alternative sustainable use for the building.

4.3 Stakeholder consultation

Formal pre-application engagement with stakeholders is a good way of finding out how key decision-makers will receive proposals. A 'pre-app' will usually involve a review of concept and more developed proposals. Constructive pre-application engagement of this kind can help to speed up the planning and consents process. By understanding and responding to stakeholder concerns, you can reduce the risk of refusal or of onerous conditions being attached to a grant of consent.

The key aim is to uncover potential issues prior to submitting the application. In particular, it can help the developer and design team understand where potential stakeholder concerns can be readily resolved and where there are more substantive issues. In the latter case, where the proposed interventions are considered to be essential, they will need to be thoroughly justified. Where interventions are especially contentious, this is usually best done through a formal options appraisal that demonstrates that the proposed approach is the only realistically viable one.

Where proposals are liable to have impacts on heritage significance, it will be important to engage the relevant statutory consultees as early as possible. Historic England provides a single 'cycle' of pre-application advice on proposals that have the potential to affect highly-graded listed buildings through its pre-application advice service.

18.gov.uk/government/publications/equality-act-guidance/

19.historicengland.org.uk/advice/technical-advice/easy-access-to-historic-buildings-and-landscapes/

Where proposals cannot be fully handled through the free service, extended pre-application advice is available on a cost-recovery basis.

Where a highly-graded listed building is included on Historic England's Heritage at Risk Register, developers preparing planning and listed building applications will be eligible for free extended pre-application advice.

4.4 Application submission and determination

Once the design development is complete, the necessary Listed Building Consent and planning applications should be submitted to the local planning authority. Historic England Advice Note 16[20] sets out the instances where Listed Building Consent is likely to be required. Planning and Listed Building Consent applications typically include a full set of plans, specifications, and other documentation, demonstrating compliance with planning policy.

Each local planning authority should have a planning application validation checklist to assist in understanding the specific application requirements.

Key parts of the application will be the Design and Access Statement and Heritage Statement. In the case of more important historic buildings or larger developments, the planning authority may request more detailed heritage-related information, such as a heritage impact assessment (as described in section 4.2.2).

In the case of large or highly important buildings, a conservation plan may be an appropriate addition to the planning submission (as described in section 2.1.1).

For historic buildings, it is important to evidence the process of reaching a preferred option, including through design development and viability considerations.

Key issues when seeking statutory consents may include:

- Archaeological significance and potential.
- Ecological significance, in the case of historic buildings often relating to the potential presence of bat roosts.
- Hazardous materials, such as industrial contaminants (toxic chemicals and heavy metals) and asbestos.
- Flood risk.
- Traffic and access requirements.

These issues should be considered and as far as possible addressed prior to submitting the application.

Councils have substantial scope to require extensive supporting documentation when considering planning permission and Listed Building Consent applications. Nevertheless, most recognise the importance of supporting economic development and take a pragmatic approach to reuse and adaptation of unused or underused historic buildings. Constructive engagement with council officers will ensure that developers are able to provide the information they need to make appropriate decisions.

20.historicengland.org.uk/images-books/publications/listed-building-consent-advice-note-16/

> **We can't afford to lose investment schemes, particularly if they tick the boxes of saving historic buildings in historic places. The fact that we have not asked for an options appraisal [for this kind of development] in the ten years I have worked here would suggest that we're very much trying to support development through the process.**
>
> Planning Manager, City Council

4.4.1 Statutory consultees for heritage

In some circumstances the local authority will consult Historic England or the relevant national amenity societies. There are two main instructions that specify when statutory consultation is required:

- The Town and Country Planning (Development Management Procedure) (England) Order 2015:
- Arrangements for Handling Heritage Applications – Notification to Historic England and National Amenity Societies and the Secretary of State (England) Direction 2021

4.4.2 The role of Historic England

As a government agency, Historic England plays a leading role in promoting the reuse of historic buildings and the regeneration of historic places. It does this by:

- Drawing attention to vacant and vulnerable listed buildings by entering them onto the Heritage at Risk Register.
- Staffing Heritage at Risk teams based in the regions, which focus on supporting interventions to listed buildings that enable them to be removed from the Heritage at Risk Register.
- Seeking to support the early stages of regeneration projects, often working with local authorities to facilitate development through targeted funding and support for partnerships of potential developing agents.
- Providing financial assistance towards early stage tasks, such as development surveys, feasibility studies, site investigations and archaeological evaluation.
- Drawing on its existing resources and strategies for Heritage at Risk, such as grant funding and free pre-application planning advice, to enable change that allows for conservation repair of at-risk historic buildings.
- Providing specialist technical conservation expertise and advice. It also publishes guidance on a wide range of issues related to the repair and maintenance, conservation, refurbishment and retrofitting, and adaptation and reuse of historic buildings.

When acting as a statutory consultee, Historic England will advise the planning decision-maker (usually the local planning authority) on the heritage impacts of the proposals. This advice will be a 'material consideration' for the planning authority when coming to its decision on whether to grant consent.

In general, Historic England will seek to provide constructive advice that enables sustainable development to take place. This is especially the case where buildings are disused or unused, and development proposals offer the prospect of providing them with a viable, long-term use.

4.5 Early-stage marketing and wide stakeholder engagement

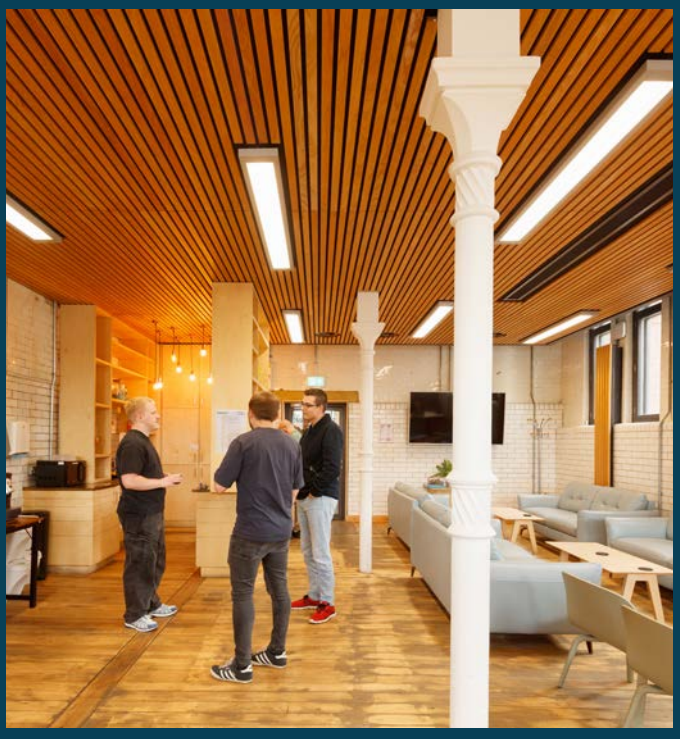
The stage of the project where planning and Listed Building Consent applications are being developed and submitted is often a good time to explore opportunities for wider stakeholder engagement and early-stage marketing.

Once proposals are submitted, they become a matter of public knowledge. The consultation period will allow all potential stakeholders to submit opinions on the proposals. Where these are strongly negative or positive they have the potential to sway the planning authority. This is especially the case where the development is considered to be significant enough to require determination by the local planning authority's planning committee rather than by planning authority officers acting with delegated powers.

