

IMAP Implementation Committee

Briefing Paper

Action 7.2 Supporting creative industry - Urban Manufacturing research

PURPOSE

The purpose of this report is to update the Committee on current progress on this project, and provide some sample reports, currently still in development, which make up the background studies for this investigation.

BACKGROUND

1. At the IMAP Implementation Committee meeting of 26 February 2016 the Committee received the final Phase 1 Urban Manufacturing project report.
2. At the IMAP meeting on 26 May 2016, the Committee noted the budget remaining for the commencement of Phase 2:
 - \$70,000.00 IMAP
 - \$10,000.00 VPA
 - \$10,000.00 Moreland City Council
 In addition, the University had retained \$23,000 from Phase 1.
3. The committee agreed to commence Phase 2 work immediately within the funds available, consisting of a modified Stream 1 and 2 identified in the ARC Linkage Grant application and build on this knowledge to produce policy guidance for state and local government partners.
4. At the IMAP meeting on 9 December 2016, the report to the Committee outlined the budget breakdown for Phase 2 and the expected outcomes as follows:

Phase 2 Project Deliverables

Economic impacts of Making Sector (if possible) using ABR data and proprietary data sets (CLUE, Council data, State Govt data, WorkCover)
Survey data collection (2,000 firms targeted)
Survey data analysis
Spatialised representation of proprietary and project survey datasets (if possible)
Analysis of "other" classification of makers; ANZSIC code review
Analysis of additional interview data
Policy review (establishment of a Policy Reference Group)
Review of international evidence
Final workshop

The Committee resolved to approve the Agreement with the University of Melbourne to undertake research in Phase 2 of the Urban Manufacturing project and to complete the work as detailed within the agreed payment of \$56,000 (excl GST).

The agreement was then signed by all IMAP, VPA and Moreland council parties between December and March 2017 and returned to the University. The fully signed agreement between all parties was received from the University, dated 19 May 2017.

DISCUSSION

5. The project has experienced difficulties gathering the quantum of data required for analysis and in providing access for researchers to data. The target of 2000 'maker' firms has not been achievable via the Makers. Melbourne website. The surveys completed on the website have since been

augmented through a telephone survey firm conducting interviews with firms extracted from the ABR data for Yarra, Stonnington, Maribyrnong, Port Phillip and Moreland council areas. This process has been managed by the IMAP Councils in order to supply data to the University to review. This has delayed the University commencing the analysis phase until September 2017.

6. The spatialized representation of proprietary data sets (CLUE and ABN data) has also been commissioned from the research team at City of Melbourne. They have been supplied with a list of ANZIC codes identified as 'Makers' to interrogate the CLUE database and ABN data and identify small firms spatially where possible by zone/clusters across Melbourne and the IMAP region. This information will be supplied to the University once completed. The City of Melbourne's CLUE data will represent a 'case study on small manufacturers' within the IMAP region for the purposes of this project (*refer Attachment 9a for a sample of this work to date*).
7. The City of Melbourne has also been requested to supply data on the 'other' classification of firms in the CLUE data base. As the fastest growing number of small firms, the project aims to develop a classification that better describes these firms.
8. The Project Team also determined to contact industry groups and real estate representatives to assess the level of difficulty for small firms establishing and maintaining a presence in the inner city. This information will add to the individual firm surveys and provide further validation to interviews.
9. While awaiting resolution of the data issues, the Policy Reference Group has been established for the project. A preliminary report on the current planning policies of the IMAP Councils affecting small makers has been collated by Austin Ley (*refer Attachment 9b for the interim draft report*). A number of possible case study options proposed in the interim draft report were not supported by the Policy Reference Group during discussions, except the Home Occupations proposal.
10. Further work is underway to review the Economic Development policies and incentives for small businesses available across the IMAP councils.
11. In addition, the University has completed the International Policy Review (*refer Attachment 9c for this review*) and further work will be undertaken to look at significant national policies in Australia to see if there are lessons to be learned. This review has identified that, in general, there is broad agreement of the need to protect employment land in rapid growth areas.
12. With the term of the Collaborative Agreement with the University ceasing on 30 June 2017, prior to completion of the project, the Project Team Leader and IMAP Executive Officer met with University research principals in July/August to establish next steps. Following agreement on tasks to be completed, satisfactory completion of the University's tasks can be formalised through an exchange of letters as an extension to the Agreement. The final version of the letter from the University has now been received. On the basis of this letter, the University has invoiced for their first of 2 payments as agreed under the contract.
13. Attached are draft reports that indicate progress to date:
 - Attachment 9a – a sample of the initial mapping across City of Melbourne
 - Attachment 9b - the interim draft Policy Report on local planning policies
 - Attachment 9c – the International Policy Review prepared by the University.

The findings of these reports – together with the other parts of the project yet to be completed - will be summarised in a Final Report. It is expected that the draft Final Report will be available for the November IMAP Committee meeting.

14. Note also that the Project team leader, Virginia Miller has taken a years leave of absence from the City of Port Philip and Ray Tiernan, from Port Phillip's economic development team, has taken up the management of the project.

RECOMMENDATION

15. That the IMAP Implementation Committee resolve to:
 - A. note the current progress being undertaken on the Urban Manufacturing project
 - B. approve the extension of the timeline on this project in acknowledgement of delays caused by data collection

Urban Manufacturing Project

Explanatory Notes on the City of Melbourne Mapping work

Note that the definition provided includes over 200 ANZSIC4 codes

Results based on a reverse lookup of business industry codes, where descriptions of different business types are assigned to the relevant business code. This means that where some business activities have been highlighted to be included, we have actually had to include the entire category they sit under. For example, several retail types that have been identified (clock retailing, craft materials and supplies retailing, gift shops, greeting card retailing) all come under ANZSIC code 4279, other store based retailing. So we have included all 'other store based retailing' in this map

ANZSIC classification	CLUE urban manufacturing establishments	ABR Urban manufacturing businesses
Information Media and Telecommunications	32	14
Manufacturing	513	72
Professional, Scientific and Technical Services	1048	180
Retail Trade	1389	64
Wholesale Trade	416	71
total	3398	401

From the CLUE data, about 3400 establishments were identified

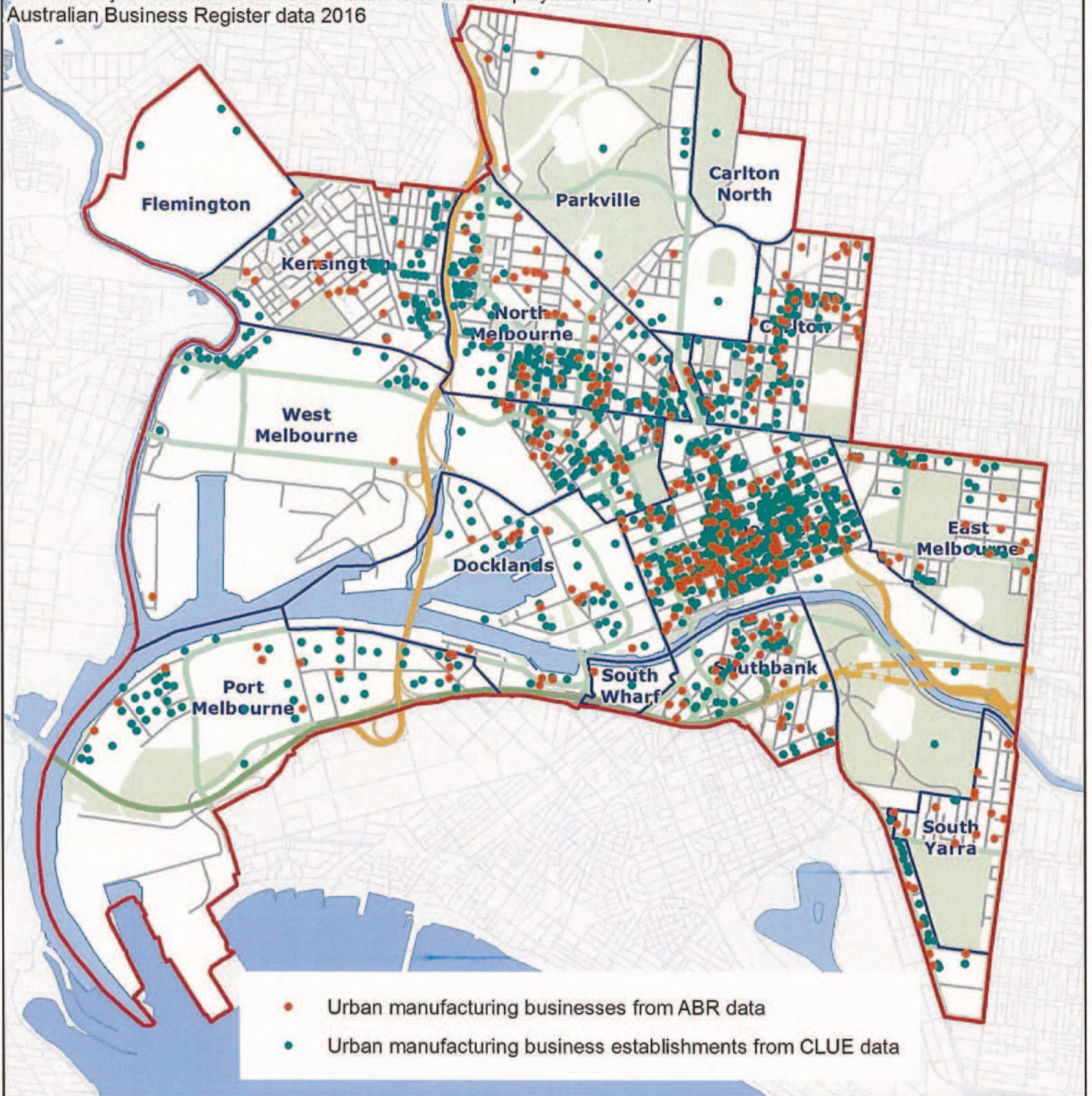
From the ABR data, around 900 businesses locations were identified

(Another 200 or so fell into a relevant CoM postcode but were not geocoded so could not be 'mapped')

Includes 'Other Trading Names' in the extract, and in some cases businesses have several other trading names registered

Urban manufacturing in the City of Melbourne

Source: City of Melbourne Census of Land Use and Employment 2016;
Australian Business Register data 2016



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1.0 Introduction

The following sets out the current International, Federal State and Local policy context for the New Urban Manufacturing project. The business case for any change to the policies summarized in this section will need to be based on evidence provided by the additional research currently being undertaken.

2.0 Examination of the current policy setting – the nature of industrial land policy and support

2.1. International Policy

The international report does not specifically address or define “Urban Manufacturing” nor “Makers”. It does recognize the need to preserve employment opportunities within urban areas and the benefits this will provide. Rather than preserving land and space for specific types of employment opportunities it suggests that a flexible approach should be adopted. This is because the nature of employment, industry and work is changing so rapidly, that trying to define specific activities may restrict new ones in the future.

2.2. National Policy

The Smart Cities Plan sets out the Federal Government’s vision for the nation. The Plan supports productive, accessible, liveable cities that attract talent, encourage innovation and create jobs and growth. It provides a framework for cities policy at the federal level to guide action across various portfolios, to deliver better city outcomes.

A key concept supported by the Smart Cities Plan is the “30-minute city”. The aim is to create cities in which residents can access employment, schools, shopping, services and recreational facilities within 30 minutes of their homes. The Smart Cities Plan notes that the strategic vision for Plan Melbourne has an even more ambitious goal of 20 minute neighbourhoods. Consequently, though not explicitly stated, the Smart Cities Plan would support the notion of ensuring employment opportunities close to places of residence.

The Smart Cities Plan also describes “City Deals” which are intended to deliver better outcomes through coordinated investment in cities. Through its City Deals initiative the Federal Government intends to assist, State and Local governments, industries and communities to develop collective plans for growth and commit to the actions, investments, reforms and governance needed to implement them. City Deals will focus on economic growth, jobs creation, housing affordability, and environmental outcomes. Some examples of relevance to the Urban Manufacturing project include:

- targeted initiatives to strengthen existing or emerging economic hubs including transport, industry, defence, health or education facilities
- changes to regulatory and zoning arrangements that foster commercial growth and allow entrepreneurial approaches to service delivery including the sharing economy.

The foundational elements of City Deals include:

- defined geographic area
- clear outcomes and actions
- specific capital investments connected to reform
- clear governance arrangements, delivery timeframes and accountabilities
- performance measurement, including the indicators and methodology to be used

In addition, City Deals should leverage, new technologies, open and real time data and incorporating and the rise of the sharing economy.

As set out in Section 5.0, there is an opportunity to develop “prototypes”, that is, practical examples or models of a “new-urban manufacturing” projects for funding from the City Deal program.

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2.3. State, Regional and Metropolitan Policy

State Policy contained in Plan Melbourne and the State Planning Policy Framework seeks to create a City that drives productivity, supports investment through certainty and creates more jobs. Appropriately located industrial land should be protected - nationally significant Employment Clusters are identified. The supply of industrial land has an important role in providing for local and regional economic development and employment opportunities. It also makes an important contribution to the Plan Melbourne aspiration for a '20 minute city'.

The adopted State policy, Plan Melbourne, recognises that as the economy changes, the planning system needs to recognise and respond to the changing needs of different business sectors, and support the growth of existing and new industries. A key outcome and objective of Plan Melbourne is delivering jobs and investment, by creating a city structure that drives productivity, support investment through certainty and creates more jobs.

Figure 1 Melbourne 2050 Plan



Plan Melbourne identifies key State Significant Industrial Precincts, recognising the need to ensure there is sufficient strategically located land available for major industrial development linked to the principal freight network and

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transport gateways. These areas are to be protected from inappropriate development to allow continual growth in freight, logistics and manufacturing investment.

Plan Melbourne’s response to delivering jobs and investment has been mindful of maintaining Melbourne’s competitiveness as a place to invest. To maintain competitiveness, it is necessary to ensure that land supply for commercial and industrial development is adequate, well-located and appropriately serviced.

Initiative 1.2.1 of Plan Melbourne requires Council’s to ‘Plan for Industrial land in the right locations across Melbourne’s five subregions to support investment and employment.’

Plan Melbourne supports the need to maintain industrial land that is economically important to a municipality or subregion or to strategically redevelop unutilised industrial land.

2.3. State, Regional and Metropolitan Support for Business and Industry

This section will summarise the support available at the State, Regional and Metropolitan level for business and industry that is relevant to New Urban Manufacturing.

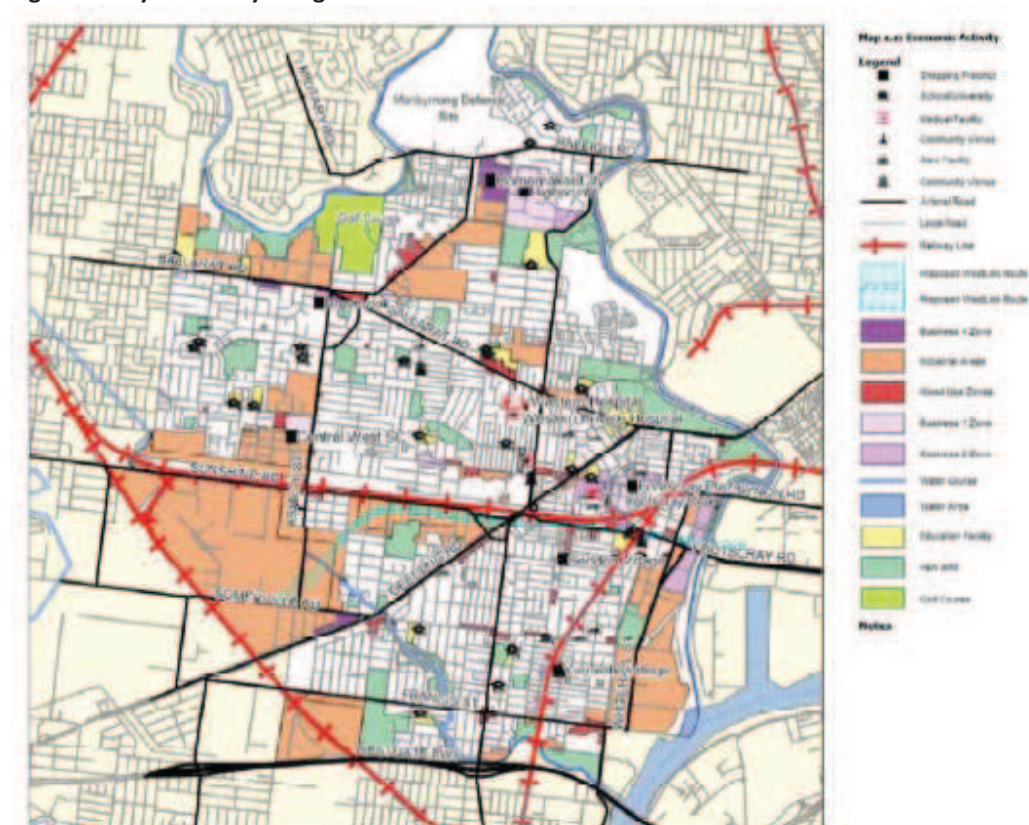
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IMAP Councils and Moreland Policies

2.4. City of Maribyrnong Policies

Amendment C108 is a strategic approach by the City of Maribyrnong to address the current and future economic development and employment issues facing the municipality by retaining and enhancing the municipality's supply of industrially zoned land. The Amendment implements the Maribyrnong Economic and Industrial Development Strategy (MEIDS) Part 1 – Economic Development Strategy (2011) and Part 2 – Industrial Land Strategy (2011), and the Maidstone Hampstead Road East Framework Plan, into the Maribyrnong Planning Scheme.

Figure 2: City of Maribyrnong Land Use



Seven Core Employment Areas are designated, including Tottenham, West Footscray and Yarraville Crawley, which have also been identified in Plan Melbourne as State Significant Industrial Precincts. Gordon & Mephan Streets, and Yarraville Mobil Terminal, have been added as new Strategic Employment Investigation Areas (SEIAs), to be considered as employment areas until investigation demonstrates otherwise.

MEIDS is a strategy to retain and enhance industrial employment opportunities rather than specifically maximise employment opportunities in the City of Maribyrnong. Its purpose is to:

- develop an understanding of Maribyrnong's current and future economy;
- develop strategies for a sustainable economic future; and
- determine the future role and land use directions for the Maribyrnong's key industrial precincts.

It is important to note that when the Planning Panel considered C108 it formed the view that the supply of industrial and employment land is an important economic resource and agreed with the Council proposition that once it is gone, it does not come back. Maintaining an overall supply of employment land will allow for fluctuations over time.

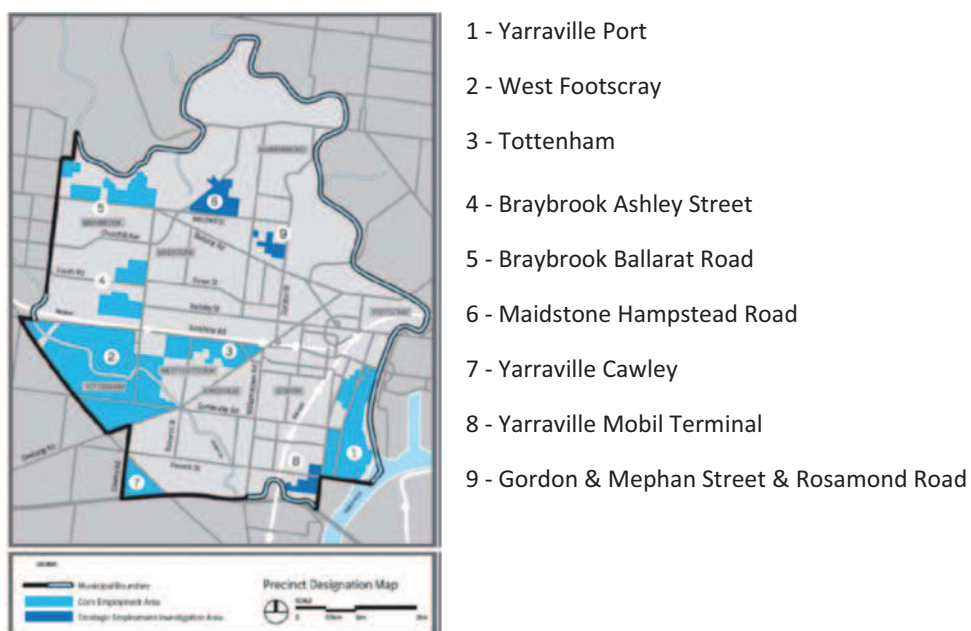
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In particular, the Panel felt that the longevity and adequacy of employment land cannot be left to random rezoning or current desires of individual landowners based on their own economic plans. It agreed with Council that there should be neither entitlement nor any reasonable expectation that employment land can easily be redeveloped for some non-employment purpose, namely residential.

The land subject to Amendment C108 is contained in nine industrial related employment precincts which are identified in MEIDS Part 2 – Industrial Land Strategy (the ILS). These precincts are shown in Figure 3. Smaller isolated industrial parcels did not form part of the ILS due to their remote location from these nine main precincts.

The Amendment does not propose any rezoning. However rezoning can be expected through future amendments which will be required to give effect to the detailed strategic planning work that has already been undertaken for Precinct 6 (the Maidstone Hampstead Road East Framework Plan), and that is already in progress for the other precincts.

Figure 3: Maribyrnong's Industrial Employment Precincts



2.5. City of Maribyrnong Support for Business and Industry

This section will summarise the City of Maribyrnong's support for business and industry that is relevant to New Urban Manufacturing.

2.6. City of Melbourne Policies

The City of Melbourne does not have an overarching or comprehensive (municipality-wide) industrial land strategy. Its approach is area and activity specific and includes urban renewal and growth areas, including Arden Macaulay, and City North.

The Central City is the prime location for commerce in metropolitan Melbourne and along with the St Kilda Road commercial area, is of state significance. Areas zoned Mixed Use and Commercial around the Central City have traditionally provided locations for business activities, which support Capital City functions. These areas are under

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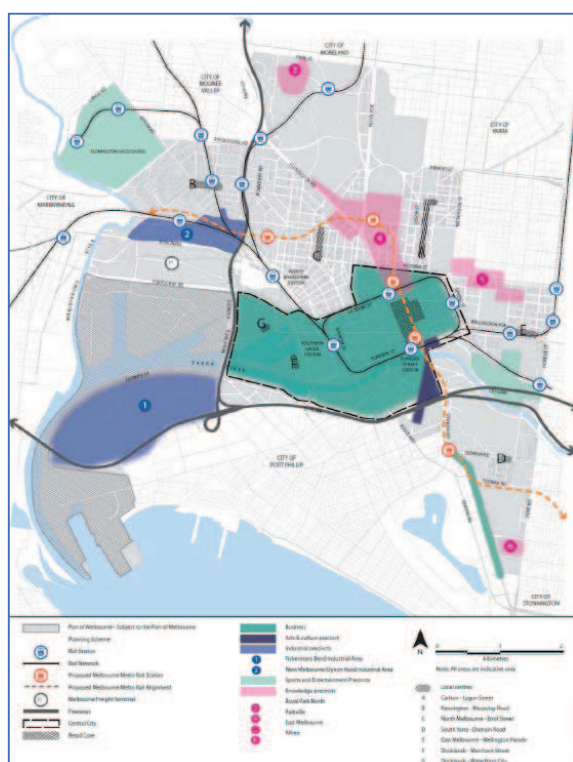
increased pressure for housing and it is important to ensure their ongoing functioning and viability as business areas, which serve both local community needs and Capital City business activity.

Although traditional manufacturing activities are expected to continue to relocate to more competitive industrial locations in outer metropolitan Melbourne, the inner region offers locational and access advantages for advanced manufacturing industries. These industries and associated research have consolidated in the municipality. They are cleaner and more compatible with dense inner urban settings and need to be, protected and supported. The challenge is to carefully manage the tension between traffic, noise and other impacts of industrial operations and the amenity of surrounding residential areas.

Business innovation is central to Melbourne's economic vitality and its role as a globally competitive Capital City. The municipality has a concentration of world standard services and research activity particularly in the financial, engineering, biotechnology and design sectors. The University of Melbourne and RMIT University, the city campuses of four other universities and a number of TAFE institutes are able to link locally with industry, business, hospitals and research institutes in the Parkville, Alfred Hospital St Vincent's Hospital precincts.

The City of Melbourne supports the dense co-location of business, education, and medical and, research centres to strengthen the City's competitive and innovative capacity.

Figure 4: City of Melbourne's Economic Development Map



The City of Melbourne has a range of objectives strategies of relevance to New Urban Manufacturing as set out below.

Reinforcing the City's role as Victoria's principal centre for commerce.

The strategies of relevance to New Urban Manufacturing include supporting:

- Central City as metropolitan Melbourne's principal centre for commerce, professional, business and financial services encouraging new and innovative business that takes advantage of the Capital City location

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- development of Docklands and Southbank as a vibrant business and retail areas along with the Hoddle Grid
- improving links between City businesses, tertiary educational institutions, research and development organisations and training institutions
- Melbourne as an Australian and the Asia Pacific gateway for health services, financial and business services, education and biotechnology
- development of enterprise incubators and facilities for innovative business sectors
- provision of facilities and services for the changing and diverse needs of residents, visitors and workers.

Encouraging employment opportunities for local residents

The strategies of relevance to New Urban Manufacturing include:

- supporting diverse small to medium enterprises in the Capital City, Docklands, Commercial and Mixed Use Zones
- supporting development of home based businesses, maintaining amenity in Residential and Mixed Use Zones
- ensuring the nature and intensity of office and commercial activity is appropriate to its location
- encouraging a mix of commercial and business support and services close to the Central City in identified parts of South Carlton, East Melbourne, Jolimont and North and West Melbourne
- supporting business uses that provide services to the local community, which are consistent with local amenity, in Residential and Mixed Use Zones.

Improving the long term viability and security of the City's industries

The strategies of relevance to New Urban Manufacturing include:

- supporting the development of Fisherman's Bend Industrial Precinct as the City's primary industrial area and the preferred location for clean, advanced manufacturing, research and development, and ancillary services
- limiting the development of commercial and retail uses in Fisherman's Bend industrial area, which are not ancillary to industrial use
- Facilitating the ongoing role of industry in the West Melbourne Industrial Precinct.

Supporting Melbourne's Knowledge Precincts

The strategies of relevance to New Urban Manufacturing include:

- supporting the operation, development and clustering of education research centres and associated uses whilst protecting the amenity of Residential and Mixed Use zoned areas
- supporting the increased integration of the tertiary education facilities into the public realm of the City through better access connections and the design of new development
- encouraging research and development uses in appropriate zones throughout the City

As the above suggests, the City of Melbourne's objectives and strategies support the appropriate retention of appropriate land to encourage higher value-add businesses and activities that generate jobs.

2.7. City of Melbourne Support for Business and Industry

This section will summarise the City of Melbourne's for support for business and industry that is relevant to New Urban Manufacturing.

2.8. City of Moreland Policies

Moreland's Industrial Land Strategy (MILS) 2015-2030, adopted in July 2016, provides the most comprehensive approach to industrial land policy of all the council's in this study. MILS guides planning decisions about the future of Moreland's industrial land and informs the Moreland Economic Development Strategy 2016-2021. It provides long term investment certainty for the business community and reduces speculation on industrial land in the context of significant development pressure in some parts of Moreland for residential uses.

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MILS aims to create sustainable neighbourhoods where residents can access services and businesses locally and have the opportunity to find jobs locally. By providing a strategic framework, Council can make decisions about what industrial zoned land to retain, the land uses to be sought in these areas, what industrial land to allow to be rezoned for other uses and what these alternative uses should be. In this way, MILS will:

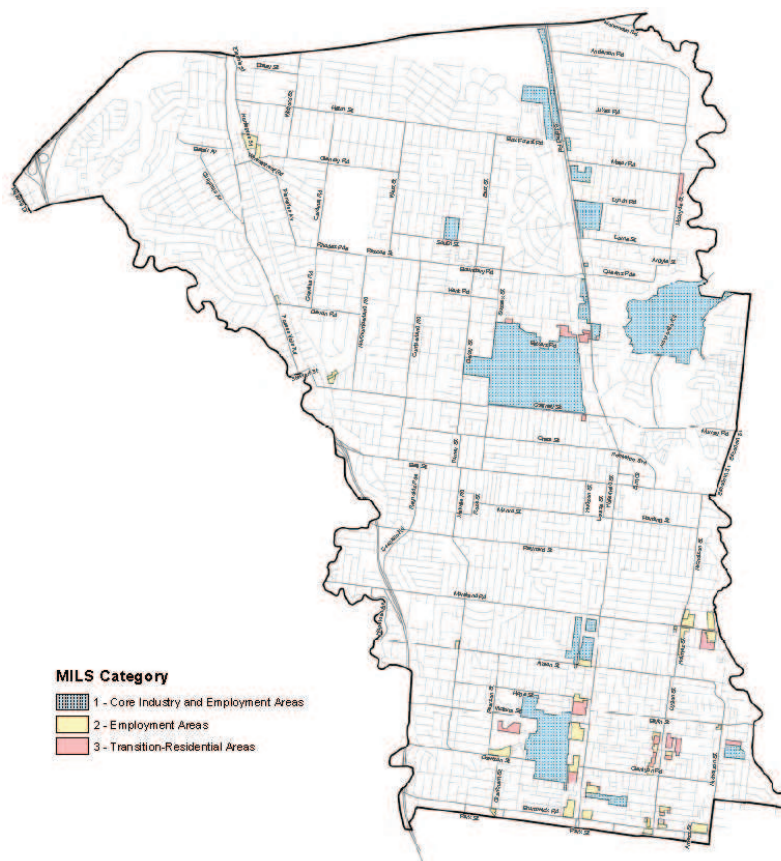
- maintain an appropriate supply of industrial and other commercial zoned land, suited to employment sectors that have positive long term growth outlooks
- provide for a broad range of different economic sectors, not just traditional ‘industrial’ uses.

MILS is primarily implemented through the Moreland Planning Scheme. It also identifies supporting actions to be undertaken by Council’s Economic Development Branch and is used to inform the decisions made by other Council Departments regarding infrastructure provision and supporting road access for freight vehicles to those industrial areas that are expected to continue to have an employment function.

In summary, the MILS:

- retains Moreland’s three large concentrations of industrial zoned land in Brunswick, North Coburg and Newlands. Some revisions to the boundaries of the Brunswick and North Coburg core areas have been made. A number of smaller concentrations of industrial land are also recommended for retention.
- allows for the transition of other industrial zoned land to prioritise alternative employment uses and in some instances to allow for a transition to multi-use or residential outcomes, depending on the geographic characteristics of the land and its suitability for continued industrial or alternative employment uses.

Figure 5: Moreland Industrial Land Strategy 2015 – 2030 (MILS) Framework Plan



2.9. City of Moreland Support for Business and Industry

This section will summarise the City of Moreland’s for support for business and industry that is relevant to New Urban Manufacturing.

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2.10. City of Port Phillip Policies

Port Phillip’s vision is to create a city that promotes sustainable economic growth, high accessibility to goods and services, and prosperous conditions for all residents and businesses and; a city of distinct neighbourhoods where an understanding of local character and heritage is an important element of a sustainable future. To achieve the vision for Port Phillip, Council will:

- make ecologically sustainable decisions which contribute to a more sustainable environment through increasing housing and employment densities in locations closest to public transport
- manage land uses across the municipality to build on Port Phillip’s competitive strengths to maximise job opportunities in a changing economy through:
 - facilitating the transition of the Fisherman’s Bend Urban Renewal Area from a core industrial area to a mixed use area including increasing opportunities for commercial and industrial uses with limited amenity impacts
 - facilitating the transition of key business clusters to capitalise on the proximity to the CAD, and the emerging demand for advanced business services and knowledge based industries
 - facilitating the clustering and co-location of relevant community facilities and services in accessible community hubs across the city
- manage the built form of the municipality to offer a high level of amenity, good transport connections, and convenient access to services for residents, workers and visitors.

The City of Port Phillip’s intension is for planning to provide for a strong and innovative economy, where all sectors of the economy are critical to economic prosperity.

Figure 6: City of Port Phillip Locality Map



Industry Key Issues

- The industrial areas of Port Phillip represent one of the largest concentrations of industrial land in inner Melbourne and play an important role in generating employment, production and economic activity.
- Protecting the future viability and efficiency of Port operations and the associated rail and road network are crucial, but must be achieved in a sustainable manner. The potential impact of a growing Port and related freight

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transport corridors on the local environment and on local communities needs also needs to be carefully managed.

- A significant portion of older industrial building stock is under pressure for upgrading as technology and the requirements of industry change.
- Traditional land uses in the industrial zones are being replaced by new uses including offices, small-scale warehousing and high-tech industries.
- The designation of a large area of the traditional Port Phillip industrial area as the Fisherman's Bend Urban Renewal Area has shifted the focus to a mixed use urban renewal area. Over time the area will transition towards a mix of commercial, office, high-tech industrial, and residential uses.
- There will be interface issues that need to be managed within the Fisherman's Bend Urban Renewal Area as it develops and evolves.
- There is increasing tension between industry and surrounding residential areas due to traffic, noise and other amenity-related issues.

Port Phillip's overall objective is to ensure availability of land for industry by:

- identifying land for industrial development in urban growth areas which can provide:
 - good access for employees, freight and road transport
 - appropriate buffer areas between the proposed industrial land and nearby sensitive land uses
- protecting and planning existing industrial areas to, where possible, facilitate further industrial development
- providing an adequate supply of industrial land in appropriate locations including sufficient stocks of large sites
- protecting industrial activity in industrial zones from the encroachment of unplanned commercial, residential and other sensitive uses which would adversely affect industry viability
- encouraging safe industrial uses with appropriate amenity to locate within activity centres
- maintaining the availability of land for future industrial requirements, by opposing non-industrial land uses in identified industrial areas.

Port Phillip has identified the following state significant industrial land areas that require protection from incompatible land uses to allow for future growth:

- Southern Industrial Precinct - Dandenong South
- Northern Industrial Precinct - Campbellfield, Somerton and Thomastown
- Western Industrial Precinct - Laverton North and Derrimut
- Officer / Pakenham Industrial Precinct
- Port of Hastings Industrial Precinct.

The aim is to:

- protect heavy industrial areas from inappropriate development and maintain adequate buffer distances from sensitive or incompatible uses
- ensure sufficient availability of strategically located land for major industrial development, particularly for industries and storage facilities that require significant threshold distances from sensitive or incompatible uses.

In addition, Port Phillip seeks to create opportunities for innovation and the knowledge economy within existing and emerging industries, research and education by:

- encouraging the expansion and development of logistics and communications infrastructure
- supporting the development of business clusters
- promoting a physical environment that is conducive to innovation and to creative activities
- encouraging the provision of infrastructure that helps people to be innovative and creative, learn new skills and start new businesses in activity centres and near public transport
- supporting well-located, appropriate and low-cost premises for not-for-profit or start-up enterprises
- improving access to community-based information and training through further developing libraries as community learning centres.

