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The rapid rise of rural coworking in England: sharing experiences for mutual learning

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As part of the InterAct Network Dr Felicia Fai, Dr Mariachiara Barzotto & Prof. Phil Tomlinson, from The University of Bath, School of Management have investigated how digitalisation could enable the redistribution of economic activity beyond urban hubs, into towns, rural and coastal communities by using coworking spaces. The findings and recommendations are summarised in two briefing documents:

- **The rapid rise of rural coworking in England: sharing experiences for mutual learning - A brief for industry.**
- **The potential of coworking spaces to stimulate local growth outside of major cities - A brief for policymakers.**

Executive summary

- **Coworking spaces** Coworking spaces (CWSs) are proliferating rapidly, particularly post-Covid19, bringing potential opportunities to disperse employment and economic activity into areas beyond core-cities and assist with levelling up. However, as yet, the UK government does not appear to have a unified, strategic approach to how remote work from CWSs can support the growth and development of this significant proportion of its economy. This is in stark contrast to the approach of many other countries.

- We conducted a pilot study to investigate provincial CWSs in England, to understand what they are and do, and whether they contribute to local regional development.

- We found that despite the proliferation of CWSs outside of core-cities, into provincial areas, the CWS concept is, perhaps, less understood by local residents and so the marketing message around them is crucial if they are to be able to fulfil their potential to contribute to local economic growth in their regions.

- Whilst the fundamental business offering from each CWS is largely similar – low-cost access to flexible workspaces -there are a variety of ownership and business models employed in provincial CWSs these can impact the culture, environment and vibe of a CWS, and hence its ability and desire to offer additional opportunities and benefits to users, the wider business community, or the local community at large.

- CWSs in the provinces, have a great deal to offer their local communities, and the experiences of, and practices employed in some, might usefully be applied to others so we share those here.

- We also suggest that all CWSs would benefit from developing more robust performance metrics and collect such data on a more formal and systematic basis. This would enable fragmented practices and the benefits of individual CWSs in a particular region, to be aggregated, facilitate the better coordination of CWS activities at a regional level, and create a collective institutionalised voice to be involved in local policy planning.

Motivation for the study

Working from home, or telework, has been rising in the past 20 years, but large-scale adoption of this practice was never really embraced by the majority of UK employers. In March 2020, the COVID-19 pandemic 'flicked a switch' overnight, and all workers who were able to work remotely were compelled and facilitated to do.

Whilst many people who worked from home during the pandemic enjoyed the experience, the flexibility of workhours and the lack of the daily commute into the office, many others found themselves with a lack of appropriate workspace, or even with a good workspace in the home, some experienced a sense of social isolation. As the pandemic subdued, patterns of work have evolved into more complex patterns of hybrid working. Both the demand for hybrid work modes by workers, and the supply of such contracts by employers, have risen.

The benefits and disadvantages of working remotely remain in this dichotomy of place – home or the office - yet new workspaces, such as coworking spaces (CWSs) offer a third option. Indeed, the growth of coworking spaces has grown significantly across the world since the pandemic, not only in cities, but also in the suburbs, towns and rural villages.

Other countries (across Europe and the USA) have recognised the potential of CWSs, to help deliver economic growth and develop places beyond their core cities. They have begun to develop explicit policies to support remote working from these places. However, there is a noticeable absence of this type of discussion in UK policy, and the question is, why?

This pilot study seeks to better understand the role of CWSs in older industrial cities, towns, rural and coastal communities (we refer to them collectively as coming from the **provinces**). What is/are their *raisons d'etre*, how do they add value to users or contribute to their local areas?

Old industrial cities, towns, rural and coastal areas are not such attractive propositions to the profit-motivated corporate providers, nor do they capture the media headlines of the global corporate providers. The provision of CWSs in such places is quietly undertaken by private, SMEs and independent entrepreneurs, or through local bodies like the county council, local enterprise partnership (LEP) or chamber of commerce.

We know from this InterAct project, that just like their peers across Europe, the ability of these CWSs to contribute to the social and economic life of their local communities can be significant - if given the chance and some support.

Our research highlighted to us that whilst CWSs outside of the UK's core cities and city-regions have similarities both with their corporate cousins, and to each other, there are also differences – some significant, others more nuanced. We report on these here to highlight how and why it matters for potential users and founders.