Common ways of fostering interest in the development include:

- A project website outlining the development proposals and describing the benefits that they promise to bring to their local area.
- Engaging a PR agency to issue press releases and to secure news coverage.
- Running a well-advertised public consultation programme, potentially including exhibitions, presentations and other engagement activities.

These kinds of activities can help generate awareness, interest and excitement at the prospect of a developer bringing new life to a historic building. The resulting positive momentum is likely to contribute to securing a favourable reception from stakeholders and attracting early tenants and users to the development.



Ashton Old Baths, Stamford St West, Ashton-under-Lyne

Planning the delivery

05

5.1 Design development

The process of applying for consents will require the design to be worked out in sufficient detail to enable the planning authority to determine the general acceptability of the proposed development. This is usually stage three of the standard RIBA plan of work. However, much of the detailed design will only be resolved after the required consents have been received.

In some cases, the detailed design will require changes to the planning drawings that received consent.

Where this is the case, it will be necessary to apply for an amendment to the planning permission and/or Listed Building Consent.

Where the change is minor a 'non-material amendment' can usually be granted. Where the change is more substantial, the application may need to be redetermined by the local planning authority. Unless the changes are very substantial or contentious, in most cases this will be a much quicker and more straightforward process than the initial application.

5.1.1 Compliance with building regulations

- The local authority has a general duty to see that building work complies with the Building Regulations, unless it is under the control of an approved inspector.
- Fire Safety: Building Regulations 2010 Part B Approved Document (Volume 2: Buildings other than dwellings)[21] . This states that:
- "Where Part B applies to existing buildings, particularly buildings of special architectural or historic interest for which the guidance in this document might prove too restrictive, some variation of the provisions in this document may be appropriate. In such cases, it is appropriate to assess the hazard and risk in the particular case and consider a range of fire safety features in that context."
- Fire safety regulations may require fire compartmentation, treatment to existing fabric, and door upgrades. It is important to consider how this may be managed at an early stage and understand any bespoke solutions that may be required.

5.1.2 Building services

Building services include mechanical, electrical and plumbing (sometimes referred to as MEP):

- Communication lines, telephones and IT networks (ICT).
- Gas, electricity, water.
- Lightning and surge protection.
- Electrical power systems, distribution boards and switchgear.
- Internal and external lighting, including emergency lighting.
- Hot and cold water systems.
- Drainage, plumbing, and sewers.
- Escalators and lifts.
- Fire alarm and detection. If there is no fire or intruder alarm system, it may be necessary to install them to meet an insurer's requirements.
- Renewable or low-carbon technology installations, such as solar arrays.

5.1.3 Sustainability

- Energy conservation – advice on retrofitting measures is contained in Historic England Advice Note 18 Adapting Historic Buildings for Energy and Carbon Efficiency[22].
- Flood risk – proposals will need to be cognisant of the flood zone in which the building and land is located.
- Parking/Sustainable Travel – there can be an expectation or requirement in local planning policy for on-site car provision (including blue badge parking).

21.gov.uk/government/publications/fire-safety-approved-document-b/

22.historicengland.org.uk/images-books/publications/adapting-historic-buildings-energy-carbon-efficiency-advice-note-18/

5.2 Defining the construction phases

5.2.1 General considerations

Most historic buildings that are being changed from their original function in order to provide contemporary workspace will be undergoing fairly extensive change. Several key factors affect how the construction required should be implemented. The most fundamental is the size and condition of the building.

Where the building is in poor condition and where the extent and scope of repairs cannot easily be established pre-contract, the first phase is often an ‘enabling phase’. This will be undertaken in advance of the main contract works.

Typically, this would include completing all the main external fabric and structural repairs where ‘discovery’ issues are likely to arise. These discovery issues are unforeseen defects or a greater than anticipated scope of repair or structural works.

A first enabling phase reduces the contract risks of the main works by revealing all the works that need to be done. This in turn ensures that resolving them can be incorporated within the construction programme and priced competitively by contractors as part of the tender process. The result is that it significantly reduces the cost and programme risks that can arise from discovery items.

In many historic buildings being adapted for creative use, a phased or incremental development approach may be required. The larger the historic building and the worse its condition the greater the likelihood is that its development will be of this kind. Incremental development involves developing the project in stages, for example by mothballing parts of the asset or accepting a lower development specification as an initial measure. This enables the building to generate early stage income that can then be reinvested to undertake further development that cannot be financed or managed at the outset.

5.2.2 Approaches to incremental development

The starting point for incremental development is often conversion to low-cost artist studio space available on flexible terms. Occupancy helps prevent further deterioration, while the resulting revenue stream can then be reinvested into the building. While rents are generally below market rates, demand for this kind of space is often high, meaning that the resulting high levels of occupancy can compensate for this to some degree. The presence of a vibrant creative community then coincides with gradual repair and upgrading. Together this creates interest and excitement that can attract high value creative businesses. The result is a virtuous cycle of increasing value.

Incremental development also allows the business model to be responsively adapted as the market develops and a sense of place, community and identity emerges, followed by new markets. The larger the building the more likely the business model will involve a mix of uses, usually complementary and reinforcing the market sector towards which the development is targeted, such as creative industries or technology.

5.3 Funding the construction phase

Assembling the funding package is a lengthy and competitive process and has a significant impact on the development programme. Construction phases tend to progress in line with the availability of funding rather than other factors.

Local authority working partnerships and engagement will be essential where the project required public funding, as even when the source is central government the priorities and distribution are locally led and managed.

5.4 Tendering and contractor selection

The choice of construction contract type and procurement route is important as it will affect the programme and project risks. Early procurement testing can mitigate future construction programme delays. By developing an understanding of the construction appetite for the project, it becomes possible to anticipate the type of contract likely to be agreed and the best way of approaching contractors.

This in turn increases the likelihood of being able to offer the works in a way that attracts interest from potential contractors. Using an Employer's Agent who is familiar with historic buildings can be beneficial in this process.

The proposed works will in almost all cases be formally tendered, and this will be a requirement where public funding has been secured. Tender documents should be meticulous in specifying the scope of works, the quality of materials and finishing required and, where possible, the expected contract terms.

Tenders should be evaluated with great care. The reputation, experience and skills of competing contractors should be considered and references followed up on. The lowest cost tender will not necessarily be the best choice. Contractors submitting tenders with insufficient margin for profit may take shortcuts and are at heightened risk of business failure. In addition, working with historic buildings is a specialist field, so it will be important to consider whether the prospective contractor has the appropriate skills and experience to do this.

The project programme should allow sufficient time for an appropriately qualified contractor to be procured, in order to reduce construction risk.

06

Implementation

6.1 Contract letting and mobilisation

Once a contractor has been selected it will be necessary to finalise contract terms. In the case of smaller works, the contract may be included with the tender documents and the submission of the signed tender documents will involve acceptance of the contract terms. Larger projects will almost always involve detailed contract negotiations once the contractor has been selected.

Different contract models entail different balances of risk and benefit to both the contractor and the client. For example, a cost-plus contract incentivises both the contractor and developer to manage project costs and is generally considered lower risk for the contractor. However, it is higher risk for the developer as the project's cost is unknown. Conversely, lump-sum contracts have lower risk for the developer, but negative incentives for the contractor's out-turn where unforeseen costs will cut into their profit.

6.2 Construction on site

Once contractual and financial matters are resolved, the contractor will take possession of the site. The management of the site will primarily lie with the lead contractor for the duration of the construction phase.