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Port Phillip seeks to ensure new uses support the future strategic role and function of the industrial areas, as defined in Figure 7.

Figure 7: Industrial Areas in Port Phillip.

Industry Type (by zone)	Location	Strategic role and function – future direction				
		Primary Employment Role	Core Industrial / Manufacturing Role	Light Industrial / service business/ warehouse role	Office / commercial role	High technology/knowledge based industry cluster
Schedule 1 to the Capital City Zone	Fishermans Bend Urban Renewal Area	•		•	•	•
Industrial 1 Zone	South Melbourne	•	•	•		•
Industrial 3 Zone	William Street, Balclutha			•	•	
Business 3 Zone	Eastern Business District, SMC	•		•	•	•
	Western Business District, SMC	•		•	•	•

2.11. City of Port Phillip Support for Business and Industry

This section will summarise the City of Port Phillip's for support for business and industry that is relevant to New Urban Manufacturing.

2.12. City of Stonnington Policies

According to the City of Stonnington's Building Prosperity Economic Development Strategy (2012-2016), the municipality has a total of 43,850 jobs, 65% of which are jobs generated by five key industry sectors - retail trade; health care and social assistance; professional, scientific and technical services, accommodation and food services and education and training. These sectors have been identified as the competitive base of Stonnington's economy for the past twenty years.

Stonnington is home to 15,680 businesses, including 3500+ home based businesses. Employment in property and business, and education have increased in recent years, in association with the rise in the number of international students and small and medium sized businesses driving demand for strata office space in the region. New projects such as in the Forrest Hill precinct are expected to add 110,000m² of office space to the City.

Challenges facing Stonnington include:

- ongoing and increasing pressure to accommodate additional development attracted by the City's inner metropolitan location and the availability of services and transport
- how to provide for more flexibility and diversity of use in activity centres, while maintaining their separate identities and ensuring a sustainable network of centres serving local neighbourhoods
- increasing land values and competition between land uses and how to support the City's business, commercial and remaining manufacturing roles – to provide more employment opportunities closer to home.

There is a range and high standard of professional services and creative industries and increased opportunities are available for local service and office employment. The City retains the full spectrum of service industries integrated within selected mixed use precincts and designated industrial areas. Stonnington's Strategic Framework Plan has an overarching framework related its Municipal Strategic Statement's five strategic themes. It identifies locations where specific outcomes are encouraged, including redevelopment and mixed use opportunities.

Stonnington's economic development strategy focusses on:

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- an activity centres hierarchy
- mixed use areas where higher density housing and a variety of commercial activities are encouraged
- industrial areas for larger scale industries and service uses.

Figure 8: City of Stonnington's Strategic Framework Plan



Figure 9: Stonnington Activity Sector Hierarchy

Activity centre hierarchy / role	Centre	Strategic directions
GROUP 1 - PRINCIPAL Regional centre with both local and regional roles accommodating larger scale retail uses, complementary entertainment uses and goods and services to meet everyday and specialty needs.	Prahran/South Yarra (includes Forrest Hill)	
	Chadstone	A premier planned regional centre, focussing on high quality goods in a high quality environment.
GROUP 2 - MAJOR Sub-regional centre with both local and sub-regional roles accommodating a variety of goods and services to meet both everyday and specialty needs.	Glenferrie Road, Malvern	Predominantly everyday and some specialty retailing, with a wider mix of office and service uses at the northern and southern ends.
	High Street, Armadale	Predominantly specialty retailing and food, particularly uses that attract tourists, visitors and weekend trade.
GROUP 3 - NEIGHBOURHOOD (LARGE) Larger local centres catering for everyday needs and wider specialty retail, office and service markets.	Toorak Village	Predominantly retail, catering for everyday and some specialty needs.
	Toorak Road, South Yarra (west end)	
	Chapel Street, Windsor	
	Hawthorn	Predominantly retail, with a food shopping character, plus a wider mix of office and service uses at the western end.
GROUP 4 - NEIGHBOURHOOD (SMALL) Small local centres catering for local and everyday retail, office and service activities and needs of the surrounding area.	Waverley Road, Malvern East	A hub of retail uses for everyday needs with a complementary mix of uses in the peripheral areas such as specialty retailing, offices, services, residential and small scale entertainment uses, appropriate to the character and identity of the centre.
	Malvern Road - Burke Road, Glen Iris	
	Other small Activity Centres	
GROUP 5 - MIXED USE Small Mixed Use Areas (Mixed Use Zones) Areas scattered throughout Stonnington containing a mix of service and industrial uses but also some retail and residential uses.	GROUP 5 - MIXED USE Small Mixed Use Areas (Mixed Zones)	A compatible mix of small businesses and residential uses that complement the nearby retail and residential areas and enhance the variety and quality of goods and services available in Stonnington. For mixed use areas in Forrest Hill refer Clause 22.17.

Activity Centres - Key Issues of relevance to the Urban Manufacturing Project

- acknowledging the need for activity centres to adapt to change by providing for a broader range of uses
- seeking enhanced local service provision at the neighbourhood level, especially in the eastern parts of the City

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- attracting and fostering businesses which can take advantage of Stonnington's locational assets and which can provide employment and services for the local community
- making more efficient use of commercial land including existing shop tops
- managing the amount and location of new residential development in activity centres to ensure it does not diminish future opportunities for retail and commercial expansion in core areas
- managing the challenge of increasing residential development in and beside activity centres combined with the increased after hours opening of commercial uses and the resultant amenity and residential interface issues arising from the close proximity of conflicting uses.

Activity centre planning and land use strategies of relevance to the Urban Manufacturing Project

- ensure sufficient zoned land is available to provide adequate space for the future expansion of businesses, as identified in any economic development strategy or Structure Plans
- support proposals that will achieve more effective use of commercial properties, including the upper floors of commercial premises and properties that become vacant
- facilitate the use of shop tops for office, residential and artist studios within main street activity centres
- on individual sites, seek a balance of land use in activity centres, with a preference for retail uses at ground level and office uses and / or residential uses in upper levels
- in high rise developments in commercial zones and mixed use zones, avoid residential-only developments or make provision for adaptation to an alternative commercial use, by requiring higher ceiling heights at least at ground floor and preferably up to podium level.

Strategies to increase local professional and business employment

- encourage businesses providing services and employment opportunities for the local community, including:
 - high technology, communication and distribution services
 - services associated with the education, health, medical and professional services and
 - services associated with creative / artistic activities and visitor accommodation
- identify locations within activity centres and mixed use areas that could accommodate an increase in office space to facilitate businesses and employment
- promote mixed use areas around principal and major activity centres that encourage a broad range of cultural, commercial and higher density housing opportunities
- identify the preferred land uses and land use balance for individual mixed use areas
- promote the Prahran / South Yarra Activity Centre (including the Forrest Hill Precinct) as the primary mixed use office employment precinct in the City.

Strategies to ensure non-residential uses in residential zones are located to achieve maximum accessibility to the communities they serve and respect the preferred character of the area and residential amenity

- encourage commercial and community uses permissible in residential zones to locate close to activity centres, community hubs, public transport and other related uses
- encourage home occupation and home office uses in residential areas that will not affect the amenity of the residential area
- encourage the conversion of non-conforming uses to more compatible uses
- ensure large and / or purpose built, non-residential uses locate in or beside activity centres or beside those parts of main roads which have a mixed use character
- accept small non-residential uses on land with a frontage to a main road.

Industrial uses Key issues of relevance to the Urban Manufacturing Project

- addressing the challenge of loss of industries (in particular small scale service industries serving local needs) which are moving out and being replaced by higher order uses, especially in and around the activity centres
- addressing the challenge in industrial areas with poor access and small sites which limit their industrial capability
- addressing the conflicts between industrial and mixed use areas with residential areas

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- attracting high technology, communication and distribution services which can take advantage of Stonnington's locational assets and which can provide employment and services for the local community.

Strategies to provide for a wide variety of specialist industrial and local service uses in the City while protecting the character and amenity of surrounding residential areas.

- retain industrial properties for industrial use and development which:
 - is innovative, technology intensive or involves communications, information or distribution services;
 - provides opportunities for local employment; and
 - provides services of benefit to the local and regional community
- encourage and maintain the following uses in local industrial areas:
 - large scale, technology intensive industries in the Weir Street industrial area
 - a balance of small scale industry and service uses in the Paran Place mixed use area and
 - small scale, low impact, high tech industrial uses in the Prahran mixed-use areas
 - manage the use and development of mixed-use and industrial areas in a way which is sensitive to the area's character, maintains the amenity of residential uses, and respects the operation of commercial uses.

Future strategic work of relevance to the New Urban Manufacturing project includes review the Industrial 3 Zoned land in Paran Place, Glen Iris and its potential for including a greater mix of uses.

2.13. City of Stonnington Support for Business and Industry

This section will summarise the City of Stonnington's for support for business and industry that is relevant to New Urban Manufacturing.

2.14. City of Yarra Policies

Some 4,500 businesses operate within Yarra, employing about 55,000 people, reflecting a significant local economy that has transformed itself from its historical industrial base to a sophisticated business and service economy.

Activity Centres

Yarra's Major Activity Centres include the retail strip centres of Brunswick, Smith, Victoria and Swan Streets and Bridge Road. The past two decades has seen a virtual reinstatement of these activity centres regional service role driven by the aggregation of niche offerings in fashion, hospitality, entertainment, and homewares. Yarra's activity centres rely on their regional function with a high proportion of retail turnover coming from outside the municipality. Yarra also has a range of Neighbourhood Activity Centres which play an important local role.

Commerce

The expansion of the tertiary sector and its location in the inner Melbourne region close to the CBD has already resulted in Yarra being an increasing focus for finance, property and business services, cultural/recreational tourism, and wholesale and distribution activities. Yarra has also become a preferred location for many smaller and medium sized businesses, particularly those in computer technology, marketing and design. This trend is expected to continue.

Industry

Corresponding to the increase in professional employment, the traditional heavy industrial activity of the past is being replaced by modern enterprises involved in assembly, warehousing and distribution and research and application of technology. Industry has moved away from the traditional textile, clothing and footwear to printing, publishing, recorded media, and business services and office activities. While traditional manufacturing activity has declined, a core of these types of enterprises still remain in the municipality, many of which are responding to economic pressures through embracing new technologies and identifying specialist and export markets. Yarra remains home to a number of large, well-established industrial firms including Carlton and United Beverages and Amcor.

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VISION for the City of Yarra in 2020

Land Use

The City of Yarra will accommodate a diverse range of people, including families, the aged, the disabled, and those who are socially or economically disadvantaged. Yarra will have increased opportunities for employment. The complex land use mix characteristic of the inner City will provide for a range of activities to meet the needs of the community.

Figure 10: The City of Yarra's Strategic Framework Plan



Within Yarra commercial and industrial uses form clusters of interrelated activity that underpin a sustainable economy and provide employment. Yarra plans to retain and foster a diverse and viable economic base. The decline in manufacturing activity has created an opportunity for service businesses which has maintained employment levels within Yarra. There is also a continuing demand for industrial land for those activities that value an inner metropolitan location. For this reason some land, as identified on the neighbourhood plans, can be rezoned to permit a combination of industrial and office use. In these areas rezonings to permit residential uses would not be supported, as residential amenity requirements are a threat to the survival of ongoing industrial activities.

In addition to the above, a number of industrial operations exist throughout Yarra that are located on isolated industrial sites in residential areas, away from other concentrations of business, without access to main roads. If the existing isolated businesses close or relocate, rezoning options that reflect the predominant pattern of the surrounding uses will be considered.

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Yarra has adopted the following strategies to increase the number and diversity of local employment opportunities:

- support rezonings, as identified on the relevant Neighbourhood plan, to permit increased commercial and office use in existing industrial areas
- support home-based businesses
- encourage residential and business land use within the Mixed Use Zone to locate on the same site
- discourage Business 2 Zones becoming de facto residential zones whilst at the same time recognising that some residential opportunities can be accommodated in these zones
- on isolated industrial sites support opportunities for new uses that reflect the predominant surrounding uses
- apply the Caretakers' Houses policy

2.15. City of Yarra Support for Business and Industry

This section will summarise the City of Melbourne's for support for business and industry that is relevant to New Urban Manufacturing.

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3.0 The Nature of Existing Zones Relevant Urban Manufacturing

Figure 11 sets out the nature of existing zones in which New Urban Manufacturing would be permitted either “as of right” or by permit, within the IMAP and Moreland municipalities. **TO BE CONFIRMED BY PRG**

Figure 11: Zones allowing New Urban Manufacturing “as of right” or by permit, within the IMAP and Moreland municipalities

Maribyrnong	Moreland	Port Phillip	Stonnington	Yarra	Melbourne
Residential Zones	Residential Zones	Residential Zones	Residential Zones	Residential Zones	Residential Zones
Mixed Use Zone	Mixed Use Zone	Mixed Use Zone	Mixed Use Zone	Mixed Use Zone	Mixed Use Zone
Residential Growth Zone	Residential Growth Zone		Residential Growth Zone		Residential Growth Zone
General Residential Zone	General Residential Zone	General Residential Zone	General Residential Zone	General Residential Zone	General Residential Zone
Neighbourhood Residential Zone	Neighbourhood Residential Zone		Neighbourhood Residential Zone	Neighbourhood Residential Zone	Neighbourhood Residential Zone
Industrial Zones	Industrial Zones	Industrial Zones	Industrial Zones	Industrial Zones	Industrial Zones
Industrial 1 Zone	Industrial 1 Zone	Industrial 1 Zone	Industrial 3 Zone	Industrial 1 Zone	Industrial 1 Zone
Industrial 3 Zone	Industrial 3 Zone	Industrial 3 Zone		Industrial 3 Zone	Industrial 3 Zone
Commercial Zones	Commercial Zones	Commercial Zones	Commercial Zones	Commercial Zones	Commercial Zones
Commercial 1 Zone	Commercial 1 Zone	Commercial 1 Zone	Commercial 1 Zone	Commercial 1 Zone	Commercial 1 Zone
Commercial 2 Zone	Commercial 2 Zone	Commercial 2 Zone		Commercial 2 Zone	Commercial 2 Zone
Special Purpose Zones	Special Purpose Zones	Special Purpose Zones	Special Purpose Zones	Special Purpose Zones	Special Purpose Zones
Special Use Zone	Special Use Zone	Special Use Zone	Special Use Zone	Special Use Zone	Special Use Zone
Comprehensive Development Zone		Comprehensive Development Zone		Comprehensive Development Zone	
Activity Centre Zone	Activity Centre Zone				
		Capital City Zone		Priority Development Zone	
		Port Zone			Port Zone
					Schedule 2 – Carlton Brewery
					Schedule 3 – Flemington Green Comprehensive Development Plan
					Schedule 4 – 550 Epsom Road Comprehensive Development Plan Capital City Zone
					Schedule 1 – Outside the Retail Core
					Schedule 2 – Retail Core
					Schedule 3 – Southbank
					Schedule 4 – Fisherman’s Bend Urban Renewal Area
					Schedule 5 - City North
					Schedule 1 – Yarra’s Edge
					Schedule 3 – Batman’s Hill
					Schedule 5 – Digital Harbour
					Schedule 6 – Business Park

Given the varied nature of New Urban Manufacturing it is important to consider the nature of use for Industry and Warehouse and Home Occupation in more detail.

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Use for industry and warehouse

Unless the circumstances do not require, an application to use land for an industry or warehouse must be accompanied by the following information:

- the purpose of the use and the types of activities to be carried out
- the type and quantity of materials and goods to be stored, processed or produced
- whether a Works Approval or Waste Discharge Licence is required from the Environment Protection Authority
- whether a notification under the Occupational Health and Safety (Major Hazard Facilities) Regulations 2000 is required, a licence under the Dangerous Goods Act 1985 is required, or a fire protection quantity under the Dangerous Goods (Storage and Handling) Regulations 2000 is exceeded
- how land not required for immediate use is to be maintained
- the likely effects, if any, on the neighbourhood, including noise levels, traffic, air-borne emissions, emissions to land and water, light spill, glare, solar access and hours of operation (including the hours of delivery and dispatch of materials and goods).

Home Occupation Purpose

To ensure that the amenity of the neighbourhood is not adversely affected by an occupation conducted in or from a dwelling, home occupation must meet the following requirements:

- the person conducting the home occupation must use the dwelling as their principal place of residence
- no more than one person who does not live in the dwelling may work in the occupation
- the gross floor area used in conducting the occupation including the storage of any materials or goods must not exceed 50 square metres or one-third of the gross floor area of the dwelling, whichever is the lesser
- the occupation must not impose a load on any utility greater than normally required for domestic use
- the occupation must not adversely affect the amenity of the neighbourhood in any way including:
 - the appearance of any building, works or materials used
 - the parking of motor vehicles
 - the transporting of materials or goods to or from the dwelling
 - the hours of operation
 - electrical interference
 - the storage of chemicals, gasses or other hazardous materials
 - emissions from the site.
- no motor vehicle may be serviced or repaired for gain
- only one commercial vehicle (a commercial goods vehicle, commercial passenger vehicle or tow truck within the meaning of the Transport Act 1983), not exceeding 2 tonnes capacity and with or without a trailer registered to a resident of the dwelling may be present at any time. The vehicle must not be fuelled or repaired on the site
- no goods other than goods manufactured or serviced in the home occupation may be offered for sale
- materials used or goods manufactured, serviced or repaired in the home occupation must be stored within a building
- no goods manufactured, serviced or repaired may be displayed so that they are visible from outside the site.

Permit required

Despite the requirements of Clause 52.11-1, a permit may be granted for a home occupation:

- which allows no more than two persons who do not live in the dwelling to work in the occupation; or
- which has a floor area not exceeding 100 square metres or one-third of the gross floor area of the dwelling, whichever is the lesser
- which allows no more than one additional commercial vehicle (a commercial goods vehicle, commercial passenger vehicle or tow truck within the meaning of the Transport Act 1983), not exceeding two tonnes capacity and with or without a trailer registered to a resident of the dwelling, to be present at any time.

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Decision Guidelines

Before deciding on an application, in addition to the decision guidelines in Clause 65, the responsible authority must consider, as appropriate:

- whether there is a need for additional parking or loading facilities
- the effect of any vehicle parking, storage or washing facilities on the amenity and character of the street
- whether the site is suitable for the particular home occupation and is compatible with the surrounding use and development
- whether there is a need for landscaping to screen any outbuildings or car parking or loading areas or any other area relating to the home occupation.

THE FOLLOWING SECTION WOULD ONLY BE REQUIRED IF THE RESEARCH DEMONSTRATES THE NEED FOR ANY POLICY CHANGES – AT THIS STAGE THIS DOES NOT APPEAR TO BE THE CASE

4.0 Identifying nature of support for the Urban Manufacturing Sector - proposed policy changes, facilitation initiatives / interventions

The following sets out the recommended policy changes required to support the urban manufacturing sector and Makers. The research should demonstrate what form of direct and indirect action by State and Local Government is necessary.

4.1. Recommended Changes to Land Use Policies and Controls

The research undertaken provides evidence for changing the following land use policies and controls:

- preserve industrial land, older industrial buildings and old spaces because:
 - this is part of the Makers identity, their “counter-culture” brand or
 - these spaces are cheap or at least more affordable.
- provide affordable land and spaces in new buildings possibly in purpose designed inner city locations.
- recognize that Makers operate in residential/commercial zones and that they should be allowed to continue to operate in these zones because, unlike old manufacturers, they are no longer “dirty” i.e. create – noise, smells and other negative externalities, and are therefore either compatible/neutral or complementary/positive, with respect to the intent of these zones
- any other recommended changes to land use policies and controls.

4.2. Recommended Changes to Economic Assistance and Marketing Policies

The research undertaken provides evidence for changing the following economic assistance and marketing policies:

- what needs to be done to grow this sector
- providing some form of infrastructure, services, marketing and/or economic support
- the notion of ‘highest and best use’ to encourage jobs and innovation and avoid displacement of firms out of Melbourne, Victoria, and Australia.
- addressing the nature of insecure tenure, the availability spaces including shared space and facilities at affordable rentals to ensure Makers can plan for the future. (Do they just need low rents, in industrial land with particular space requirements?)
- any other recommended changes to land use policies and controls.

4.3. Recommended Changes to Other Policies

The research undertaken provides evidence for other policy action and support:

- should these opportunities be available to other “non-Maker” small businesses?
- other support.

I SUGGEST THE FOLLOWING STEPS SHOULD BE UNDERTAKEN

5.0 Conclusions regarding the current policy setting – the nature of industrial land policy and support

The international research, Federal and State policies and those of the six councils all recognise that industrial land in inner city areas is under threat from the pressure to rezone to for residential purposes and needs protection/preservation for employment opportunities. These policies also incorporate initiatives proactively support activities that generate higher value adding employment opportunities, in close proximity to residential areas, while minimising the nature of any negative emissions on residential areas.

The statistical evidence supporting these policies varies across each council, which in some instances makes them difficult to defend with respect to individual rezoning applications for industrial land. Moreland has provided this evidence and its approach could be extended to the other municipalities, to provide a consistent evidence based for the central region. The nature of further evidence that could be provided is set out in section 6.0.

None of these policies refers specifically to “new urban manufacturing” or “Makers”. As the international evidence suggests, rather than preserving land and space for specific types of employment opportunities a flexible approach should be adopted. This is because the nature of employment, industry and work is changing so rapidly, that trying to define specific activities may restrict new ones in the future.

The Federal, State and Local governments are all trying to increase employment opportunities within central Melbourne and are looking at new and innovative ways to achieve this. They all see the decline in traditional industries, particularly manufacturing. They seek to preserve industrial land for future employment generating activities, not simply retail and commercial. They are at a loss to know what other forms of employment might be available. Each Council knows the issues facing its industrial and mixed use areas. They would be able to identify specific industrial areas or sites that might be used to prototype new forms of employment.

The nature of New Urban Manufactures “Makers”, as describe in the research to date and the existing policies across the across five IMAP Councils and Moreland, suggests that future work in this project should focus on testing three “prototypes” as follows:

Prototype A – Heritage Industrial Spaces in Existing Industrial Areas

These represent the quintessential Maker spaces, older industrial areas and buildings that have an historic value and link to the local or even broader areas.

Prototype B – New Industrial Spaces in Existing Industrial Areas

These represent new industrial spaces in industrial areas, specifically designed to meet Maker requirements. Further work would need to be done determine if Makers could actually be attracted to this form of development and the specific characteristics that might need to be provided. On the evidence to date, this might involve design and landscape treatments that are less bland and utilitarian.

Prototype C – New Maker Spaces in Mixed Use Areas

These would represent a refined version of industrial activities that would be compatible with residential and other commercial activities.

Prototype D – New Maker Focused Home Occupation in Appropriate Residential Areas

These would represent a slightly more expanded version of Home Occupation activities that would be compatible with residential and other commercial activities.

Conclusions Regarding Support for Business and Industry

This section will summarise the range of support for business and industry that is relevant to New Urban Manufacturing. Depending on the research outcomes it will identify any changes to that might be specifically tailored

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to support New Urban Manufacturing. In addition, it could potentially identify sources of funds to support testing the prototypes described above.

Next Steps

If the Policy Reference group agreed, the next steps in developing and refining these prototypes would involve identifying:

1. zeroing in on where the specific areas of industrial/commercial land that would suit urban Makers in each Council, that is, specific locations and sites that might be used to test the above prototypes
2. forward thinking land/building owners, investors and developers who would be interested in implanting these prototypes in the areas identified
3. applying for federal government funding from the City Deals program or any other programs of support identified at the State and local levels
4. developing the specifics of each prototype and testing them to determine if they are commercially viable and could be implanted more broadly.

Developing these prototypes would involve cooperation and support from State Government, local Councils and progressive/strategic developers/owners of industrial land.

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6.0 Establishing a more rigorous case for preserving industrial land in Central Melbourne

As noted earlier in section 5, the statistical evidence supporting policies to preserve industrial land varies across each council, which in some instances makes them difficult to defend with respect to individual rezoning. Moreland has provided this evidence and its approach could be extended to the other municipalities, to provide a consistent evidence based for the central region. The following describes the nature of further evidence that could be provided to strengthen the case for preserving industrial land in the IMAP council municipalities.

6.1. Identify the nature of demand for industrial land

This has been done by Moreland and could be extended to other areas. Evidence from real-estate agents, owners, developers, investors and tenants, should be obtained to show the nature of demand to determine what is happening in Council industrial areas and zones. The following tables are suggested to summarise this information.

The supply of industrial land in the inner city

Council	Zone 1 (ha)	Zone 2 (ha)	Zone 3 (ha)	Total Zoned Land (ha)
Maribyrnong				
Melbourne				
Moreland				
Stonnington				
Port Phillip				
Yarra				

Nature/characteristics of Industrial Land in the inner city

Council	Zone 1
Maribyrnong	Predominately large older industrial areas
Melbourne	
Moreland	
Stonnington	
Port Phillip	
Yarra	

Estimated Occupancy rates of industrial land in the inner city

Council	Zone 1 (ha)	Zone 2 (ha)	Zone 3 (ha)	Total Zoned Land (ha)
Maribyrnong				
Melbourne				
Moreland				
Stonnington				
Port Phillip				
Yarra				

Estimated Business Sizes in Industrial Zones

Council	Zone 1 (ha)	Zone 2 (ha)	Zone 3 (ha)	Total Zoned Land (ha)
Maribyrnong				
Melbourne				
Moreland				
Stonnington				
Port Phillip				
Yarra				

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Estimated Demand for industrial land in the inner city

Council	Zone 1 (ha)	Zone 2 (ha)	Zone 3 (ha)	Total Zoned Land (ha)
Maribyrnong				
Melbourne				
Moreland				
Stonnington				
Port Phillip				
Yarra				

Characteristic of Demand for industrial land in the inner city Business Size Built Form

Council	Zone 1 (ha)	Zone 2 (ha)	Zone 3 (ha)	Total Zoned Land (ha)
Maribyrnong				
Melbourne				
Moreland				
Stonnington				
Port Phillip				
Yarra				

Nature of Business in Residential Areas in the Inner Suburbs

Number of Business ABNs

Council				
Maribyrnong				
Melbourne				
Moreland				
Stonnington				
Port Phillip				
Yarra				

Classification of Business in Residential Areas

Council				
Maribyrnong				
Melbourne				
Moreland				
Stonnington				
Port Phillip				
Yarra				

6.2. The Nature of the New Urban Manufacturing Market

This section would examine the specific nature of the New Urban Manufacturing Market, where Makers are locating, in what numbers and the rental ranges they are prepared to pay.

6.3. The Locations in Which New Manufacturing is Currently Occurring

This section would summarise the research findings showing extent to which Maker activity is occurring in:

- mixed use areas
- commercial 2 areas
- activity centres
- capital city zones and
- residential areas.

International Policy Review

This report is for the attention of:

- Mr Austin Ley – Chair of the Policy Reference Group – Urban Manufacturing Project
- Members of the Policy Reference Group – Urban Manufacturing Project
- Institutional bodies contributing services or funding to the Urban Manufacturing Project

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Disclaimer: This report is written for the primary attention of the Policy Reference Group of the Urban Manufacturing Project in Melbourne, a project of the Inner Melbourne Action Plan councils, Moreland City Council and the Victorian Planning Authority, in collaboration with the University of Melbourne. This report is compiled by the University of Melbourne researchers on its behalf and on behalf of the other project stakeholders. Members of the public may read and otherwise use the report but do so at their own risk. The authors and other project stakeholders bear no responsibility for public use of the report.

1. Objective of the report

This report reviews the policy environment, strategy and initiatives concerning urban manufacturing and/or creative enterprise from five exemplar international cities. The report is broken into three main parts. Firstly, the scope of the international policy review is outlined along with a brief account of the methodology used to gather the evidence base and review the documents. Secondly, policies are reviewed within each case study, along with a description of the city's strategic and urban governance environment to establish the policymaking context in each case. Finally, a comparative discussion is presented which examines the policy environments within each city and, following this, a policy framework is constructed through a comparative review of the policy environments across all representative cities in this report. Together, these components provide an opportunity for urban development and land use planners in Melbourne to reflect on their own policies, strategies and initiatives around urban manufacturing and creative industries.

2. Scope of international policy review

Five cities were chosen in order to gain some understanding of the policy and strategy environment surrounding urban manufacturing and creative enterprise. As a common thread, each of these cities featured in the literature survey of urban manufacturing scholarly research (refer to the manuscript *Remaking Cities*) and each have a vibrant urban manufacturing and/or creative scene, perhaps manifesting in different ways. The aim of this report is to survey the strategic and policy environment in each context to understand what settings underlie this urban manufacturing and creative success. Learnings may then translate into a Melbourne context, providing a rich background to support policy and strategy initiatives as they relate to urban manufacturing and creative industries.

The research question underlying the international policy review is:

What key strategic and policy settings are in place in cities which have thriving urban manufacturing and/or creative industries?

where 'key' is a subjective assessment of the importance of particular strategic or policy settings through either common use across different contexts or the clear importance which those settings play in the success of urban manufacturing and/or creative industries in a particular case.

The quantum of cities in the review is in part constrained by time but also from a belief that adding further cities would be of little systematic benefit:

- Each city would have its own strategy and policy environment and context, so each city would add new and interesting information. We wouldn't know when to stop.
- By selecting five cities from different countries, it is hoped that enough common threads or trends will emerge to help inform policy and strategy specific to a Melbourne context. We believe we have sufficiently accomplished this objective, the outcome comprising our discussion in section 9 of this report.

The five cities with a brief rationale follow:

Amsterdam The Netherlands	Amsterdam, the capital city of the Netherlands, has a population of around 800,000 within its boundaries but lies within the broader agglomeration of Randstad that supports a population exceeding seven million ¹ . Amsterdam has good transport links by road, rail, sea and air, and the Netherlands Government is supportive of encouraging entrepreneurs to set up from home and abroad. Accordingly, the Netherlands Government has developed a suite of tools and support under the branding 'StartupAmsterdam' based around five tenets of talent, clients, content, capital and culture ² . This program and Amsterdam's broader policy framework and strategies provide interesting policymaking opportunities for Melbourne to explore, these programs embedding the Government support of entrepreneurial small business as part of a core economic strategy in a practical way.
Berlin Germany	Berlin, the capital city of Germany, has a comparable population to Melbourne of 3.5 million ³ . In a central location with links traversing European hubs north, south, east and west, modern Berlin is renowned for its creative industries and technology start-ups and is expected to have some enormous growth in jobs by 2020 (some 100,000 more jobs according to McKinsey ⁴). The Berlin Government has a comprehensive innovation, ICT and creative industry agenda – <i>Projekt Zukunft</i> (Project Future) – consisting of a number of integrated activities including location marketing, professionalization and recruitment of skilled workers, networking services, internationalisation, industry information, strategy development, and funding and competitions. A range of different industries are supported, many of which fall under an ICT umbrella but also more traditional creative enterprise including fashion, art, design, film and radio, and music. The Government are also aware of the need to develop strategies around innovation and firm clustering ⁵ . The Berlin government is incredibly supportive of the growth in these enterprises, and markets itself as a 'smart city'. Berlin's strategy and policy will help us understand ways to allow creatives to thrive.
Detroit USA	Detroit is the smallest city in the sample, with a population of a little under 700,000 ⁶ . Detroit was once home to mass production and the production line – perhaps the antithesis of small urban making – but the demise in auto production had a heavy toll on the city. People abandoned the city in droves, leaving whole neighbourhoods derelict in their wake. Detroit's stoic planners and people chose to seize the day, embracing these swathes of empty buildings as an opportunity. Through its <i>Detroit Future City</i> strategy, Detroit chose to engage in a creative recovery. This unique strategy makes it a particularly worthy city to study to observe a creative transformation from the start.

¹ <http://worldpopulationreview.com/world-cities/amsterdam-population/> (viewed 21 December 2016)

² <http://www.iamsterdam.com/en/business/startupamsterdam/we-are-startupamsterdam/startupamsterdam-programme> (viewed 21 December 2016)

³ <http://worldpopulationreview.com/world-cities/berlin-population/> (viewed 21 December 2016)

⁴ http://www.businesslocationcenter.de/imperia/md/bic/broschueren/content/wirtschaftsmetropole-berlin_en.pdf, p.5, as at March 2015 (viewed 21 December 2016)

⁵ <http://www.berlin.de/projektzukunft/en/about-us/the-project> and Smart City Strategy Berlin (viewed 22/12/16)

⁶ <http://www.census.gov/quickfacts/table/PST045215/2622000> (viewed 21 December 2016)

London UK	London is arguably one of the key world cities with a population of around 7.9 million ⁷ . London is a modern financial hub and a sprawling metropolis, however amid this modern city lie pockets where urban manufacture and creative enterprise thrive on a small scale. The Greater London Authority is keenly interested in the allocation and use of existing industrial lands and office space going forward, including small urban manufacturing and creative enterprise, consequently forming an active policy space to explore being of relevance to policymaking in a Melbourne context.
Vancouver Canada	Vancouver is often touted as a city that is comparable to Melbourne in many ways (not in the least in The Economist liveability rankings). Greater Vancouver has an estimated population of 2.56 million ⁸ so is smaller than Melbourne (more than four million ⁹) but is the fourth most densely populated city in North America ⁸ . The Downtown Eastside region abutting the Vancouver central activity district has undergone an urban transformation in recent years and a comprehensive strategic plan was developed to revitalise this part of central Vancouver. The policy review will examine this strategy and associated policy and activity to understand how urban manufacturing and creative industries establish and thrive in this inner city environment.

Some cities were considered but excluded from the selection process:

- Portland, Oregon and Brooklyn, New York, USA: Detroit was considered a more prolific and policy-laden contemporary test case from the USA than either of these more established cases.
- Shanghai, China and Yokohama, Japan: Both of these cases needed to be discarded due to language and time constraints of the researchers. Insufficient English-language material appears to be available. Furthermore, the megacity environment of Shanghai may introduce latent considerations which contribute to variation from the Melbourne context, making Shanghai a difficult case to study in any event.
- Barcelona, Catalonia (Spain): Barcelona simply did not have as much information in the public domain (internet) for a desktop review as either Amsterdam or Berlin. It appears as though they might in the near future, but just not yet. Berlin and Amsterdam are considered to adequately represent Continental Europe in any event.

⁷ <http://worldpopulationreview.com/world-cities/london-population/> (viewed 21 December 2016)

⁸ <http://worldpopulationreview.com/world-cities/vancouver-population/> (viewed 21 December 2016)

⁹ <http://worldpopulationreview.com/world-cities/melbourne-population/>; was four million at the 2011 Census <http://www.abs.gov.au> (viewed 21 December 2016)

3. Developing the evidence base of the policy review

The evidence base consists of policies and strategies gathered through a desktop study of websites of governments and linked organisations and groups associated with government initiatives. As is easily imagined, every city has a different urban governance structure and set of strategic priorities which belies a prescriptive approach to developing the evidence base of strategies and policies.

