

# An Introduction to Managed Workspace

Business Information Factsheet  
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## Introduction

Managed workspace (also referred to as serviced workspace) provides business premises at an affordable rate for new start ups or recently established small firms. Typically, managed workspace comprises an office, workshop or light industrial unit combined with a range of business services that may include telephone systems with dedicated lines, high-speed broadband, reception facilities and secretarial services. Some managed workspace providers offer childcare facilities, office furniture, computer equipment, catering services and on-site business support and advice.

This factsheet introduces the concept of managed workspace, including business incubators. It explains the benefits of this type of workspace for small business tenants and suggests ways of finding suitable premises.

## What is managed workspace?

Managed workspace units are usually for office-based, service or light industrial uses and are based in refurbished or purpose-built premises.

Managed workspace differs from standard leased business premises in that it offers the option of an 'easy in, easy out' tenancy agreement (meaning that tenants are usually committed to no more than one month's notice to end their tenancy) and the workspace provider manages all the key services such as power, heating, security and broadband internet.

Typical services include:

- Reception facilities.
- Secretarial support.
- Meeting rooms.
- Kitchens and catering services.
- Mail franking and collection.
- High-speed broadband.
- Furniture.
- IT equipment.
- Washroom facilities.
- Dedicated telephone lines.

- Office cleaning.
- Presentation or conferencing equipment hire and supply.
- Car parking.
- Security.
- Business support and advice.

Some managed workspaces provide an additional range of business services, such as call answering and, in some cases, access to specialist machinery, equipment and tools.

Managed workspace is often associated with local authorities or local enterprise agencies. These organisations can also provide tenants with advice, training and business information.

There are also managed workspaces that specialise in particular types of business or sector, such as design or IT.

Business incubators are similar to managed workspace but they usually offer a higher level of support to ventures located in the premises and may have laboratory or other specialist facilities. They are typically offered by universities and they tend to operate a selective entrance policy.

Incubators often, though not always, focus on innovative, technology-related enterprise with potential for growth. Tenants are sometimes expected to move out of the premises once they reach a certain level of maturity, or after they have spent a specified length of time in the incubator.

## **What are the benefits of operating from managed workspace?**

Operators of managed workspace usually charge a commercial rent for space within the premises, however some incubators offer subsidised rents. Most of the space available is offered on flexible, often 'easy in, easy out' terms.

Other benefits include:

- A straightforward solution for relocating a home-based business into office space or a small industrial unit.
- A packaged rental solution that includes business rates, service charge and rent.
- Flexibility for a business to expand and take on more space within the premises or downsize to a smaller unit.
- Minimal outlay for setting up high-speed broadband and telephone lines and for furniture and other office equipment.
- The opportunity to network with other tenants that are located in the same premises.

## **Who can use managed workspace?**

Some managed workspace providers use selection criteria to prevent similar types of business from trading in the same premises, while others have been specifically set up to accommodate firms that operate in the same sector, such as creative or science-based ventures. Some

workspace providers restrict usage by certain types of business in order to control excess noise, smell or traffic that would be a nuisance to the other tenants located in the premises.

Other selection criteria may include credit checks, business growth potential and trade or personal references. Some providers will require you to have a viable business plan as an indicator of your venture's potential for survival and growth.

## Where to find managed workspace

Some workspace facilities are advertised in publications available through local enterprise agencies, libraries and chambers of commerce. Many local authorities also publish directories of managed workspace.

Useful information about the availability of managed workspace by local area is available from national organisations and directories including:

- The National Enterprise Network ([www.nationalenterprisenetwork.org](http://www.nationalenterprisenetwork.org)).
- The Business Centre Association (BCA, [www.bca.uk.com](http://www.bca.uk.com)).
- Search Office Space ([www.searchofficespace.com/uk](http://www.searchofficespace.com/uk)).
- UK Science Park Association (UKSPA, [www.ukspa.org.uk](http://www.ukspa.org.uk)).
- Bizspace ([www.bizspace.co.uk](http://www.bizspace.co.uk)).

## Choosing managed workspace

The following important factors will need to be considered when choosing managed workspace:

- Does the workspace provider have responsibility for heating, lighting, power, phones, broadband, fire alarms, security, business rates and so on? This will remove a significant amount of administrative responsibility, allowing more time to concentrate on running a business.
- What services are on offer? Does the workspace offer a centralised reception area? Does this space provide a suitable, professional business image?
- What kind of business support is on offer? Help with preparing a business plan, managing accounts, completing funding applications, planning a marketing strategy and complying with relevant business legislation may be available.
- Is business equipment provided, for example computers, photocopiers, telephones and presentation screens? Is this part of the package or offered at preferential rates and is technical training and advice available?
- Has the premises got a communal area, such as a café, canteen or other rest area, where networking with other small business owners can take place? Are there sufficient car parking spaces? Are there good transport links to the premises and is there easy access for suppliers and potential customers?
- Is there adequate security, and does it extend to gates, security lights, CCTV cameras and video surveillance?

- What other types of business are based there? Will there be opportunities to work together or will the other tenants represent potential competition?

## What are the costs involved?

Some managed workspace providers quote rents inclusive of service charges, while others use a sliding scale according to how long the business has been established and any additional services required.

Overheads such as utilities and business rates can be cheaper than in other types of commercial premises but an additional charge is probably payable for the use of any additional services. Some services may be included in the rent but prospective tenants will need to look at the services that will incur additional charges and work out how much they will use them and whether they offer value for money.

It is vital that prospective tenants examine the terms of the tenancy agreement to ensure that they fully understand the costs and any extra services they will need to pay for.

## Hints and tips

- Look at the profile of the business tenants already located in the workspace. Are there similarities with the services offered or expertise that will be useful?
- Seek professional legal advice before signing a tenancy agreement. The agreement should be in writing and include terms covering the duration of the agreement, the rental fee, an inventory of any equipment (such as furniture) included in the lease and any cancellation terms.
- Business incubators often provide access to business advisers who can signpost sources of business finance that may be available.

## Further information

BIF 10 A Guide to Renting Business Premises

BIF 57 Choosing Commercial Premises

## Useful contacts

The National Enterprise Network is a membership body for not-for-profit organisations that provide independent and impartial advice, training and mentoring to new and emerging businesses.

Tel: (01234) 831623

Website: [www.nationalenterprisenetwork.org](http://www.nationalenterprisenetwork.org)

UK Science Park Association (UKSPA) represents the industry on the planning and development of science parks. It has a database of science parks across the UK.

Tel: (01799) 532050

Website: [www.ukspa.org.uk](http://www.ukspa.org.uk)

The Business Centre Association (BCA) is a professional organisation for operators of business centres and managed workspace. It publishes a searchable directory of workspace.

Tel: (020) 8387 1444

Website: [www.bca.uk.com](http://www.bca.uk.com)

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