There are now stringent requirements on construction professionals and contractors with regard to site safety. Under the Building Safety Act (2022), dutyholders such as the Principal Designer and Principal Contractor are required to manage building safety risks, with clear lines of responsibility during the design, construction and completion of all buildings.

There will usually be a series of formal meetings to plan and monitor the implementation of the works. These will begin with a 'pre-start meeting' and continue at regular intervals throughout the construction process.

6.3 Practical completion

When the development (or the relevant phase of the development) is effectively complete except for minor details and snagging, it can be signed off as having reached the state of 'Practical Completion'.

At this point it will be necessary to ensure that building standards are met and the works certified as compliant, and that all relevant planning conditions have been met. The Building Safety Act 2022 requires the Building Regulations Principal Designer to issue a Completion Statement within five days of the date of Practical Completion.

By Practical Completion the greater part of the contractor's charges under the contract will have been paid, except for a small percentage of 'retention monies' which the developer will have deducted from the monthly contractor payments.

At Practical Completion half of the retained monies will be paid to the contractor and the other half will be retained for a further period of twelve months, known as the 'defects liability period'. The remaining retention monies will be released to the contractor when any defects arising during the defects liability period have been remedied by the contractor. In default, the retained funds can be used by the developer to remedy any defects. Both the retention monies percentage, usually 5%, and the length of the defects liability period, usually 12 months, can be varied in the contract by agreement.

6.4 Fitting out

The level and degree of finish will depend on proposed leasehold or use type. Longer, higher-value leases will target more established creative industry tenants, who will expect higher standards of construction quality, thermal performance, interior finish, build quality, environment and services and welfare facilities. However, longer leases will also generally allow or require the tenant to undertake much of the detailed fit out themselves, to enable them to customise the space to meet their specific needs.

Serviced offices and co-working spaces by contrast will be more cost sensitive, meaning that tenants and users will be more likely to accept lower space standards and finishes. It is often possible to make a virtue of this in historic buildings; retaining existing finishes, un-plastered walls, exposed structures and surface mounted services, and even retention of existing decorative floor and surface finishes can accentuate the building's character and sense of identity. In an industrial building, a distinct 'industrial chic' aesthetic can be attractive to creative tenants in its own right.

Serviced and co-working spaces are likely to be fully fitted out with little tenant expenditure needed on moving in, keeping their start-up and occupation costs low. Co-working space and membership-based creative spaces will also require all working space furniture, including desks and chairs, to be provided by the developer. This not only makes occupation easier for tenant and users but also enables the building owner to define the character of the working environment and the 'offer' in line with the creative user expectations. Longer-lease spaces may require significant fitting out including internal partitions, flooring and finishes and services.

Occupation

07

7.1 Operational structure

As with fit out, the complexity of the operational structure will depend on the tenancy and occupation types that the development supports. These will significantly influence the extent of direct management responsibilities retained by the landlord.

The business plan should set out the basic details of the landlord's responsibilities, and they will then be formalised in the tenancy, licence or membership agreements with the building's users.

On-site management may be minimal where the primary business model is long-term leaseholds with repairing responsibilities. Where this is the case, the main landlord responsibilities will include cleaning and maintaining common areas and shared welfare facilities and ensuring that the site as a whole is secure.

Where there are substantial shared spaces, landlord responsibilities will be much more extensive. They are likely to include heating and security, as well as maintenance, planned and unplanned. Items with large costs, such as boilers, may have to be repaired or replaced periodically. Adequate operational structures will need to be developed to ensure that these responsibilities can be discharged efficiently and effectively.

In some cases, day-to-day management may be taken on by a separate organisation that specialises in managing properties. This can be a 'managing agent' that charges a fee for its services or an intermediary leaseholder that pays a regular rental to the developer or landlord for the building and sub-lets individual spaces to building users, recovering costs through service and management charges.

7.2 Formal marketing

For longer-leased spaces, marketing will be best undertaken through local commercial property agents and surveyors. Bigger developments tend to use larger national agents to take advantage of their wider networks.

Serviced office suites may be let through smaller local agents but are more likely to be self-advertised through the local press, internet, online directories, creative industry representative organisations, chambers of commerce and local authority property services.

Creative production, co-working and membership spaces will usually be self-advertised through online directories, the developer's website or building-specific websites, and through local creative industry representative organisations. Word of mouth and local creative community identity and networking will be an important factor in attracting tenants.

Marketing all types of creative workspace will benefit from close proximity to heritage and cultural attractions. For larger regeneration schemes this is particularly important.

7.3 Letting and sales

7.3.1 Formal leases

For leased space, the rent will be market-based and most property agents will have a good working knowledge of local rent markets and the variance needed to accommodate a specific development's quality, location and other factors.

The rent will be set out in the lease with longer leases having periodic reviews, usually on an upward-only basis. Rents are usually payable quarterly in advance and there is usually a deposit or deposit guarantee. The lease will usually require that the lessee must return the property in 'good condition', or in the same condition as at the beginning of the lease. In the latter case the lease should be accompanied by a schedule of condition.

7.3.2 Serviced spaces

For serviced offices occupied under a licence rather than a formal lease, the charge will generally include a rental element and a service charge element. The rental will reflect the local market rents for similar property. However, there is likely to be modest premium over local commercial lease rents due to the flexibility of the licence, which allows tenants to terminate their occupancy at short notice.

The service charge element covers the management and running costs for the building and the services it provides. This includes building maintenance, reception, tenant management costs, utilities, rates, all cleaning of both office and common spaces, all insurances both property and basic contents (usually to a ceiling amount), equipment rentals such as photocopiers and printers, bank charges, accountancy, management fees and all costs relevant to the operation and management of the building.

The lease will specify which repairs and maintenance items the lessee is responsible for. Where there has been unaddressed deterioration by the end of the lease, the tenant will have to undertake remedial works or pay a dilapidations fee to compensate the landlord.

In addition to the rent there will also be a service charge, usually payable quarterly, towards building maintenance, maintenance of lifts and services, cleaning of common spaces and security/reception. The landlord will pay the building insurance and recover a proportion from the tenant according to the space they occupy. All other costs, including utilities, rates, cleaning, maintenance and the fitting out of the space, are met directly by the tenant.

The service costs represent actual costs met by the landlord or managing agency and licences often include a requirement for the landlord to provide an annual reconciliation between the service charges and their actual costs so that any undercharge can be claimed from the tenant or an overcharge refunded. It also allows the next year's service charge to be established.

The service charge is charged to each tenant proportionately, on the basis of the amount of space they occupy. Both rent and the service charge are usually invoiced monthly. Where a pay-as-you-use element is involved – for example, time-charged hire of meeting rooms – this use is recorded and included in the monthly invoice.

Some serviced offices and all co-working and membership space and creative production facilities are offered on a time-charge basis. This time-charge may be made for each occupant or desk space or identified other space (such as a meeting room or event space). The rent and service costs are combined as a single hourly, daily, weekly or monthly occupancy charge and invoiced monthly or following the period of use if shorter term. There is no annual review of service costs. Membership schemes usually limit use of the space to a particular amount of time in a set period; for example, 15 or 25 hours per week or month.