A hierarchical schema is developed to alleviate these issues in creating the evidence base, this being broadly articulated as a spectrum ranging from a general metropolitan detail, to an industrial sector detail, to a focus on urban manufacturing and creative cities strategy and policy. This however is neither prescriptive nor comprehensive. Not all cities are expected to have all of these kinds of strategy or policy to the same degree, nor do the researchers focus on each component to the same extent for each city or case study. **Importantly, this schema facilitates the search for an array of documents for desktop study – it does not necessarily mean that those documents are studied in detail.** Moreover, some documents are of such a comprehensive nature as to cover many if not all content for the purposes of a policy review. The documents examined in detail for this report form a subset of documents comprising the evidence base of the policy review.

Typical content which is canvassed in the desktop search for documents includes:

Metropolitan strategy and policy
<ul style="list-style-type: none">• General urban strategic planning and visioning• Formal strategic plans• Smaller offshoot plans and strategies• Visioning and value statements including position papers, white papers and speeches• Text on government websites of a marketing nature
Industrial urban policy
<ul style="list-style-type: none">• Industry strategy and policy• Land use strategy and policy (as it relates to non-residential uses)• Economic studies of land use• Highest-and-best-use studies• Environmental studies, including pollution and nuisance
Urban manufacturing and creative cities strategy and policy
<ul style="list-style-type: none">• Urban manufacturing strategy and policy• Creative industries strategy and policy• Small business, start-ups and entrepreneur strategy, policy and schemes• Support and toolkits for smaller businesses and entrepreneurs• Individual case studies at a site or business level

Each case study has will be discussed in turn, providing an evidence base to facilitate a comparative discussion in section 9 of this report.

Each case study begins by describing the evidence base for the desktop review. These documents do not represent in entirety the collection of documents reviewed by city; indeed, for most cities the documents which form the evidence base represent only a small proportion of overall documents reviewed. In order to help direct the reader's attention, key documents for each city marked by grey background colour in the documents listing.

Once the evidence base is outlined, the report continues by understanding the policymaking context derived from these policy or strategy documents. This includes statements of vision or strategy as they relate to the context of urban manufacturing and creative cities, and the people who make and create stuff. The way that governments speak about their vision for their city provides insight into the policymaking context. The researchers then establish the urban governance structure to understand the operation of policymaking in a given city.

Once that policymaking context is established, a bank of policies is developed from the desktop review which relate to urban manufacturing or the creative industries, or the more general subjects of industry, innovation, micro-business, small business or entrepreneurship. The rationale behind casting a wide net here is that not all governments speak in the same language or plan for the same things, however there are parallels between policy for urban manufacturing and, say, industry, small business, creative enterprise, innovation, and entrepreneurship. The relevance to the research question which underlies this policy review will ebb and flow – with some policies and initiatives of greater relevance highlighted as such by the researchers – but together the cities with their policies nevertheless providing some interesting points for comparative research.

4. Amsterdam

Population: 813,562 (2016 est.)¹⁰



Evidence base for policy review

The Netherlands Ministry of Economic Affairs	(2017)	Enterprise and Innovation Policies	https://www.government.nl/topics/enterprise-and-innovation (viewed 09/01/17)	1
I amsterdam	(2016)	StartupAmsterdam*	http://www.iamsterdam.com/en/business/startupamsterdam (viewed 21/12/16)	2
Dienst Ruimtelijke Ordening (Department of Physical Planning)	(2014)	Plan Amsterdam 01/2014	https://www.amsterdam.nl/bestuur-organisatie/organisatie/ruimte-economie/ruimte-duurzaamheid/making-amsterdam/planamsterdam-eng/ (viewed 21/12/16)	3
The Netherlands Ministry of Economic Affairs	(2014b)	Global Challenges, Dutch Solutions	https://www.government.nl/topics/enterprise-and-innovation/documents/reports/2014/01/21/global-challenges-dutch-solutions (viewed 20/12/16)	4
The Netherlands Ministry of Economic Affairs	(2014a)	Ambitious entrepreneurship in practice	https://www.government.nl/topics/enterprise-and-innovation/documents/leaflets/2014/07/28/ambitious-entrepreneurship-in-practice (viewed 20/12/16)	5
Dienst Ruimtelijke Ordening (Department of Physical Planning)	(2013)	Plan Amsterdam 03/2013	https://www.amsterdam.nl/bestuur-organisatie/organisatie/ruimte-economie/ruimte-duurzaamheid/making-amsterdam/planamsterdam-eng/ (viewed 21/12/16)	6
The Netherlands Ministry of Economic Affairs	(2013)	Enterprise Policy at Full Speed	https://www.government.nl/topics/enterprise-and-innovation/documents/publications/2014/01/20/enterprise-policy-at-full-speed (viewed 20/12/16)	7

¹⁰ source: <http://worldpopulationreview.com/world-cities/amsterdam-population/>, viewed 21/12/16

Dienst Ruimtelijke Ordening (Department of Physical Planning)	(2011)	Plan Amsterdam 01/2011	https://www.amsterdam.nl/bestuur-organisatie/organisatie/ruimte-economie/ruimte-duurzaamheid/making-amsterdam/planamsterdam-eng/ (viewed 21/12/16)	8
The Netherlands Ministry of Economic Affairs, Agriculture and Innovation	(2011)	National Reform Program	https://www.government.nl/topics/enterprise-and-innovation/documents/leaflets/2011/04/15/national-reform-programme-2011-the-netherlands (viewed 20/12/16)	9

* included in StartupAmsterdam are a series of 15 measures, numerous initiatives and a substantial number of case study examples. These will be drawn upon as illustrative examples.

Strategic policy context

Amsterdam's strategic planning documents are a little unorthodox. *Plan Amsterdam* is a magazine published quarterly online in Dutch and quite often in full or abridged form in English. The magazine format certainly embraces strategic planning as a fluid activity and perhaps this makes their plans more agile in adapting to changing circumstances over time than a conventional strategic planning manifesto. Issues of the magazine focus on one or more planning topics of the moment, allowing for a relatively in-depth understanding of the government's stance on a particular subject from time-to-time. The strategic plan begins with the first issue of 2011 and is then augmented and updated by subsequent releases. Three issues have been identified as particularly of note: 01/2011, 03/2013, and 01/2014. Four excerpts have been taken from these documents describing some context from a strategic planning perspective (emphasis added):

“Amsterdam has deliberately opted for densification of the city centre. The city has not chosen for growth by increasing its surface area but for intensification of the existing urban territory and for transformation of business zones. ***By building 70,000 new dwellings with accompanying amenities within the city's existing boundaries we can expand the city centre milieu that makes the city so attractive.*** That is only feasible if we simultaneously invest in the public space, public transport and greenery. People want to live in Amsterdam because of its combination of metropolitan bustle and large expanses of greenery within a short distance of each other. That is our strength, with which we draw in residents and business enterprises.” (AMS 8, p.3)

“Knowledge institutions and a central location are not sufficient. ***Metropolitan residential milieus, amenities, heritage, parks, cafés and restaurants, bicycles, informality, diversity and a 24-hour economy are also crucial for young people.*** Metropolitan inner-city environments function as focal points where culture, events and creativity nourish the regional knowledge economy.” (AMS 3)

“In comparative studies and rankings against other European cities Amsterdam reliably emerges as a city that may be modest in size but is still blessed with plenty of metropolitan characteristics. The city scores well for all its metropolitan functions: for its relatively modest population, Amsterdam boasts an abundance of high-quality amenities and globally active companies. Compared with other European cities, Amsterdam's economic basis is broad and balanced. ***The Amsterdam mix of being a 'global city' with a human scale explains its excellent overall position in city rankings.***” (AMS 6, p.11)

“In the Netherlands, particularly in the major cities, the government pursues a proactive policy with regard to spatial development. Such oversight has advantages, as the government can then prevent undesirable developments; the downside is that it can lead to an excessive mania for regulation. In times when economic growth is stagnating, strict regulation has an obstructive effect on temporary or innovative initiatives. *The foundations of the economy, urban or otherwise, are anchored in an environment of spontaneous and unforeseen interaction, which calls for flexible zoning plans.* In Amsterdam we are not yet very familiar with this, but Berlin can serve as an example. Berlin has the advantage that there is sufficient space in the city and it pursues a more flexible policy with regard to what is or is not permitted. *This allows leeway for spontaneous initiatives, which attracts creative residents and generates economic development.*” (AMS 6, p.26)

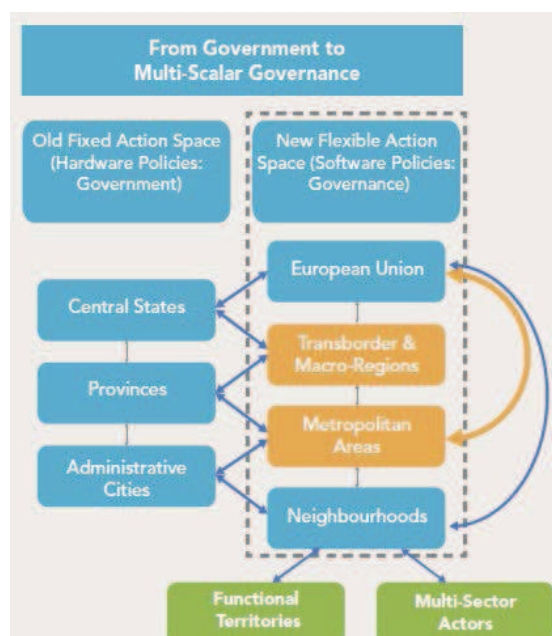
These excerpts provide an image of a city that is focused on retaining its ‘human scale’ and urban ‘milieu’, be that in terms of residential density, amenity, access to public open space, access to social and cultural activities, and embracing humans in all of their diversity. They highlight informality in both the urban environment and the planning system as being important to help creativity flourish, using Berlin as an example of a city where such policy works well.

Urban governance context

The Netherlands is a populous but relatively small country, with Amsterdam its largest city and part of the broader conurbation of Randstad. *Plan Amsterdam* is produced by the Dienst Ruimtelijke Ordening (DRO, or the Department of Physical Planning), a department of the City of Amsterdam.

Policy as it relates to the funding, support and promotion of business and industry rests with The Netherlands Ministry of Economic Affairs, a department of the federal government.

Plan Amsterdam introduces a diagram that describes what they describe as a ‘flexible action space’ (source for figure: AMS 6, p.13):



Multi-scalar governance is not a new concept however is perhaps more prominent in an environment of plural citizenships – where a citizen of The Netherlands is also a citizen of the European Union, perhaps among other citizenships. That being said, even then it comes in degrees, with differing reference to EU strategies in The Netherlands, Germany and the United Kingdom (pre-Brexit). These relationships will be briefly explored in the discussion following introduction of each case study.

The EU casts influence over the policy and planning in The Netherlands through their Horizon 2020 plan (AMS 6, pp.6-7). In relation to innovation policy, the Horizon 2020 plan has three pillars that form part of its Competitiveness and Innovation Framework Program (CIP):

- Excellent science: invest in scientific infrastructure and technology;
- Industrial leadership: increase the business appeal and competitiveness of Europe;
- Societal challenges: tackle interdisciplinary challenges facing society (AMS 4, p.12).

Some of the 4,731 projects that received funding relate to creative industries. An example of such crossover is identified with the fashion and built environment industries:

“Within the TOP SECTOR CREATIVE INDUSTRIES, the roadmaps for Fashion and Design have seen research into the application of recycling technologies and processes in the fashion and textiles industry (Recycling in Design). The aim is to continue with the European Open Garments project. The decisions of designers have a major influence on the environmental impact of a product throughout its entire life cycle. With Recycling in Design a start was made on developing sustainable design based on recycled fibres.

The roadmap Built Environment also pays attention to recycling materials and energy-efficient buildings. Within the Cultural Heritage domain, reusing and finding a new purpose for historic buildings is an important issue linked to commodity recycling and climate-neutral/energy-efficient building. Preservation of heritage and links to new designs and new technologies will also create new business opportunities. The linking of social value to commercial opportunities contributes to sustainable solutions.” (AMS 4, p.42)

“TOP SECTOR CREATIVE INDUSTRIES: The roadmap Creative Industries Next: Creative Business Innovation covers general topics such as new business models and the deployment of ‘Creative Thinking’ for an innovative economy and society. Research is therefore being done on the innovation practices of creative enterprises located in multi-tenant business premises. The goal is to gain insight into how creative businesses can be encouraged to collaborate, innovate and grow.” (AMS 4, p.45)

An example creative project is outlined as follows:

“New business models in fashion: Making garments for the individual consumer. This is the goal of the Open Garments project. A new business model is being developed for this, which enables a new way of designing, manufacturing and selling clothing designed by consumers.

Adopting new business models can boost the position of the European textile industry. The goal of this project was to develop business models that reflect consumers’ wishes and creativity as best as possible. This is referred to as the ‘Manufacturing Service Provider (MSP) Business Model’. Among other things, use is

made of production techniques where small companies are empowered in virtual communities on the internet ('open manufacturing'). Three groups in the Netherlands took part in the project that was financed by the Seventh Framework Programme: TNO, Boondoggle and Max Juwelier & Edelsmederij. <http://open-garments.eu/>" (AMS 4, p.46)

All of this is to say that EU strategy has some degree of direct influence on the creative industries and small urban manufacturing which takes place in Amsterdam.

Policy environment

In introducing Amsterdam's policy environment, the researchers specifically focus on its enterprise and innovation policy. Amsterdam has a comprehensive set of innovation policies which may be of direct or peripheral importance to a Melbourne urban manufacturing and creative industries context. In particular, Amsterdam's policies and programs relating to innovative start-ups and micro-companies may have some policy which translates particularly well in a Melbourne context.

Amsterdam's innovation policy environment is grounded on a number of tenets including:

- Reducing the burden of government red-tape
- Lowering the cost of information at all scales
- Ensuring venture capital markets are sufficiently liquid
- Improving business education at schools and universities
- Providing opportunities for networking to take place
- Promoting Amsterdam as a place for business to locate or relocate to.

(AMS 7, p.40)

The branded program *I amsterdam* is a particular highlight which may have interesting insights transferrable to a Melbourne context. As a subset of the broader *I amsterdam* program, *StartupAmsterdam* is a program pitched at entrepreneurs seeking to start-up enterprise in Amsterdam. The program is designed around five central tenets and includes 15 measures that are classified as either validating an existing project, model or idea (current view), or accelerating the growth of that project, model or idea (forward looking) (AMS 2).

The policy environment however does not directly tie into urban manufacturing, at least not to the same degree as policies found in other case study cities. There are nevertheless some general ideas particularly around support mechanisms for micro-business and start-ups which may yield some policy ideas for the local Melbourne context.

Polymaking discourse	Reference
<p>IMPORTANT StartupAmsterdam is a comprehensive program supporting entrepreneurs seeking to start-up an enterprise in Amsterdam. It is built around five central tenets:</p> <ul style="list-style-type: none"> • Talent: increase the available talent, particularly tech talent. • Clients: access to customers, corporate partners, first users • Content: events and networking • Capital: availability of capital to enable start-ups to grow • Environment: branding, cultural hub, facilities and amenity, clustering <p>The program is operationalised by 15 measures under these five tenets.</p>	AMS 2
<p>Ambitious Entrepreneurship Action Plan is a €75m program to provide capital and tools which help the enterprises grow. The program includes:</p>	AMS 1

Polymaking discourse	Reference
<ul style="list-style-type: none"> • Early finance to understand the technology or market for unproven ideas or products • Support for the international position of start-up enterprise and encourage foreign start-ups to establish (StartupDelta) • Provision for temporary residence for foreign talent • A platform to help entrepreneurs network (NLevator) • Fund specific projects which involve partners from at least two European countries (Eurostars projects) • Provide funding to stimulate European research and innovation (Horizon 2020) 	
<p>Small enterprise incentives include:</p> <ul style="list-style-type: none"> • Tax credits for companies who invest in R&D activity • Tax relief for costs of innovation activities • Encourage innovation for SMEs in top economic sectors¹¹ (MIT scheme, €50m total) • Innovation Fund as a pool that can provide seed capital, fund-of-funds and innovation loan programs for SMEs which innovate (MKB+ scheme) • Government guarantee for part of loan to help SMEs that struggle to raise capital as they lack sufficient collateral (SME Loan Guarantee Scheme) • Government guarantee for businesses (medium to large) that want to take out a loan (Business Finance Guarantee Scheme) • Credit Guarantee Scheme provides support to banks to manage credit risks should they wish to loan venture capital to innovative SMEs • Microcredit schemes provide up to €50k to start-ups and small business. Government also provides a €100m in loans through Qredits, an organisation which also provides business advisory services to its SME clients. • Running competitions to encourage innovation to take place in a short amount of time, the winners judged as producing the most feasible plans which can then be developed and purchased by the government (Small Business Innovation Research (SIBR) program) • Finance for International Business (FIB) and a grant scheme (DHK) for early stage demonstration projects, feasibility studies and knowledge acquisition. 	AMS 1
<p>Encouraging innovation through taxation, credits and grants:</p> <ul style="list-style-type: none"> • Reinforcing the nine top sectors¹¹ is the Top Sector Alliance for Knowledge and Innovation (TKI), focusing on getting innovative products or services to the marketplace. • National Icons Competition is run biennially by the Government to showcase innovations which address social needs. • Innovation Expo is run biennially to showcase and accelerate innovation, a large networking event which brings together the private sector, the public sector and 'knowledge institutions' which comprise universities and research bodies. The event encourages parties to work together to bring innovation to fruition. • Ministry of Economic Affairs' National Science agenda provides focus for scientific research, exploring aspects of feasibility of research, relevance of research to social problems and opportunities for research to support innovation. • Innovation Attaché Network supports companies seeking to do business in other countries and sit within Dutch embassies or consulate offices • Smart Industry initiative supports the use of innovative IT including 3D printing, nanotechnology and mechatronics • Volg Innovatie database provides public transparency on how the government funds various initiatives 	AMS 1
<p>Linking education to innovation</p> <ul style="list-style-type: none"> • Teach entrepreneurial skills as part of a school curriculum • Run a business as part of a school curriculum • Education-Business Alliance: better link educators and business • Technology Pact: to encourage school leavers toward technical education and training • Human capital agendas: to map future demand and supply of talent to drive education policy • Centres for PPP in vocational education to develop centres of knowledge that attract the best students and teachers 	AMS 1
Economic diplomacy	AMS 1

¹¹ The nine top sectors are: Horticulture and propagation materials • Agri-food • Water • Life sciences and health • Chemicals • High tech • Energy • Logistics • Creative industries (AMS 1)

Policymaking discourse	Reference
<ul style="list-style-type: none"> • Strengthen the top sectors¹¹ by attracting companies and talent • Various levels of support, advice and assistance, trade missions and promotion activities. • Offer loans in support (rather than subsidies) • Enterprise centers (ondernemerspleinen) to connect entrepreneurs to information on network partners and the marketplace 	
<p>Boosting the position of the Netherlands</p> <ul style="list-style-type: none"> • The Innovation Room which is an online marketplace for both foreign and domestic companies to market their products and services • Asset pooling (where capital is pooled from a number of financial institutions) • Holland Financial Centre assists companies wishing to relocate 	AMS 1

5. Berlin

Population: 3.5 million (2016 est.)¹²



Evidence base for policy review

Berlin Partner for Business and Technology	(2017b)	Transfer Allianz	https://www.berlin-partner.de/index.php?id=503 (viewed 04/01/17)	1
Berlin Partner for Business and Technology	(2017a)	About us: Berlin Partner	http://www.berlin-partner.de/en/about-us/ (viewed 03/01/17)	2
Senate Department of Urban Development and the Environment	(2017)	Urban Development Plan: Commerce and Industry 1999 Guidelines	http://www.stadtentwicklung.berlin.de/planen/stadtentwicklungsplanung/en/gewerbe/leitlinien.shtml (viewed 04/01/17)	3
Projekt Zukunft	(2016b)	Projekt Zukunft: The Project	http://www.berlin.de/projektzukunft/en/about-us/the-project (viewed 22/12/16)	4
Projekt Zukunft	(2016a)	Projekt Zukunft: State initiative for the Berlin ICT, Media and Creative Industries	http://www.berlin.de/projektzukunft/fileadmin/user_upload/pdf/Projekt_Zukunft_Flyer_en.pdf (viewed 20/12/16)	5
Senate Department of Urban Development and the Environment	(2015b)	Smart City Strategy Berlin	http://www.berlin-partner.de/en/the-berlin-location/smart-city-berlin/ (viewed 20/12/16)	6
Senate Department of Urban Development and the Environment	(2015a)	Berlin Strategy: Urban Development Concept Berlin 2030	http://www.stadtentwicklung.berlin.de/planen/stadtentwicklungskonzept/index_en.shtml (viewed 21/12/16)	7
Projekt Zukunft	(2014)	Third Creative Industries Report: Development and Potential	http://www.berlin.de/projektzukunft/uploads/tx_news/KWB13_Inhalt_engl.pdf (viewed 20/12/16)	8

¹² <http://worldpopulationreview.com/world-cities/berlin-population/>, viewed 21/12/16

Projekt Zukunft	(2013)	Berlin's Digital Economy: Starting up. Growing. Investing.	http://www.berlin.de/projektzukunft/en/downloads/ (viewed 20/12/16)	9
Senate Department for Economics, Technology and Research	(2013)	Innovation and Creative Labs in Berlin – A Survey	http://www.berlin.de/projektzukunft/fileadmin/user_upload/pdf/2013_Innovation_and_Creative_Labs_in_Berlin.pdf (viewed 20/12/16)	10
Berlin Partner for Business and Technology	(2011)	Industrial City Berlin: Industrial Master Plan 2010-2020 Status Report 2011 on Selected Projects	https://www.berlin-partner.de/fileadmin/user_upload/01_chefredaktion/02_pdf/publikationen/Masterplan%20Industrie%20Umsetzungsbericht%202011%20(english).pdf (viewed 04/01/17)	11
Projekt Zukunft	(2011)	Strategy for the Design Industry in Berlin	http://www.berlin.de/projektzukunft/en/downloads/ (viewed 20/12/16)	12
Berlin Partner for Business and Technology	(2010)	Industrial City Berlin: Industrial Master Plan 2010-2020 summary	https://www.berlin-partner.de/fileadmin/user_upload/01_chefredaktion/02_pdf/publikationen/Masterplan%20Industrie%20Zusammenfassung%20(english).pdf (viewed 04/01/17)	13
German Society for Design Theory and Research	(2010)	Berlin's Design Industry: Potential, Strategy, Perspective	http://www.berlin.de/projektzukunft/en/downloads/ (viewed 20/12/16)	14
Projekt Zukunft	(2008)	Creative Industries in Berlin: Development and Potential	http://www.berlin.de/projektzukunft/en/downloads/ (viewed 20/12/16)	15
German Commission for UNESCO (Fesel and Söndermann)	(2007)	Culture and Creative Industries in Germany	http://www.unesco.de/fileadmin/medien/Dokumente/Bibliothek/culture_and_creative_industries.pdf (viewed 05/01/17)	16

Strategic policy context

Berlin has been undergoing substantial transformation ever since German reunification and the contribution of the creative class to the German economy is now widely acknowledged at a federal, state (Bundesländer) and city government level (BER 16, p.7).

In 1999, the Berlin Senate published the *Urban Development Plan – Commerce and Industry* which focused on the future development of commerce and industry. The UDP proposed a roughly even split of new development as occurring between brownfield and greenfield sites, with consideration given to the supply of land, its location and balance of allocation of industrial lands across the city (with priority given to eastern Berlin). The UDP also provides protection for industrial uses to codify their primary use for industrial activities, mitigating market forces of ‘highest-and-best-use’ (particularly in desirable inner city environments) and actively managing the negative externalities of noise and pollution through planning controls (BER 3).

The importance of Berlin’s industrial sector was reaffirmed in 2010 through the *Industrial City Berlin* plan, providing for a sustainable industrial sector by describing a number of high-level themed actions, being to:

- “Promote awareness of the importance of Berlin’s industrial sector
- Implement industrial policy as an interdisciplinary task
- Strengthen the innovative capability of Berlin’s industrial sector
- Promote integrated business location policy in the capital region
- Promote business networks in the business location of berlin
- Utilize the diversity of the participants and promote dialogue” (BER 13)

A year on, implementation of the strategy proceeded well with a number of initiatives including the conversion of the former Berlin Tegel Airport site for alternative uses, development of the internet platform *Transfer Allianz*, development of new funding pipelines for businesses, an advertising and branding exercise, and better understanding the nature and scope of networks and clusters of industrial players (BER 11). Together, these activities provide a flavour of some of the initiatives and policymaking activity which Berlin has rolled-out over the past couple of years.

In Berlin's overarching strategy *Berlin Strategy: Urban Development Concept 2030*, the government outlines a vision centred on science, innovation and creativity:

"Berlin 2030 will be a flourishing, broad-based international business location, the leading smart city in Europe and one of the most successful science and research regions in the world. It will be a source of new technologies and intellectual innovation. The city's technological dynamism, investment climate and cosmopolitan image will draw people and businesses from around the world, further strengthening the pull of the city. Berliners will have good jobs and the city will stand as a global example of how training and lifelong learning can create full employment. Training opportunities will be as international as the city: multilingual, diverse, enriching, genuinely inclusive. Berlin will be a city for all, promoting and demanding lifelong commitment across generations. As a creative centre for art and culture, as a tourist destination and as a sporting stronghold, the city will more than live up to its reputation as a global city. Berlin will inspire creatives from around the world, offering networks and spaces in which they can develop. It will in turn benefit from the creative spirit of these individuals as art, culture, fashion, media, sport and tourism forge a common identity across the diverse city, enhancing quality of life and building strong economic sectors." (BER 7, p.8)

Small-scale urban manufacturing and the creative industry each play an important role in helping bring this vision to life:

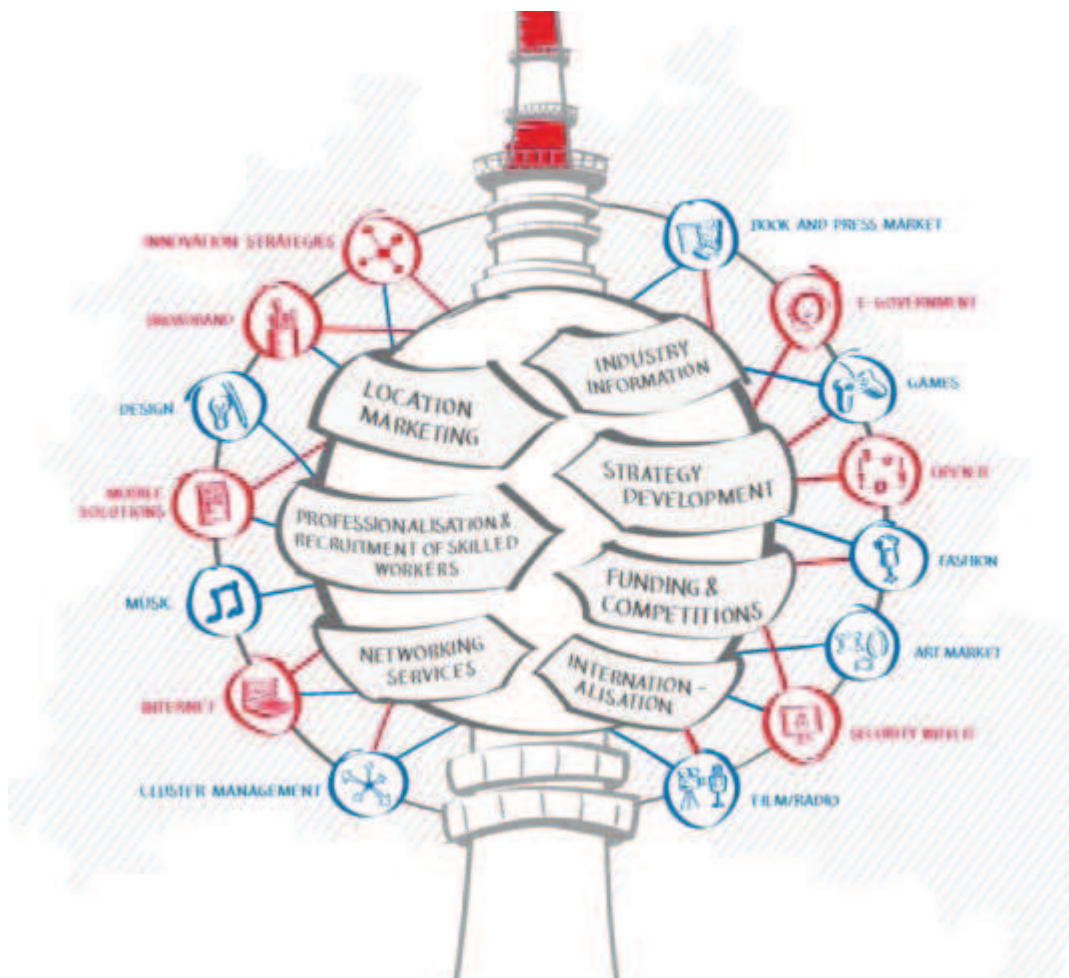
"Berlin enjoys a global reputation as 'the place to be'. Its unique atmosphere of freedom and tolerance draws people to the city from around the world, making diversity a Berlin trademark. People from different walks of life with very different life histories all aspire to living, working and realizing their ideas and dreams in Berlin, making the city a testing ground of spaces, niches and historic divisions that offer an unparalleled environment for developing individual lifestyles and talents. This very special Berlin attitude to life is expressed in many ways, but particularly in the great breadth of cultural potential present in the city. Berlin promotes both individual creativity and community development. Intrinsic to Berlin are the many and varied opportunities to use and shape public spaces, which allow people to define and determine the future of their city. Culture acts as a trigger and a catalyst for essential social debate." (BER 7, p.21)

This strategy has resulted in a number of policies and initiatives that directly benefit the urban manufacturing and creative industry sector; these are detailed below in describing the policy environment.

Projekt Zukunft (Project Future) was established in 1997 as an overarching strategic activity to support the growth of business in Berlin. “Projekt Zukunft develops strategies for Berlin as a location; it:

- builds platforms,
- initiates networks for the digital and creative economy and organizes exchanges with businesses,
- develops new support instruments
- compiles studies and implements innovative projects for the economy and the society.” (BER 4)

The project provides a comprehensive array of strategies and initiatives with these broad objectives in mind, these perhaps together and individually providing inspiration for policymaking for urban manufacturing and creative industries in a Melbourne context (BER 4):



The project integrates ICT, media and creative industries in a complementary and interdisciplinary way. The project is responsible for creating a number of schemes and platforms which assist companies particularly in the early phase of their evolution with funding, promotion, competitions, knowledge sharing, and advice and education (BER 5). The nexus between ICT and creative industries is strengthened by the idea of a ‘smart Berlin’ which “develops sustainably through the systematic and inter-modal deployment of innovative technologies, materials and services” (BER 6, p.5). With creative industries living

on the forward edge, there is a natural concordance with those activities taking place in an urban environment that is increasingly dominated by ICT.

As part of this project, a number of studies have been undertaken to understand creative industries in Berlin. These studies provide a comprehensive, qualitative overview that goes well beyond a typical marketing message or statistical study and are each worthy of individual review and a full reading in their own right.

Since 2005, three creative industry reports have been prepared, the second and third of which form part of the evidence base for this report. The 2008 report *Creative Industries in Berlin: Development and Potential* (BER 15) provides a detailed and deeply qualitative account of creative industries as found in Berlin and, importantly, many of the observations from this report could be transferrable to a Melbourne context. The report provides some comparatives which explore questions of preference of creatives and makers as to why they preference particular locations over others, which in turn beg the important question of whether urban planners have their own policy settings right in catering for this need and the needs of the broader community.

The authors advocate for a sector-specific policy response to various problems that hinder the growth of creative industries. Common problems which affect both microbusinesses and small businesses include:

- access to sufficient capital (e.g. difficulty obtaining bank loans)
- excessive bureaucracy and red-tape (particularly affecting smaller businesses)
- lack of resourcing to implement strategies for future growth in business (i.e. a business philosophy of survival cf. flourishing)
- adapting to rapid technological change (BER 15, pp.9-10).

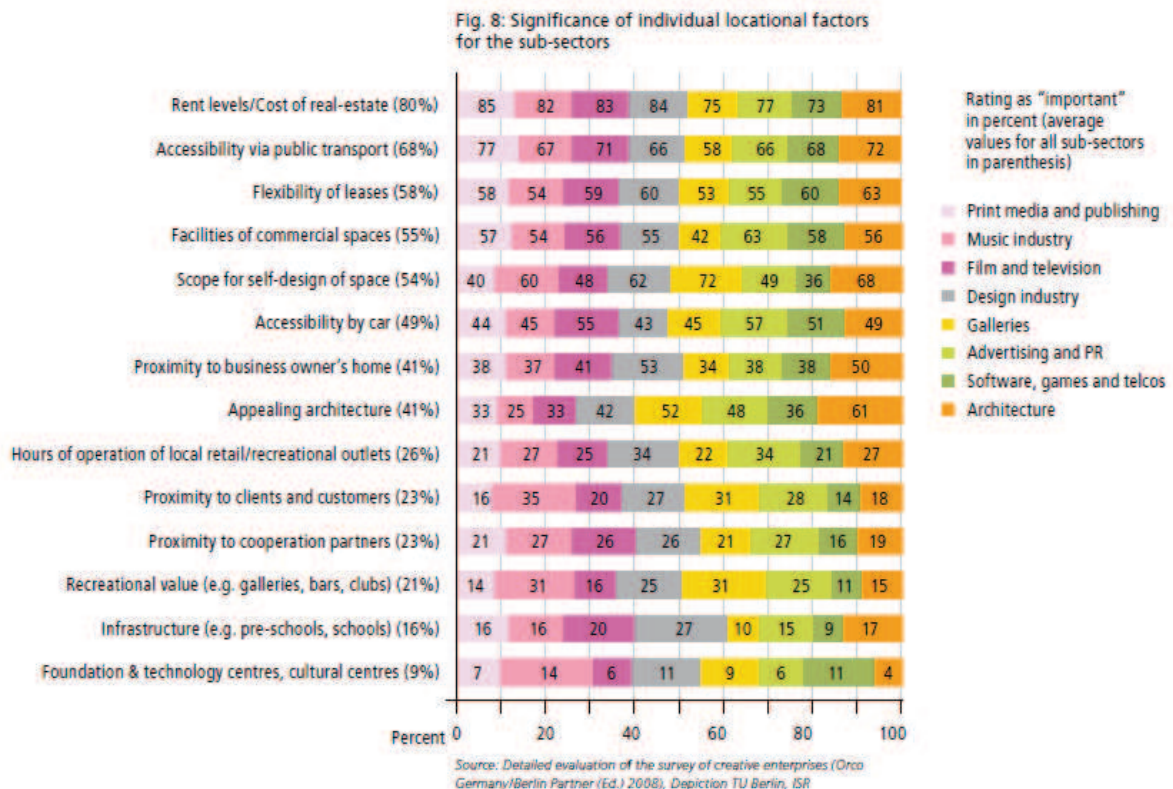
Public policy responses are classified into three broad umbrella themes:

- Economic policy responses
- Cultural-political policy responses
- Urban development policy responses (BER 15, p.21).

