Planning for a live/work London

Live/work firms are the fastest growing part of the London workforce. One in 12 Londoners now works this way. Tim Dwelly looks at the implications for planning.

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Living over the shop was common until relatively recently: the concept would not have seemed strange to Dickens, for example. But with the growth of the railways, more people moved out of London's centre and commuting became the norm.

Then in the early 1990s, the capital saw the first blossoming of a wider homeworking renaissance. Derelict warehouses and factories on the then unfashionable fringe of the City were converted into live/work units. Nearly 20 years later and the Old Street/ Hoxton area – recently rebadged as 'Silicon roundabout' - is one of London's most vibrant neighbourhoods.

But beyond trendy east London, the capital is sharing a homeworking boom that is sweeping the rest of the UK. The recently published Live/Work Business Briefing 2011 shows that between 2001 and 2010, the number of London homeworkers (those working 'mainly at/from home') grew by 15.73 per cent from 400,334 to 463,319. By any standards this is a significant part of the total workforce of 3,787,678.

Meanwhile the figure for home-based or as we now term them 'live/work businesses' grew 19.35 per cent from 262,173 to 312,902 over the same period. Over 67 per cent of those who work mainly from home in London now run their own business. This begs a question: are planners and policy makers considering the implications of employers introducing flexible working rather missing the point? Should homeworking not be seen much more a way out of 'wage slavery', rather than a new version of the same thing?

The Live/Work Business Briefing analyses figures commissioned from the Office of National Statistics' Labour Force Survey. This shows that between the end of 2001 and the end of 2010, the total number of people working in London grew at a rate of 7.45 per cent, from 3.52m to 3.79m. The number of commuters increased by a more sluggish 4.58 per cent.

Homeworkers (including employees) now account for 12.23 per cent of the London workforce - around one in eight workers. And most of these (8.26 per cent of London's workforce) is running a live/work business – they are both self-employed and using their home as their workspace.

The growth of home working and live/work business in London is mirrored across the country. Home working throughout the UK grew by 21.44 per cent between the census year of 2001 and the end of 2010, with the rate of growth in the number of home based businesses even sharper- 23.89 per cent. By contrast the total workforce grew by 4.82 per cent over the same period and the commuters even slower- 1.96 per cent.

The briefing shows that the south west has the highest proportion of its workforce working from home at 16.9 per cent, followed by the south east on 15.2 per cent. But the south west's workforce contains the greatest proportion self employed in home bases businesses (10.61 per cent), followed by the south east (9.21 per cent). The south-east has the greatest total number of live/work businesses with 385,981.

The biggest jump in self-employed home working have been witnessed in the north-west (up 39.7 per cent), followed by Wales (37.16 per cent) and then eastern England (30.71 per cent).

The growth in the number of home based businesses and workers reflects the expansion in self employment which rose 20.38 per cent between 2004 and 2010. Home-based, self-employed workers are more likely to be professionals than the rest of the workforce. However these figures shows that while London may have seen the genesis of the live/work phenomenon in the early Nineties, it is now falling behind other parts of the country.

This may reflect an inconsistent and sometimes hostile planning policy stance towards the concept. Former London mayor Ken Livingstone's policy for pro-

Table 1: the numbers

Region	Q4 2001 All Workers	Home workers	Self employed	Live/work businesses*	Q4 2010 All Workers	Home workers	Self employed	Live/work businesses*
North East	1085245	81838	78977	46588	1,135,476	103,455	103,396	52,770
North West	3048277	268995	311483	161506	3,170,145	365,654	394,882	224,603
Yorkshire & Humberside	2277161	207208	237668	122732	2,393,034	241,539	293,670	156,742
East Midlands	2010573	232038	223804	135696	2,132,993	266,979	286,107	167,494
West Midlands	2464949	268476	263814	150836	2,419,312	301,016	283,343	176,562
Eastern	2695235	317808	341344	194034	2,820,534	416,262	420,413	253,627
London	3525042	400334	484299	262173	3,787,678	463,319	601,682	312,902
South East	4064693	555170	542160	333688	4,190,874	637,061	629,509	385,981
South West	2402263	356381	352444	221760	2,545,615	430,434	385,448	270,123
Wales	1226769	126891	153246	85133	1,333,573	181,886	192,855	116,765
Scotland	2348143	194883	228153	126335	2,494,486	247,689	274,882	159,941
Northern Ireland	706317	73364	98921	53371	772,505	89,157	125,905	68,855
TOTAL	**27,854,667**	**3,083,386**	**3,316,313**	**1,893,852**	**29,196,225**	**3,744,451**	**3,992,092**	**2,346,365**

* Live/work businesses are those who are both self-employed and working mainly at/from home. Home workers are those 'working mainly at/from home'

moting job growth in the capital was heavily focused on large office developments in the centre and Canary Wharf rather than on efforts to promote more neighbourhood-based live/work growth.