7.4 Tenant and user occupation

There should be thorough inspection of the building prior to tenant and user occupation, to ensure safety and to identify any issues that require resolution. Where a formal tenancy agreement requires the building to be returned at the end of the lease in the same condition as when the lease began, a condition survey of the leased area should be undertaken at this point. The condition survey must be shared with the tenant, who will be given the opportunity to make any required corrections or additions.

United Reform Church, Leamington

Management and operation

08

8.1 Operational delivery and monitoring

Where landlord responsibilities are minimal, the primary concern will be to ensure efficient transfer of the site to the tenants and to engage in light-touch monitoring to ensure that tenant management and repairing responsibilities are being discharged. In these cases, operational structures are likely to be relatively simple and focused on identifying default points of contact between building owners and tenants and ensuring that staff and protocols are in place for management and maintenance of common areas and any shared facilities.

For co-working and membership spaces and some serviced offices, it will be necessary to purchase and provide all furniture and furnishings including desks, tables, chairs and potentially other office equipment, such as screens, projectors, printers and photocopiers. It will also include broadband and internet connections.

For creative industries, IT provision will be important. Broadband access must be of the highest capacity, quality and speeds. The charges also usually include access and use of meeting spaces, again allowing for defined amounts of time or on a pre-booked basis.

Some creative co-working and membership spaces offer soft support such as business mentoring, marketing and accountancy assistance. Appropriate staff or providers will need to be recruited if they are not already available within the developer's organisation.

The building owner will need to ensure initial and continuing compliance with various regulations including:

- Health and Safety Regulations[23].
- Fire regulations – under the Regulatory Reform (Fire Safety) Order 2005, it is a legal requirement to have a fire risk assessment, and to make sure it is regularly reviewed and kept up to date. Government guidance on fire safety in the workplace is available online.[24] Additional guidance is available from the London Fire Brigade[25].

The building owner will need to ensure that there are means for tenants and users to bring problems to their or the managing agent's attention, in most cases on a 24-hour basis but certainly within normal business hours.

23.hse.gov.uk/simple-health-safety/index.htm

24.gov.uk/workplace-fire-safety-your-responsibilities/fire-risk-assessments

25.london-fire.gov.uk/safety/property-management/fire-safety-in-heritage-and-historical-buildings/heritage-fire-risk-assessments/

8.2 Tenancy management

The primary concern in tenancy management for longer leaseholds will be to:

- Establish and maintain good relationships with tenants;
- Ensure that rents are being paid in a timely way and secure any arrears as they arise;
- Ensure that tenant repairing responsibilities are being discharged;
- Enable the tenant to raise any concerns or issues with the wider condition or management of the site in a timely way.

In serviced office and membership models, tenant and user management will be more intensive. In serviced offices, there will be a need for full-time, on-site reception and building management staff. With membership and time-charge models, there will need to be a booking system. This can be as simple as a 'walk-up', first-come, first-served approach, especially where there is expected to be surplus space, but where there is higher demand or a desire for a more professional approach, some form of online booking system is likely to be needed.

8.3 Building management and maintenance

In most cases the landlord will directly arrange and manage structural maintenance works as well as manage, clean and maintain common areas. The costs of doing so will usually be recovered through the separate service charge (in the case of formal tenancies) or may be included in the rent or fees (in the case of serviced office and membership models).

In the case of longer leases, internal repairing and maintenance works will usually be the responsibility of the tenant. Where building condition has deteriorated by the end of the tenancy, the landlord will often undertake the works needed to return the building to good (or its previous) condition and then be reimbursed by the tenant.

The landlord will pay the building insurance and recover the costs either on a proportional basis from the tenant according to the space they occupy or, in the case of full serviced spaces, including them in a service charge or through the fully inclusive fees charged in membership models.

8.4 Tenancy/user community development

Creative businesses tend to value being part of a creative community. This is likely to require ongoing effort by the landlord or managing agent. One aspect of this is ensuring that common areas and break-out spaces remain in good condition and that any supporting facilities and services are functioning effectively. Some creative landlords also hold networking events and actively market their community to potential clients.

Larger schemes may well include a mix of other uses that provide services to the tenants, for example, gyms, retail outlets or café and catering outlets. For creative businesses they can involve provision of gallery space, social spaces and other events which build the development's community. In the case of artistic and craft use, gallery spaces can provide exposure for individual makers and act as foci for social activities such as private views and events.

8.5 Ongoing evaluation and marketing

As the development beds in, it will be important to compare actual performance to the expectations set out in the business plan. This should not be limited to operational income and expenses, but also include environmental considerations, regulatory compliance and overall sustainability. Tenant and user satisfaction surveys may be useful, especially for larger developments. There may need to be modification to the business plan to account for differences between expected and actual performance or to take into account changing market demand.

Where an incremental development model is being followed, ongoing evaluation will be particularly important in helping decide on the timing for upgrading the building fabric, uprating rents or fees, and beginning new development phases.

Ongoing marketing is likely to be largely through self-marketing and word of mouth. With creative businesses there are likely to be opportunities for exhibitions and events, and 'good news' stories relating to the business successes of tenants. These can help raise the profile of the development and secure continued market interest.

Spike Island, Bristol

Conclusions and key messages

09

Historic buildings and development for creative purposes have strong affinities. Creative businesses tend to value the individuality and character of historic buildings and are often willing to accept the limitations that come with them. The creative sector is also very diverse in its practices and workspace requirements. This diversity means there is often strong creative demand for spaces with different levels of servicing and finishing, from the simplest to the most sophisticated; and of varied sizes, from shared co-working spaces available on time-charge or membership basis to large self-contained office spaces let on standard commercial tenancies.

This diversity makes creative businesses particularly promising potential users of historic buildings. Many different kinds of historic building, including ones that may otherwise struggle to find new uses, can potentially be adapted to meet their needs. While textile mills and factory buildings are particularly promising candidates, there are also historic churches and chapels, stables and agricultural buildings, transport buildings, schools and even swimming baths that have become successful homes for creative businesses.

Successful development of this kind does present specific challenges. Creative businesses have specific requirements that need to be met. Many businesses are sole traders or micro-enterprises or deal with fluctuating demand. They are more likely to want flexible, ‘easy in, easy out’ leases, with the ability to increase or decrease the amount of space they lease in accordance with market conditions. This can make conventional development finance difficult to secure.