Some suggested policies from each of these themes are detailed in the policy overview below.

As a vivid example of the interesting findings from this report:

Figure 8 on page 113 of BER 15 is particularly insightful in demonstrating the preferences of designers (which include both creatives and makers) in locating where they do. The grey bar corresponds to the preference of designers – focus on the number in the grey bar which corresponds to the percentage of designers which marked that particular attribute as ‘important’ in making their location decision. This too can be compared to preferences of other creative industries represented by other coloured bars in the graph.



Among many other things, the report (BER 15) describes the most important considerations when planning for creative industries (including urban manufacturers under the 'designer' umbrella):

- Developing new integration and clustering opportunities and capability (pp.130-131)
- Developing new sponsorship and financial support mechanisms (pp.131-133)
- International networks and location branding helps creatives to thrive (pp.133-134)
- Where cultural and creative industries ought to be accommodated (p.134)
- Helping creatives increase sales and become more viable (pp.135-136)
- Helping creatives embrace the digital age and new ICT opportunities (pp.136-137)
- Improved education and coaching opportunities for creatives (p.137)
- Platforms for design and fashion to increase international customers (p.138)
- Urban development and creative spaces (pp.138-143)

Within this, urban planning implications are segregated by the type of space (BER 15, pp.139-141) with associated actions suggested by design space typology (this typology in itself ought to be transferrable to other contexts):

- Established, urban inner-city quarters: e.g. encourage commercial development which supports the creative industry not just highest-and-best-use
- Up and coming inner-city neighbourhoods: e.g. incorporation of temporary spaces and pop-ups to 'promote structures of social stability'
- Derelict urban areas in central locations: e.g. integrate initial maker-occupiers which decide to stay once the area transitions away from dereliction
- Conversion of former commercial and industrial buildings: e.g. understand the location choice of designers and makers, mixed use development

- Cultural buildings as flagships: e.g. identify landmarks important for cultural identity

There are a number of policy directions that can be derived from this report, many of which are included in the policy overview below.

However perhaps the most important of these studies for policymaking relating to urban manufacturing and the creative industries is the report prepared by the German Society for Design Theory and Research – *Berlin's Design Industry: Potential, Strategy, Perspective* (BER 14). Underlying this report are three core research questions which are central to a deeper understanding of the Urban Manufacturing project (albeit from a Berlin context with a distinct creative focus):

- “What strengths and weaknesses does the Berlin-based design industry have?
- What chances and opportunities result from these strengths and weaknesses?
- How do participants in the field of design interact with each other?” (BER 14, p.5)

In addressing these questions, the report asks and repeatedly returns to what is essentially a SWOT-type analysis of the strengths, weaknesses and opportunities for Berlin's design industry.

This report introduces four ‘theses’ which together form its central premise, these working on different parts of the problem of Berlin embracing creative industries:

- Prototype Thesis: to be able to innovate effectively in the future
- Specialisation Thesis: to provide policies and initiatives tailored to the needs of the creative enterprises
- Innovation Thesis: to strengthen the nexus between cultural and creative industries and the interdisciplinary innovation that takes places in fields like the broader sciences, technology and the natural environment.
- Acceptance Theory: to give creative industries a voice and greater recognition for their social and economic contribution to Berlin.

Perhaps most importantly, this report leads directly into the *Strategy for the Design Industry in Berlin* (BER 12¹³) which provides a comprehensive outline of a strategy and fields of activity which correspond to three network dimensions: industry-internal (within a single industry), inter-industry (between industries), inter-regional (between geographies). The policies and initiatives which stem from this work are included in the policy overview below.

The 2014 report, the *Third Creative Industries Report: Development and Potential*, provides insights gleaned from interviews with various creative industry personnel however does contain some interesting statistics of the number of companies, turnover and number of employees for various subsectors of the design industry (BER 8, p.38). There is further breakdown of statistics by industry:

- A statistical study of the income situation of creative workers (BER 8, pp.77-84), with statistics describing income by both source and quantum absolutely and comparatively within the creative industry subsectors and in broad terms to the broader Berlin employment base. The report underscores that one in 11 jobs in Berlin are in the creative industries (BER 8, p.80).
- A spatial study of the location of creative industries in Berlin (BER 8, pp.85-94), including some interesting maps demonstrating how creatives distribute and

¹³ BER 12 corresponds to pp.63-70 of BER 14 but is essentially a separate document with a different authorship

agglomerate. One interesting policy implication is that creative workers tend to be more transient than workers in other industries (what implications this has on policy is another consideration). Moreover, the location choice of creative industries does not appear to be driven by any outer-to-inner city pull (or vice versa) rather a by-product of competition for land and the quest for discovering what will become vogue and choosing based on those kinds of forward-looking cultural trend considerations (BER 8, p.89).

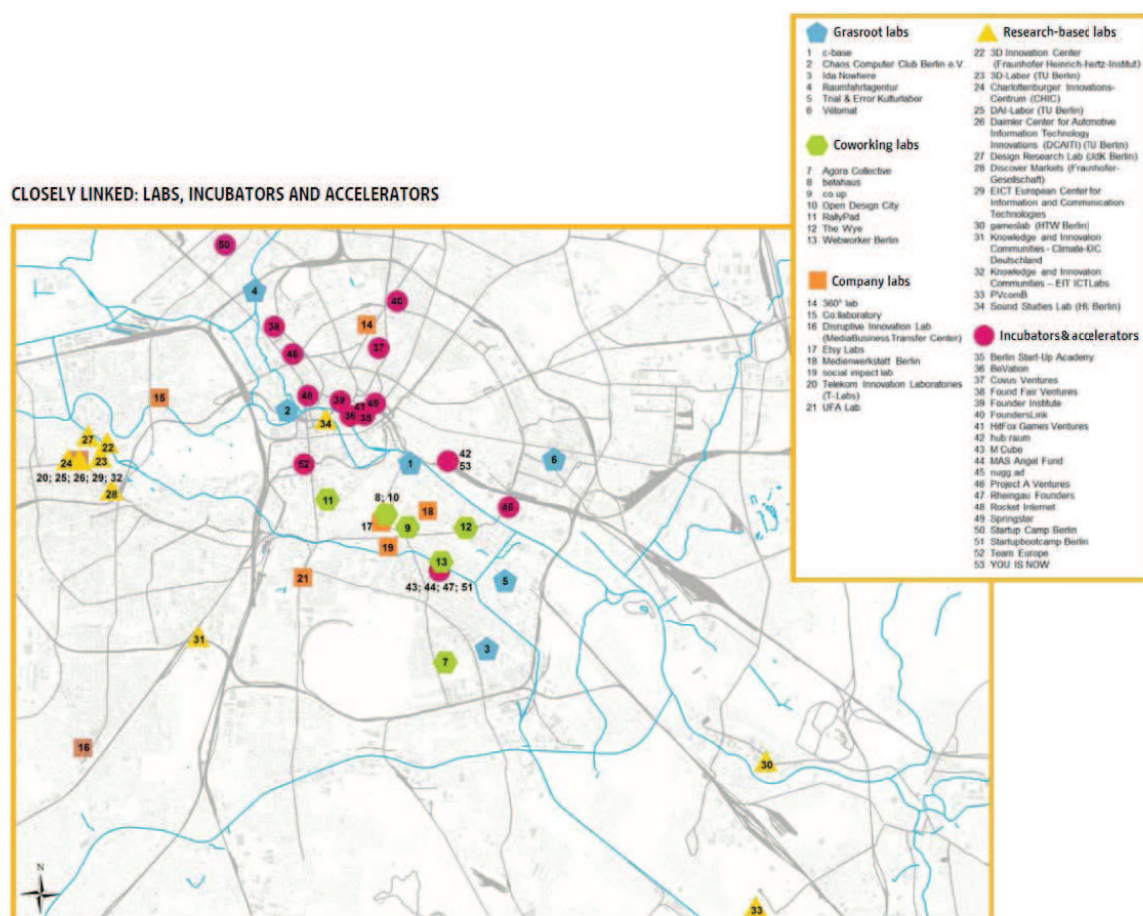
There are a number of policy implications which stem from the spatial study in particular. These are included as part of the policy overview below.

Finally, the activities of making in Berlin are segregated into different kinds of working environments – from backyard operations to collaborative labs, incubators and accelerators (BER 10, pp.2-5):

- Grassroots labs: DIY labs, personal initiatives, hackerspaces, art and culture spaces, non-commercial, collaborative, commonly organised with small associations
- Co-working labs: Interdisciplinary, directed towards needs of users, created by a third-party operator equipped with technology, equipment or machines, may have expert supervision, can facilitate knowledge transfer through clustering makers and innovators together under the one roof (literally)
- Company-owned labs: allow similar kinds of innovation to take place with the intellectual property protections of working within a company environment.
- Research and university-affiliated labs: scientific research that is transferrable to a general market solution or specific to a particular company or affiliate. Funding can be public, private or mixed.
- Incubators and accelerators: development of new and novel ideas and models in collaboration with talented individuals (founders or entrepreneurs). Start-ups are usually backed with seed funding or venture capital in their early days, a means for companies to tap into independent talent pools.
 - Incubators: provide seed capital, expertise, network access, infrastructure over a given time window (e.g. one year). They usually offer a co-working space within the incubator. This service is typically in exchange for shares granted to the incubator operator and may be in conjunction with other funders, e.g. venture capitalists.
 - Company builders: similar to the incubator model but the ideas are driven by the company rather than the individual. Funding is through venture capitalists (or angels) and work is usually undertaken on-site.
 - Accelerators are similar to incubators, providing seed capital and a working space along with mentoring and training in exchange for a fee (usually shares).
 - Founder education programs offer similar education to accelerators without the co-working space.
- Events bring together innovators with funders and the market, resembling hackathons.

This kind of activity-based typology may be useful when considering policymaking in a Melbourne context. In terms of location choice and clustering behaviours, these labs tend to

locate in clusters that segregate by the kind of creative or experimental activity undertaken as shown in the following map (BER 9, p.13):



Urban governance context

Berlin appears to have a governance structure that is somewhat akin to an Australian governance structure, although the way parliamentarians and senators are elected appears to differ (these kinds of considerations fall outside the scope of this report):

Berlin governance hierarchy ¹⁴	Approximate Australian equivalent
Federal Government of Germany	Federal Government of Australia
State of Berlin <ul style="list-style-type: none"> Senate of Berlin House of Representatives of Berlin 	State Government of Victoria <ul style="list-style-type: none"> Legislative Council Legislative Assembly
Twelve Districts in Berlin	Thirty-one Local Governments in Melbourne

Germany is also a part of the European Union, although there is relatively¹⁵ limited reference to EU strategy in the context of creative industries' strategy (a notable exception is the UNESCO paper on *Culture and Creative Industries in Germany* [BER 16]).

¹⁴ https://www.berlin.de/lb/intmig/_assets/veroeffentlichungen/willkommen/berlin_ordner_brosch_a4_en_bf_01.pdf, pp.13-14 viewed 11/01/17

Almost all of the strategy and policy found in the evidence base for this report emanates from the State of Berlin Senate. The Senate Department for Economics, Technology and Research is the principal department of the government concerned with creative industry strategy and policy; of note, *Projekt Zukunft* sits within their remit. The Senate Department of Urban Development and the Environment have strategic urban planning within their remit.

Some policy and initiatives are undertaken by *Berlin Partner*, a collaboration between the State of Berlin Senate and over 270 private companies which seeks to promote Berlin as a destination for business (BER 2).

Policy environment

Polymaking discourse	Reference
Coordination, cooperation and networking: Building interest in the design industry "Better and closer coordination amongst Berlin's design networks and institutions, resulting in a shared articulation and strong representation of interests while at the same time strengthening the industry's self-organisation, is required. To promote closer cooperation among design industry support networks, it is therefore proposed that ways of sharing information, communication and participation between industry and the Senate Department for Economics be consciously created and opened up. These could be formal or informal channels."	BER 12
Coordination, cooperation and networking: Forum for Berlin's Creative and Design Networks "The aim is to "position" Berlin's creative networks, including networks and institutions active in the area of design, in a single building so as to make better use of synergies and reduce overheads, including shared exhibition and presentation spaces."	BER 12, p.IX
Information, Consultancy and Professionalisation for start-ups, freelancers and micro-enterprises: 'Design business toolkit' for design start-ups Develop new toolkits and enhance existing toolkits on various networking web portals.	BER 12, p.IX
Information, Consultancy and Professionalisation for start-ups, freelancers and micro-enterprises: Improving 'Creative City Berlin' information portal "The goal is to make the site's services more target-group specific and thus more accessible to the industry."... "Starting in 2011, its presentation options will be improved, allowing users to add extra image files to their profiles, among other things. Closer cooperation with Berlin design networks will also ensure that the portal stays up-to-date. Information for the design industry about funding programmes and support services will be made more user-friendly in cooperation with the industry."	BER 12, p.IX
Information, Consultancy and Professionalisation for start-ups, freelancers and micro-enterprises: Launching a Copyright Portal for The Creative Economy Provide tailored advice to creatives on how they can protect their copyright "The Senate Department for Economics will conduct an analysis to see whether an Internet portal for information and consultancy on copyright and intellectual property in the creative economy, possibly modelled on the English "Own it" platform, could be set up."	BER 12, pp.IX-X
Funding and Financing: Expanding Options Under "Transfer BONUS" "This is to create an instrument enabling innovative small and medium-sized enterprises to claim subsidies for design services (design research, design methods etc.) at an early stage of the innovation process."... "Expand the remit of the Transfer BONUS scheme, which currently promotes the technology and knowledge transfer between companies and research institutions in Berlin, to cover cooperation between innovative companies and designers."	BER 12, p.X
Funding and Financing: Adapting innovation funding programs "The goal here is to strengthen the research and development activities of local companies and scientific institutions by integrating design methods."... "Where possible and reasonable, design services should in future be considered as part of the State of Berlin's funding and promotion of innovation and technology."	BER 12, p.X

¹⁵ Relative to Amsterdam. But then again, there was relatively limited strategy and policy on creative industries for Amsterdam (in the case that 'innovation' is not considered a sufficient substitute for creative industries and urban manufacturing) so the comparison is hardly like-for-like in this regard.

Polymaking discourse	Reference
<p>Providing spaces for the design economy: Set up a design hub</p> <p>"The aim is to set up a 'Design Hub' to be a central point of contact for the design industry and an international 'flagship' for contemporary design in Berlin. This could be a mixture of offices for designers, workshops for design-oriented craftsmen, showrooms, think tanks and laboratories for companies both small and large, as well as presentation spaces for internationally-relevant design from all disciplines. This mixture of commercial and non-commercial tenants and companies covering diverse stages in the value-added chain – from ideas development through production and up to presentation and marketing – would develop individual players' creative powers. At the same time, a contemporary design exhibition space would be an attraction for both Berliners and tourists."</p>	BER 12, p.X
<p>Networking with Technology, Industry and Research: Interdisciplinary competition for innovative product ideas</p> <p>"In 2011 the 'Projekt Zukunft' state initiative will launch a broadly-based competition and award a prize for the best ideas for joint product developments (preferably involving the use of innovative materials) between the design industry and companies and research institutions in Berlin's other major fields of expertise (biotechnology, medical technology, transport & mobility, energy technology, ICT and optical technologies)."</p>	BER 12, p.X
<p>Networking with Technology, Industry and Research: Hybrid Project - Interdisciplinary Technology and Design Platform</p> <p>An interdisciplinary platform which links students, teachers, researchers and experts from companies, offering them a space to experiment outside the boundaries of their own disciplines.</p>	BER 12, pp.X-XI
<p>Networking with Technology, Industry and Research: Networking Industry and Research</p> <p>"Networking between designers and players from other promising future fields and science must also be promoted. Networking and speed dating events are planned to provide contacts between players from the various industries and present Best Practice examples. These will focus on networking within Berlin's healthcare industry, transport/mobility, environment/energy and ICT clusters."</p>	BER 12, p.XI
<p>Opening up international markets: Improving the External Trade Promotion Programme</p> <p>"Shared trade fair booths have proven their worth as an instrument for opening up new markets, especially for young designers. A better alignment between the "Neue Märkte erschließen" (Opening up New Markets) funding programme and the guidelines it is based on and the creative industry's needs should be investigated."</p>	BER 12, p.XI
<p>Opening up international markets: Industrial Design Exhibition</p> <p>"The exhibition would show outstanding practical products that demonstrate high quality (innovation factor, design creativity, sustainability), highlight links to other industries and can hold their own in international comparison. This will consolidate Berlin's image as a City of Design, sustainably positioning Berlin as a centre for innovative and professional industrial and product design. The exhibition would complement the 'be Berlin' and 'Industriestadt Berlin' presentations and encourage design-oriented industries to relocate to the city."</p>	BER 12, p.XI
<p>Opening up international markets: UNESCO's 'City of Design' Network</p> <p>UNESCO's 'Creative Cities' Network now includes more than 20 cities, of which 9 bear the title "City of Design" (Buenos Aires, Shenzhen, Shanghai, St Etienne, Montreal, Kobe, Nagoya and Kanazawa). From an economic point of view, the cities of Buenos Aires (gateway to South America), Shenzhen/ Shanghai (production/distribution) and Nagoya (cooperation between design and industry) are particularly interesting. Foundations for cooperative projects among the 'Cities of Design' were laid in October 2010 in the XII joint CO DE poster competition and workshops in Buenos Aires. Further joint activities under consideration include: the opening of all design competitions in all the cities to entrants from other 'Cities of Design', the provision of a permanent, central showroom showing regular design exhibitions from other 'Cities of Design' (road show, industrial design exhibition), possible launching of a competition to find the best souvenirs and gifts typical of each city.</p>	BER 12, pp.XI-XII
<p>Additional PR Activities: Communication of Best Practice Examples</p> <p>"Berlin's design industry has already produced countless successful products in all design disciplines that are exported in cooperation with international producers or developed jointly with innovative companies from other industries. This success is however too little known in industry, in society and in the design industry itself. Successful and innovative Berlin design (e.g. products and cooperative development projects from the TO P20 of the current IDZ Berlin 'ID Competence' competition) could be presented monthly through 'Projekt Zukunft's' information media (website, newsletter) and elsewhere. Internationally successful designers and design products with links to other creative industries (e.g. games design, IT design, sound design, public design etc.) or fields of industrial expertise (medical technology, lighting technology, energy etc.) would be presented. A regional media partnership is also planned to bring the success stories of outstanding "hidden champions" to a wider public."</p>	BER 12, p.XII
Promotion of innovative design is lacking	BER 14,

Polymaking discourse	Reference
<p>“As a central location for innovative design, Berlin is a highly competitive “shark tank” in which new ideas promise short-term gain in status and where these innovation contexts are informally and profoundly self-organised. With support from public administrative bodies, Create Berlin e. V. is a central platform that has most definitely contributed to the national visibility of micro-companies and freelancers from Berlin by fostering increased networking between market participants in the design segment. A complex strategy that promotes and strengthens this visibility continues to be lacking and is, in fact, hardly even articulated and formulated by stakeholders within the scene.”</p>	p.31
<p>Joint promotion and standing out from the crowd, a double-edged sword</p> <p>“The creation of visibility in the form of joint international appearances by innovative entrepreneurial cells, in particular, (e.g., those organised by Create Berlin) poses the challenging question of how they intend to differentiate themselves in the future in order to make allowances for increasing heterogeneity, which is particularly seen in the field of visual communication. From this, it is possible to see that the image Berlin has fostered of itself as being a place for innovation and improvisation could quickly become its negative opposite. Indeed, people could come to view it as more of a “playground” than a high-end, strategic and simultaneously authentic format with employment potential.”</p>	BER 14, p.31
<p>Weak domestic market demand</p> <p>“One deficit, however, is the lack of well-developed structures for production and the delivery of services in some of the creative sectors, for example, the design and fashion branches. This connexion to the production sectors can often only be made through networks and cooperative relationships with surrounding regions or other domestic and international locations.</p> <p>The weak domestic demand in some branches hinders the commercial use of creative ideas and forces businesses and culture-creators to find their markets beyond the boundaries of Berlin. The relatively sparsely populated regions surrounding Berlin are unable to supply much in the way of purchasing power. The sectors of art, architecture, fashion, theatre, and dance have all been able to position themselves internationally in recent years. Berlin finds itself confronted with the challenge of turning its gift as a talent factory, as a centre of creativity, into more productivity and growth. The goals must be to develop the current strength of this branch into economic effectiveness on the regional level and to secure an increase in the domestic demand for these creative industries.</p> <p>A close-knit interweaving of the creative industries with the publicly funded cultural arena and the classical business economy is what is needed for its long-term financial success and development. It must be the right combination of creative core areas with production and delivery of services in related branches linked to the business sectors which demand creative solutions as customers and clients. The economic policy makers face the following challenges: the drastic increase in small and micro enterprises within this sector has resulted in upheavals and relocations. Start-up entrepreneurs must be sufficiently assisted. The growing businesses with the most promise in job creation and economic innovation must be identified and expressly supported.”</p>	BER 15, p.20
<p>Lack of financial reward for creative entrepreneurs</p> <p>“A symbolic amount of capital and the quite low levels of entrepreneurial profits are what allow them to move forward with such thin layers of equity. This lack of equity can be counterbalanced by way of supportive public financing programmes (capillary trade relationships between the three sector models: Work grants, transportation and upkeep expenses, grants and scholarships, commissions, creative residencies, special orders, catalogues, studios, infrastructure, training, and consultation, etc.)”</p>	BER 15, p.20
<p>Improve the sustainability of creative entrepreneurial endeavours</p> <p>“The creative industries are an important arena for Berlin's cultural policy. It has at all times, along with the art community, supported the innovative source and essence of the creative industries' abilities to pursue value- adding endeavours. Whereas questions regarding improved economic exploitation – which could lead to a long-term improvement of the social and financial situation for many artists – had received little attention, the measure of artistic excellence was the sole guideline adhered to by public funding programmes for many years. The importance of the role which artists and other creative protagonists play makes it necessary for cultural policies to adopt developmental strategies and experiment with some creative industry standpoints.”</p>	BER 15, pp.20-21
<p>Recognising the role which temporary uses play in the urban environment</p> <p>“Urban planners have recognised the strategic role that temporary-use can play. Spatial pioneers have been able to create new developmental prospects precisely on the empty lots and difficult spaces where the implementation of classic urban developmental planning reaches its limits. For businesses and individuals of the creative economy that have yet to establish themselves, the prospect of using these temporary-use spaces and areas provides them with vastly more favourable conditions.”</p>	BER 15, p.21
<p>Guidelines for urban planning strategy</p> <p>“The local conditions for the creative economy are influenced by the city's urban developmental policies.</p>	BER 15, p.21

Polymaking discourse	Reference
<p>The major factors influencing what makes Berlin attractive for the creative industries are its positive image, the high quality of life available here, and an excellent price-performance ratio, otherwise known as the low cost of living expenses." (p.21)</p> <p>"Factors such as knowledge, urban talent-pools, innovative capacities, tolerance, and cultural attractiveness are all shown to be critical for metropolitan areas that want to sustain themselves successfully into the future. Another dimension that is becoming increasingly important as well is the urban culture of cooperation, which is the ability to initiate and facilitate partnerships among both private and non-profit, community stockholders (cf. Berg et al 2003)." (p.102)</p>	BER 15, p.102
<p>Integrated urban planning approaches</p> <p>"Contemporary urban planning cannot limit itself to studying and planning the built environment. Its task is much broader and consists in working out strategies for holistic urban designs that take social, societal, economic and ecologic aspects into consideration. This can be accomplished by way of integrated and interdisciplinary approaches that are flexible enough to react to social and political trends, such as demographic change, multiculturalism and integration, economic transformation processes and even the anchoring of sustainability in local, urban dimensions."</p>	BER 15, p.102
<p>IMPORTANT Spatial analysis of where creative industries locate</p> <p>"A "creativity-oriented", urban development planning would require that a sophisticated spatial analysis of Berlin's creative industries be done with concrete planning-related questions in mind as to how "creative spaces" could be developed. Such questions include:</p> <ul style="list-style-type: none"> – What are the special characteristics of the various quarters of the city? – What are the unused potentials (spatial and strategic)? – What kind of influence does and did governmental participation have; and what kind should it and could it have in the future?" 	BER 15, p.103
<p>Location marketing should be more regional and less local</p> <p>"The potentials of neighbourhood management programmes to attract creative industries should not be overestimated. Their function is to be a point of contact, to provide information about an area, to network and to be a partner in project development for those interested in setting up. Neighbourhood managers have neither the position nor the resources to carry out "location marketing" beyond that."</p>	BER 15, p.121
<p>Engagement differs when creative workers also live in the area</p> <p>Creative people usually become most active in district development when they both live and work in an area</p> <ul style="list-style-type: none"> – improvements to an area are rarely linked to "atelier commuters". However, should creative people represent their own interests as residents, they then tend to have the willingness, resources and competences to become effectively involved in their district. 	BER 15, p.122
<p>Temporary-use creatives reinvigorate neighbourhoods</p> <p>"Spatial pioneers discover spaces that are on "stand-by" and revitalise them with the resources that are available to them. Factors such as the prestigious "address", a hip image-label or the particular quality of an area are less important to them than low costs and having space for personal creativity and involvement. The spatial category "Urban Wasteland – Interim Use" offers a broad spectrum, both in terms of the characters and organisational types of spatial pioneers and in terms of the type of function."</p>	BER 15, p.122
<p>Temporary-use creatives</p> <p>"Few spatial pioneers consider themselves temporary users. They only accept their status for economical reasons. If a change of location is unavoidable, many strive to apply the experience gathered to expand in a new, usually permanent, location. As far as their effect is concerned, interim- use projects do not remain limited to their active phase, often acting as catalysts in the development process of a location or whole area. Interim uses can thus act as crowd attractors, while a use of higher value can become established, ultimately providing a stable structure for the interim user. This leads to debate on location upgrading through creative, innovative interim use and the aims and roles of future investors."</p>	BER 15, pp.123-124
<p>Creative people change urban spaces</p> <p>"The extent to which such changes are visible or perceivable depends on how extroverted the sectors in a particular area are. Market sectors have in common their tendency to concentrate in certain spots; this even includes the software industry, which appears to have the least affinity towards clustering together. This supports the theory that an urban working world is establishing itself or being profoundly transformed within and with the creative industries."</p>	BER 15, p.127
<p>IMPORTANT Gentrification may call for protective policy in favour of creatives</p> <p>"The most creative areas of Berlin ... escaped the planned demolition of whole areas as a result of political change; they were declared urban redevelopment areas in the early 1990s. In times of widespread dereliction, they provided space and niches for experimental and alternative ways of life, which were occupied by creative people. However, these niches became narrower as redevelopment processes progressed. This development has been subject to criticism since the late 1990s. Social issues</p>	BER 15, pp.127-128

Policymaking discourse	Reference
<p>(homogenisation), particularly such as the displacement of socially weaker artists, are often mentioned. However the [evidence does] not support such criticisms of displacement...</p> <p>Such urban processes of transformation are usually explained using the theory of gentrification..." (p.127)</p> <p>"However, it should be mentioned that gentrification processes in Berlin have yet to be backed up by empirical data. Protest against and criticism of untamed area redevelopment does not usually come from the lower classes, whose displacement already occurred at an earlier stage. Resistance commonly comes from the pioneers, deprived of the fruits of their urban labours.</p> <p>This leads to the question as to what extent such processes can be hindered or "frozen" at a widely acceptable level. The preservation of niches for low-income creative people in established "trendy areas" is an important urban task – the city thereby secures the potential for permanent further development" (p.128)</p>	
<p>"Creatives' contribution to the urban fabric may be supported by urban development policy</p> <p>Companies involved in the creative industries are themselves ambiguous as to their contribution to the establishment of "trendy areas"..." (p.128)</p> <p>"Artists have established a reputation for themselves as being initiators of urban dynamics from the bottom up; however, there are other ways in which creative and cultural interventions affect the urban fabric. Interim use by creative spatial pioneers deserves special mention, in the conversion of commercial and industrial buildings and so-called flagship projects, for example, which can have a formative effect on district development – a phenomenon which is also described as the "Bilbao Effect".</p> <p>Many of the citizens of Berlin have an internal map of the urban areas that are characterised by the creative industries. Visitors to Berlin are also informed of them through various media. However, their image is dominated by only a few of the creative sectors which shape urban space and which depend upon passers-by, e.g. galleries and fashion designers. Changes are also taking place in the worlds of work, including, for example, the use of former store-front locations by architectural firms. The creative industries generally tend to gather in certain places; this is based on synergy effects (networking) and specific spatial features." (pp.128-129)</p>	BER 15, pp.128-129
<p>Supporting creative industries through urban development policy</p> <p>"It is the city that is functioning and sustainable, however, that forms the ideal breeding ground for the creative industries. The many established and classic fields of urban development policy include:</p> <ul style="list-style-type: none"> – the stabilisation of inner-city living through, for example, housing that appeals to all generations, the promotion of self-determined housing (construction groups) and ownership stimulation – the safeguarding of local services, including the retail shops that meet one's daily needs – the preservation of good urban infrastructure related to local public transport, regional railways, media and communications <p>These are implicit contributions to the supporting and strengthening of the creative industries."</p>	BER 15, p.139
<p>IMPORTANT Established urban inner city environments</p> <p>"The key locations of creative production and commercialisation... are characterised by diverse utilisation and especially by their potential as living/work spaces. These locations achieve an effect that radiates beyond Berlin and thus contributes both to creation and to city tourism.</p> <p>However, these neighbourhoods can also give rise to incompatibilities of use, for example, in the type and scope of residential services. Urban development is required to create awareness, to maintain spaces and to foster development rather than preserve.</p> <p>In this case, urban development policy can help to promote the renting of commercial premises not only to the highest bidders, but also to companies that are valuable in creating a good mix of the various sectors of the creative industry."</p>	BER 15, p.139
<p>IMPORTANT Up-and-coming inner city neighbourhoods</p> <p>"In such areas, creative industry participants can play the role of discoverer, pioneer and innovator. Interactive businesses – such as galleries, design stores and street-level offices – create a visible contribution in this respect. The settlement of creative enterprises can contribute to the stabilisation of a neighbourhood's social structures.</p> <ul style="list-style-type: none"> • The role of creative enterprises in the development of these neighbourhoods cannot be understated. The creative industries, however, are not specifically of use in social urban development. The key factors for neighbourhood development are living quarters, schools, kindergartens and jobs, without which stabilisation cannot be achieved. • Neighbourhood management teams can promote structures of social stabilising in neighbourhoods through the organisation and initiation of culturally significant temporary-use entities. Private and public property owners are working towards making empty shops and commercial spaces in the neighbourhood available for short periods of time as work or exhibition spaces for artists. Such actions should be accompanied by relevant location-specific marketing in order to stimulate the neighbourhood from within, while enhancing the neighbourhood's image in 	BER 15, pp.140

Polymaking discourse	Reference
the city at large."	
<p>IMPORTANT Conversion of former commercial and industrial buildings</p> <p>"The creative sector often inhabits highly attractive, traditional commercial and industrial buildings and courtyards, distinguished by their prime locations and/or spacious/architectural qualities... These buildings are distinct in quality from new office buildings and commercial spaces in terms of price, the ability to create various spatial divisions, the quality of the space (ceiling height, windows), architecture (traces of history) and image. The last two factors are especially significant when it comes to so-called Loft Working spaces. The choice of a work location is also a lifestyle choice. Such choices are influenced by a combination of the social and professional proximity (potential synergies) to other tenants as well as the offerings and image of its surroundings.</p> <ul style="list-style-type: none"> • A knowledge of the specific industry or network is required to be able to develop such buildings successfully for creative industry professionals. Because founders of new companies often want to be in close contact with established businesses, graduated rental conditions, minimum sizes for rental units and the uncomplicated convertibility of rental spaces are all factors that need to be considered. • Urban development planning here acts as a moderator – for example by fostering cooperation between property owners and the real-estate industry – and therefore aims at implementing municipal goals – e.g. a mix of for-profit and not-for-profit enterprises. In collaboration with the real estate industry, the intention is to create a collection of examples where successful projects as well as available properties, not to mention their appeal for interest groups such as historic preservationists, architects, patrons and benefactors, property developers and creative/cultural entrepreneurs, are prepared and analysed." 	BER 15, pp.140-141
<p>IMPORTANT Derelict urban areas / temporary-use areas</p> <p>"Derelict urban areas, which are often developed over a long period of time, offer opportunities for spatial pioneers...</p> <p>The type of usage is dependent upon the given micro-conditions. Large, open spaces are largely used for sports and recreational activities. Smaller, easily accessible spaces are often occupied by outdoor restaurants and bars. These crowd-pullers alter the urban pathways, integrating previously inaccessible spaces into the city.</p> <p>The success of spatial urban-area pioneers has thrown light on the effects (and also the conflicts) of such space-appropriation processes. Temporary-use entrepreneurs are attempting to build an existence and envisage themselves as having a future in the newly urbanised locations. This means that interim use can also create a perpetuation effect as temporary-use entrepreneurs become attached to their locations and choose to remain there as the locations become established.</p> <p>Urban development planning has recognised the opportunity that interim use brings to the development of derelict urban areas. In this case, urban development acts first and foremost as an enabler; it can moderate the process of location development by temporary users, property owners/investors, residents etc., as well as promote codes of practice for communication between the temporary tenants and the investors and developers."</p>	BER 15, p.141
<p>IMPORTANT Flagships</p> <p>"Ever since the success of the Guggenheim Museum in Bilbao, the use of public landmarks and cultural beacons as a flagship for the development of a city district has been a part of the strategic tool kit of urban development."</p>	BER 15, p.141
<p>Financial education</p> <p>"The skating on thin financial ice that is especially seen in the entrepreneurial cells is accompanied by a noticeable lack of expertise in the field of self-management, bookkeeping, client acquisition, etc. For this reason, programmes seeking to address these deficits are more important than ever and could serve to re-establish the equilibrium of both the structural deficits and striking deficiencies of the market participants."</p>	BER 14, p.31
<p>Challenges for polymakers</p> <ul style="list-style-type: none"> • "Aiming to provide targeted communications and information to various groups; addressing sub-target groups • Shaping social interaction with the help of designers • Improving interfaces with R&D • Developing a product offering assistance and advice (e.g., a Creative Business Toolkit) • Offering information, funding and support services at different levels and for various target groups • Setting up an entrepreneurial Design Development Office to attract more clients and capital to the city • Viewing Berlin as a hub for international design" 	BER 14, p.42