Additionally, we found gaps in practice among some CWSs which we feel warrant attention in order for CWSs to help their own cause, in terms of positioning themselves distinctly from their corporate cousins and for raising their profile among both local and national policy makers.

This document, targeted at CWS owners/managers, complements a separate but partner document targeted towards to policymakers –The Potential of Coworking Spaces to Stimulate Local Growth Outside of Major Cities within which we make policy recommendations that we hope will gather consideration in further Levelling-Up initiatives, or any similar policy which may follow it.

Who took part in our study?*

Between February and June 2023, we…:

- …went to three English Local Enterprise Partnership designated regions:
  - Staffordshire and Stoke-on-Trent (SSLEP),
  - Heart of the South-West (HoTSWLEP)
  - Thames Valley & Berkshire (TVBLEP).

- …visited 8 CWS in person.
- …conducted 12 face-to-face interviews with CWS owners/managers.
- …interviewed an additional 4 CWS owner/managers online.
  - CWSs were selected to ensure insights from a relatively even mix of rural, coastal, and regional capital locations.
- …held 11 focus groups with a total of 32 CWS users.
- …hosted 1 online participatory workshop exploring the role of CWSs in regions (attended by 30 professionals, such as CWSs owners/users, manufacturers & policymakers from across the UK).

*see appendix for details

An overview of CWS

A definition of coworking

"Coworking is redefining the way we do work. The idea is simple: that independent professionals and those with workplace flexibility work better together than they do alone. Coworking answers the question that so many face when working from home: "Why isn't this as fun as I thought it would be?"

Beyond just creating better places to work, coworking spaces are built around the idea of community-building and sustainability. Coworking spaces uphold the values set forth by those who developed the concept in the first place: collaboration, community, sustainability, openness, and accessibility."

A snapshot of coworking spaces in the UK as of December 2022

- As Table 1 shows, from a web scrape of Google Maps for the term "coworking space" (and variants of its spelling), there are over 3,900 businesses in the UK listed on Google who use the term to describe themselves.

- Whilst some listers use the term for marketing reasons, perhaps only offering a few desks in a shared room on a flexible basis within a broader offering of standard office space rental, we suggest the number of CWS is not small.

- Whilst London and the Southeast have the largest populations of CWSs, they populate every region in the UK,

Table 1: Regional Distribution of CWS

Region	No. CWSs
Southeast	801
London	741
Southwest	340
West Midlands	314
East of England	276
Yorkshire & The Humber	209
Northwest	174
East Midlands	144
Northeast	124
Scotland	394
Wales	236
Northern Ireland	75

Benefits to tenant users across all types of CWS

The benefits of CWSs are well documented in the popular press and media and include:

- The provision of a mailbox/professional address and workspace with access to resources such as office furniture, computers, printers, wi-fi and meeting rooms.

- Shorter, flexible contracts and often on a lower cost basis, than traditional office space providers. This allows users to scale-up/scale-down their operations at relatively short notice.

- They offer physical proximity to people who might otherwise be working alone in isolated locations, and build in 'collision spaces' within their organisations, with the intent of facilitating social interactions between its multiple, independent users.

- In doing so, it helps to overcome a sense of loneliness that may be faced by individual who work from home, contributing to their positive mental health and well-being.

- Physical proximity and the creation of an attractive, open, enlivening, yet professional workspace and culture can generate a 'vibe' in the CWS and stimulate positive spill-overs through observation. Repeated and multiple social interactions between users of the space can lead to incidental 'spark moments', trust-building through familiarity, purposeful knowledge and ideas sharing, and even enable the identification of new markets, or opportunities for novel business partnerships (or 'side hacks') to develop.

CWS motivation, users, aims and objectives

CWSs in Core Cities

- These are generally run, for profit, by corporates (Bieman, 2021) and for some, are an evolution of their standard rental office space business model towards small spaces, and shorter rental periods. Examples include WeWork and Regus.

- City based CWSs may attract digital nomads and young(er) skilled workers in the digital, creative, design and professional services.

- Whilst there can be a temporary and mutable community built within that space, the precise nature of that community is hard to pin down. Spinuzzi (2012) has described it as forms of "working alone, together".