Tileyard North,
Wakefield

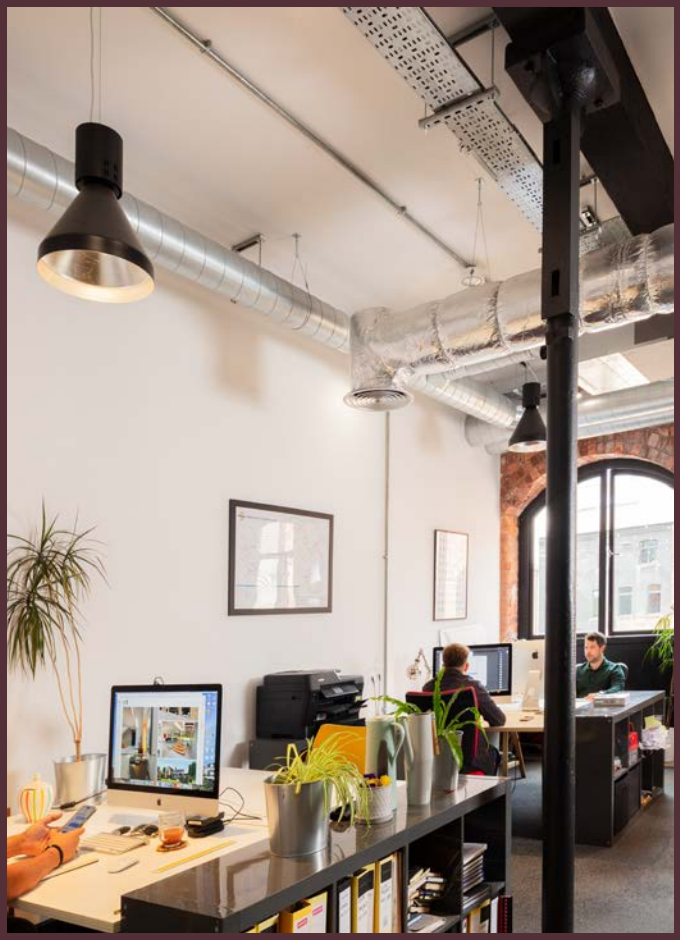
Some creative businesses need access to high specialised equipment or environments – from printmaking, to sound recording, to film and TV production studios. These will need to meet user expectations and requirements. Most creative businesses – especially technology-dependent 'dry' creative sectors – need dependable, high-bandwidth, ultrafast internet access. And working with heritage buildings, especially where they are listed, presents its own specific challenges.

Targeting creative uses, however, also opens up alternative development pathways. In particular, the demand from some creative businesses for relatively simple spaces makes it possible to undertake incremental development. This usually begins with creating studio spaces with basic servicing and facilities that can be let on flexible terms at sub-market rents. Experience suggests that in many areas there is more demand for these kinds of spaces than the market is supplying, particularly from fine artists and craft producers. As a result, although rents may be lower than usual, occupancy rates are usually high. The building can then start paying its way.

As this happens, the income generated can be reinvested in upgrading the building. At the same time, the presence of new creative tenants can transform the building's, and in some cases the whole area's, image. This can lead other, potentially higher value, creative businesses to become interested in locating in the building or local area. The result is a virtuous cycle; not only is the building's future assured, but its new uses contribute to wider regeneration and development.

No less importantly, both creative businesses and the reuse of heritage buildings have acknowledged wider social, economic and cultural benefits. This can open up special funding streams, including public and charitable grant funding, planning flexibilities and possibilities for beneficial partnerships between public, private and third sector organisations.

The key to success is to ensure that there is a match between the building, the proposed approach to development, the requirements of the planning system, the needs of target users, the availability of funding and efficient implementation of the construction.



(L-R, clockwise): The Custard Factory, Digbeth, Birmingham; Tileyard North, Wakefield; The United Reform Church, Leamington Creative Quarter; Spike Island, Bristol.

The chances of this can be increased by:

- Thorough early investigations that fully understand the building's physical condition, heritage significance, and other potential development constraints.
- Identifying a target market of creative users that need spaces of a kind that can be introduced into the building.
- Ensuring there is good evidence that the target market's needs are not currently being met, and undertaking market research and testing to understand their specific requirements.
- Careful options appraisal and selection, with the aim of identifying the 'optimal viable use' for the building.
- Selecting the right business model for the market and the site, aiming for maximum flexibility for creative tenants and combining this with the market analysis and options analysis to create a strong business plan that can 'sell' the development to potential funders and development partners.
- Exploring all the funding options for acquiring and developing the building, paying special attention to sources of grant funding to meet any conservation deficit.
- Identifying potential development partners – especially public and third sector partners that may have greater potential to secure grant funding.
- Approaching potential partners early in the development process; getting to the right people in the local authority can help with this.
- Engaging with stakeholders, especially with those that will influence the planning process, from early on. Where possible, secure formal pre-application advice, even if this requires some additional cost. Have confidence that in most cases the local planning authority, Historic England and other key stakeholders will work positively and constructively to enable rather than obstruct development.
- Submitting planning and Listed Building Consent applications that fully explain the need for any changes that impact on significance, demonstrating there are no realistic alternatives, and setting out the compensating public benefits they will lead to.
- Being flexible about how development is implemented. Consider the potential for meanwhile use and incremental development. Incremental development can be undertaken by using a phased approach, either by developing a building or site in sections, or through starting with a simple, low-cost approach, and then upgrading over time as the building begins to generate income.
- Undertaking an initial phase of enabling works before the main construction phase begins, to enable both the developer and prospective contractor to understand the full scope of the works required.
- Allowing time in the programme to select the right contractor.
- Making use of press and public interest in the restoration of heritage buildings to generate positive publicity and strong marketing approaches.
- Ensuring that the management approach for the completed development is carefully thought through and implemented.

Appendix: Building types and considerations

10

There is a substantial legacy of historic buildings that are unused or underused. In many cases these are buildings that were built for specific purposes that have seen significant decline for broader economic, cultural or political reasons.

Among the most important trends that have led to disuse or underutilisation are:

- **Deindustrialisation and changes to manufacturing technologies** - rendering many historic industrial buildings obsolete.
- **Changes to transport and logistics** - leading a large proportion of historic warehouses and certain kinds of transport infrastructure, including some railway stations and railway and tram buildings, to become disused.
- **The decline of organised religion** - leading to increasing numbers of redundant churches and chapels.
- **Evolving social and economic structures** - making it challenging for many large country houses and urban mansions and villas, along with their associated service and ancillary buildings, to remain in domestic use.
- **Changes in the delivery of public services** - meaning that new uses are needed for many older educational, health, civic and administrative buildings.
- **Changes to agricultural practices** - making many traditional agricultural buildings redundant.
- **Changes to business administration** - meaning that traditional cellular office buildings are often perceived to be unsuitable for contemporary businesses.
- **Changes in entertainment and leisure** - rendering some theatres, cinemas and other performance and leisure venues unsustainable for their original use.

10.1 Industrial buildings

Typically, these are mills, factories and works buildings. They tend to be robust structures which can accommodate a degree of change, depending on their structural type and heritage significance. Their functional interiors tend to have a relatively high capacity for change. Where historic specialist fittings and machinery survives, however, it may be important to retain them, at least in part. Mills are the single commonest building type for conversion for creative business use. Generous floor-to-ceiling heights can lend themselves to artists' studios and shared workspaces, while large floorplates can accommodate flexible and adaptable workspaces that can be modified to meet changing business sizes and needs. Further information about these buildings is contained in Historic England's Listing Selection Guide for Industrial Buildings[26].

10.1.1 Mills (up to the late 18th century)

There remain many mill buildings that predate the industrial revolution, usually for water-powered grain milling.

- **Location:** Typically rural or urban edge with close proximity to water courses for power.
- **Size:** 250-500 sqm
- **Built form:** Two to three storeys, plan usually rectangular and directly related to water course.
- **Building characteristics:** Visually interesting spaces but with simple finishes, exposed timber floors and structure, un-rendered walls. Often complex machinery survives.
- **Loading capacity:** Variable
- **Convertibility:** Convertibility restricted if machinery survives but creative conversion provides attractive interesting robust spaces. Complex environmental upgrading.

10.1.2 Mills (late 18th to mid-19th century)

In this period, grain milling is increasingly eclipsed by other forms of powered manufacture, predominantly relating to the textile industry.