Policymaking discourse	Reference
<p>Challenges for creatives (which policymakers may be able to help with)</p> <p>For design industry/market players</p> <ul style="list-style-type: none"> • “Formulating their needs better, organising themselves into special interest groups and professionalising • Building up networks among themselves and with design-related academic organisations, R&D, businesses and political bodies • Displaying self-confidence, including in pricing • Attaining a balance between specialisation and generalisation” 	BER 14, p.42
<p>Challenges for third parties (which policymakers may be able to help with)</p> <p>For third parties (e.g., steering committees, interest groups, business development bodies)</p> <ul style="list-style-type: none"> • “Significantly raising their public profiles by networking with universities and colleges • Networking with trades and industry and passing on contacts and experiences • Making existing associations and networks broader and more transparent • Accepting that achieving quality might require longer cycles” 	BER 14, p.43
<p>IMPORTANT Prototype thesis: “In the future, Berlin will concentrate on generating high-quality, innovative prototypes – whether in the areas of processes, products or objects.</p> <p>Rationale:</p> <p>Berlin’s strengths lie in the individual and often surprising articulation of new productions and perspectives from the design sectors of “product design”, “graphics” and “interface”. These are largely supported and made possible by the spatial, cultural and economic room for experimentation offered and taken advantage of here. However, it does not seem likely that this will provide a broad-based stimulus for employment and production in the supply sector or in the labour-intensive areas of production and manufacturing. We therefore propose using appropriate procedures to develop a “strategy to generate internationally renowned prototypes”. Apart from creating prototypes of innovative design products, Berlin has particular potential in terms of developing new, collaborative forms of work and design processes. In this way, whether in design thinking, social design or open-design “Fab Labs”, Berlin’s ability to develop blueprints for future ways of working, thinking, producing, selling and distributing could be strategically addressed.</p> <p>Concrete proposals:</p> <ul style="list-style-type: none"> • Better adapting the Senate and IBB programme “Opening Up New Markets” to the business needs of creative entrepreneurs, while paying particular attention to the short-term nature of market developments in the design industry. • Stimulating meta-discussions so as to ensure critical content for prototypes in development, to increase designers’ understanding of research and to improve the credibility of formats. • Launching an open post-graduate programme, thereby creating an incubator to bring people from all over the world together, including both educators and students.” 	BER 14, pp.43-44
<p>IMPORTANT Specialisation thesis: “This concentration on prototypes requires products and services to be more specialised, especially when it comes to those provided by micro-entrepreneurs and small and medium-sized enterprises in related industries. A “Specialisation Strategy” will be needed to position Berlin internationally as a producer of high-quality and innovative design products.</p> <p>Rationale:</p> <p>Market players complain that a lack of quality creates a diffuse and sometimes insufficiently competition-oriented image of designers’ work. Indeed, broad experimentation that ignores market imperatives weakens the city’s profile as a location for design, even though it cannot be denied that it also contributes to its attractiveness. To us, this suggests that we must formulate a “Specialisation Strategy”. This would mean, for example, that the design skills of individual players as well as vital forms of representation, theory and criticism complement each other so as to create an overall image of “Berlin Design”, although not every designer would be required to specifically reflect one’s own innovativeness.</p> <p>Concrete proposals:</p> <ul style="list-style-type: none"> • Separating and specialising trade fairs and festivals. There should be one design trade fair for young, aspiring talents and another for thematically specialised and established national and international market players. • Developing a trade fair in parallel to the DMY Festival in order to attract manufacturers and clients to the city. A Design Summer Camp held over several weeks should also be launched in order to foster interaction between practicing designers and academics. • Setting up a Design Development Office charged with actively recruiting potential clients (e.g., hotels that need furnishings and manufacturers, but also tourists and other multipliers). • Strengthening the awareness of and demand for design in the public sector: designing public products, communication tools, interactive formats; improving services (the Senate Department). 	BER 14, pp.44-45

Policymaking discourse	Reference
<ul style="list-style-type: none"> Supporting “pairing” (cooperation between micro-enterprises and established players).” <p>IMPORTANT Innovation thesis: “As an innovative and product-oriented cross-sectoral industry, the design industry must not only be more strongly anchored within the concept of the “cultural and creative industries”, but also more integrated as an engine that provides ideas to other areas of technology and research (e.g., medicine, the pharmaceuticals industry, transport/mobility, energy, information and communications technology). We propose updating the “Innovation Strategies” that have been identified thus far. As is generally the case in the EU, these have a strikingly strong emphasis on technology and less of a focus on strategic and social dimensions, to which design in particular can make an important contribution.</p> <p>Rationale:</p> <p>Berlin is presented as an inspiring place to develop new design products and formats. At the same time, this potential is far from being sufficiently exploited because of both a stereotyped understanding of “design” and a failure to integrate design into innovation processes and the applications and networks that can result from them. Likewise, so far, little account has been taken of the increasing hybridisation of design disciplines and their interaction with businesses, research establishments and society. For these reasons, we recommend developing an “Innovation Strategy” for the design industry.</p> <p>Concrete proposals:</p> <ul style="list-style-type: none"> Orienting microfinancing more towards the needs and requirements of innovative micro-entrepreneurs than has previously been the case. This also means that bureaucratic and structural barriers must continue to be lowered. Changing tendering procedures and promoting collaboration between micro-enterprises. Training medium-sized enterprises about the structural integration of design processes within the company.” 	<p>BER 14, pp.45-46</p>
<p>IMPORTANT Acceptance thesis: “Berlin must concentrate on remedying the deficit in society’s understanding and recognition of the design industry. The design industry needs to make sure that its work is broadly accepted and that society recognises its role as both a driving force in the cultural and creative industries and a major motor of innovation through its interaction with other areas of the economy and society. The design industry must strengthen its public profile of being a heterogeneous producer.</p> <p>Rationale:</p> <p>Despite its large number of initiatives, projects and institutions, Berlin’s design landscape gets little public attention. Highly professional designers with international connections, in particular, do not feel that they have a voice or are appropriately valued. Instead of having design appear as a subcultural niche issue, they would like to see it taken seriously for making a constant contribution to the life of society at large. Market players complain that there is too little recognition of design in society. Its low visibility weakens the city’s profile as a location for design. We therefore propose an “Acceptance Strategy” that would take the industry’s need for recognition into account.</p> <p>Concrete proposals:</p> <ul style="list-style-type: none"> To achieve a higher visibility and greater acceptance, an overarching bundling of and coordination between existing industry networks could help make the design industry as a whole more visible within the creative industries as well as to other industries. This must also involve the commissioning of public contracts to (young) designers, which might even require having the courage to place controversial designs in public spaces. Inviting international stars and companies to discuss issues and/or to work in Berlin; inviting international multipliers to partake in symposia or summer schools. Creating a design-oriented portal or expanding an existing one to provide target-group-specific information for designers, clients, investors and others (modelled after tried-and-tested examples from other countries). Taking long-term measures to increase the acceptance of design; anchoring design in school curricula (as is the case in Britain, where the subject of “Design & Technology” is making a major contribution to a more general understanding of the topic). Initiatives such as “tinkering schools” (summer camps for school-aged children where they familiarise themselves with design and technology through their own projects) might also be a good option for the medium term. Promoting design disciplines that have few fundraising opportunities because they are not application-oriented (e.g., design theory). Examining whether and how design could be integrated into funding instruments in the areas of technology and industry.” 	<p>BER 14, pp.46-47</p>
<p>Funding is not evenly spread</p> <p>“The funding available to Berlin as a federal state does not equally benefit all branches of the creative industries or all sizes of businesses. Only limited funding is available for businesses in, for example, the</p>	<p>BER 8, pp.8-9</p>

Polymaking discourse	Reference
performing arts, art, design and architecture; in addition, many are put off by the demanding criteria — in part, required under EU regulations — for funding applications. For this reason, Berlin is also promoting crowdfunding and crowd-investing as alternative sources of funding for the creative sector”... “The Crowdfunding Berlin platform, commissioned by the Senate Department for Economics, Technology and Research, offers an overview of Berlin’s projects and actors as well as the funding portals, combining knowledge and current trends with news on the latest events and market developments. In this way, the platform aims at making Berlin the key European hub for crowdfunding and crowd-investing.”	
New forms of funding should not be overtaxed “As a new financing model, crowdinvesting is not to be smothered in too many taxation and legal provisions — a move which will also particularly benefit the creative sectors and the digital economy.”	BER 8, p.9
Provision of presentation and networking platforms “Berlin is especially active in establishing networking and presentation platforms for individual market segments and the creative sector as a whole. This support is evident in the provision of such online services as the Creative City Berlin information portal and the Museumsportal as well as in such flagship events as Berlin Fashion Week, Berlin Music Week and Berlin Art Week, which significantly enhance the city’s national and international visibility.”	BER 8, p.9
Holistic planning for the creative industries Integrate creative sector policy into a broader strategic innovation policy at both a Berlin and a national level... “As a key driver of innovation, the creative industries are to be integrated far more than previously in cross-industry and cross-cluster innovation networks and competitions. Berlin’s challenge is to bring together the »right« actors from a range of sectors to support the collaborative development of innovations.”	BER 8, p.10
Location plays an important role in collaboration “There is a need for locations, formats, moderators and incentives capable of mediating between the different worlds and reinforcing the motivation of those involved to cooperate. For cross-industry cooperation, locations play an important role, especially when the objective is to share knowledge, experiment, test out new cooperations and bring together people with different areas of expertise. Berlin has over fifty such innovation locations for a free exchange of ideas, ranging from a company’s own laboratories or research-based labs, incubators and co-working spaces to fablabs and grassroot labs.”	BER 8, p.10
Cluster and financing initiatives are interdependent “Analysing various cluster initiatives in Europe’s creative sector has shown that cluster management is most successful where it can not only work towards supporting cross-industry innovation and opening up new markets, but is also dovetailed into and can influence the framework of funding for the creative industries.”	BER 8, p.10
Location in the inner city does not seem to be a pull factor (at least in the case of Berlin) “The location of creative industry enterprises does not suggest any significant pull from the outer to the inner city or vice versa, a phenomenon intensively discussed at present in many other spheres of urban development. Instead, it appears far more that locational competition encourages the discovery of previously disregarded inner city quarters”	BER 8, p.89
IMPORTANT Drivers of locating in and around inner city areas “Are locational decisions driven by a pronounced »love of urban centres« or are there other reasons for these findings? In business surveys, rent levels are regularly cited as by far the most important locational factor. In itself, this would speak against the evident gravitation towards the city centre. However, in a similar way to choosing an area to live, decisions on business locations are also the result of weighing up various factors. Depending on the submarket, business type and level of maturity, the address can be read in a variety of ways, for instance: – A display window or symbol: representing renown and a sign of success – Access: serving to open up a market area for walk-in customers and leveraging localisation effects – Argument: adding to the enterprise’s attractive image and with neighbourhood facilities providing an incentive for employees – Focal point of life: a personal decision due to, for example, the proximity of home and work – Identity: expressing business identify (or part of it) based on factors including street cred In total, such individual reasons are not, of course, the sole factor in locational decisions, but they do reflect the overlapping interests involved. The majority of enterprises in the cultural industries have one single address (51 percent), while 34 percent share their address with others in the creative sector. ² This can be interpreted either as a preference for proximity to others in the creative industries or for »factory-like situations«. However, this finding could also just reflect a scarcity of available real estate — an explanation that may be further supported by the fact that many premises converted to commercial use even house established enterprises. In total, eight percent of creative industry enterprises are at locations with over ten creative businesses. In the majority of cases, such locations are only mentioned as incubators, but this particular means of promoting businesses also includes the widely-discussed labs or co-working spaces...”	BER 8, pp.93-94

Polymaking discourse	Reference
As regards the question of spatial proximity, the street, too, can be read as a kind of horizontal factory — in contrast to the small commercial complexes which are organised vertically. In particular, streets attract businesses that need a display window, and the conversion of retail store areas into offices or ateliers has been a major topic of discussion over the last twenty years.”	
Safeguard inner city industrial land “Today, the investment climate has changed — and in the wake of growing pressure to develop, the urban planning tasks are also changing. In many areas, the finite nature of the favoured inner city locations is only too evident. As a result, one main field of action is now the need to safeguard spaces and slow development in the previously less dynamic quarters on the inner and outer margins of the inner city... The policy objectives here are not to support established companies which — as has been shown — are quite capable of asserting themselves on the market. Instead, the aim is to assist those newly emerging enterprises whose potential will also shape the dynamism and perspectives of the coming decades — and this requires proactively safeguarding development opportunities.”	BER 8, p.94
Protectionist policy to help creatives thrive in-place: “The process of evaluating transformation processes in Berlin’s urban districts also calls for re-examining the role of creative workers. All too often, their pioneering achievements at locations are simply viewed as »harbingers« of major investors, and for this reason frequently discredited. Nonetheless, it is apparent in many places that social and cultural changes in quarters are driven by the real estate industry’s commercial interests. Preservation ordinances and other urban planning instruments could lessen the effects of potential gentrification processes such as, for example, rent increases. The impact of creative workers on city quarters can significantly contribute to life quality and sensitive locational development... The federal state of Berlin’s real estate policy thus plays a crucial role here since, after giving due consideration to the diverging claims to use, it safeguards spaces and areas for creative practitioners as well. A policy of also allocating Berlin’s state-owned real estate to creative industry enterprises creates long-term perspectives in contrast to the previous common practice of only viewing such businesses as interim tenants until properties were leased with a higher rent.”	BER 8, p.94
External stimuli are not effective in guiding location choice decision-making of individual creative enterprises; mixed use development is favoured “In general, it is neither considered feasible to plan nor control »new creative centres«. Creative industry businesses are regarded as too scattered and individualistic for their choice of location to be influenced by an external stimulus — a view which the data appears to support.”	BER 8, p.94
Overarching ideal aim of planning for creative industries “With creative industries and culture playing a key role in the quality of urban life, the overall aim is to safeguard the free spaces they need.”	BER 8, p.94
IMPORTANT Future trends and indicators of creative industry businesses which might act as a starting point for policy development: “independent economic fields geared towards the production/provision of cultural and creative content” (p.23) “they are business complexes composed of diverse sectors” (p.23) “they focus on the production of content and copyrighted material” (p.24) “extremely small-scale business structure” of less than 5 employees on average (p.24) They are ‘price takers’ rather than ‘price dictators’ – they have very small scale as individual companies and limited organisational capability as a group (p.24) “The costs for retrieving information are high” based on the fragmentation of the creative industries (p.24) High risk in terms of survival in the market (p.25) “Peculiar mixture of technological and non-technological innovation” (p.25) They can locate in many different environments “as their requirements towards business locations take a great variety of shapes” (p.25) “The culture / creative industries have no or only a very weak lobby in society, politics and administration because they represent a new type of “key industry”.” (p.25)	BER 16, pp.23-25
IMPORTANT Macro-questions remaining unanswered (as of 2007, in Germany, according to the authors), perhaps a guide as to areas of policy that government may want to focus on? <ul style="list-style-type: none"> • “What are the tensions the culture / creative industries have to endure facing media, IT, copyright and technology development? • Who is the right political partner to address? Is it the department of culture, trade and industry, city development, education, technology, or finance – or are all of them responsible? • Do the culture / creative industries have to defend themselves against the reproach of trivialisation coming from cultural institutions or are they equal partners in artistic and creative production? 	BER 16, pp.25-26

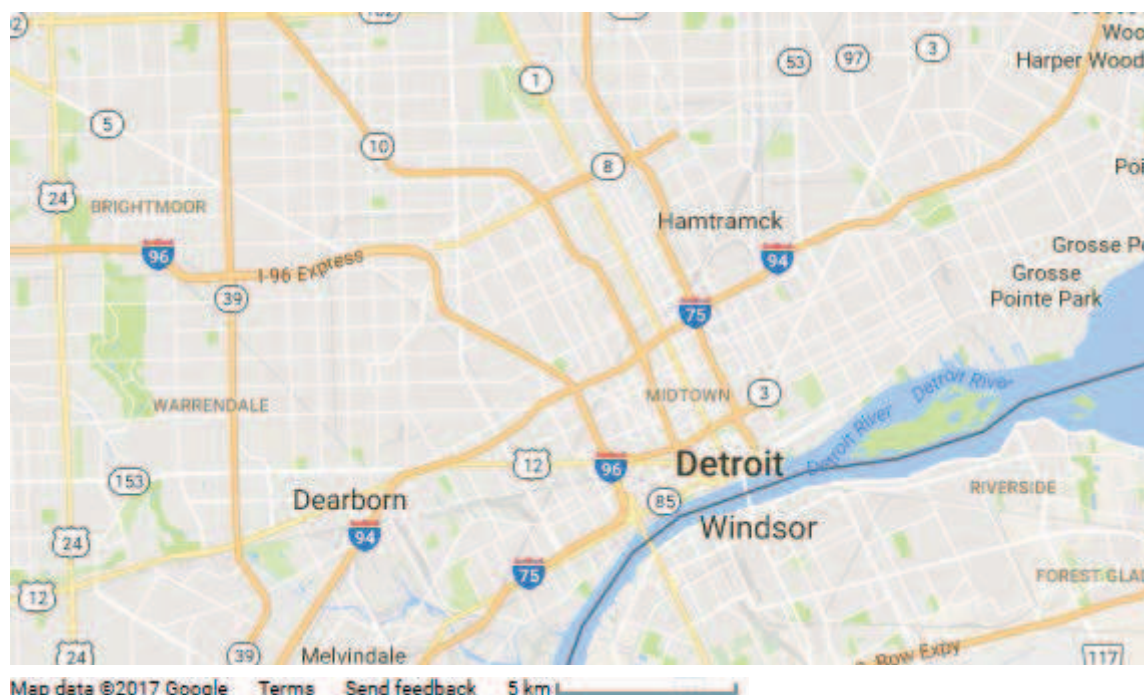
Policymaking discourse	Reference
<ul style="list-style-type: none"> • What is the most important part of the creative industries complex? Do micro businesses and freelance offices provide the “humus” to produce and grant creativity? Or do the SMEs form the backbone of the cultural and creative sectors? Or is it once more the orientation towards the majors and media corporations that counts? • This raises the question of the kind of capital that is crucial for the creative industries. Who needs how much “symbolic”, how much “social” and how much “economic” capital (Bourdieu)? • What are adequate financial support instruments when the funds needed for the support to the culture / creative industries are significantly smaller than in the case of the traditional industrial sectors? • To what extent can substantial non-financial support instruments be used in the case of the culture /creative industries? • How can the culture /creative industries benefit from their “capillary” relationship with the public and intermediate cultural sector? • How may the culture / creative industries initiate new developments in the public and the intermediate sector? • What kind of environment and infrastructure do the culture / creative industries need for development? • What can be done to reduce the high costs involved for retrieving information in a highly fragmented market, thus contributing to the profitability of the culture / creative industries? • What can be done to raise incomes in the culture / creative industries? Can the enterprises become price makers instead of price takers in spite of their small scale structure and thus gain higher profit margins? • Are there new forms of interaction between work and leisure, business, innovation and creativity that might support the culture / creative industries? • Are the culture / creative industries capable of developing original and unique cultural products and creative services with sustainable effects?” 	
<p>Education for entrepreneurs</p> <p>“Founders and people who are willing to start up in business have access to excellent training and further education offers that provide professional support during all phases of a company’s development”</p>	BER 9, p.10
<p>Options available for new creative start-ups:</p> <ul style="list-style-type: none"> • Access to adequate free-WiFi in the urban environment and cafes: free or very cheap • Rent space in a co-working site: for a more quiet work environment, to access facilities more cheaply than if renting alone, to develop networks • Rent space in a maker lab: for use of high-tech equipment like 3D printers and laser cutters, allows for experimentation and experience using the machine • Rent space on your own: relies on a supply of affordable spaces that are desirable for creative activities • Rent space within a campus ecosystem: similar to a knowledge cluster, rent space near like firms 	BER 9, p.12
<p><i>Transfer Allianz</i> (Transfer Alliance) offers a number of services and programs to help companies – both creative and otherwise – share knowledge and information amongst themselves for the greater good of the Berlin economy. The Invention Store offers free access to their patented technologies from over 200 German institutions, sharing invention in the pursuit of knowledge.</p> <p>Transfer service and programs:</p> <ul style="list-style-type: none"> • Promotion programs • Founding centres • Patents and licenses • Practical courses career service • Cluster (relating to the five key clusters in the Berlin area: healthcare, ICT/media/creative, transport/mobility/logistics, energy technology, optics) • Knowledge and technology transfer (WTT) • Finding partners for business <p>More service offers</p> <ul style="list-style-type: none"> • Dual career network • Scientific promotion at an international level (Einstein Foundation) • Innovations promotion at a European level (Enterprise Europe Network) • Business counselling for start-ups • Invention Store 	BER 1

Polymaking discourse	Reference
<ul style="list-style-type: none"> Scientific education and marketing Navigating scientific institutions in Berlin 	
<p>IMPORTANT Some takeaways from the 1999 Urban Development Plan – Commerce and Industry guidelines:</p> <ul style="list-style-type: none"> Balanced greenfield and brownfield development Adequate supply of suitable land by size and location Retain existing commercial and industrial land Prioritise reuse and better use of these areas over new development in these locations; ‘defend against unwanted uses’. Adjust usage of sites over time in accordance with utilisation patterns. Embrace mixed use development in the name of ‘sustainable and integrated urban development’. Mixed use development should reduce traffic with reduced commuting time however there is a greater need to manage externalities from noise and other pollution, e.g. through distancing conflicting uses. Reuse historical buildings for mixed workplaces and other functions, particularly those buildings in desirable locations e.g. along the riverfront. Important to preserve these spaces for architectural and cultural reasons. Any reuse that agitates against this in the name of economic development should be carefully considered 	BER 3
<p>IMPORTANT Creative policy outlined in the <i>Berlin Strategy: Urban Development Concept 2030</i>:</p> <ul style="list-style-type: none"> “Maintaining and developing venues and premises for creative and cultural artists and businesses: A property policy safeguards and develops venues, assessing a range of occupancy claims with the help of a construction and planning law toolkit. Facilitating the interim use of spaces: There are plans to set up a public-private space exchange to facilitate the interim use of open spaces and premises. Improving the business skills of creative and cultural artists: Training and coaching help entrepreneurs from a range of backgrounds to establish themselves in the growing market. Broadening participation in publicly funded cultural activities: Because culture is a form of education, local provision is safeguarded, inhibition levels are broken down, low-threshold venues are made available and networking and collaboration between organisations and the independent theatre scene are encouraged. Supporting the spatial diversification of tourism demand: Increased tourism demand also benefits the outer city by transforming cultural venues into crystallisation points and catalysts for sensitive neighbourhood development. Organising major events: In future more major national and international cultural and sporting events will be organised and used to develop infrastructure that will subsequently be available for both top-flight and grass-roots use.” 	BER 7, p.33
<p>Promote awareness of the importance of Berlin’s industrial sector</p> <p>“Berlin’s industrial sector drives innovation and employment in the capital. It is therefore important to promote awareness of its significance among politicians, the administration, the sciences and the population, as well as among entrepreneurs and investors. This should be done at the regional, supra-regional and international level. The starting point for this is the clear acknowledgement by the Senate of the importance of Berlin’s industrial sector.”</p>	BER 13
<p>Implement industrial policy as an interdisciplinary task</p> <p>“Sustainable industrial policy in Berlin can only be implemented in a cross-departmental manner and through close collaboration within the Senate. Such co-operations must be continued and expanded in the future, for example in the development of the upcoming Further Education and Training Master Plan and in the implementation of the current Industrial Master Plan. The presiding mayor’s Industrial Policy Steering Committee will advise the Industrial Master Plan in interdisciplinary issues.”</p>	BER 13
<p>Strengthen the innovative capability of Berlin’s industrial sector</p> <p>“Innovations and innovative capability are central factors in national and international competition. A number of future-oriented industries are already based in Berlin and are developing tomorrow’s products today, for instance in the so-called green economy. They include new and established industries alike, some of which cooperate with other industrial branches and research institutions. The Transfer-Allianz (transfer alliance) has taken on the task of strengthening this technology transfer, an objective that is supported by the Industrial Master Plan.”</p>	BER 13
<p>Promote integrated business location policy in the capital region</p> <p>“Above-average growth in Berlin’s industrial sector will be supported by an integrated business location policy, in particular by comprehensively interconnecting the Industrial Master Plan with the innovation strategy. This comprises even closer coordination and cooperation with the State of Brandenburg to take</p>	BER 13

Policymaking discourse	Reference
<p>advantage of synergies and to avoid multiple structures. Important keystones of the integrated business location policy also include the sustained maintenance and expansion of sophisticated educational and transportation infrastructures.”</p>	
<p>Promote business networks in the business location of Berlin “Cooperative efforts among companies in local businesses networks enable small and medium-sized companies, which make up the majority of Berlin’s businesses, to achieve locational advantages despite increased national competition. Business networks in Berlin should therefore be reinforced and expanded in order to establish new forms of cooperation with other companies, vocational and advanced training facilities and research institutions.”</p>	BER 13
<p>Utilize the diversity of the participants and promote dialogue “The Industrial Master Plan was developed in an open process and reflects the diversity of its participants in the business location of Berlin. This dialogue-oriented approach must also be continued in the implementation of the Master Plan, and the dedicated cooperation of politics, the administration, business and the trade unions should also be reinforced. This process is open for the constructive involvement of additional participants.”</p>	BER 13
<p>Initiatives of the <i>Industrial City Berlin</i> strategy one year on:</p> <ul style="list-style-type: none"> • Closure of Berlin Tegel Airport has served to provide space for urban industry, technology, innovation and experimentation (urban development) • Financing and coaching for startups and SMEs (financing, education) • Shared internet platform – www.transfer-allianz.de – to enable communication and knowledge sharing between SME innovators and universities and research institutions. Following the roll-out of the shared internet platform, a survey was undertaken to identify impediments. (networking, database development) • Transfer BONUS scheme to subsidise collaboration between innovative SMEs and scholars (financing, networking) • Guide to facilitate internship programs which links university students to innovative SMEs (education, networking) • Transfer BONUS scheme to subsidise collaboration between innovative SMEs and scholars (financing) • Guide to facilitate internship programs which links university students to innovative SMEs (education) • General awareness campaigns including ‘Berlin as an industrial city’ and ‘Berlin – the place to be for future industries’, rolling into the broader citywide campaign ‘ich bin ein Berliner’ (promotion) • Regional value-add chains (proximity of suppliers, producers and customers) evaluated through a sectoral structural analysis (data analysis and interpretation, networking) • Business Location Center to create a business portal which is a database and atlas of business in Berlin with additional fields to enhance information flow amongst businesses in Berlin (database development) 	BER 11

6. Detroit

Population: 677,000 (2016 est.)¹⁶



Evidence base for policy review

Detroit Future City: 2012 Detroit Strategic Framework Plan*	(2013)	Detroit Future City	https://detroitfuturecity.com/wp-content/uploads/2014/12/DFC_Full_2nd.pdf (viewed 21/12/16)	1
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* this is a very comprehensive 761 page book which maps the transformation plans for Detroit in great detail.

Strategic policy context

Detroit Future City ('DFC', DET 1), first published in late 2012 after three years' work is the result of work principally by the City of Detroit and the Detroit Economic Growth Corporation in consultation with the Detroit community. DFC describes itself as ambitious, attainable, and accountable (DET 1, p.33), and as the means to coordinate limited resources of all kinds – people, time, money, ideas – in order to plan for the future of the abundance of land in Detroit (in particular public land) to ensure job growth and economic prosperity, vibrant neighbourhoods, cost-effective infrastructure and effective engagement with the community (pp.5-6).

In formulating the plan, the DFC focuses on '12 imperatives' as priorities for change:

1. We must re-energize Detroit's economy to increase job opportunities for Detroiters within the city and strengthen the tax base.
2. We must support our current residents and attract new residents.
3. We must use innovative approaches to transform our vacant land in ways that increase the value and productivity and promote long-term sustainability.

¹⁶ <http://www.census.gov/quickfacts/table/PST045215/2622000>, viewed 21/12/16

4. We must use our open space to improve the health of all Detroit's residents.
 5. We must promote a range of sustainable residential densities.
 6. We must focus on sizing the networks for a smaller population, making them more efficient, more affordable, and better performing.
 7. We must realign city systems in ways that promote areas of economic potential, encourage thriving communities, and improve environmental and human health conditions.
 8. We must be strategic and coordinated in our use of land.
 9. We must promote stewardship for all areas of the city by implementing short- and long-term strategies.
 10. We must provide residents with meaningful ways to make change in their communities and the city at large.
 11. We must pursue a collaborative regional agenda that recognizes Detroit's strengths and our region's shared destiny.
 12. We must dedicate ourselves to implementing this framework for our future.”
- (p.15)

The DFC is clearly reinventing and repurposing a city in a fundamental way, perhaps as close as possible to a ‘clean slate’ as it can be given that the city already exists. The DFC takes a forward-looking approach to planning:

“Instead of “What to do about Detroit,” the question becomes, “What can be done in Detroit, by Detroit, and with Detroiters?” To gain momentum and credibility for this new discussion, Detroit must be ready to show what it is already doing, speaking in many voices of a shared vision and specific recommendations that suit Detroit as it is today, and as it could be in ten or twenty years.” (p.19)

Quite poignantly, the DFC attributes itself as the first masterplan of Detroit that fully comes to terms with the city's structural decline and change:

“The city's current Master Plan of Policies does not adequately acknowledge the city's permanent population decline and increased vacancy. Recognition of these pervasive conditions requires the city's land use policy and regulatory frameworks to introduce new land uses that can repurpose today's vacant land into new productive uses that contribute to long-term economic, social, and environmental sustainability.” (p.330)

The DFC clearly represents a change in strategic direction for Detroit's future planning. Nevertheless, Detroit is already undergoing a transformation, having embraced new industries to replace its old reliance on heavy industry and production line manufacturing:

“New industries. Tech start-ups. Fresh, local food production. Collaborative work spaces. Downtown living. Neighborhood collaborations. Innovative and door-to-door approaches to social and human services. World-class health care institutions and universities. Large-scale public art projects. Youth training and development, infant mortality prevention, and senior housing and other critical residential development by CDOs and churches. All of it happening right now.” (p.19)

The strategic plan is built around five elements – economic growth (equitable), land use (image), city systems and environment (sustainable), neighbourhoods (distinct and

competitive), and land and buildings assets (strategic) (p.32) – and the central tenets of a plan which is aspirational, actionable and accountable (p.33). Economic growth and neighbourhood strategies and associated policies were particularly of note in respect of the urban manufacturing remit and are of central focus in the policy overview below. Observations from the other elements are drawn upon as well.

The DFC describes seven economic transformative ideas:

- “a city of robust job growth
- a city of equitable economic growth
- a city of physically and strategically aligned economic assets
- a leader in urban industrial activity
- a city of regional and global economic assets
- a city that encourages minority business enterprises
- a city of immediate and long strategies for resident prosperity” (p.44),

these ideas together describing what identity Detroit wants to craft for itself going forward from an economic perspective. Clearly, Detroit wants to embrace its industrial roots but wants to do so in an economically sustainable, ‘futureproofed’ way.

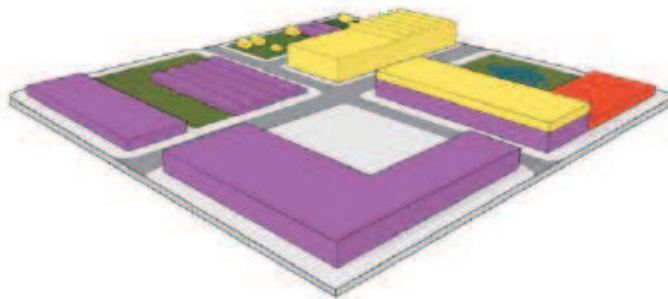
The DFC provides insights into the revitalisation and repurposing of individual neighbourhoods throughout Detroit. One particular narrative – that of Corktown on the outskirts of Downtown Detroit – epitomises a neighbourhood which will embrace urban manufacturing as part of its core function:

“At the edge of Downtown, Corktown is envisioned as one of the City’s most desirable Live+Make neighborhoods. New small businesses and creative enterprises will mix with existing industrial uses to further attract both national and global talent. New housing and continued revitalization along Michigan Avenue will provide a walkable environment for businesses with new services, entertainment, and housing.

At the heart of Corktown’s future is a network of community leaders, volunteers, and business entrepreneurs who can undertake neighborhood improvements and reclaim vacant lots as productive community spaces. Such groups include the Corktown Historical Society, Greater Corktown Residents Council, Detroit Hispanic Development Corporation, Greater Corktown Development Corporation, Old Tiger Stadium Conservancy, the Roosevelt Park Conservancy, Most Holy Trinity Church, and The Greening of Detroit, among others. Corktown’s resurgence has attracted new businesses and entrepreneurs, and has gained momentum through the interest of funders and investors.” (p.145)

Corktown is one example of a Live+Make neighbourhood, one of five types of neighbourhood in future Detroit. The following image taken from the DFC shows the low density nature of Live+Make activities compared to a more traditional, heavy industry neighbourhood. Residential buildings are blended in amongst urban manufacturing enterprises. These neighbourhoods provide an interesting approach to consider in formulating land use strategy incorporating urban manufacturing in Melbourne (p.260):

NEIGHBORHOOD LAND USE TYPOLOGIES: MIXED-USE



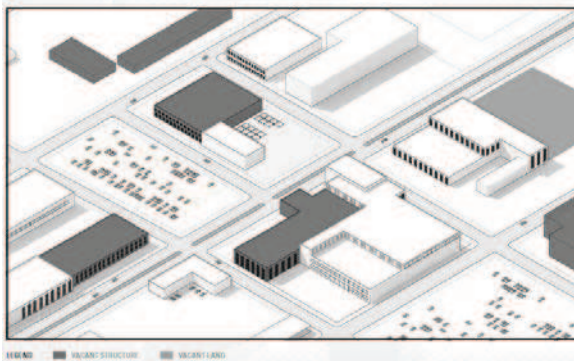
LAND USE COLOR CODE

Orange	OFFICE
Yellow	RESIDENTIAL
Blue	INSTITUTIONAL
Red	RETAIL
Purple	INDUSTRIAL

LIVE+MAKE presents another opportunity for Detroit to become a change leader in innovative urban design. Repurposed historic industrial structures and land that fosters a blend of smaller scale, low-impact production activity is combined with a diversity of other land uses. This typology provides a framework for true live-work in Detroit by allowing artisanal and small manufacturing, fabrication, assembly, and workshop uses compatible with housing and retail. The scale of industrial use is relatively fine grained, with a range of overall forms, including occupying multi-story, former industrial structures as well the development of new building types. Any adaptive reuse or new construction should be encouraged to have space set aside for productive activities.