- Additionally, it is questionable how much, and in what ways, such CWSs contribute to their local areas and immediate communities outside of their physical boundaries.

- Other commentary on CWSs outside of the UK have indicated that CWSs in/near tourist beauty spots, may attract digital nomads, or tourists on 'work-cations' with both potentially positive and negative impacts (Ware & Mariwany 2022) on the local economy.

CWSs in the provinces

- In the provincial CWSs we studied, there appears to be a greater emphasis upon community building (both within and beyond the space), developing local entrepreneurship and supporting local skills development.

- Private CWS providers in these places may adopt characteristics akin to social enterprises, and public sector owned CWS (local councils, LEPs HE/FE publicly funded spaces), those of not-for-profit organisations.

- They attract workers, from a broader range of sectors (charities, education, healthcare, public services, well-being, design, digi-tech and more).

- They also tend to be used by people who live within a 10-mile radius of the space, rather than nomads (although local businesses might use the space to hold meeting with international clients, who in turn may rent a desk for a few days).

- As such, it has been suggested that some local/neighbourhood CWS can contribute to a more sustainable way of living, and 'slow mobilities' (i.e., walking, cycling) may be regarded as lifelines for sustainable travel futures (den Hoed, 2023).

- The local demographic tends to be more mature than in the cities, but the local-ness of the CWS (combined with opportunities for hybrid and flexible work due to digitalisation), also enables women and school leavers to enter the workforce.

- As a result of their embeddedness in, and commitment to, their localities, CWSs and their users in the provinces have the potential to have more significant impacts on their local areas relative to their core city cousins.

- We seek to highlight the distinctiveness of provincial CWSs in what follows.

CWSs in the provinces

A less well understood concept

- In the core cities, coworking activity and the spaces in which they occur is a relatively well understood and common occurrence. However, in the provinces, whilst CWS provision has grown, the understanding of what they are remains embryonic and their uptake by users in some areas takes considerable marketing effort:

"where I grew up and come from, cyber cafes were the thing and then obviously coworking spaces was completely normal. I wouldn't have thought anything of it and would be really surprised not to be able to find access to a computer somewhere. Whereas down here I think the concept of coworking space has been: 'what's coworking space?'…but I think it will catch on…." MGR1/CW2/HoTSWLEP

"when I first started, … I think there was a lack of a lack of knowledge when we were using terms such as 'Workhubs' and 'coworking spaces' down here…you know,…we tend to get things a few years a bit later than everyone else. I think we're a bit slow on the take up of these kind of things. we funded a few spaces to hopefully kind of stimulate the market a little bit and show that this is a way of working that can work for the businesses of [our area]." POL1/DCC/HotSWLEP

CWS facilities

- CWSs offer 'communal' facilities e.g., wi-fi, computer monitors, digital printing, meeting spaces. These enable users to have a professional working space to work from.

- It enables the separation of work identity from home identity – e.g., having a PO Box, or address which is not their home address maintain privacy and for personal security.

- It also creates a cognitive separation of professional life and home life for many users which the pandemic experience indicated was particularly important for mental wellbeing.

- It enables users to hold meetings with suppliers, clients, customers on an ad hoc basis, in a professional space, at low cost.

- Generally (although there were exceptions) the CWSs provided social spaces such as kitchenettes to facilitate social interaction/relationship building – akin to ''watercooler' conversations in standard offices.

- Many CWSs however, go further to encourage interaction, and provide 'funky' 'common spaces' with sofas and soft furnishings, or even 'playrooms' (with equipment such as pool tables/PlayStations). Such spaces mean users spend time together and can build deeper social connections from which business connections might grow.

  "Yes, community is core. You get a sense of what they are when you walk in [to a CWS]… it is a sense the actual community has been established by people…we've always described trying to build a culture more than trying to build set-desks in a space, and the cultural impact of what we're doing is the bit that matters… that's the sort of the backbone of the ecosystem building…" MGR1/CW3/HoTSWLEP

- In provincial CWSs that operate from Innovation Hubs, HE/FE labs akin to Fabrication Laboratories (Fablabs), access to equipment such as clean rooms, lathes, CAD software, 3D printers & AR/VR equipment as well as desks and computing equipment was available to book.