- **Location:** Primarily located close to good watercourses, hence originally usually located in rural contexts, although often subsequently urbanised. Often in groups in a location, for example along a good water course like the Derwent or Stroudwater Valleys.
- **Size:** Large 1,000-2,500 sqm
- **Built form:** Multistorey. Rectangular rectilinear plan with width determined by daylighting requirements - usually 8-10m width by 30-50m length. Good-sized windows. Plan layout dictated by machinery and belt drives. Central row of structural columns, usually cast iron. Limited vertical access.
- **Building characteristics:** Well-lit, good quality space with good ceiling heights. Early fire-proofing approaches provide interesting features; simple finishes, exposed internal wall surfaces un-rendered, attractive bright well-lit space. Usually good aspect from upper floors.
- **Loading capacity:** Good

26.historicengland.org.uk/images-books/publications/dlsg-industrial/heagl34-industrial-buildings-lsg/

- **Convertibility:** Good, but limited vertical circulation usually requires additional stairs and lift installations along with fire-protection of fabric. Spaces easy to convert and sub-divide, providing good quality contemporary workspaces. Difficult to upgrade environmentally without insulating external walls and using secondary glazing.

10.1.3 Mills (later 19th to 20th century)

- **Location:** Usually urban location, often in large groupings to share skilled workforces and transport links. Fuel supply essential for powering large mill machinery installations.
- **Size:** Very large 2,500-5,000+ sqm.
- **Built form:** Multi-storey. Rectangular, deep plan with rows of internal columns to reduce structural spans of primary structure. Plan dictated by machinery layout and power transmission requirements. Large windows. Usually good vertical access. Good ceiling heights.
- **Building characteristics:** Potentially interesting spaces although usually repetitive. Well-lit at perimeter. Often good aspect from upper floors.
- **Loading capacity:** Good.
- **Convertibility:** Easily convertible to create good quality spaces around perimeter with central areas used for services and circulation. Easy sub-division following structural lines. Easy to upgrade thermal performance due to deep plan.

10.1.4 Process buildings

- **Location:** Usually related to resources required for process and near transport networks (canal or rail). Mostly urban due to workforce requirements. Often located where complementary manufacturing skills are co-located – e.g. the Jewellery Quarter in Birmingham or Little Germany in Bradford.
- **Size:** Variable but usually over 500 sqm.
- **Built form:** Limited storeys but often very high internal ceiling heights. Plan related to building function and often complex and incrementally developed.
- **Building characteristics:** Built as manufacturing space and so build quality usually low. Wide range of functions from potteries, mine buildings, ore processing, ice making, shoe making, breweries and bakeries and similar manufacturing processes. Complex but interesting variety of spaces related to functions.
- **Loading capacity:** Variable.
- **Convertibility:** Problems with contamination where processes toxic. Conversion of space needs creative thinking but spatial quality can be very good if robust and simple. Environmental upgrading relatively easy.

10.2 Logistics and transport buildings

These share with mills and factories robust structures and large floor areas, as well as relatively high capacity for change, externally and especially internally. They embrace a wide range of building forms, however, that can present challenges to conversion. Warehouses often have low ceiling heights owing to restrictions on the height to which loads could be carried by manual means. Since few processes were carried out internally and security was an important consideration, they tend to have small, sometimes quite widely spaced windows, leading to limited internal light levels. Transport infrastructure can be on

a monumental scale, making new uses difficult to identify and adaptation economically challenging.

10.2.1 Warehouses and storage facilities

- **Location:** Urban and near transport hubs, dock facilities and railways.
- **Size:** Large 1,000-2,500 sqm+.
- **Built form:** Multi-storey. Rectangular deep plan with simple plan layout. Limited fenestration. Low ceilings. May have pre-mechanised lifting machinery.
- **Building characteristics:** Repetitive low-ceiling spaces with limited architectural quality and low light levels.
- **Loading capacity:** Very good.
- **Convertibility:** Difficult without significant intervention to provide daylighting and vertical circulation. Problems in resolving low ceiling heights. Easy to upgrade thermal performance.

10.2.2 Transport buildings

- **Location:** Larger stations located in central urban locations with major transport hubs giving good connectivity. Stations in smaller urban settlements also tend to be close to transport hubs but may not be centrally located in urban areas. Smaller rural stations often in attractive settings and on visitor and tourist routes.
- **Size:** Variable but can be very large 10,000 sqm+.
- **Built form:** Station buildings cellular in plan, arranged in linear plans along platforms with track either open or with large span glazed roof. Usually single storey with platforms linked by underpasses or foot bridges. Simple construction but usually well lit. Other transport buildings - form follows function but usually large span open spaces such as engine sheds, covered turntables etc.
- **Building characteristics:** Usually single storey with platforms linked by underpasses or foot bridges. Simple construction but usually well lit. Often have grand architectural aspirations and character. Can have significant and dramatic structures and are prominent buildings in their locations and communities, making them a focus for urban place-making. Provide a variety of spaces usually of generous size and often with some architectural quality.
- **Loading capacity:** Very good.
- **Convertibility:** Convertibility limited if adjacent to operating railways but otherwise straightforward. Larger spaces provide opportunity for uses requiring significant scale and which may be sensitive in respect of the local environment - for example public exhibition venues, music performance venues, rehearsal spaces or recording studios. Large scale can, however, mean significant development costs. Large-scale roofed spaces challenging for environmental upgrading, otherwise relatively easy. Major spaces such as engine sheds can be difficult to reuse due to their scale.

10.3 Churches and chapels

These often have high historical, architectural and archaeological significance and where they are set in a churchyard there may be sensitivities due to the presence of burials or memorials. Further information about these buildings is contained in Historic England's Listing Selection Guide for Places of Worship[27].

10.3.1 Churches

- **Location:** Various locations across urban, suburban and rural areas but not usually near main transport hubs. External churchyard spaces in public realm and usually heavily used for burials which creates pleasant immediate setting and amenity but usually little or no parking provision.
- **Size:** Variable, 500-2,500 sqm.
- **Built form:** Simple plan with main central nave, and usually side aisles, clearly distinct chancel at the east end, often with vaulted or exposed, carved timber ceilings and a smaller attached vestry, and occasionally with an undercroft or crypt. Usually built incrementally over several periods and to house defined liturgical functions.
- **Building characteristics:** Prominent buildings in their community and location, often of very high architectural and historic quality. Fine arcading and internal masonry with vaulted or decorative ceilings. Single-storey with very high ceiling heights. High levels of spatial quality, especially in earlier buildings with higher levels of listing. Very strong ecclesiastical character, which does not always sit easily with alternative uses. Usually with sensitive and complex internal fittings reflecting liturgical function including pews, choir stalls, monuments, pulpits, stained glass etc. Often very significant interior features such as stained glass, decorative stalls and monuments.
- **Loading capacity:** Fair.
- **Convertibility:** Difficult to convert and reuse without significant changes such as installation of mezzanine and new internal floors and/or partitions. Original fittings such as pews, altars etc. cause significant issues if removal is required to allow effective reuse. Often considerable scale makes reuse expensive. Difficult environmental upgrading. Older churches will have significant archaeological constraints on their development. Significance of historic fabric and issues with long-term maintenance can make fabric repair complex, extensive and expensive.