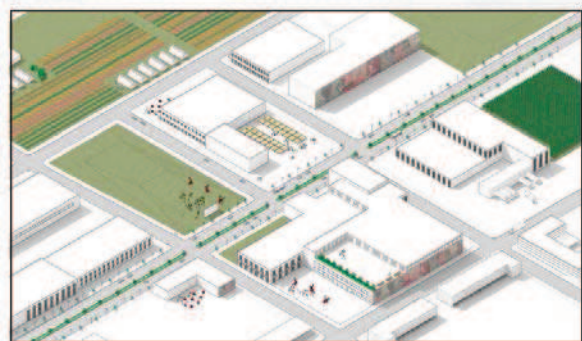
The DFC presents urban design images which describe the Live+Make neighbourhoods as they exist today and how they are envisaged in 50 years' time (in an 'ideal' world):

CURRENT: LIVE+MAKE NEIGHBORHOODS TODAY



p.517

PROPOSED: LIVE+MAKE NEIGHBORHOODS IN 50 YEARS



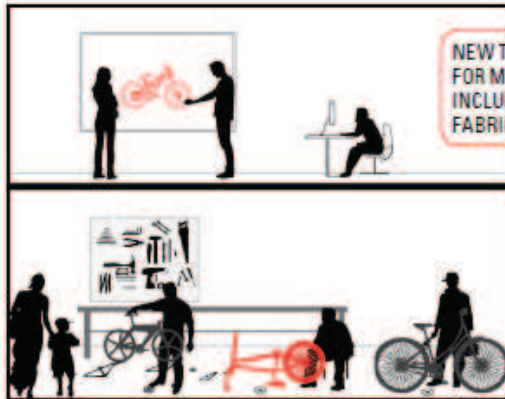
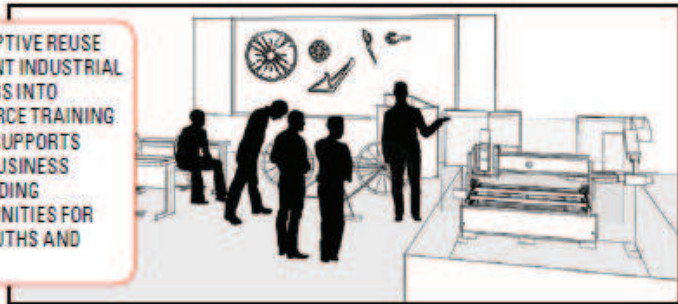
p.519

The strategy also presents narrative in other accessible ways including comic strips, see for example pages 521 to 523 below. This is an interesting approach to present the findings of consultations and the strategic plan in a way that is more accessible to the general public:

A DAY IN THE LIFE OF A LIVE+MAKE NEIGHBORHOOD...



THE ADAPTIVE REUSE OF VACANT INDUSTRIAL BUILDINGS INTO WORKFORCE TRAINING SPACES SUPPORTS SMALL BUSINESS BY PROVIDING OPPORTUNITIES FOR BOTH YOUTHS AND ADULTS



NEW TRAINING FACILITIES FOR MODERN INDUSTRIES, INCLUDING DIGITAL DESIGN FABRICATION



PRECEDENT

PONYRIDE

"Ponyride nurtures collaboration using shared resources, knowledge, and ideas to cultivate opportunities created by the strengths and crises of Detroit. They engage a diverse group of creative socially conscious entrepreneurs giving them the opportunity for production, community outreach, and education."

Image and Text Source: Ponyride



PRECEDENT

ROOSEVELT PARK

Renovations to the park adjacent to the Michigan Central Depot provide a shared public open space amenity for the local community and visitors alike. The Park provides a venue for various organized arts, music, food, and athletic events throughout the year.

Image Source: UrbanDetail



CREATE OUTDOOR PUBLIC EVENT SPACE FOR FESTIVALS, DIY FAIRS, AND THE ARTS



CONVERSION OF FORMER INDUSTRIAL BUILDING INTO CONDO UNITS FOR BOTH LIVING AND WORKING



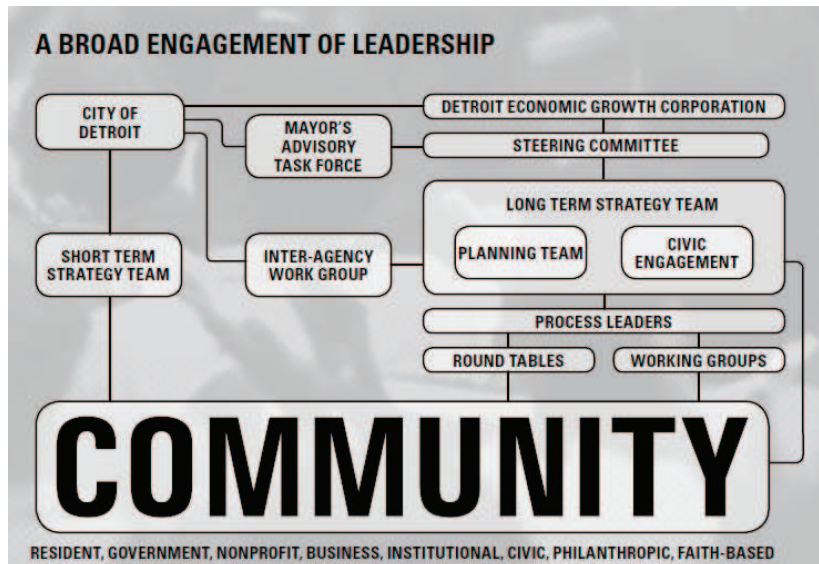


Together with the innovative strategy presentation of Amsterdam's *Plan Amsterdam* magazine, these engaging comic strip layouts provide interesting ideas for policymakers in Melbourne as to how their plans and policy frameworks in relation to urban manufacturing and creative industries could be more inviting and accessible for the general public.

Finally however, it is important to reflect on the relevance of Detroit to a study of urban manufacturing in Melbourne. Detroit is a much spoken-about urban planning case study, and perhaps for all the wrong reasons. It is a city which has experienced a substantial decline in population – from 2 million at its peak (p.9) to a current population of a little under 700,000 (see page 36 of this report) – a structural decline in fact, a city which has truly downsized. Public officials in the City of Detroit have to contend with entire streets and neighbourhoods as derelict and in need of structural change to correspond with the declining population, something perhaps foreign to planners in cities with more stable populations like Melbourne. That being said, declining population does not necessarily mean declining fortunes and it seems that both the planners and citizens more broadly are embracing Detroit's circumstances as an opportunity for positive change. City governments around the world may take some learnings from aspects of how Detroit has gone about engineering and implementing such a mega-planning process in practice. This report is too brief to summarise the entire *Detroit Future City* plan or its many initiatives (a full reading of which is suggested for the interested reader), however the researchers hope that the overview of the strategy above and the policy environment below provide some useful insights that assist Melbourne and its various local and state governments to proactively and positively plan for sustainable urban manufacturing and creative industries.

Urban governance context

Detroit Future City ('DFC') is a collaborative effort of the City of Detroit, the Detroit Economic Growth Corporation and various committees and working groups in consultation with the community (see DET 1, p.4). The consultation effort has been enormous in order to capture the community's vision for repurposing the city (p.5).



(DET 1, p. 4)

The DFC goes on to describe how the vision came into shape:

“The Long Term Planning initiative was led by a Mayor-appointed Steering Committee of 14 civic leaders representing business, philanthropy, community, faith-based institutions, and government. The Detroit Economic Growth Corporation (DEGC) managed the initiative, overseeing the work of the Planning Team of local, national, and international consultants representing the disciplines of urban planning and design, economics, engineering, landscape architecture, and real estate development. A Civic Engagement Team was also created to interact with many community groups, business leaders, and residents. The local partners led the Civic Engagement process along with a host of community and advocacy organizations and Process Leaders, who aided in gaining citywide input into the initiative as the Framework took shape.” (p.11)

Policy environment

Policymaking discourse	Reference
Vacant land needs to be thought of differently: “Detroit must transform its image of vacancy into an image informed by the new possibilities for 21st century land uses. This means creating new opportunities for vacant land to become assets that contribute tax dollars, produce jobs, or become a public amenity.”	DET 1, p.22
IMPORTANT A typology of five kinds of neighbourhood (including making – type 5): <ul style="list-style-type: none">• “Traditional neighborhoods with single-family houses, front yards, and garages;• Neighborhoods that are more dense with townhouses, mid-rise and high-rise apartments, and condominiums that have improved access to public transit;• Neighborhoods where housing is integrated into an open-space environment with recreation opportunities and a connection to nature;	DET 1, p.25

Policymaking discourse	Reference
<ul style="list-style-type: none"> • Neighborhoods that integrate housing with land stewardship and food production; and • Neighborhoods that allow for the combination of living and production (Live+Make), whether clean manufacturing, processing, or creative arts.” 	
<p>IMPORTANT Economic growth strategies:</p> <ul style="list-style-type: none"> • Support the Four Key Economic Growth Pillars that have already demonstrated promising job growth: education and medical employment (“Eds and Meds”), digital and creative jobs, industrial employment (both traditional and new technologies, large-scale and artisanal, manufacture and processes), and local entrepreneurship. • Use place-based strategies to create core investment and employment centers, focusing on seven employment districts where job growth is already occurring. • Encourage local entrepreneurship and minority-owned businesses. • Improve education and skills development. • Transform the city’s land into an economic asset.” 	DET 1, p.38
<p>Align cluster strategies with the strategic framework</p> <p>“The city and regional economies are loosely organized into clusters with strong, but not always coordinated, local and regional intermediaries in the education, medical, creative, digital and food clusters; as well as some coordination of the traditional industrial clusters. This diverse set of organizations should create new strategies, or update existing ones, to reflect the priorities and actions in the Detroit Strategic Framework, which will the space for cooperation within and across clusters on common issues like workforce training, transportation, and security. Cluster organization and strategy development are perhaps the key mechanism for identifying areas of cooperation and investment that mutually benefit the city and regional economies and create strong and durable linkages between city and regional stakeholders. Given the current citywide shortage of available, turnkey, low-cost space, each cluster strategy should include a real estate component that identifies real estate options, including shared-space options, for cluster companies and the self-employed. In addition, each cluster strategy should identify a portfolio of capital options for funding necessary real estate investments and business development and growth. In short, cluster leaders should look to cooperate with traditional and non-traditional capital sources to align resources with growth clusters and activities. Finally, each cluster strategy should outline a comprehensive approach for inclusion that ensures low-income and minority populations participate in and benefit from cluster growth.”</p>	DET 1, p.124
<p>Place-based strategy for Corktown, a planned Live+Make neighbourhood on the edge of Downtown Detroit:</p> <p>“With existing companies operating close to capacity, additional employment in Corktown will come through the strategic repurposing of vacant buildings and new construction on targeted sites. Similarly, with a housing shortage in the community, future growth of Corktown will be accommodated by the development of critical parcels of land currently held by speculators and other private land owners. To realize this vision, investment should be coordinated closely with community leaders to promote new business and housing development.”</p>	DET 1, p.145
<p>Place-based strategy for Downtown Detroit:</p> <p>“Downtown is poised to become the best location in the state for medium- and large-sized corporations, the center of the region’s burgeoning digital/creative cluster, and a nationally known center for entertainment. Vacant buildings in Downtown, often characterized by striking architecture, will be rehabilitated and occupied with new creative, digital, and professional services companies. Light rail along Woodward will connect Downtown to other employment centers and services, while the Detroit River will continue to provide a unique asset for Downtown residents, workers, and visitors. Over time, new development will complement the existing Downtown fabric to fill in the gaps and create a mixed-use and flourishing city center.”</p>	DET 1, p.149
<p>Place-based strategy for Midtown Detroit:</p> <p>“With an unprecedented level of public/private cooperation that builds on the local skills, resources, and knowledge base of the district’s major institutions, Midtown serves as a national model for anchor-based revitalization in distressed urban areas. With the advent of the Henry Ford Innovation Institute and myriad collaborative ventures across the College of Creative Studies, Wayne State, and the medical institutions, Midtown has the potential to be a national model for innovation-based economic growth. The staging of tech-based growth companies and the creation of flex space to absorb second-generation growth from TechTown and the hospitals and universities will promote knowledge spillovers and fuel multiple scales of entrepreneurial activity—further leveraged by the proposed light rail system on Woodward Avenue and the Woodward Corridor Initiative, a collaborative effort between Midtown Inc. and Living Cities Integration Initiative to attract local residents and businesses.</p> <p>Despite the positive momentum and national attention, barriers to this vision remain. Midtown is a very large district and, although many assets are in place, there is no real or symbolic center of activity. Places like</p>	DET 1, p.153

Polymaking discourse	Reference
TechTown need a recognizable, physical district to help attract and retain knowledge workers. There is also too little low-cost flex space for creative firms. Targeted redevelopment activity is needed to support the small, creative and IT firms as well as B2B operations that support and serve the large local institutions like Wayne State University and Henry Ford Medical Center.”	
Land transformation: Industrial side-lot program “The vast majority of industrial vacancies are very small (under 1 acre) parcels, for which there are few industrial development opportunities in Detroit today. The goal of this program would be to dramatically reduce the number of these parcels. Modeled on the residential side lot approach, this program would transfer property rights of small (under 1 acre) industrial lots to an adjacent owner with the proviso that the lots be combined into one larger parcel.”	DET 1, p.186
Land transformation: Land banking programs expanded to industrial lots “Detroit must take the lead among cities in America’s manufacturing heartland that have established a land banking process dedicated to the acquisition, assembly, and disposition of property for industrial and commercial development. The Detroit Land Bank Authority has substantial statutory powers to flexibly acquire and convey property. To date, land bank activities have focused on the challenges associated with vacant and tax delinquent residential property. An arm of the Detroit Land Bank Authority focused on industrial-commercial land would build upon these activities and serve to address the challenges associated with redevelopment within designated employment districts. Such a program, designed with DEGC, would allow the City of Detroit to proactively assemble and transfer properties to attract businesses and create long-term economic growth.”	DET 1, p.189
IMPORTANT Land transformation: Return disused residential and commercial land back to productive (industrial) use “In many U.S. cities, a steady erosion of valuable industrial land has been underway through piecemeal conversion of formerly industrial parcels to commercial or residential uses. Detroit, however, is in the unique position of being able to rezone land for jobs producing uses in and around the city’s most valuable jobs-producing areas. A clearly articulated reverse change-of-use mechanism should be established to effectively return vacant, abandoned or foreclosed residential or commercial properties adjacent to key employment centers to productive use. As a minimum threshold of properties is reached, such a mechanism could be utilized by the city or land bank to extend adjacent productive land use and zoning designations to the target properties. Long term, the future land use map proposed in the Land Use element chapter identifies and recommends converting formerly commercial and residential lands to industrial zoning in areas that have the greatest potential to create new job and business growth.”	DET 1, p.190
Land transformation: Create master-planned industrial hubs “The most innovative trend in industrial development in recent years has been the emergence of holistic, master-planned industrial hubs such as Supplier Parks, Inland Port developments, Distribution Parks, Workforce Development Hubs, and Eco-Industrial Centers. Such developments often concentrate synergistic industrial activities in close proximity, providing many benefits to tenant companies and clients (including large manufacturers), including closer supply-chain integration, shared services, and more effective innovation and product development. As such, these developments offer major competitive advantages over traditional, dispersed, industrial development models. The feasibility of specific applications within the City of Detroit should be explored in detail.”	DET 1, p.191
Land transformation: Address under-utilisation of industrial building space and land “Many industrial buildings and sites are simply underutilized, with too few workers given the building and parcel size and location. These are generally the result of long-term employment loss that leaves companies with only a fraction of the company’s peak-level workforce. Companies suffer because of the high space and utility costs they must absorb; growth in the city is stifled because these large sites are not available for more productive use. This program would evaluate potential strategies to create a market for subletting unused space to smaller companies and entrepreneurs and in extreme cases, to “right size” companies by moving them to smaller sites in the city.”	DET 1, p.192
IMPORTANT Neighbourhood element strategies: <ul style="list-style-type: none"> • “Address quality-of-life issues that affect all Detroiters with a set of citywide strategies that work in all Detroit neighborhoods. • Create dense, walkable, mixed-use neighborhoods in some parts of Detroit. • Fuse art and industry in “Live+Make” neighborhoods in functionally obsolete industrial areas of Detroit. • Repurpose vacant land to make Urban Green neighborhoods that use landscape as a predominant transformative element; • Renew amenities in traditional, usually historic neighborhoods of single-family housing; • Use productive landscape as the basis for a sustainable city by tapping innovative, broadscale 	DET 1, p.41

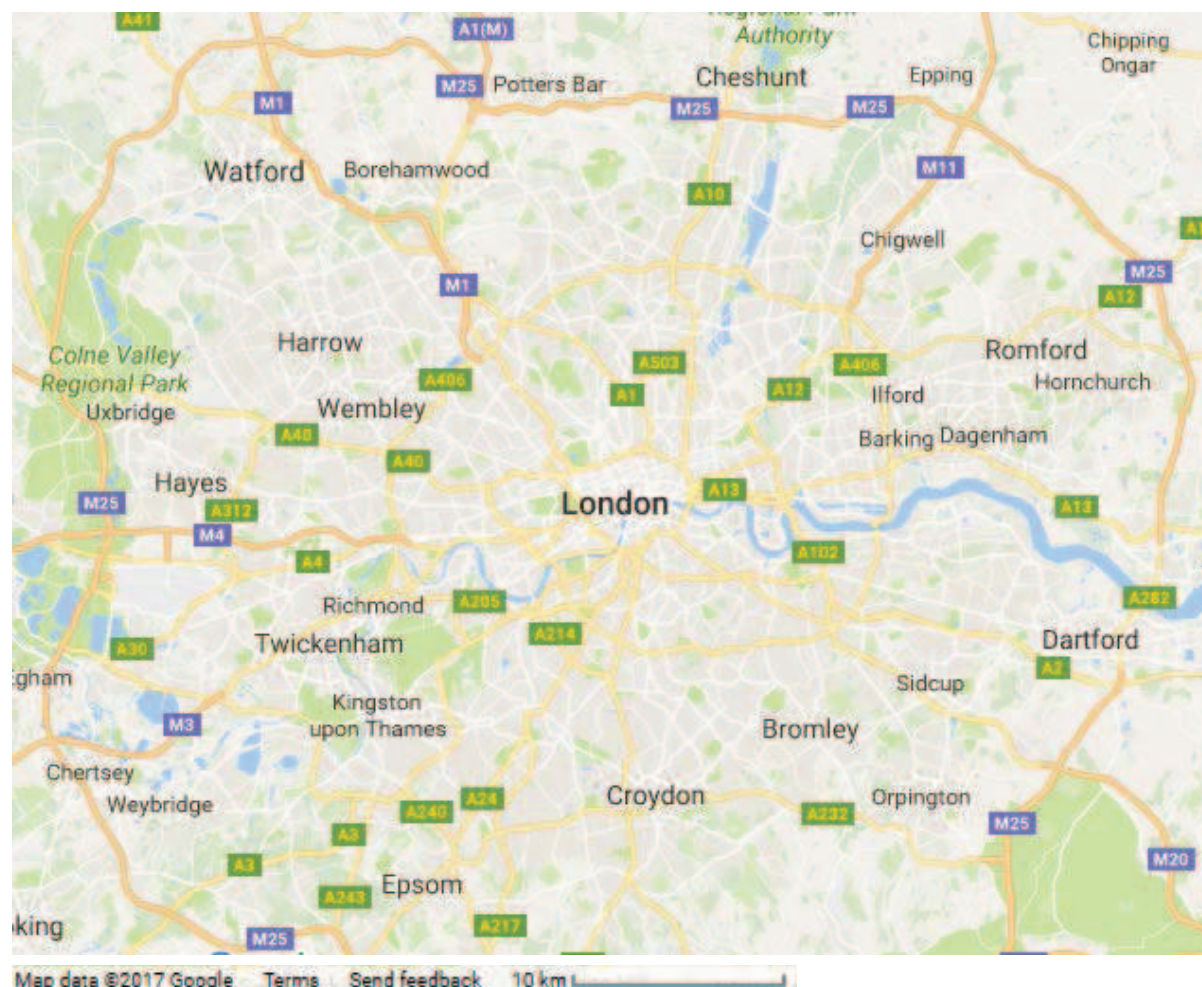
Policymaking discourse	Reference
<p>alternative uses of green and blue infrastructure and other productive landscapes, while upholding the quality of life for residents already in these areas of increasing vacancy.”</p>	
<p>IMPORTANT Live+Make neighbourhoods as a future land use strategy “LIVE+MAKE presents another opportunity for Detroit to become a change leader in innovative urban design. Repurposed historic industrial structures and land that fosters a blend of smaller scale, low-impact production activity is combined with a diversity of other land uses. This typology provides a framework for true live-work in Detroit by allowing artisanal and small manufacturing, fabrication, assembly, and workshop uses compatible with housing and retail. The scale of industrial use is relatively fine grained, with a range of overall forms, including occupying multistory, former industrial structures as well the development of new building types. Any adaptive reuse or new construction should be encouraged to have space set aside for productive activities.”</p>	<p>DET 1, p.260</p>
<p>Urban design initiatives to ‘attract and retain talent’: “The types of regional and community placemaking improvements necessary to attract and retain talent and residents include:</p> <ul style="list-style-type: none"> • Wide range of housing choices (including workforce, affordable, rental and owner-occupied housing) • Wide range of transportation choices (including improved transit) • Quality public infrastructure • Mixed-use development • Pedestrian-oriented public spaces • Amenities (including green and blue infrastructure, bicycle paths and trails, entertainment venues, etc.)” 	<p>DET 1, p.334</p>
<p>Create dense, walkable, mixed-use neighbourhoods: “Urban mixed-use neighbourhoods seek to leverage employment districts to create higherdensity, mixed-use residential communities. Growth in these areas builds on the economic engine of medical centers, universities, industry, and corporations to catalyze future residential, retail, and economic development. These areas include the Central Business District, Midtown, New Center, and the McNichols corridor. The character of these districts is shaped by the major cultural and institutional assets within them, including high-quality parks and public spaces, museums, theaters, stadiums, and schools. Urban Mixed-Use districts are the hubs of a regional transit network that can connect the city to the larger region, state, and Detroit Metropolitan airport.” (p.485) ... “In addition to the active street life associated with dense urban living and vibrant retail districts, Urban Mixed-Use supports a wide range of cultural and recreational amenities to attract residents and visitors. Support for existing and future artistic, cultural, and historic institutions is critical to fostering community identity and achieving longterm goals for quality of life. Creative, innovative, and artistic uses should be encouraged in addition to preservation and adaptive reuse of historic structures to celebrate the authentic and unique assets of each district. Equitable development ensures that each district will support a diverse population of existing residents and new residents within a wide range of racial, ethnic, age, and income levels.” (p.497) ... priority policy: “Develop, fund, and sustain programs that support entrepreneurship and small business start-ups... Support pop-up retail initiatives as catalysts to permanent future retail districts... Develop, market, and fund local ecosystem of arts organizations.” (p.499)</p>	<p>DET 1, pp.485, 497, 499</p>
<p>IMPORTANT Regenerate neighborhoods through fusion of art and industry “URBAN LIVE+MAKE NEIGHBORHOODS are built from functionally obsolete industrial areas within the city. The spaces afforded by former industrial buildings allow for their creative reuse for a wide range of entrepreneurial and artistic uses. Residential lofts may be incorporated into the redevelopment, but the focus of the district is on entrepreneurship, creativity, and innovation, leading to new forms of business, production, art, and lifestyle. Open space on the fringes of these districts provides opportunity for research or artistic exploration and events. These areas reinvent entrepreneurship for the 21st century within the space of discarded 20th century industry.” (P.486) “LIVE+MAKE NEIGHBORHOODS occur within or next to formerly industrial areas. Vacant industrial buildings, at times historic in character, provide space for economic, creative, or productive reinvention. Entrepreneurship and artistic expression are celebrated as integral components of district identity. Residential uses are mixed with productive uses, providing the opportunity for either residential loft conversion or flex space within new development. Research, small-scale production, and commercial activities stimulate economic growth and entrepreneurship. These districts also provide opportunity for jobs and skills training around emerging economies such as computer numeric control (CNC) fabrication and advanced manufacturing. While limited, commercial activities and production/artisanal retail are integrated to create a greater mix of uses and stimulate more active streets and public spaces. Tax and regulatory</p>	<p>DET 1, pp.486, 511-512</p>

Polymaking discourse	Reference
structures should be modified to give incentives for entrepreneurship in these areas. In less dense areas of Live+Make, where there is greater availability of vacant land, landscape-based productive uses such as agriculture, research plots, aquaculture, and energy fields are encouraged. To address environmental issues associated with former industrial areas, environmental remediation of brownfield sites and integration of green technologies associated with the growth of new industries within the district are highly encouraged. These districts are also suitable for establishment of university-sponsored research programs or extension locations."	
IMPORTANT Policies for urban Live+Make neighbourhoods: Prosperity and income <ul style="list-style-type: none"> • "Establish programs that provide resources and skills development training around unique local economies such as deconstruction, urban agriculture, CNC manufacturing, etc. • Incentivize adaptive reuse of obsolete or historic industrial buildings to develop new productive uses. • Offer comprehensive support system for new business start-ups. • Provide incentives for new business start-up including, but not limited to tax abatement. • Relax business start-up and use regulations to allow a greater array of commercial activity and promote informal economy" 	DET 1, p.513
IMPORTANT Policies for urban Live+Make neighbourhoods: Environment <ul style="list-style-type: none"> • "Incentivize brownfield remediation as part of redevelopment costs. • Prioritize open space uses that remediate contaminated soils. • Prioritize locations for blue infrastructure pilot projects. • Prioritize locations for experimental green technology and research pilot projects." 	DET 1, p.513
IMPORTANT Policies for urban Live+Make neighbourhoods: Culture <ul style="list-style-type: none"> • "Promote arts and events spaces and landscapes. • Identify and organize arts or gallery districts. • Curate and fund the creation of public art." 	DET 1, p.513
IMPORTANT Policies for urban Live+Make neighbourhoods: Community <ul style="list-style-type: none"> • "Establish / empower CDOs and public and private stakeholders to oversee district vision and implementation. • Promote unique district identity based on existing assets. • Incorporate public space/community gathering space as part of district visions." 	DET 1, p.514
IMPORTANT Policies for urban Live+Make neighbourhoods: Public services <ul style="list-style-type: none"> • "Upgrade and Maintain" city systems infrastructure per City Systems chapter to meet demands of new productive uses and increased residential capacity. 	DET 1, p.514
IMPORTANT Policies for urban Live+Make neighbourhoods: Housing <ul style="list-style-type: none"> • Prioritize gap financing for adaptive reuse of industrial structures as multi-use spaces, including residential lofts. 	DET 1, p.514
IMPORTANT Short term policies in regards to Live+Make neighbourhood redevelopment "LIVE+MAKE CURRENT CONDITIONS" Places designated as potential Live+Make neighborhoods are characterized by vacant and functionally obsolete industrial buildings, interspersed among vacant land and surface parking. Few, if any, residents live in these areas now. Existing businesses within Live+Make neighborhoods tend to be open during set business hours, but upon closing, leave these areas feeling desolate and abandoned. Street infrastructure has largely been left unmaintained, and there are few pedestrian-scaled public spaces. Initial strategies should focus on creating the environment for entrepreneurship, small modern production and creative expression. Priority should be placed on public infrastructure improvements, including streets, sidewalks, and lighting to promote safety and walkability within the district. Development financing should be identified for the adaptive reuse of industrial buildings for new productive uses. Where environmental conditions impede future redevelopment of the district, brownfield and environmental remediation will be needed. Arts-related events should be actively programmed to promote the identity and culture of the district."	DET 1, p.518
IMPORTANT Longer term policies in regards to Live+Make neighbourhood redevelopment "LIVE+MAKE LONG-TERM VISION" The transformation of Live+Make neighborhoods is primarily focused on giving people ample opportunity to imagine, invent, and create new forms of industry and art. Incentives packages, including development of support networks and start-up funding/financing, should be developed to lure artists, small businesses and entrepreneurs to the district. Regulatory frameworks should be put in place to allow a wide range of uses while still protecting public health, safety, and well-being. To support the innovative and entrepreneurial endeavors within these districts, skills and jobs training could be integrated in some Live+Make districts to	DET 1, p.520

Policymaking discourse	Reference
<p>allow employment creation at all levels of education and experience. As with the Innovation areas, the public space of Live+Make districts also has the potential to act as research incubators for experimentation around new green technologies or blue and green infrastructure. Outside of employment districts or areas where residential use is already growing, Live+Make neighborhoods should renew city systems at a reduced capacity to meet lower industrial and residential demands from its former intensive industrial uses.</p> <ul style="list-style-type: none"> • Adaptive reuse of obsolete vacant or underutilized industrial buildings for entrepreneurial activity, artisanal production or residential dwelling. • Remediate contaminated former industrial land by integrating phytoremediation and other landscape-based uses. • Repurpose large-scale vacant land for Live+Grow opportunities that tie into adjacent networked entrepreneurial activities: warehousing, distribution, and commercial uses. • Define and program outdoor event spaces to establish neighborhood identity.” 	

7. London

Population: 8.6 million (2016 est.)¹⁷



Evidence base for policy review

Who we work with	(2017)	Greater London Authority	https://www.london.gov.uk/what-we-do/planning/who-we-work (viewed 17/01/17)	1
London Industrial Land Supply and Economy Study 2015	(2016)	AECOM (for the Greater London Authority)	https://www.london.gov.uk/what-we-do/planning/london-plan/london-plan-technical-and-research-reports (viewed 21/12/16)	2
The London Plan 2011*	(2016)	Greater London Authority	http://www.london.gov.uk/what-we-do/planning/london-plan/current-london-plan (viewed 21/12/16)	3
Small Offices and Mixed Use in CAZ	(2015)	Ramidus Consulting (for the Greater London Authority)	https://www.london.gov.uk/what-we-do/planning/london-plan/london-plan-technical-and-research-reports (viewed 21/12/16)	4
The CoWorking Revolution	(2014)	DTZ (on their own behalf)	http://src.sig.org/docs2/DTZ_-_The_CoWorking_Revolution.pdf (viewed 26/12/16)	5
London Office Policy Review 2012**	(2012)	Ramidus Consulting (for the Greater London Authority)	https://www.london.gov.uk/what-we-do/planning/london-plan/london-plan-technical-and-research-reports (viewed 21/12/16)	6

* chapter 4 in particular

** chapter 9 in particular

¹⁷ <http://worldpopulationreview.com/world-cities/london-population/> viewed 21/12/16

Strategic policy context

London's strategic plan, *The London Plan 2011* (LON 3, updated March 2016), establishes a 20-25 year vision and integrated strategy for Greater London, incorporating economic, environmental, transport and social elements (p.2). Indeed, the *London Plan* must by law take into account three overarching themes of "economic development and wealth creation, social development, and improvement of the environment" (p.3) and is designed to enable organisations within the Greater London Authority to plan and implement policy in a more holistic manner. The Mayor has particular regard for improving access to equality for all people and various European strategies (e.g. the European Spatial Development Perspective), plans and instruments as inclusions in the *London Plan* (p.3). The focus of urban manufacturing policy is on the economic policies as described in Chapter 4 of the *London Plan*.

The Mayor's vision for London is summarised in the *London Plan* as follows:

"Over the years to 2036 – and beyond, London should:
excel among global cities – expanding opportunities for all its people and enterprises, **achieving the highest environmental standards and quality of life** and **leading the world** in its approach to tackling the urban challenges of the 21st century, particularly that of climate change." (LON 3, p.31, emphasis retained)

with six strategic objectives underlying this vision:

- "A city that meets the challenges of economic and population growth in ways that ensure a sustainable, good and improving quality of life and sufficient high quality homes and neighbourhoods for all Londoners and help tackle the huge issue of deprivation"
- "An internationally competitive and successful city with a strong and diverse economy and an entrepreneurial spirit that benefit all Londoners and all parts of London; a city which is at the leading edge of innovation and research and which is comfortable with – and makes the most of – its rich heritage and cultural resources."
- "A city of diverse, strong, secure and accessible neighbourhoods to which Londoners feel attached, which provide all of its residents, workers, visitors and students – whatever their origin, background, age or status – with opportunities to realise and express their potential and a high quality environment for individuals to enjoy, live together and thrive."
- "A city that delights the senses and takes care over its buildings and streets, having the best of modern architecture while also making the most of London's built heritage, and which makes the most of and extends its wealth of open and green spaces, natural environments and waterways, realising their potential for improving Londoners' health, welfare and development."
- "A city that becomes a world leader in improving the environment locally and globally, taking the lead in tackling climate change, reducing pollution, developing a low carbon economy, consuming fewer resources and using them more effectively."
- "A city where it is easy, safe and convenient for everyone to access jobs, opportunities and facilities with an efficient and effective transport system which actively encourages more walking and cycling, makes better use of the Thames and supports delivery of all the objectives of this Plan." (LON 3, pp.32-33)

The first two objectives are particularly pertinent to London's economic policy development (p.141) as it pertains to urban manufacturing and the creative industries.

The *London Industrial Land Supply and Economy Study 2015* (LON 2) establishes a baseline which is useful in defining a context for London's metropolitan strategy and policymaking activity. The report begins by classifying industrial land into three types – core, wider and vacant (with or without buildings) – and providing a survey of London's industrial land supply:

	Industrial land use	Core	Wider	Vacant
All London	6976 Ha	65%	27%	8%
Central Activity Zone	94 Ha	46%	50%	4%
Inner London	1681 Ha	57%	33%	10%
Outer London	5296 Ha	68%	25%	7%

(LON 2, derived from Table 0-1, pp.5-6)

In terms of employment headcount, 80% of industrial employment in London is in core industrial enterprise, with industrial work more commonly undertaken on-site than other kinds of enterprise. In terms of the number of firms however, 90% of industrial enterprises in London are 'micro businesses' which employ under 10 people. Only 2% of industrial enterprises by number employ greater than 50 people. In short, industrial enterprise in London is very lop-sided towards a large smatter of smaller firms (LON 2, p.12).

Whereas industry tends to locate in the outer suburbs where land is cheaper, there remains a case for some industry benefiting from the agglomeration effects of the inner city. With the predominant trend of industrial land use being towards wider uses in support of London's service economy, there is going to be a tipping point whereby the tendency to release industrial land will flip to retain industrial land. That is to say, highest-and-best-use is dynamic and since the service economy needs the service-based industrial enterprises to exist, a market-driven change in demand for industry that will protect supply in the long run (LON 2, pp.13-14).

