EAST END TRADES GUILD
AFFORDABLE WORKSPACE MANIFESTO

eastendtradesguild.org.uk  #LondonWorkingRent
THE AFFORDABLE WORKSPACE CRISIS

The East End Trades Guild brings small businesses and the self-employed together to speak as one. We pursue innovation and positive change on the issues that affect small independents and their neighbourhoods. Our logo communicates that the Guild is as much about people and their communities as it is about trade and business. It’s what distinguishes us from other business groups and is why our work is vitally important.

We have 230 small businesses and self-employed people in membership who reach beyond 520,000 customers every month. With a combined turnover of more than £80 million we put over £17 million in local people’s pockets through wages each year and in excess of £26 million of our supply chain fuels other businesses in London.

When our founders first met together prior to our launch in 2012, they voted on rents as the most important issue to affect them. In November 2017, our new Guild Reps undertook a listening campaign to uncover the most urgent issue to affect small businesses in East London five years on.

We have listened to 300 small businesses and have surveyed 72 of these. Mechanics, community cafes, artists, makers and retailers have told us that the issue of rent affordability is more urgent now than ever. Exacerbated by business rates hikes and the uncertainty of Brexit, some of our members have already been forced to move further afield or to close business entirely.

From a story of suicide in Haggerston due to a 200% rent increase, and a childcare service in London Fields with a waiting list of over 100 children that cannot find any affordable space in which to serve working families, to a family business in Bethnal Green having to choose between a 275% immediate rent increase or face eviction.

These stories are the human face of London’s workspace crisis. For the last year the Guild has been working with the New Economics Foundation to understand the complexity of the issues faced by tenants while running successful and sustainable businesses.
EXECUTIVE SUMMARY

Dramatic rent rises are squeezing out independent businesses across London, threatening the diversity of our city’s economic ecosystem. Small-sized enterprises are essential to a vibrant and healthy local economy. Combined, they provide half of all employment, and sustain a distinctive identity which defines London’s cultural heritage. Can you imagine the capital without its kaleidoscopic small businesses from Chinatown to Brick Lane, Columbia Road to Portobello Road, and the myriad of markets from Walthamstow to Brixton? It would be a hollow place, with only its silent monuments distinguishing it from everywhere else.

The lower return on commercial property disincentivises mixed-use development. Existing commercial property is viewed in terms of short-term yield for broader portfolios. The higher the rent the greater the return on the entire stock. And business rates rises – set on the rentable value in a given area – add insult to injury to the small firms reinvesting their economic, social and cultural value within their neighbourhoods. Meanwhile public sector landlords are under pressure to raise income to subsidise rapidly decreasing budgets.

The high cost of commercial rents in London is unravelling the human connectivity needed for long-term economic resilience. The value of small firms to communities is vastly underestimated. It’s clear we urgently need radical change to ensure we retain the healthy mix of businesses which London’s citizens deserve, visitors pursue and which is necessary for inclusive and sustainable growth.

We need to futureproof our local economy by co-producing developments, regeneration projects and the policies of large landlords together with community based small businesses. In this time of austerity we must bring unlikely and diverse stakeholders together to find common ground and tackle the workspace crisis now, before it is too late.

The London local elections offer a chance to change things. Despite the importance of affordable rent levels for independents, this issue has never before been the focus of electoral agendas. The East End Trades Guild Affordable Workspace Manifesto 2018 has been developed through a democratic process led by our members. This document outlines the result of this first-stage process and makes five proposals. Our manifesto is a living document. Our asks are broad to allow for refinement in the coming months and to scope out further development with whomever is elected on the 3 May.
OUR ASKS TO CANDIDATES

THE VALUE
Recognise the community value of small and micro businesses to your boroughs, understanding that we are essential to community wealth, the local economy, to culture and to heritage, and reflect this in all future economic and planning policy decisions. The traditional way of measuring value in our economy is outdated. The focus on Gross Domestic Product does not capture the complete picture, and undermines government policies on inequality and poverty.

The EETG will continue to be providers of half of all employment with good quality local jobs, harnessing and unlocking the homegrown talents of the local community. We will offer a diverse and affordable range of goods and services, sustaining and developing local supply chains, creating new opportunities for new, small businesses. We will reinvest profits from local businesses into the local economy. We will maximise benefits from local assets for our community – whether financial, social or environmental. We will generate connectivity between individuals and different groups through physically bringing the community together as consumers, as workers, and as generators of local economic, social and cultural activity for long-term economic resilience.

EMPTY UNITS
Help us to identify at least one empty asset in the borough before the end of 2018, and work with us and our partners to bring it back to life for locally owned and run small businesses.

The EETG will bring our members and partners together to create viable business plans.

LONDON WORKING RENT
Commit to continue to work with us to arrive at a flexible formula of rental affordability for small and micro businesses before the end of 2018.

The EETG will work with members and partners to drill down to the next stage of research and approach existing landlords in relationship to adopt this idea upon completion.

SMALL BUSINESS COMMUNITY LAND TRUST
Work with us and our partners to develop a small business led Community Land Trust – providing genuinely affordable workspaces for small and micro businesses in perpetuity.

The EETG will utilise our strong partnerships to present the case for why CLTs are a viable long-term solution to the workspace crisis before the end of 2018.

REGISTER OF LANDLORDS AND COMPARABLE EVIDENCE
Create access to comparable rental evidence to support small businesses in keeping rents reasonable, and enable stronger more accountable relationships with commercial landlords.

The EETG will call on all our members to play a role by recording comparable evidence through this new register.
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