10.3.2 Chapels

- **Location:** Variety of locations but predominantly urban and suburban. Not usually near transport hubs but often good accessibility to bus routes. External spaces usually used for burials so setting pleasant but little on-site space for parking.
- **Size:** 500-750 sqm.
- **Built form:** Very simple single cell plan form, usually double-height, often with balcony level around perimeter, and large windows. Usually limited numbers and sizes of associated smaller spaces. There may be an undercroft.
- **Building characteristics:** High ceilings,

27.historicengland.org.uk/images-books/publications/dlsg-places-worship/

good light. Architectural design quality variable, ranging from simple, unadorned boxes to elaborately ornamented prestige spaces. Generally have good quality joinery and fittings. Often have fixed or box pews to the ground floor.

- **Loading capacity:** Fair.
- **Convertibility:** Sub-division of principal space difficult but insertion of mezzanines possible. Ideal uses will keep the main space open with minimal sub-division. Removal of fittings such as box pews can be very difficult if the grade of listing is high and the fittings are original and part of the original architectural concept.

10.4 Large houses

These offer generously sized rooms, often high ceilings, and, where they survive, high-quality fittings and finishes. As domestic spaces, their fixtures and fittings are generally of more luxurious but less resistant materials than those found in industrial, religious or public buildings. The suitability of main houses for prestige offices, hotels or events venues means that creative use is often difficult to justify. However, they are often associated with ancillary buildings, such as stables, coach houses, and service wings, that are more promising candidates for creative use. The majority of disused houses are country houses, being larger in scale than most surviving elite urban and suburban large houses, which are less likely to fall into disuse as they can usually be easily converted into offices, flats or shops.

10.4.1 Main houses

- **Location:** Country houses are usually in fine rural locations but away from main transport hubs and central urban areas.
- They are usually the focus of a larger group of associated ancillary estate buildings.
- **Size:** Large 1,000-2,500 sqm.
- **Built form:** Usually two main storeys, often with additional subsidiary floors (basement, attics). Complex, often highly formal, plans orientated around landscape and vistas. Separation of main spaces from service spaces. Highly cellular. Large rooms with high ceilings relative to standard domestic buildings. Often built incrementally over long periods of time, so complex heritage challenges.
- **Building characteristics:** High-quality principal spaces often of grand design with elaborate decorative finishes. Lower key secondary spaces. Main vertical circulation often imposing but frequently connecting only the principal floors, with simple secondary ‘back’ stairs for service and full vertical circulation. Spaces usually well-lit and well-proportioned with good aspect.
- **Loading capacity:** Variable.
- **Convertibility:** Usually easily convertible but principal rooms need to be retained for uses that do not involve significant change or sub-division. Fire escape and circulation will usually require upgrading. Circulation often split between front of house functions and service functions - main circulation often grand whilst service circulation discrete and smaller in scale. This creates options for improving fire escape and protection. Sub-division for tenant use can be complex where 24/7 access is required. High quality design and finishes means costs can be substantial. Good for creative uses which benefit from combination with public/visitor access. Environmental upgrading complex and sensitive. Rural locations make it important to provide on-site facilities such as parking, catering and shared conferencing, while isolation makes developing a 'user community' important.

10.4.2 Ancillary buildings: Stables and coach houses

- **Location:** Usually associated with extant historic country houses in rural location, with attractive surroundings but remote from transport hubs and urban centres. Good for creative functions requiring a tranquil environment.
- **Size:** 500-1,000 sqm.
- **Built form:** Simple repetitive plans, often cellular and usually arranged round a controlled space such as a courtyard, for security reasons. One or two storeys, occasionally with accommodation for staff on first floor.
- **Building characteristics:** Simple spaces but with character arising from their function and grouping which suggests a 'community' of users. Character embedded in fittings such as stables box enclosures and ironwork rather than decorative finished quality. Building often of high design and material quality to reflect owners' wealth and to enhance setting of main estate house.
- **Loading capacity:** Usually very good, if general condition is sound.
- **Convertibility:** Easily convertible to good quality varied spaces, although usually smaller in scale. Good for grouping creative uses requiring a 'public visitor face' to an accessible central external area. Usually well-lit, regular structural bays. Environmental upgrading relatively easy. Good for creative functions requiring a tranquil environment. Needs adequate parking.

10.4.3 Specialist estate buildings – breweries, bakehouses, dairies etc.

- **Location:** Location on estate in attractive surroundings but remote from transport hubs. At variable distances from main houses – those directly ancillary to service blocks, such as bakehouses, are generally close to the main houses, but others can be some distance away in the house's grounds.
- **Size:** 500-1,000 sqm.
- **Built form:** Plan form relates to activity, so specialised, and can be complex. Usually single-storey.
- **Building characteristics:** Often high-quality external design to reflect other buildings on estate. Internally, modest spaces with quality and finishes reflecting their function. Occasionally, however, examples are finished to very high standards, especially dairies. In high-quality examples, wall finishes may be in glazed tile. Spatial quality is usually interesting with varied spaces and construction. Usually well-lit for practical reasons, often with rooflights or lanterns.
- **Loading capacity:** Good.
- **Convertibility:** Potential for conversion good; can create interesting and unusual interiors for users, though usually on a smaller scale. Environmental upgrading possible. Needs adequate parking.

10.5 Agricultural buildings

In some cases, agricultural buildings share functions with similar buildings ancillary to large houses (stables, barns, dairies), but tend to be more functional and local ('vernacular') in style. Variable in size, from small domestic-sized buildings to large 'model' production sites. They are generally robust structures with simple interiors, capable of adaptation. However, evidence of their former agricultural use will be important to retain. Further information about these buildings is contained in Historic England's Listing Selection Guide for agricultural buildings.[28]

10.5.1 Barns and agricultural stabling, vehicle stores

- **Location:** Usually rural locations in attractive surroundings but remote from transport hubs and urban centres.
- **Size:** 300-750 sqm.
- **Built form:** Very simple repetitive rectilinear plan form. Generally single storey but may have usable lofts. Limited fenestration but large access doors.
- **Building characteristics:** Large, simple spaces, usually with double-height internal spaces open to underside of roof and fine quality roof structures, which often have complex and attractive repetitive forms. Very simple materials and no finishes but robust visual character. Wide range of materials used (stone, brick, timber-frame) depending on local availability.
- **Loading capacity:** Very good.
- **Convertibility:** Potential for convertibility and sub-division depends on quality of building, age and listed status. Larger older barns are less easily converted. Improving fenestration is a key issue in reuse. Environmental upgrading presents challenges but is usually possible. Good for creative functions requiring a tranquil environment. Needs adequate parking.

28.historicengland.org.uk/images-books/publications/dlsg-agricultural-buildings/

10.6 Public buildings

Public buildings, such as town halls, libraries, museums and galleries, and schools, often have highly decorative facades and characterful interiors. Their entrance areas and communal spaces tend to have a high degree of architectural detailing and sensitivity. Tend to combine large communal, ceremonial/assembly, and circulation spaces, with smaller cellular spaces, used as offices, stores, and classrooms.