A sustainable growth in rents (perhaps a 'sweet spot') supports the long-term security of tenure for industrial uses in the inner city, with a curious observation that in inner city areas experiencing lower-than-expected growth in land rent, the security of tenure for industrial users suffers with shortened leases as landlords become more incentivised to seek other, more financially productive uses of the land in the long run (LON 2, p.111; so-called 'hope value', p.145). In other words, land rent is not determined by just the equilibrium of demand and supply for industrial land, although the reduction in available industrial land has tended to push up rents over time (p.136). All of this however is despite industrial land uses tending to reliably stick to the same location compared with other land uses, perhaps as a result of their investment in specific buildings and equipment that make their manufacturing processes difficult to move; there is nevertheless evidence of 'churn' of industrial enterprise in London as industrial uses evolve (p.151) and perhaps because of other supply-side factors too.

Protectionist policy is one device planners can use to protect industrial land from the encroachment of other, 'higher and better' uses. Rather than simply protecting industrial land, the policy was enacted alongside the release of low-value industrial land for other uses

as a compromise. The protection of creative industries (generally considered of higher value) recognises the evolution of industrial activity beyond what may be considered historically core industrial uses (LON 2, pp.145-146). Likewise, the protection of certain industrial uses which are of specific benefit to the service industries that are so important to contemporary London reflect the evolution of thinking on the value of industrial land (p.149). But perhaps most importantly for this project, there is evidence of a willingness of some small urban manufacturing enterprise – e.g. microbreweries, ethical food manufacture and small manufacture using local materials – to pay a higher land rent to benefit from urban agglomeration, with similar effects mooted for fashion, textile and furniture manufacture (p.149), something which the broader urban manufacturing project tackles head-on.

Examining industrial land use planning is but one way to examine urban manufacturing policy. The *London Office Policy Review 2012* (LON 6, ch.9) introduces ‘hybrid office/industrial activities’ as reflective of these new land uses and needing the attention of policymakers in their own right:

“One thing that is clear is that policies which address the question of the loss of industrial land should bear in mind that the conversion of such land to, say, residential uses, will often involve the loss of land that is economically advantageous to hybrid office/industrial activities. Industrial spatial policy could therefore be more explicit about the kinds of activities, rather than simply the type of land use, that it is seeking to protect or release.” (p.149)

These hybrid uses can operate in both industrial and commercial environments, however they have different needs than core industrial users and are perhaps better suited to environments away from typical core industrial sites. The study suggests a need for sites with improved accessibility, particularly by public transport, and improved amenity commensurate with the cleaner activities undertaken by hybrid users and the typical composition and demographic of their workforce compared to typical core industrial enterprises (pp.149-153). The question of land rents of course agitates against this, with these hybrid businesses needing to pay a premium for sites with such improved amenity; the alternative of course being that they locate within industrial estates which offer cheaper land rent without the additional amenity.

An alternative presented by the authors is the fitout of custom sheds in industrial estates to meet the needs of these new industries, so-called ‘smart sheds’ (pp.156-159). The smart shed concept as outlined by the authors lists as priority features of the shed its flexibility to adapt for different users and uses, and its economical price point relative to alternative, inner city commercial sites. The smart shed offers an alternative to both ‘ordinary’ sheds on industrial sites (which may be cheaper but are of lower quality and often not fit-for-purpose) and office space (which may be of higher quality but more expensive), allowing hybrid users a feasible alternative to typical building stock on industrial sites.

Co-working spaces – such as maker labs and incubator spaces – offer an alternative to smart sheds, whereby spaces, workshops and perhaps equipment are shared amongst a number of different users and uses on a pay-as-you-go or membership basis. These spaces provide options for suitable, like-minded businesses to locate in inner city areas that would otherwise be out of reach if they had to rent a premises as a sole occupier (LON 4, pp.18-19), and are a response to industry and employment trends that include both an increased reliance on advanced technology and a workforce that consists of more micro enterprise and independent workers which enjoy or otherwise benefit from the amenity offered by the inner city (LON

5). Such spaces potentially offer a viable, inner city alternative to consigning small urban manufacturers and creative industries to suburban industrial tracts in outer London. Certainly in the case of London but also elsewhere, there is no ‘one size fits all’ approach to planning for small urban manufacturers and creative industries.

Urban governance context

The Mayor of London is responsible for preparing and maintaining *The London Plan* (LON 3), the metropolitan strategic plan for Greater London. This plan sets out economic and land use policy to help achieve the metropolitan vision of the Mayor. The plan is implemented in a number of different ways by various stakeholders (LON 1, and linked webpages):

Borough councils: Below the Mayor sits the 32 borough councils which comprise local government in London. Each borough council prepares its own Local Plan – a collection of one or more documents that sets out its local strategies, plans and actions – which needs to be generally conforming to the spirit of the Mayor’s metropolitan plan. The Mayor also has an obligation to be of assistance to local governments located outside of Greater London on matters of regional and strategic importance to London.

Regional councils: The Mayor is required by law to consult with peri-urban counties and districts on any changes to the *London Plan* which may materially affect them and provide advice and input into policy matters of regional significance.

Federal government: The government consults with the Mayor on changes to legislation, regulations and policy as they may affect Greater London.

Other authorities which contributed to the formulation of the *London Plan* include the now-defunct Outer London Commission (which had a focus on outer London) and Mayoral Development Corporations (with focus on strategic developments). The Plan is also informed by a number of working groups including the Academic Forum, the Electricity Working Group, the London Aggregates Working Party, the London Office Review Panel, the London Waterways Commission, and the Strategic Access Panel.

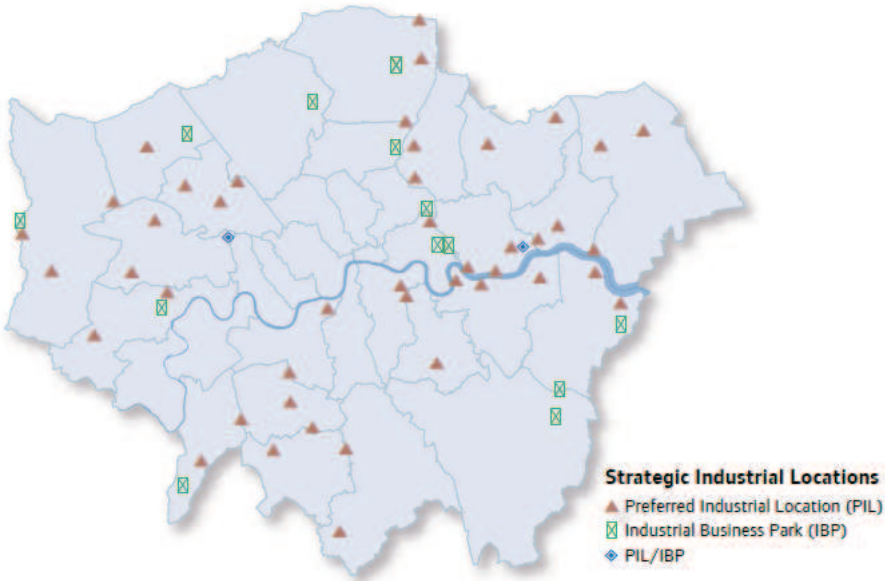
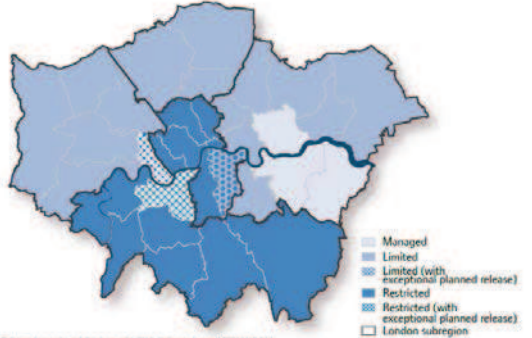
The *London Plan* appears to be a highly influential document which reflects the vision of the incumbent Mayor. Importantly, the Plan drives policy downstream – in particular policy in Local Plans – and appears largely unaffected by any local planning; indeed, the local plans must by law conform in spirit to the metropolitan vision illustrating the planning hierarchy. The *London Plan* is thus a central source for policy as it affects Greater London and its immediate surrounds and is consequently the primary focus of this review of London’s policy environment as it relates to urban manufacturing and creative industries.

Policy environment

Polymaking discourse	Reference
<p>“Strategic policy</p> <p>A The Mayor will work with partners to:</p> <p>a1 promote and enable the continued development of a strong, sustainable and increasingly diverse economy across all parts of London, ensuring the availability of sufficient and suitable workspaces in terms of type, size and cost, supporting infrastructure and suitable environments for larger employers and small and medium sized enterprises, including the voluntary and community sectors</p> <p>a2 maximise the benefits from new infrastructure to secure sustainable growth and development</p>	<p>LON 3, pp.142-143</p>

Polymaking discourse	Reference
<p>b drive London's transition to a low carbon economy and to secure the range of benefits this will bring</p> <p>c support and promote outer London as an attractive location for national government as well as businesses, giving access to the highly-skilled London workforce, relatively affordable work space and the competitive advantages of the wider London economy</p> <p>d support and promote the distinctive and crucial contribution to London's economic success made by central London and its specialist clusters of economic activity</p> <p>e sustain the continuing regeneration of inner London and redress its persistent concentrations of deprivation</p> <p>f emphasise the need for greater recognition of the importance of enterprise and innovation</p> <p>g promote London as a suitable location for European and other international agencies and businesses."</p>	
4.4 Segregates London into inner/central and outer, finding that outer London could make a stronger economic contribution going forward, attracting industries in the peri-urban vicinity. Existing inner city industries and clusters should be retained, with East London identified as a location which could support greater employment opportunities. Investment in new infrastructure is necessary.	LON 3, p.143
4.8 London depends disproportionately depends on larger employers which need appropriate support to flourish. At the same time, there is a need to find out how SMEs can operate, particularly in the central activity zone (CAZ); given the sufficient provision of physical space, mixed use zoning is suggested to ensure that space is made available to SMEs and used most efficiently.	LON 3, pp.144-145
Policy 4.2: ... "examine the scope for re-use of otherwise surplus large office spaces for smaller units." 4.10 London has an increasingly service-based economy. Office space planning is thus of heightened importance.	LON 3, p.147
4.12 Boroughs asked to ensure that surplus office space in outer London is put to good use, including "science and innovation parks, ranging from urban incubator units to more spacious provision"	LON 3, p.148
IMPORTANT Policy 4.3: mixed use is desirable unless there is a conflict introduced between the office space and housing. New approaches to land use provision are suggested, including "'land use swaps', 'housing credits' and off-site contributions". Protective mechanisms are also promoted where "a particular need for local office provision, provide protection for small scale offices (under 500sqm or a justified local threshold) within the CAZ"	LON 3, p.149
4.15 Mixed use zoning helps create an efficient labour market. 4.16 Mixed use zoning helps with urban renewal. 4.17 Mixed use zoning helps with creating vibrant neighbourhoods. A hierarchy is implied whereby provision of housing in a mixed use arrangement takes precedence over provision of commercial, the exception being where such mixed use might compromise broader strategic objectives as they relate to commercial use.	LON 3, p.150
4.17a Concerns with highest-and-best-use and land rents as existing stock of office space gradually converts to (more) expensive residential space. Boroughs are encouraged to manage the threshold criteria for mixed use in their areas such that the provision of cheaper office space is not obliterated by conversion to residential use in the name of 'mixed use development'. To quote: "There is particular concern over the loss of smaller scale offices which are usually part of vibrant, mixed use localities. The Mayor supports boroughs in sustaining office capacity in these areas providing such action can be justified by strategic and local assessments of office need."	LON 3, p.150
<p>IMPORTANT "Policy 4.4 Managing industrial land and premises</p> <p>Strategic</p> <p>A The Mayor will work with boroughs and other partners to:</p> <p>a adopt a rigorous approach to industrial land management to ensure a sufficient stock of land and premises to meet the future needs of different types of industrial and related uses in different parts of London, including for good quality and affordable space</p> <p>b plan, monitor and manage release of surplus industrial land where this is compatible with a) above, so that it can contribute to strategic and local planning objectives, especially those to provide more housing, and, in appropriate locations, to provide social infrastructure and to contribute to town centre renewal.</p> <p>LDF preparation</p> <p>B LDFs should demonstrate how the borough stock of industrial land and premises in strategic industrial locations (Policy 2.17), locally significant industrial sites and other industrial sites will be planned and managed in local circumstances in line with this strategic policy and the location strategy in Chapter 2, taking account of:</p> <p>a the need to identify and protect locally significant industrial sites where justified by evidence of demand</p> <p>b strategic and local criteria to manage these and other industrial sites</p>	LON 3, pp.151-152

Policymaking discourse	Reference
<p>c the borough level groupings for transfer of industrial land to other uses (see Map 4.1) and strategic monitoring benchmarks for industrial land release in supplementary planning guidance</p> <p>d the need for strategic and local provision for waste management, transport facilities (including inter-modal freight interchanges), logistics and wholesale markets within London and the wider city region; and to accommodate demand for workspace for small and medium sized enterprises and for new and emerging industrial sectors including the need to identify sufficient capacity for renewable energy generation</p> <p>e quality and fitness for purpose of sites</p> <p>f accessibility to the strategic road network and potential for transport of goods by rail and/or water transport</p> <p>g accessibility to the local workforce by public transport, walking and cycling</p> <p>h integrated strategic and local assessments of industrial demand to justify retention and inform release of industrial capacity in order to achieve efficient use of land</p> <p>i the potential for surplus industrial land to help meet strategic and local requirements for a mix of other uses such as housing and, in appropriate locations, to provide social infrastructure and to contribute to town centre renewal.”</p>	
<p>IMPORTANT “Policy 2.17 Strategic industrial locations</p> <p>Strategic</p> <p>A The Mayor will, and boroughs and other stakeholders should, promote, manage and, where appropriate, protect the strategic industrial locations (SILs) designated in Annex 3 and illustrated in Map 2.7, as London’s main reservoirs of industrial and related capacity, including general and light industrial uses, logistics, waste management and environmental industries (such as renewable energy generation), utilities, wholesale markets and some transport functions.</p> <p>Planning decisions</p> <p>B Development proposals in SILs should be refused unless:</p> <p>a they fall within the broad industrial type activities outlined in paragraph 2.79</p> <p>b they are part of a strategically co-ordinated process of SIL consolidation through an opportunity area planning framework or borough development plan document</p> <p>c the proposal is for employment workspace to meet identified needs for small and medium sized enterprises (SMEs) or new emerging industrial sectors; or</p> <p>d the proposal is for small scale ‘walk to’ services for industrial occupiers such as workplace crèches or cafes.</p> <p>C Development proposals within or adjacent to SILs should not compromise the integrity or effectiveness of these locations in accommodating industrial type activities.</p> <p>LDF preparation</p> <p>D In LDFs, boroughs should identify SILs on proposals maps and develop local policies based on clear and robust assessments of need to protect their function, to enhance their attractiveness and competitiveness for industrial type activities including access improvements.”</p>	<p>LON 3, pp.78-79</p>

Policymaking discourse	Reference
<p>Map 2.7 Strategic Industrial Locations</p>  <p>Strategic Industrial Locations</p> <ul style="list-style-type: none"> ▲ Preferred Industrial Location (PIL) ■ Industrial Business Park (IBP) ◆ PIL/IBP <p><small>Source GLA: © Crown copyright. All rights reserved. Greater London Authority 100032216 (2011)</small></p>	LON 3, p.79
2.79 There are two kinds of industrial land: Preferred Industrial Land and Industrial Business Parks. The former is to support general industry, the latter to support smaller-scale industry requiring better amenity. The plan segregates industrial uses by type or scale of industrial use.	LON 3, pp.79-80
IMPORTANT 2.84 Strategic industrial lands should not be allocated to other uses (most notably offices) unless there are sound strategic reasons for doing so.	LON 3, p.81
4.18 Industrial lands are useful to the service economy for less high-value industries. This includes the need for micro-firms.	LON 3, p.152
IMPORTANT 4.20 Strategic cases need to be made to retain and protect locally significant industrial land. This is an evidence-based process.	LON 3, p.152 (text)
<p>Map 4.1 Borough level groupings for transfer of industrial land to other uses</p>  <p><small>© Greater London Authority 2011. All rights reserved. Reproduced with permission.</small></p>	p.153 (map)
4.23 Strategic and local objectives which may support the release of industrial land include housing, social infrastructure, education, emergency services and community activities. Proximity to public transport is also a consideration.	LON 3, p.153
IMPORTANT Policy 4.6: supports the use of neglected space to host arts and cultural uses such as exhibitions and performance. Arts and culture then contribute more to urban regeneration. Manage these uses around residents, including consideration of nuisance.	LON 3, pp.158-159
4.35 "Boroughs should work with a range of partners to designate and develop cultural quarters in LDFs and through development briefs, drawing on priorities outlined in the Mayor's Cultural Strategy. These quarters can help meet the need for affordable workspace for creative industries, including flexible live/work space; encourage clusters of activity and provide a catalyst for local regeneration. Taking account of strategic priorities for planning obligations (Policy 8.2), boroughs are encouraged to ensure cultural objectives are addressed in major development proposals." (p.159)	LON 3, p.159
Policy 4.7: Boroughs should control town centre development within the centre and discourage development outside of the town centre.	LON 3, pp.161-162
4.43 Boroughs are encouraged to use existing 'compulsory purchase' powers to build their town centres.	LON 3,

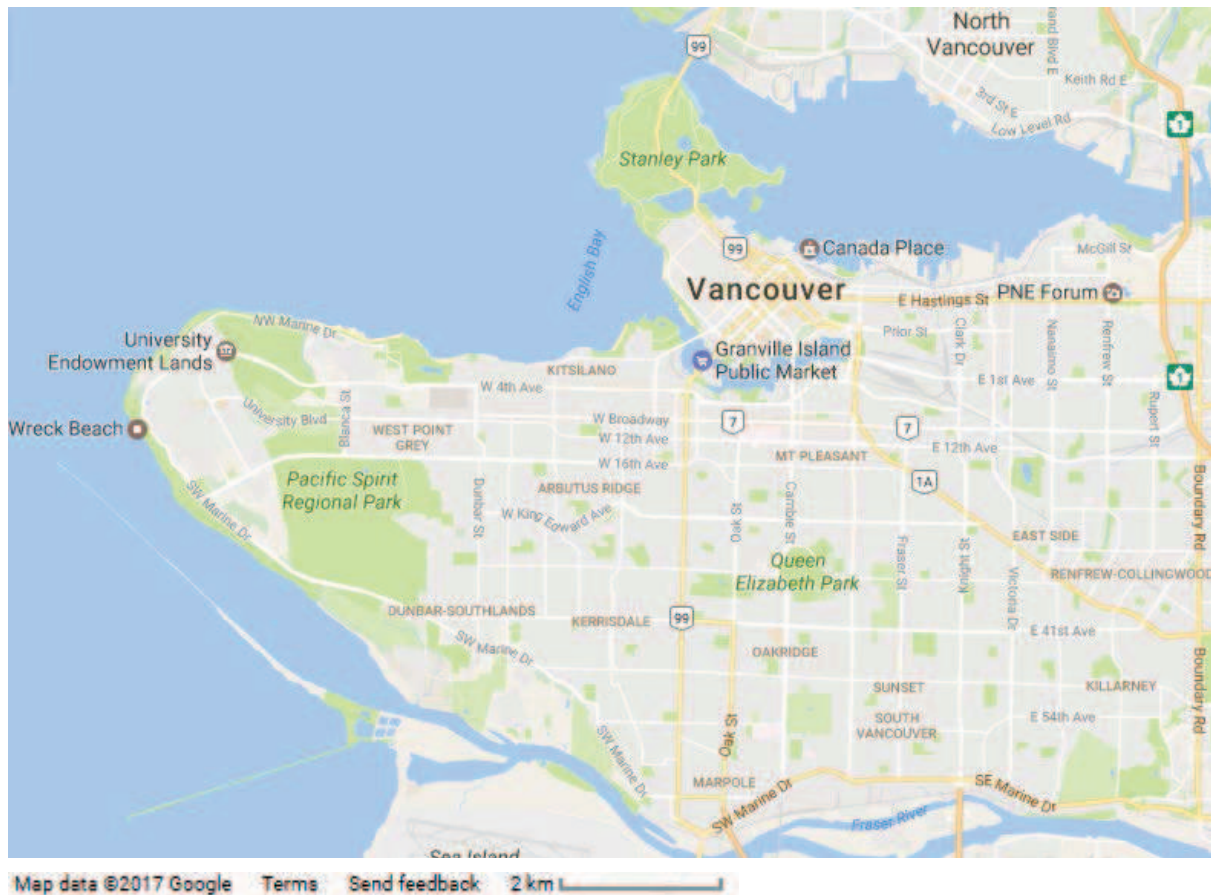
Polymaking discourse	Reference
<p>New development is subject to both a demand- and supply-side assessment.</p> <p>4.44 Town centres should be of higher density with amenity for walking and cycling.</p> <p>4.45 Centralisation goals of town centres alleviates road congestion and encourages greater social inclusion of those who do not have a car.</p> <p>4.46 London has a car-centred development legacy.</p>	pp.163-164
<p>Policy 4.8 on supporting the retail sector:</p> <p>“...e support the range of London's markets, including street, farmers' and, where relevant, strategic markets, complementing other measures to improve their management, enhance their offer and contribute to the vitality of town centres...</p> <p>...g manage clusters of uses having regard to their positive and negative impacts on the objectives, policies and priorities of the London Plan including a centre's:</p> <ul style="list-style-type: none"> i. broader vitality and viability (Policy 2.15Ca) ii. broader competitiveness, quality or diversity of offer (Policy 2.15Cc) iii. sense of place or local identity (Policy 2.15Ac) iv. community safety or security (Policy 2.15Cf) v. success and diversity of its broader retail sector (Policy 4.8A) vi. potential for applying a strategic approach to transport and land use planning by increasing the scope for “linked trips” (Policy 6.1) vii. role in promoting health and well-being (Policy 3.2D) viii. potential to realise the economic benefits of London's diversity (paragraph 3.3).” (pp.164-5) 	LON 3, pp.164-165
<p>4.49 “The Mayor recognises that street and farmers' markets can make valuable and distinctive contributions to meeting Londoners' varied dietary requirements and extending competitive choice and access to a range of goods, as well as contributing to the vitality and wider offer of town centres.” (p.166)</p> <p>Whilst local matters for boroughs, the important role of markets lends themselves to get broader metropolitan strategic support.</p>	LON 3, p.166
<p>4.50 Introduces interventions (including ‘coordinated planning’) to support small business which builds community (e.g. corner shops) which are “on the margins of economic viability” (p.166).</p>	LON 3, p.166
<p>IMPORTANT “Policy 4.9: Small Shops.</p> <p>Planning decisions</p> <p>A In considering proposals for large retail developments, the Mayor will, and Boroughs should, consider imposing conditions or seeking contributions through planning obligations where appropriate, feasible and viable, to provide or support affordable shop units suitable for small or independent retailers and service outlets and/or to strengthen and promote the retail offer, attractiveness and competitiveness of centres.</p> <p>LDF preparation</p> <p>B In LDFs, Boroughs should develop local policies where appropriate to support the provision of small shop units.” (p.167)</p>	LON 3, p.167
<p>4.51 Protecting small business: “In considering proposals for large retail developments (typically over 2,500 sq m), the Mayor and boroughs may impose planning conditions or seek to negotiate planning obligations where appropriate, feasible and viable, to mitigate the loss of, and/or provide or support affordable shop units suitable for small or independent traders.” (p.167)</p> <p>4.52 Considerations include local circumstances, strategic priorities, other policies concerning place shaping and town centres, site characteristics, practical design and layout, viability of development costs and against other priorities, and the size and affordability of the development.</p>	LON 3, p.167
<p>IMPORTANT Policy 4.10 “New and emerging economic sectors</p> <p>Strategic, planning decisions and LDF preparation</p> <p>A The Mayor will, and boroughs and other relevant agencies and stakeholders should:</p> <ul style="list-style-type: none"> a support innovation and research, including strong promotion of London as a research location and encourage the application of the products of research in the capital's economic development b give strong support for London's higher and further education institutions and their development, recognising their needs for accommodation and the special status of the parts of London where they are located, particularly the Bloomsbury/Euston and Strand university precincts c work with developers, businesses and, where appropriate, higher education institutions and other relevant research and innovation agencies to ensure availability of a range of workspaces, including start-up space, co-working space and ‘grow-on’ space d support the development of green enterprise districts such as that proposed in the Thames Gateway e promote clusters of research and innovation as focal points for research and collaboration between businesses, HEIs, other relevant research and innovation agencies and industry f support the evolution of London's science, technology, media and telecommunications (TMT) sector, 	LON 3, p.168

Polymaking discourse	Reference
promote clusters such as Tech City and Med City ensuring the availability of suitable workspaces including television and film studio capacity.” (p.168)	
<p>4.53 The Mayor has a ‘Smart London’ initiative. Like other cities, London is playing with the ‘smart city’ descriptor. Focus on furthering leading position as and ICT centre, encouraging entrepreneurs to relocate. Knowledge hubs around universities (‘grow-on’ space) to retain innovation from universities. Policies include the use of planning obligations and compulsory land acquisition and ‘a managed approach to provision’ of land use to accommodate these kinds of firms.</p> <p>“New economic sectors will emerge and grow in importance between now and 2036. The Mayor’s ‘Smart London’ initiative complements this trend by promoting new technologies. London has become the European capital of digital technology with an estimated 48,000 jobs now dependent on the sector and the largest concentration of ICT and software firms in Europe. The government’s commitment to invest in the Tech City Open Institute hub in the City Fringe should be complemented by strategic planning frameworks and local plans that enable entrepreneurs to locate and expand there and provide the flexibility and range of space that this new sector needs, including affordable space. Life sciences have also been identified as an important growth sector for London, reflecting the capital’s research and teaching strengths. Within this sector there is particular demand for affordable ‘grow-on’ space (including laboratory space) to ensure London retains the innovations emerging from London based universities. This Plan provides the planning framework to complement the EDS and support development through the planning system including use of planning obligations and land acquisition powers, for example, to support biomedical research and development. This Plan’s managed approach to provision for offices and industrial type activities will help underpin innovative firms seeking affordable and more flexible hybrid, incubator and accelerator premises, as well as ensuring there is adequate capacity to accommodate innovation among more established businesses and those which have bespoke requirements for science and technology park type environments (see Policies 2.7, 2.17, 4.2, 4.4).” (pp.168-169)</p>	LON 3, pp.168-169
<p>4.54 Recognise the links between innovation and higher education.</p> <p>4.55 Green innovation in the context of climate change.</p> <p>4.55a Tax breaks have a demonstrable increase in economic activity (the example of film making is provided).</p> <p>Policy 4.11: supports a ‘connected economy’ by planning for appropriate ICT infrastructure.</p> <p>4.56 ...particularly in light of the service-based nature of London’s economy.</p> <p>4.57 Recognises a need to manage ‘e-exclusion’ for underprivileged and some SMEs.</p>	LON 3, pp.169-170
<p>Policy 4.12: improve opportunities for London residents to access employment and support local employment.</p> <p>4.60 Holistic approach to improving the employability of London residents including higher education, vocational training and apprenticeships. This helps improve the global competitiveness of young Londoners.</p> <p>4.61 Look at a root cause analysis of low participation in the workforce.</p> <p>4.62 Looking at the role which planning can play in ensuring employment opportunities are available within commuting distance for people. Policy activities in this space include: “• supporting provision for affordable childcare facilities (see Policy 8.2) • providing for business start up units • providing for training facilities in new developments creating high levels of jobs, to help the skills of local people match the needs of London’s growing economy • ensuring facilities for employment are well-designed and accessible to all sections of the community (including disabled people and older people) • locating employment and training facilities within walking/cycling and or public transport access of local communities • Alongside this, London’s transport infrastructure provision should ensure that London’s workforce can access jobs across the capital.” (p.172)</p> <p>4.64 Investigate whether it is viable to recruit employees during the construction phase of developments.</p>	LON 3, pp.171-173
<p>IMPORTANT “There is evidence that some industrial businesses require space for small-scale production and prototyping and rely on access to a skilled workforce, specialist manufacturing activities and agglomeration benefits found in London. These businesses may find it harder to be economically viable if forced to relocate outside London.” (pp.159-160)</p> <p>“This suggests that if sufficient industrial land within and around London can be protected / provided continued release of industrial land in London may be justified. However the rates of release seen over the last five years appear to be excessive and a more moderate rate of release is probably more appropriate.” (p.160)</p>	LON 2, pp.159-160

Policymaking discourse	Reference
<p>It is important not just to implement policy but to also make sure that implementation is consistent and effective: "Care is needed at a local level to be clear on what industry is being protected and to ensure that policies are sufficiently robust and unambiguous, and then are protected with vigour, to reduce the potential for blight, hope values and issues over bad neighbour activities with other sensitive land uses damaging industrial activities and viability." (p.160)</p>	
<p>IMPORTANT On a future scenario where demand outstrips supply: "The demand and supply projections presented in section 7.4 included scenarios where there would be an excess of demand over supply. In these circumstances we have identified the following principal potential mechanisms to accommodate this context: • Continued intensification of activities in London • Continued relocation of less location sensitive industrial activities out of London, and in particular to the adjacent South East region. ...Overall we suggest taking a conservative view on the potential for further intensification. There has been little evidence to suggest that employment densities have been increasing until recently. There are a number of possible reasons for the recent, generally modest, increases in employment densities and consequently it is not clear whether this is going to be a sustaining trend and to what degree it can be relied upon. Consequently a prudent approach is to suggest such a mechanism can only accommodate a modest amount of excess demand, maybe no more than say 5%-10% of such demand. 7.5.3 There does though appear to be more potential for some industry to (continue to) relocate to the adjacent South East region." (p.169)</p>	<p>LON 2, p.169</p>
<p>IMPORTANT "8.4 Implications for Industrial Land Policy 8.4.1 Our review of context, market failure and market mechanisms suggests that if sufficient industrial land can be provided / protected within and around London continued release of industrial land in London may be possible. 8.4.2 However the rates of release seen over the last five years appear to be excessive and a more moderate rate of release is probably more appropriate. 8.4.3 London appears to be heading towards a situation in which most of its activities located in industrial areas will be associated with servicing the rest of London's economy and population. With the projected significant growth in London's population and economy over coming decades and the likely strong positive correlation between these activities and London's population it appears likely that at some point, potentially within the life of the current London Plan, there will be a case to switch from releasing industrial land to retaining most of the remaining land. Whether such a shift is appropriate will depend upon the strategic value placed upon these activities. 8.4.4 Care is needed at a local level to be clear on what industry is being protected and to ensure that policies are sufficiently robust and unambiguous, and then are protected with vigour, to reduce the potential for blight, hope values and issues over bad neighbour activities with other sensitive land uses damaging industrial activities and viability."</p>	<p>LON 2, p.174</p>

8. Vancouver

Population: 2,561,000 (2016 est.)¹⁸



Evidence base for policy review

Downtown Eastside Plan*	(2014)	City of Vancouver	http://vancouver.ca/dtesplan (viewed 19/12/16)	1
Industrial Lands Policies	(1995)	City of Vancouver	http://vancouver.ca/docs/eastern-core/industrial-land-policies.pdf (viewed 03/01/17)	2

* our review specifically focuses on the Downtown Eastside region of central Vancouver as representative of how the City of Vancouver plans for and manages areas rich in urban manufacturing and creative industries.

Strategic policy context

The *Downtown Eastside Plan* (VAN 1) has been developed to consolidate and continue planning efforts to improve the quality of life in the Downtown Eastside (DTES) region of inner city Vancouver (p.6). The DTES Plan has been established with a horizon of 30 years (with 10 year interim reviews) with the overarching goals to:

- “protect critical community assets
- support vulnerable residents
- stabilize affordable rental housing stock, and
- create positive opportunities for all through community-based development.” (p.11)

¹⁸ <http://worldpopulationreview.com/world-cities/vancouver-population/> viewed 21/12/16

These are necessarily long-term in nature and require engagement with an array of stakeholders – from residents to community groups and non-government organisations to the government – to make the plan happen.

DTES faces a number of social challenges which have been the subject of many past inquiries and reports, with the broader municipal goal of a ‘healthy city for all’ underscoring the long-term vision for DTES (p.7) and its construction around 12 healthy city strategies (p.11). DTES is a culturally diverse neighbourhood and perhaps for this reason it has attracted the attention of small urban manufacturers and creative types as an inviting place for them to set up their enterprise.

The strategy and plan for the local DTES economy is contained in Chapter 10 with implementation actions outlined in Chapter 18, these being the focus of our review of the DTES Plan. This plan and its policies are built around the following overarching objective:

“The City’s economic goal is to foster a robust, competitive, resilient and sustainable economy and maintain a high quality of life for its residents and workers. In the DTES, local needs and livelihoods need to connect with the city-wide, regional and global economies. New and existing local businesses need to be supported and there should be stronger connections and closer working relationships between businesses and residents. Social enterprise and local economic innovation require an environment in which they can grow and thrive. Residents need to be able to access affordable goods and services close to where they live. And, most importantly, all residents need to make a living to afford to meet their basic needs and create a better life for themselves, their children and their community.” (p.109)

Important to this project’s cause is the explicit account of both social enterprise and local innovation within the economic vision statement, these activities in practice including small urban manufacturing and creative industries. The context of this enterprise within DTES will now be explored to construct a baseline for the policies and actions which arise from the DTES Plan.

Whilst most businesses in the DTES area identify as either commercial or service industries, urban manufacturing has a reasonably rich history in the DTES area, this enterprise traditionally including clothing, food and creative enterprise. Digital industries in particular are undergoing considerable growth in the DTES area, these activities attracting younger residents. That said, at the time of writing the Plan, only 13% of workers live in the DTES area. Whilst the small urban manufacturing and creative industries attract a younger demographic to live within their milieu, the new residents don’t necessarily work in these enterprises themselves. In other words, the presence of these activities contributes positively to the amenity of the area for residents. The inexpensive housing in the area also attracts artists who require affordable access to both housing and studio spaces with other amenities such as galleries, performance venues and associations within easy reach (p.110).

The Plan establishes the policy context as, among other things:

- to encourage and actively facilitate local innovation
- to avoid displacing existing industrial uses

- to actively consider redeploying underproductive commercial spaces to alternative uses
- to embrace mixed-use development including offices, creative spaces, educational facilities, retail and social amenities,

with this poignant remark underscoring the Plan's support of industrial uses: "industrial lands are crucial to local economic development" (VAN 1, p.112). This is entirely consistent with the earlier *Industrial Lands Policies 1995* which had as its core objective to "retain most of the City's existing industrial land base for industry and service businesses... to meet the needs of port/river related industry, and city-serving and city-oriented industries." (VAN 2, p.1). Clearly, small urban manufacturers and creative industries have a place in DTES.