The most recent version of the London plan, published under his successor Boris Johnson, contains just one reference apiece for homeworking and live/work respectively. And these are both tangential. Live/work may be under the radar of the planners at City Hall, but concept has received a greater focus at town hall level.

Many London boroughs' development plans now contain policies to promote live/work development. Barnet council's unitary development plan for example contains a policy stating that 'where appropriate, the council will support proposals which would provide offices or studios within homes to enable residents to work from home'.

The explanatory notes say that advances in IT mean that an increasing proportion of the workforce from various sectors is now capable of working from home, creating demand for what it describes as 'work/home spaces'.

With demand for such accommodation projected to increase, it says that there is 'particularly strong potential for this kind of property development, owing to the high number of self employed people already living in the borough'.

The only caveat, suggested by Barnet, concerns over the loss of residential property. By contrast, in more inner London boroughs, concerns about live/work development centre around the erosion of employment floorspace.

The east London borough of Hackney may have been the epicentre of the 1990s live/work boom. But it also saw the biggest backlash against live/work development in the 2000s. Hackney council introduced an enforcement crackdown on the alleged misuse of live/work apartments. It followed this drive with a review of its hitherto permissive policy on live/work. Tower Hamlets subsequently followed suit.

But elsewhere in London, councils have adopted a more nuanced approach to the challenges thrown up by the home working revolution. Whatever the risks of exploitation of the live/work concept by some developers, they recognised – rightly - that all the demographic data and all the lifestyle trends were pointing to a need for more live/work property, not less.

However, their policies seemed to make too much of a meal of live/work, over-regulating and over specifying a phenomenon that responds best to common sense and flexibility.

Lambeth, for example, created a category of 'work/live' development in its UDP, adopted in 2007. This says that any unit containing mainly employment floorspace and less than two bedrooms will be counted as 'work live'.

Such accommodation will have to be equipped with floors capable of taking a full range of B1

Table 2: the % of workforce

Region	Home-working Q4 2010	Self-employed Q4 2010	Live/work businesses Q4 2010
North East	9.11%	9.11%	4.65%
North West	11.53%	12.46%	7.08%
Yorkshire & Humberside	10.09%	12.27%	6.55%
East Midlands	12.52%	13.41%	7.85%
West Midlands	12.44%	11.71%	7.30%
Eastern	14.76%	14.91%	8.99%
London	12.23%	15.89%	8.26%
South East	15.20%	15.02%	9.21%
South West	16.91%	15.14%	10.61%
Wales	13.64%	14.46%	8.76%
Scotland	9.93%	11.02%	6.41%
Northern Ireland	11.54%	16.30%	8.91%
TOTAL	**12.83%**	**13.67%**	**8.04%**

Table 3: the trends Q4 2001 to Q4 2010

Region	% change all in work	% change home-workers	% change self-employed	% change live/work busi-nesses	% change commut ing employ-ees
North East	4.63	26.41	30.92	13.27	1.07
North West	4.00	35.93	26.77	39.07	0.19
Yorkshire & Humberside	5.09	16.57	23.56	27.71	3.05
East Midlands	6.09	15.06	27.84	23.43	3.37
West Midlands	-1.85	12.12	7.40	17.06	3.45
Eastern	4.65	30.98	23.16	30.71	0.33
London	7.45	15.73	24.24	19.35	4.58
South East	3.10	14.75	16.11	15.67	0.28
South West	5.97	20.78	9.36	21.81	4.42
Wales	8.71	43.34	25.85	37.16	4.25
Scotland	6.23	27.10	20.48	26.60	3.92
Northern Ireland	9.37	21.53	27.28	29.01	6.62
TOTAL	**4.82**	**21.44**	**20.38**	**23.89**	**1.96**

uses and will be permitted in areas zoned for employment and mixed uses, provided they do not result in the loss of light industrial units. Live/work schemes that do not meet these criteria are treated as residential and are subject to affordable housing section 106 contributions. There is one huge hole in this approach: you simply can't get residential mortgages on units with a majority workspace.

Barking and Dagenham council has recently adopted a similar approach to live/work, with the extra twist that it does not view live/work as suitable accommodation for families, a stance mirrored by the borough of Hillingdon. A strange approach for anyone who has seen family live/work thrive in other parts of the UK or across the USA.

Boroughs are chiefly worried that live/work development will erode their stocks of scarce employment land, which will end up as housing, thus reducing the job opportunities for their residents. While the city remains the powerhouse of the UK economy, parts of London contain some of the highest unemployment rates in the country.

This is understandable. However, freezing outdated land designations in aspic is no way to stimulate job creation, especially when such a stance runs against the grain of an increasingly home-based, 21st century economy.

The best ways to create genuine live/work uses, in our experience, is to seek out genuine live/work developers, and prioritise the use of appropriate design and marketing conditions (for example requiring buyers to have a business). Live/work businesses aren't going away. It's time to encourage the right kind of property to meet their needs and enable them to flourish, while reducing commuting in the capital.