10.6.1 Town and city halls, law courts, assembly spaces

- **Location:** Usually well located in central urban areas with good public transport connections and reasonably close to main transport hubs. Sometimes adjacent to public open spaces to enhance their setting. Usually adjacent parking and good vehicle access.
- **Size:** Large 1,500-5,000 sqm.
- **Built form:** Usually three to five storeys including basement. Plans usually focus on formal principal public and ceremonial spaces often with significant cellular secondary spaces for civic administration. Circulation spaces are imposing and routes are generous and legible. Secondary circulation is segregated from the public spaces especially in courts.
- **Building characteristics:** Larger buildings prominently located and with imposing architectural design. Usually built to enhance civic pride. Principal floor often raised above street levels to allow daylighting to secondary basement spaces and increase built presence. Principal rooms will have grand formal design with high quality joinery, fittings and furnishings. Secondary spaces will have simpler detail but may still be significant spaces with high ceilings, well-lit and with good quality finishes.
- **Loading capacity:** Good.
- **Convertibility:** Difficult to convert to alternative uses without significant impact on their character. As with churches, their very strong formal civic character does not always sit easily with new uses. Retention of original fittings can be challenging in introducing new uses. Otherwise, they are relatively easy to convert from a straightforward structural perspective, as circulation is generous and fabric is substantial. Spaces are generally well-lit and secondary spaces reasonably sub-divisible. Environmental upgrading not unduly difficult. Generous circulation allows relatively easy upgrading for fire protection and security.

10.6.2 Libraries, museums and galleries

- **Location:** Usually well located in central urban areas with good public transport connections and reasonably close to main transport hubs. Occasionally with adjacent parkland environment to enhance their setting. Parking usually restricted but usually have good access provision for deliveries.
- **Size:** Large 1,500-3,000 sqm
- **Built form:** Usually three or four storeys including basement, although smaller galleries are often one to two storeys only. As with civic buildings, the plans focus on main formal spaces with supporting secondary spaces. Usually good circulation with grand staircases and routes, but spaces often arranged in an 'enfilade' (one space leading into another) plan. Secondary cellular support spaces can be substantial.
- **Building characteristics:** The buildings usually have good architectural design and are prominently located, and imposing often grouped with other civic function buildings. Robust to allow heavy public use and access. Grand main spaces often double-height and with balconies and grand staircases. Usually original quality interiors, joinery, fittings and detail. Main spaces generally well-lit, often using rooflights, to give wall space for collections/artwork display or book storage. Spaces tend to have fairly stable environmental conditions.
- **Loading capacity:** Good
- **Convertibility:** Convertibility complex - main spaces difficult to divide but secondary spaces are easily convertible and re-usable. Fabric upgrading for fire and environmental performance not unduly complex but sensitive in principal spaces. Resulting spaces are attractive and have the additional benefit of often being co-located with heritage and culturally interesting activities. Fire protection and escape relatively easy to upgrade due to generous circulation. Full accessibility can be difficult due to internal level changes and raising of the principal floor above external street levels.

10.6.3 Market buildings

- **Location:** Usually well located in urban areas close to transport hubs but generally without much parking or adjacent open space. Usually good vehicle access to loading bays.
- **Size:** Large 1,500-5,000+ sqm
- **Built form:** Large open plan but often with peripheral and central 'stalls' laid out on a grid. Mainly single storey but sometimes with balcony-level stalls with perimeter circulation round central hall. Glazed roofs and rooflights but deep plan, so little fenestration at ground level.
- **Building characteristics:** Grand, legible spaces with high internal ceiling heights, well-lit and well-ventilated. Often with fine elaborate ironwork structures and fittings such as handrails.
- **Loading capacity:** Very good.
- **Convertibility:** Conversion possible if central original spaces can be respected and retained as common or shared areas in uses for exhibition, performance etc - or retail/artisan markets. Difficult to properly sub-divide although 'stall' type subdivision is relatively easy. Scale substantial so costs are high. Cellular spaces can often be installed under first floor balcony levels. Environmental upgrading is difficult due to scale and function.

10.6.4 Larger schools and colleges

- **Location:** Usually in urban and suburban locations but not necessarily located near main transport hubs, although usually on bus routes. Good extensive external adjacent spaces and good parking and access provision.
- **Size:** Large 1,500-3,500 sqm.
- **Built form:** One or two storeys. Repetitive cellular plan with good legible internal circulation and larger individual spaces providing for assembly, performance and sporting functions. Large windows.
- **Building characteristics:** Often elaborate external design reflecting the importance of function. Main spaces are typically good quality with high, often vaulted, ceilings and exposed structures. Individual classrooms and ancillary spaces are usually more functional. Generally good levels of accessibility. Simple, robust finishes. Good daylighting.
- **Loading capacity:** Good.
- **Convertibility:** Easily convertible subject to extent of sub-division of main class/ teaching room spaces. Larger spaces are often attractive but difficult to sub-divide easily. Often need significant environmental upgrading, insulation and secondary glazing to improve thermal performance.

10.6.5 Theatres, cinemas, performance spaces

- **Location:** Mostly in central urban areas with little or no external space and no parking. Good accessibility by public transport although not always near main transport hubs. Delivery access essential.
- **Size:** Large 1,500-3,000 sqm.
- **Built form:** Very large central auditorium space for audience with generous circulation to allow audience access and egress. Smaller front-of-house spaces to provide for foyers, ticketing, catering and bars. Large complex back-of-house and stage facilities to support performance. Limited administrative spaces.
- **Building characteristics:** Owing to C18/19th legislation these buildings, although substantial, are often not prominent. Their internal principal space is usually grand and imposing whilst they are externally modest. Front-of-house spaces are usually generous and well fitted out whilst back-of-house spaces are basic and often 'warrenlike'. Spaces have little or no daylighting. Raked floors are an essential part of their character. Often elaborate decorative interiors to support theatrical ambience.
- **Loading capacity:** Fair.

- **Convertibility:** Very difficult to reuse and convert for non-performance purposes without very significant impact on their character. Best retained in performance-related uses. Secondary spaces are better for conversion and upgrading but relatively small compared with the main performance space. There can be particular challenges with underused and unused historic theatres and early cinemas that are extensively decorated with fibrous plaster ornaments. Fibrous plaster can fail catastrophically if its textile supports and reinforcements decay. Thorough condition assessment is essential. Theatre, cinema and performance spaces tend to be associated with quite large creative communities, so co-location is beneficial, where possible. Difficult to environmentally upgrade and service. Significant design issues associated with fire, security and escape and accessibility.

10.7 Offices and commercial buildings

These may have interiors of higher heritage significance that have less capacity for change. Further information about these buildings is contained in Historic England's Listing Selection Guide for Commerce and Exchange Buildings.[29]

- **Location:** Mostly in urban areas, often with little or no external space and no parking. Good accessibility by public transport although not always near main transport hubs.
- **Size:** Large 1,500-3,500 sqm.
- **Built form:** The plan form of earlier buildings is mainly cellular spaces linked by corridors on multiple storeys. Post-1945 examples are more likely to be open plan. Foyer/reception spaces provide access to stairs and lifts.
- **Building characteristics:** The more elaborate examples are likely to be listed, usually for their external features. The more prestigious examples have an elaborate character for boardrooms and main circulation spaces. Usually repetitive spaces which are flexible and well-lit. Simple robust finishes.
- **Loading capacity:** Good.
- **Convertibility:** More suited to creative uses which do not require high spaces or access for large objects.

29.historicengland.org.uk/images-books/publications/dlsg-commerce-exchange-buildings/

Report authors:
Dr James Legard, Harlow Consulting
Will Holborow, Purcell
Niall Phillips, Purcell

Assisted by:
Joel Galilee, Harlow Consulting
Sam Riley, Purcell

www.harlowconsulting.co.uk
www.purcelluk.com

Front cover: Spike Island, Bristol

Historic England
HARLOW CONSULTING
PURCELL

historicengland.org.uk