In setting out the policy context, the DTES Plan underscores that mixed-use and a mixture of different uses is a good thing for the DTES so long as the use is of a 'good neighbourhood fit'. The policy context is established in prioritising the needs of the existing community:

"Ensuring new development or new business considers its potential location within the context of existing community assets is important in protecting them, and supporting a strong sense of community, belonging and inclusion for vulnerable residents." (VAN 1, p.116)

What 'good neighbourliness' means in practice is further articulated later in the DTES Plan:

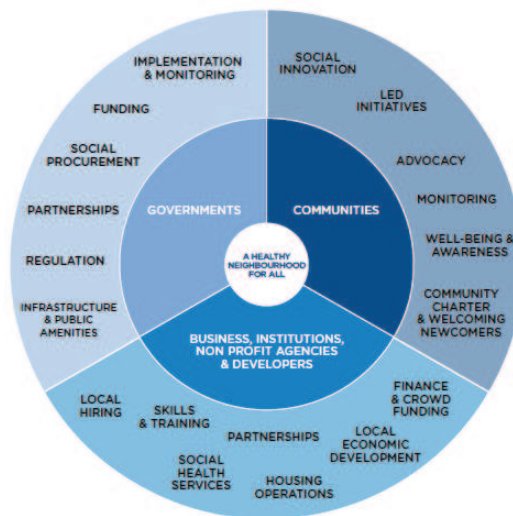
"Community consultation emphasized the need to enhance local economic development in the DTES while encouraging commercial/industrial developers and local businesses to be sensitive to the community context (respectful of surrounding scale, urban pattern, social and community needs). People also emphasized the need for affordable commercial spaces and locally-serving uses that do not significantly exclude the low- income community... Overall, people wanted to see more good neighbour practices implemented in the community." (p.186)

Importantly, 'good neighbourliness' means that the existing residents would not be displaced by any new development (i.e., displaced in a means reminiscent of gentrification):

"New development and business proposals would try to ensure that they fit the DTES neighbourhood context and also offer locally-serving uses and not exclude, displace or negatively impact the low-income community or affect community assets without making provision for their relocation or replacement." (p.186)

The overall vision of the DTES Plan is encapsulated in the following diagram (p.187):

Figure 18.3: Multi-Sector Arrangements and Partnerships



Unlike the other case studies in this report, the study of Vancouver focuses specifically on local strategy and policy in the Downtown Eastside community. This inner city locality is historically home to an urban manufacturing and creative community and the DTES Plan is perhaps similar in its focus on a single part of a city rather than a full metropolitan plan to the focus of the Inner Melbourne Action Plan councils. As such its focus on a part of a city is interesting in its own right and relevant to the remit of the urban manufacturing project.

Urban governance context

The *Downtown Eastside Plan* (DTES local area plan, VAN 1) was the initiative of the City of Vancouver which created the Local Area Planning Process Committee on 20 January 2011 in order to create the DTES Plan. The LAPP Committee comprised members representing the following groups:

- “a number of community groups,
- low-income and middle income residents,
- Aboriginal groups,
- as well as business, non-profit housing and social service organizations.” (p.3)

The relationship between the Council and committee is illustrated in the following diagram, this diagram showing the important role which community consultation played in the formulation of the DTES Plan (VAN 1, Appendix 1):



The DTES Plan was also informed by the DTES Social Impact Assessment Report (p.3).

Policy environment

Polymaking discourse	Reference
<p>Policy context:</p> <ul style="list-style-type: none"> • Develop strategic zones (i.e. green enterprise zones and digital business districts) that engage citizens and business leaders in the incubation, acceleration and demonstration of local innovations. • Avoid displacement or destabilization of existing city-serving land uses including industrial and employment areas. • Develop and refine employment space strategies that meet future growth needs, align with the City's Economic Action Strategy and align with local neighbourhoods. • Consider the value of existing affordable commercial spaces. • Ensure job space is well integrated with the transportation network. In doing so, provide higher proportions of office and other higher ridership uses in close proximity to transit stations. • Ensure appropriate levels of office, entertainment, creative incubators, educational facilities and retail space are included in mixed- use development. • Enhance and support local community economic development and innovative green enterprise in neighbourhood commercial districts. • Engage businesses in improving housing affordability and choice to attract and retain a diverse workforce. • Enhance the affordability and availability of childcare for working families." 	<p>VAN 1, p.112</p>

Policymaking discourse	Reference
<p>IMPORTANT “10.1.1 Give support to existing businesses, foster business-to-business networking and create more demand for local products and services.”</p> <p>Streamline business approvals: “• Adapt land use policies and building code modifications to allow mixed/ multiple business uses on ground floor premises and help accelerate small building conversions and renovations of business premises (especially in older buildings that are costly to maintain) for those businesses following the community-based development and good neighbour practices components of the Social Impact Management Framework”</p> <p>Encourage clusters to help businesses maintain a competitive edge: “• Assist the BIAs to enhance the business environment through business-to- business networking, local funding innovations, local procurement and measures to achieve competitive advantages over other neighbourhoods.”</p> <p>Allow for greater density to intensify business activity on the basis of ‘good neighbourliness’: “• Support growth of existing commercial or industrial uses by permitting bonus density for retaining existing local business in the DEOD. This would be contingent on businesses working with components of the Social Impact Management Framework. For example: creating local employment opportunities and utilizing good neighbour practices.”</p> <p>Infrastructure improvements to encourage more businesses to stay as a competitive advantage: “• Continue to improve infrastructure, digital connectivity and the public realm environment to support business competitiveness, sharing between businesses and institutions and create opportunities for local residents for education, self-employment and micro business development.”</p> <p>Small business: Environmental initiatives folded into small business: “• Facilitate green enterprise practices and innovative green business methods to achieve the Greenest City Action Plan objectives and create local employment (Examples include: transformation of organic waste collection, green processing and related practices; recycling innovations; green roof development for enhanced access to community green space and local food production).”</p>	VAN 1, p.114
<p>IMPORTANT “10.1.2 Direct special attention to local-serving businesses, supporting successful social enterprises and maximizing the potential of the industrial lands and historic heritage areas</p> <ul style="list-style-type: none"> • Identify, secure and maximize economic/business assets that serve the low-income community (particularly in the community-based development area) in accordance with the Social Impact Management Framework • Ensure the regulatory environment and city infrastructure maximizes opportunities for industrial lands and existing industrial enterprises. • Work with the BC Ministry of Jobs, Tourism and Skills Training to implement principles of the BC Small Business Accord (2013) which are designed to improve conditions across British Columbia to ensure that small businesses prosper. • Promote a Social Procurement Policy for DTES involving a partnership between governments, institutions, non-profit service agencies and businesses to support economic and employment development. • Initiate a partnership with BC Social Innovation Council to support the Action Plan for Social Innovation in BC. In particular, support strategies involving the Social Enterprise Investment tax credit, social procurement requirements, Community Contribution Companies and targeted strategies around social entrepreneurship. • Explore the use of taxation instruments, financial tools, micro-lending programs and incentives to revitalize businesses in certain areas and consider tax incentives for initiatives providing social benefits. • Strengthen the existing mixed-use neighbourhood in Gastown made up of unique heritage character and diverse commercial businesses, retail, tourism, restaurants, a vibrant creative economy and a residential live-work district. • Continue to develop Victory Square as a focus area for commercial activity and education institutions, with continued encouragement of retail activities along main streets. • Focus on economic revitalization in Chinatown, particularly in the retail centres along Pender and Keefer streets as outlined in the Chinatown Economic Revitalization Strategy (2010).” 	VAN 1, p.115
<p>IMPORTANT “10.1.3 Support community-based initiatives that strengthen the local economy</p> <ul style="list-style-type: none"> • Partner with community-based economic development organizations working to strengthen the local economy and build strong sustainable businesses. • Expand and validate market-selling in suitable and permanent premises to allow for safer survival vending according to changing needs and linked to future proposed neighbourhood retail centres. • Innovate and support opportunities for other market-selling opportunities for DTES residents, including local artists, arts, crafts, beadwork, local foods, flowers and busking in suitable retail areas (based on worldwide innovative best practice examples) in order to build the survival economy. 	VAN 1, p.115

Policymaking discourse	Reference
<ul style="list-style-type: none"> • Enhance opportunities for local artists to sell their artwork on City and Park Board property. • Support and encourage local enterprise and micro-lending programs to help increase opportunities for growth of micro and small enterprises. • Continue to support business and community-based initiatives to develop green enterprises and broaden green business practices in support of the Greenest City Action Plan. 	
<p>IMPORTANT “10.2.1 Work with Vancouver Economic Commission (VEC) to introduce measures to reduce barriers to new business establishments (which are considered a good fit and needed in the neighbourhood) and support their integration into the social fabric of the neighbourhood.</p> <ul style="list-style-type: none"> • Use retail strategies to attract suitable new enterprises, including tenant recruitment, marketing, activation of storefronts, enhancing tourism through events in historic areas, laneway and other public realm improvements. • Create local-serving retail centres near the proposed library (720-730 East Hastings Street) and towards Ray-Cam Co-operative Centre (920 East Hastings Street). These areas will accommodate mixed-use development including industry (PDR – Production, Distribution and Repair) retail, fresh produce markets, affordable food outlets and community amenities serving local residents of all incomes (children, families, singles, seniors) • Prepare a development management "tool kit" and/or checklist linked to the Community-based Development Program component of the Social Impact Management Framework and good neighbour agreements to facilitate new business integration. • Find ways to expedite business start-ups and assist new businesses to commence operations where they can align with components of the Social Impact Management Framework such as good neighbour practices.” 	VAN 1, p.116
<p>IMPORTANT “10.2.2 Review industrial land policies to ensure they remain attractive to business investment.</p> <ul style="list-style-type: none"> • Investigate ways to improve infrastructure and ensure an environment within which industry can remain competitive and sustainable in partnership with the BIAs, VEC and the industrial sector. • Maximize opportunities in industrial lands for existing and new enterprise to support the Port and the regional economy. • Investigate allowing limited new office uses for local needs in a portion of Railtown while respecting the integrity of the predominantly industrial zoned area.” 	VAN 1, p.116
<p>“10.2.3 Create opportunities for green enterprise, social enterprise and high tech business.</p> <ul style="list-style-type: none"> • Work with developers to allocate affordable space at appropriate grade and scale in suitable locations for important community assets and social enterprises (particularly in the community-based development area) that provide local services and local employment opportunities. • Facilitate social and green enterprise start-ups with innovative funding opportunities (such as the City of Vancouver Social Innovation Fund) and facilitate necessary institutional supports. • Support the establishment of community-based social enterprises and non-profit initiatives (for example: a Social Innovation and Technology Accelerator Centre) to create opportunities for social enterprise and an incubator environment for small business start-ups 	VAN 1, p.116
<p>“10.4.3 Give support to existing community place-based approaches being undertaken by local residents and community organizations attempting to reduce barriers to economic sustainability.</p> <ul style="list-style-type: none"> • Encourage and support local, grassroots initiatives that are cultivating innovative partnerships between the community, local businesses and developers to leverage economic/employment opportunities, particularly for youth and Aboriginal residents. • Recognize the role and contribution of volunteers in City-run programs and establishments in order to create appropriate and accredited volunteer programs to transfer skills and enable access to employment opportunities.” 	VAN 1, p.119
<p>Community-based development program</p> <ul style="list-style-type: none"> • Develop a Community-based Development Program (two-year pilot) that fosters and encourages new developments to achieve more benefits for the low-income community and cause less negative impact, primarily in the Community-based Development Area. • Develop a checklist for all new development and business licence applications that guides applicants on how a proposal could meet the DTES Social Impact Objectives. • Create a suite of incentives to offer to new development and business licence applicants in exchange for incorporating elements in their proposals that would help the City achieve the DTES Social Impact Objectives. • Incorporate the use of a Community Forum involving community members, associations and organizations to give input on a regular basis to the DTES Management Team. 	VAN 1, p.185

Policymaking discourse	Reference
<ul style="list-style-type: none"> Investigate opportunities for partnerships with funding agencies and foundations to create innovative funding and incentive packages to implement the DTES Plan. Provide loans and/or grants for community-based development, including micro, green and social enterprises, social programs in heritage, well-being and youth development and local employment and social procurement. Formulate funding criteria and priorities for access to innovative funding opportunities." <p>[Quick start actions: Community-based Development Program (Pilot)</p> <ul style="list-style-type: none"> Give an SIA information, education and awareness package to all new development applicants and business license applicants Set up and train an interdepartmental staff review team to assess new applications for developments, projects and businesses to maximize efficiencies, manage community assets and leverage benefits of continuity. Streamline DTES-related applications and include this group in the application review. Create a staff technical team to monitor, manage and implement the plan in conjunction with the proposed future community forum and other relevant stakeholders.] 	
<p>Good neighbour practices:</p> <p>"• Develop a good neighbour practices program to support local business, bridge the local resident community with the local business community, maximize opportunities to leverage community benefits from these connections and promote inclusive community economic development</p> <ul style="list-style-type: none"> Support the DTES BIAs and community group (see Section 18.3) to create a Good Neighbour Charter and recognition program." <p>[Quick start actions: Good Neighbour Practices Program</p> <ul style="list-style-type: none"> Conduct research on best practices related to good neighbour practices and the types of tools used to implement them. Work with the BIAs, residents, and other stakeholders to integrate the lessons from the SIA into a set of good neighbour practices that can be used to achieve the Social Impact Objectives.] 	VAN 1, p.187
<p>IMPORTANT Actions arising out of the DTES plan (nb: QS (Quick Starts): Within 3 years; S (Short-Term): Within 10 years; M/L (Medium/Long-Term): Within 30 years):</p> <p>"• Investigate regulatory changes and building code modifications to accelerate small conversions and renovations of business premises (especially in older buildings that are costly to maintain) to allow business owners who wish to make physical improvements. QS CoV</p> <ul style="list-style-type: none"> Work with the four Business Improvement Associations to create a neighbourhood-wide business characteristics survey. QS CoV, BIAs Work with VEC and BIAs to attract suitable new enterprises with retail strategies. QS VEC, BIAs, CoV Use City-owned properties, affordable leases, and revitalization tax supports to provide affordable goods and services to the area. QS CoV Undertake a study of vending alternatives and the establishment of neighbourhood market-selling facilities. QS CoV, BIAs, Community Groups Assist BIAs to enhance the local business environment and attract new businesses at a 10-year target rate of 3 to 5% growth. S CoV, BIAs Achieve a 50% reduction in vacant storefronts through the development of retail strategies. S CoV, BIAs Establish new neighbourhood retail centres (e.g. focus areas of Powell Street (Japantown), Hastings Crossing, Main Street and Hastings East) to serve local needs. M/L CoV, BIAs Increase local employment (a target of at least 1,500 jobs over 10 years) encouraging inclusive local hiring opportunities. S CoV, BIAs Facilitate social and green enterprise practices and innovative business methods to achieve Social Impact objectives and Greenest City Action Plan objectives. S CoV, BIAs Innovate and support opportunities for market-selling, small business and micro-enterprise opportunities for DTES residents to build the survival economy. M/L CoV, Community Groups, Non-profits Identify, secure and maximize economic/business assets that serve the low-income community (particularly in the CBDA). S CoV Promote a social procurement policy for the DTES in partnership with key stakeholders. M/L CoV Work with developers to allocate affordable space for important community assets and social enterprises (especially in the CBDA). S CoV, Developers Ensure the regulatory environment and city infrastructure maximizes opportunities for industrial lands. S CoV Support a permanent location for the DTES Street Market for safer survival vending, and opportunities for sale of locally-produced arts and crafts. QS CoV, Community Groups, Nonprofits, Residents 	VAN 1, p.192

9. Discussion

Policy environments within each city

Amsterdam and Berlin are two cities synonymous with embracing creative and alternative cultures. It should therefore come as no surprise that they are also home to thriving creative industry sectors, and small urban manufacturing is found in abundance too. To a greater extent than the other cities in this report, these cities each play host to **co-working or shared spaces** which come in various different forms, ranging from grassroots labs to co-working labs, company-owned labs, university-affiliated labs, and incubators and accelerators (Senate Department for Economics 2013); what tends to differentiate the kind of lab are its intellectual and financial affiliation with the maker and their ideas, with grassroots labs close to resembling a typical small urban manufacturer.

In support of their start-up culture, Amsterdam policymakers have developed a comprehensive **support program** *StartupAmsterdam* that is based around the five elements of:

- “Talent - Make an abundance of start-up and tech talent available
- Clients - Ensure that start-ups have easy access to potential launching customers, corporate partners and first users
- Content - Create Europe's richest start-up event calendar
- Capital - Ensure that sufficient growth capital is available for promising start-ups
- Environment - Offer a true start-up environment” (I amsterdam 2016)

Under these five elements sit 15 measures which operationalise the program, with initiatives including education, promotion, financing, networking and clustering. Small urban manufacturers could benefit from aspects of this program.

Berlin policymakers on the other hand have developed arguably a more holistic approach under their Senate initiative *Projekt Zukunft* (Project Future), established some 20 years ago. The project is a policymaking engine organised under seven categories of industry information, strategy development, funding and competitions, internationalisation, location marketing, professionalization and recruitment of skilled workers, and networking services (Projekt Zukunft 2016b). Within each of these categories, policies and initiatives are formulated which are then implemented directly by the government or by a **coordinated public-private partnership** of government and private practice (e.g. Berlin Partner). These initiatives range from developing **cross-industry platforms** (e.g. *Transfer-Allianz*), initiating and enabling **networking and exchange events**, to the facilitation of **research activities** to understand the policy context to enable the government to make better policy. It is perhaps this last aspect which is particularly noteworthy in making Berlin stand out from the crowd.

The 2008 study *Creative Industries in Berlin: Development and Potential* (Projekt Zukunft 2008) identifies common problems which affect so-called microbusinesses including **access to capital**, excessive **bureaucracy and red-tape**, a lack of **resources to grow**, and difficulty adapting to **rapid technological change**. The study presents a number of policy options

under economic, cultural-political and urban development umbrellas which are readily transferrable to the Melbourne context. The 2010 study *Berlin's Design Industry: Potential, Strategy, Perspective* (German Society for Design Theory and Research 2010) takes perhaps a more scholarly approach by establishing three core research questions of 'What strengths and weaknesses does the Berlin-based design industry have?', 'What chances and opportunities result from these strengths and weaknesses?' and 'How do participants in the field of design interact with each other?', these questions being addressed in a SWOT¹⁹-type examination of Berlin's design industry. This report yields the *Strategy for the Design Industry in Berlin* (Projekt Zukunft 2011) which comprehensively implements the findings of the 2010 study in practice. The 2014 study *Third Creative Industries Report: Development and Potential* (Projekt Zukunft 2014) differs from the two studies above in its use of quantitative and spatial analytics. In particular, the report provides insights into **how creatives cluster** allowing the reader some food for thought to theorise why this might be the case.

Turning to Detroit in the United States of America, this is a city which is experiencing a relatively rare structural decline in population, leaving empty streets and neighbourhoods in its wake. The City of Detroit and its people have engaged in a lengthy planning process which is embodied in *Detroit Future City* (Detroit Future City 2013), a comprehensive urban development blueprint to shape Detroit going forward. And this transformation is a good thing according to Detroiters:

“Instead of “What to do about Detroit,” the question becomes, “What can be done in Detroit, by Detroit, and with Detroiters?” To gain momentum and credibility for this new discussion, Detroit must be ready to show what it is already doing, speaking in many voices of a shared vision and specific recommendations that suit Detroit as it is today, and as it could be in ten or twenty years.” (p.19)

Urban manufacturing and creative industries play a significant role in this revival, in part on the back of Detroit's automotive **manufacturing heritage** and its need to transform its economy to something more sustainable. Detroit has identified a typology of five kinds of neighbourhood it would like to see in future Detroit, one of which is called '**Live+Make**'. Live+Make is a mixed-use typology that blends low-impact production with other mixed uses including residential (p.260). Detroit has a focus on the **productive use of industrial lands** and has developed policy around the **redeployment of disused and underutilised industrial lands**, and **rezoning of disused and underutilised residential and commercial lands as industrial**, perhaps the opposite policy to what is happening in many cities around the world. Live+Make neighbourhoods are one device to achieve this outcome, but there are other policy levers floated including expanding residential **land banking** to cover industrial lands and the introduction of an **industrial side-lot program** to reshape odd-sized land and put it to a more productive use.

¹⁹ Strengths-Weaknesses-Opportunities-Threats framework

London in the United Kingdom is a service-based economy which requires industrial uses in support of that core function. Whereas currently London is releasing disused or underused industrial land, the *London Industrial Land Supply and Economy Study 2015* (AECOM 2016) anticipates that at some point industrial land will be retained for productive industrial use as a function of aggregate **highest-and-best-use** preferences. One device being discussed is the implementation of **protectionist urban planning policy** around preserving industrial land in order to ensure sufficient supply in the future. There remain issues around **rental affordability** for inner city industrial users and, where rents are affordable, that problem flips to affect the **security of tenure** as landlords look for higher rent, long-term tenants. The churn of industrial tenants is further exacerbated by landlords who fail to appropriately maintain their property, encouraging incumbent tenants to vacate to realise this so-called 'hope value'. Alongside better understanding **price elasticity of demand for industrial land**, the apparent inverse relationship between rent levels and lease durations for industrial tenants is perhaps worthy of further research too.

Alongside its industrial land supply, London has a large amount of office space which can be considered suitable for some hybrid industrial activities including some urban manufacturing and creative industry uses. The *London Office Policy Review 2012* (Ramidus Consulting & Roger Tym and Partners 2012) introduces so-called '**hybrid office/industrial activities**' as requiring explicit consideration from policymakers rather than more generic consideration under an 'industrial' umbrella; in their words that "industrial spatial policy could therefore be more explicit about the kinds of activities, rather than simply the type of land use, that it is seeking to protect or release" (p.149). The study suggests that sites for these hybrid activities have different requirements than standard industrial sites, these including **the need for better amenity for workers** and **the need for improved access to public transport** commensurate with the different workforce demographic; higher land rents associated with these more desirable sites however agitate against the financial viability of these sites for small and microenterprises.

As an alternative to address the issue of higher land rents, the study introduces **smart sheds** which essentially yield a more suitable and pleasant, fit-for-purpose building in a less desirable location. Alternatives to this include **co-working or shared spaces** like maker labs and incubators, these spaces generally locating in desirable inner city locations with cheaper rents arising from the shared nature of these spaces (be that sharing just the space, or equipment, or profits, etc.).

Through *The London Plan*, the city of London provides us a glimpse of how urban manufacturing and creative industries feature in a very conventional strategic planning process (Greater London Authority 2016).

Returning to North America, the review of Vancouver focuses on their planning for the Downtown Eastside (DTES) area of inner Vancouver, an area which has a **rich cultural diversity** and a **local history of urban manufacturing and creative industry activities**. The City of Vancouver completed a strategic review of this area in their *Downtown Eastside Plan* (City of Vancouver 2014). The City's economic vision statement takes explicit account

of both social enterprise and local innovation, providing a baseline from which to examine their plan for the city going forward.

The DTES boasts a growing digital industry sector which encourages younger people to come to live; that being the case, however, the DTES is estimated to have only around one in every eight workers choosing to live in the area. In other words, **innovative environments foster desirable amenity for residents** whether they choose to work locally or not (in other words, this is likely not currently a Live-Work neighbourhood). Importantly, DTES also boasts **relatively affordable housing and studio space** for artists, providing an environment rich with galleries and other venues.

Alongside the poignant remark “industrial lands are crucial to local economic development” (p.112), the DTES Plan endeavours to encourage and actively **facilitate local innovation**, to **avoid displacing existing industrial uses**, to actively consider **redeploying underproductive commercial spaces** to alternative (industrial) uses, and to **embrace mixed-use development** including offices, creative spaces, educational facilities, retail and social amenities. These objectives are entirely consistent with the City’s earlier *Industrial Lands Policies 1995* (City of Vancouver 1995) in their commitment to “retain most of the City’s existing industrial land base for industry and service businesses”, together these making it clear that small urban manufacturers and creative industries have a place in DTES. Importantly, the DTES Plan emphasises the need for urban development policies, including those around industrial and mixed-use development, to meet a character **test of good neighbourhood fit** to help ensure new developments do not needlessly displace existing residents or affect existing residents in any negative way (akin perhaps to a neighbourhood gentrification control, or **protectionism** of the amenity and rights of existing residents).

In addition to its unequivocal support of initiatives in support of industrial land use, the DTES Plan includes initiatives like the streamlining of government red-tape for small business, helping to facilitate industry networks and cluster activities, provide tax relief and explore micro-lending programs to help small business survive, actively supporting and promoting DTES activities, and working with other organisations and partners to implement the initiatives in the DTES Plan, policy initiatives seen in other cities reviewed in this report.

Comparative policy environment across all cities

The policy environment of these exemplar cases can be spliced into two main classifications, those policies which relate to urban development aspects and those which relate to the business of urban manufacturing or creative industries. This dichotomy appears reasonable on the basis that urban development concerns perhaps ‘static’ questions of what is done and where, and business development concerns the ‘doing’ or ‘practice’ of making or creating. These then split into various operational subcategories to help the reader understand to what extent these ideas may transfer into the local Melbourne context.

The policy environment can likewise be examined in parallel correspondence with agglomeration economies. To an extent, that many makers and creatives find the inner city environment a desirable location comes back to the real or perceived benefits of these

agglomeration economies. There are two kinds of agglomeration economy which work in tandem: urbanisation economies are benefits from being able to tap into a diverse pool of labour, and localisation economies are productivity benefits arising from being in close proximity to other ‘like’ firms, be they similar or complementary, or part of the ‘value chain’ of the firm. Whereas both are important for makers and creatives to flourish in the city, urban development policies tend to more naturally relate to urbanisation economies and business development policies tend to relate to localisation economies. This correspondence provides confidence that the dichotomy of urban development and business development is reasonably comprehensive to establish a policy framework for urban manufacturing and creative industries.

Urban development policy environment

Understandably, much urban development policy centres on policies around land use, with the supply of land for particular uses enabled through a pricing mechanism of rent. An equilibrium rent is struck with the highest bidder for use of a particular land, these rents bid up with competing demands for land. The microeconomic equilibrium rent however may not guarantee that the ‘highest-and-best-use’ of land eventuates in the wider best interests of the neighbourhood and community. This is where protectionist urban development policy comes into play in helping temper the equilibrium economic outcome with other considerations.

Protectionist urban development policy is essentially a means for urban planners to implement a normative ideal. This ideal could be in the name of balance – in terms of ensuring adequate diversity of land uses – or perhaps of control – whereby urban planners become on the defensive or offensive in prescribing which uses are allowed to go where to a greater than usual extent for whatever reason that may be. Such policy can affect the equilibrium rent by restricting what kinds of functions are permitted on land, introducing an externality that simultaneously acts to reduce the growth in rents and improve the security of tenure of incumbent users by improving affordability of space in more desirable neighbourhoods.

Protectionism as balance can take the form of social and community planning and the implementation of mixed-use planning controls. Berlin policymakers argue that protectionism can help ensure that a ‘good mix’ of creatives establish in a given area, however contend that there is insufficient evidence to link protectionism as affecting gentrification. The City of Vancouver on the other hand has the notion of being a ‘good neighbour’ underpinning its policies around mixed land use. Its policy framework in contrast to Berlin seems to be premised on adverse development as affecting gentrification in the local community. Protection of ‘the battler’ small businesses – which would include microbusinesses like small urban makers and creative enterprises – is also on planning’s agenda in London, whereby access to the agglomeration benefits of urbanised economies is seen as supportive of maintaining an adequate mix of firms.

Protectionism as control is however somewhat different. Different words are used to describe ‘protectionism’ in practice, including notions of urban planners ‘moderating’ development

through development and implementation of policy. Such policy is developed generally in support of a broader vision or strategy. In London for example, there are detailed policies set out at the metropolitan level which are then implemented by urban planners in the borough councils through developing a range of local planning measures. These measures are a means of implementing a vision or strategy and in effect moderate what development is allowed and what is prohibited, with ‘evidence-based’ processes that require assessment of plans against strategic rationales. There are also more ‘objective’ cases for protection where sites of urban or cultural heritage need to be preserved.

The demands for particular land uses (or competing demands to be more precise) underscore much policymaking activity. London policymakers recommend that any land use policy ought to keenly consider the demand for a particular land use as an implementation measure. With an absence of any competing demand (or any demand for that matter), derelict spaces offer opportunities for temporary creative users to set up. Such temporary users are ‘enablers’ of positive amenity and externalities in their neighbourhood and perversely drive up rents, in turn pricing those very temporary creative users out of the market. Berlin policymakers seek to offer protections to these users through moderating urban development and improving the communications between investors and developers. Detroit policymakers too seek to repurpose derelict or underproductive uses, however in many cases in Detroit it is perhaps not in the name of ‘protectionism’ given the relative lack of competing demands, an apparent prerequisite for protectionist policies. In summary, protectionism is clearly dependent on an appetite for different uses and users of land. If there are less competing uses and users for a given parcel of land, there is less need for particular incumbent uses and users to be protected.

Looking beyond individual land parcels, neighbourhood structure planning is another form of urban development planning. Detroit have introduced a menu of five neighbourhood typologies in their metropolitan plan, one of which embraces Live+Make as an environment of low-impact industrial which incorporates other complementary uses including both residential and commercial. The City of Vancouver likewise plans these kinds of neighbourhoods for the future in areas already brimming with heritage, diversity and creativity, using a language of ‘respecting the integrity’ of existing land uses. Planning these kinds of typologies for locating in otherwise (more) highly desirable locations in the inner city is essentially a form of protectionism in that other uses which fail to conform to the Live+Make typology are excluded, even if the very intention of ‘Live+Make’ is to be inclusive of otherwise marginalised users and uses. In other words, the Live+Make typology inverts which firms are marginalised and which firms are included as a reform focused more on social and cultural ideals rather than purely economic ends.

As an alternative to protectionist urban development policy, co-working or shared spaces are commonly found throughout creative hubs which make highly desirable land that is in heavy demand more affordable to smaller makers and creative enterprise. These spaces blur the boundary between urban development and business development by facilitating networks and knowledge clusters which otherwise may not have existed through bringing ‘like’ entrepreneurs and makers together under a single roof. Importantly however, whereas the

location theory of urban manufacturing suggests that many makers and creative types find the urban milieu of the inner city desirable, this need not be presumed as necessary in all cities or for all kinds of enterprise. Larger cities with comprehensive and integrated transport networks can support broader catchments for labour, supplies and customers, making the location choice of the inner city less compulsive. As an alternative to facilitating space in the inner city through initiatives like co-working or shared spaces, London policymakers have toyed with the concept of a 'smart shed' which makes the built improvement on industrial land more suited towards the needs and preferences of smaller makers and innovators. Nevertheless it seems that the desire for many makers and creatives to locate in the desirable inner city neighbourhoods will persist.

Business development policy environment

Whereas urban development policy was primarily focused on urbanisation economies, successful business development policy tends to rely more on localisation economies. These economies can range from policy which helps firms to work with others along their value or supply chains, to develop informal clusters between peer firms, or to facilitate more formal networks of similar or complementary firms or other stakeholders, each of these initiatives being undertaken for a variety of different reasons.

First and foremost, business development policy can be formulated to support firms to flourish in whatever it is that they do. Amsterdam supports its entrepreneurs and innovators by a comprehensive program that firms can tap into whatever they happen to be doing and wherever they happen to be in their lifecycle, including marketing and promotion, facilitating training and events, and connecting firms to labour pools, customers, capital and to each other. Importantly, connecting firms to each other through informal and formal networking events contributes to the vibrant cultural milieu and becomes self-fulfilling: of course this is where 'like' firms want to be, so more firms both locate and participate in the broader localisation economy. Perhaps taking a more specialist tack, Berlin policymakers suggest targeting activities at different subsets of the creative industries, e.g. fashion, and formalising the administration and rollout of such programs through pairing both microenterprises to customers but also between each other. Educating others outside of the industry is also seen as an important role of policymakers to help business develop.

Informal cluster activity can occur between firms for any number of reasons. Policymakers in Vancouver encourage support of local businesses to cluster and better network amongst themselves and share knowhow and resources, encouraging both local funding and procurement to give the neighbourhood a competitive edge. In Amsterdam and Berlin in particular (but also elsewhere), informal clustering activity can take place within the building itself – in maker labs, workshops, hackerspaces and the like. These environments offer the maker or creative an opportunity to work amongst others like themselves, perhaps leading to an accelerated innovation and development cycle. As the saying goes, the sum of the whole is greater than the sum of the two parts which perhaps to an extent underlies the success of these collaborative initiatives.

Clusters can also more formally organise around a nexus, commonly a knowledge hub such as a university, a research centre of excellence or other common attractor. London policymakers support and promote these kinds of clusters and link that support to the broader evolution of science and technology. On the other hand, the City of Vancouver appear to favour an intermediated model of formal clustering, focusing their networking policy around attractors such as community-based organisations and the street vendor market; they coin the phrase ‘survival economy’ to describe their grassroots efforts to bring together firms and stakeholders. In the Vancouver model, the community-based organisations then partner with government, other non-government organisations and private enterprise to deliver outcomes for microenterprise. In a sense, Vancouver use community-based economic development organisations as an intermediary between the more formal stakeholders of government, non-government organisations and private enterprise, and the less formal nature of individual maker and creative microenterprise. These approaches are perhaps two ends of a spectrum of how clustering can be more formally supported by policymakers.

Beyond enabling these kinds of support mechanisms, policymakers can contribute directly to small business through financial policy, through taxation, loans and subsidies, and through refining their own internal processes, procedures and – in a more legal sense – regulations. These kinds of support appear to generally operate alongside one another. Amsterdam has a range of comprehensive financing and networking programs such as the Ambitious Entrepreneurship Action Plan and numerous tax incentives and subsidy schemes in support of micro-enterprise. Detroit suggests that tax abatement schemes and regulatory structure refinement would support the purposeful development and prosperity of the ‘Live+Make’ neighbourhoods. Similarly, Berlin policymakers suggest that microfinancing should be more targeted and that financing initiatives be coupled with removing both bureaucracy and structural barriers. Vancouver policymakers on the other hand suggest that taxation instruments together with other financial tools, loans and incentive programs would bolster the potential of local makers and creatives to flourish. These kinds of support may also sit alongside networking policies, taking Amsterdam’s initiatives that put start-up entrepreneurs in touch with venture capitalists, first users and other financiers as an illustration.

Concluding remarks

This review of international policy across five exemplar case studies has shown a number of common themes. The activities of policymakers tend to fall into two distinct classifications, being urban development policy and business development policy. This in and of itself provides the policymaker with a lens through which to view their own policymaking, to understand where they sit and therefore what changes they are able to effect in the urban manufacturing and creative industries space. There is clearly a role for both land use planners and urban economic development planners to work together to understand both how makers and creatives ought to feature in their cities and what they as policymakers can do to help implement those ideals. If nothing else, the policy review enables this reflexion however we argue that in addition there is much to be learned by examining the experience of others and then learning how that experience may transfer and adapt into the local context.

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