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Significance of CWS presence in the provinces

- In cities, access to wi-fi and broadband on 4G & 5G networks is taken largely for granted, However, in rural and coastal areas access to stable, reliable broadband is a significant consideration in the location for a CWS and its users.

- Additionally, the CWS will often have a person who can address technical issues with broadband or commonly provided equipment, thereby removing this responsibility from individual users who may lack the know-how, or the contacts to turn to for help.

- The population density in the provinces is lower than in the core cities and so opportunities to meet fellow professionals can be limited (to serendipitous conversations at the school gate, local cafes, or leisure facilities) or may pass-by completely. CWSs purposefully create a professional space, and with the deliberate creation of social space within it, to facilitate and encourage interaction, they open mindsets and attitudes to talk to others about your business activity, interests and issues.

"... we're in such an ecologically diverse area and there are so many different businesses – from Agri-tech to marine, to your cottage industries which is a very, very big thing here." MGR1/CW2/HoTSWLEP

"...it's nice to interact [with people from] with other companies… you learn a lot from just hearing stuff in the background and having different conversations, but it's actually really nice to do that outside of your immediate industry as well. I think there's a lot of value to get from that which you wouldn't necessarily get in an office" USRx/CW1/TVBWLEP

"There are people in the building who have done lots of interesting, random, things and they've been places, and there are other people who have literally lived in [this town] their whole lives. The cross-pollination of ideas and conversations is really important for our wider impact" MGR1/CW5/HoTSWLEP

- In the provinces, some CWSs host more industrial capital equipment and operate from HE/FE labs - akin to Fablabs. These offer the opportunity to open the mindsets of local SMEs to the possibilities of new digital technologies that they may be broadly aware of, but have no idea where to start with or may be reticent about:

  "We ran an event for the Chamber recently... a VR session. ..they came in and they were like: 'Jesus how long are we going to be here for? Oh god I didn't realise we were going to have to do this! And they were stubborn about it but anyway they all put on their headsets, and I couldn't get rid them! ...it was really quite rewarding to have seen this complete difference from how they walked into that room (they were very, very vocal about how they did NOT want to be there; they couldn't see the point of it) – to how they could see it working in their businesses {as they left}".
  MGR1/CW2/HoTSWLEP

- Beyond opening mindsets, CWSs may be able to help minimise the costs of accessing (semi-specialised) equipment by allowing SMEs to access the equipment on an ad hoc/semi-regular basis or by enabling experimentation and experience with the equipment, thereby reducing the risks associated a significant capital investment.

Photo by XR Expo on Unsplash

The critical role of the CWS manager

- CWS managers are key in generating community vibes that can facilitate:
    - networking and collaboration
    - trust and knowledge exchange
    - fostering wellbeing

- By visiting CWSs in person, we witnessed a range of CWS manager 'types' that undertook responsibility for the daily operation of the spaces: receptionist, through to dedicated space managers to owner-managers.

- Whilst all were CWS managers by title, with their role and responsibilities undertaken looking similar on paper, there were some quite stark contrasts.

- In CWSs where managers acted more like receptionists (in that they performed predominantly administrative tasks), there was more of a *transactional* culture and feel to the CWS user relationship. Whilst they introduced new users to others present in the space (for courtesy reasons), they did not take it upon themselves to make specific introductions between users who might have shared interests or complementary business activities:

"What do we do. We see how businesses grow, [we're] responsible for the admin part of the businesses so they can just come in, rent a space, bring the equipment, laptop, plug in and work. Anything else is for us to look after, all the maintenance, health and safety issues, fire alarms and everything, we look after them, everybody in the building and any requests with additional IT. Anything customer service focused. We do parcels, post, here, meeting rooms, so it is quite diverse. We've got 23 businesses, so we're quite busy on running the centre on a daily basis". MGR1/CWS2/SSLEP

- In CWSs with a dedicated CWS manager or owner-manager, there was more of a *relational* culture. These CWSs felt more vibrant, the sense of community was palpable - it was clear that the CWS manager was the lynchpin of the space:

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'...what's been great from our side [as the CWS owners] is us being able to take a step back because the community is so important and having [a CWS manager], you know, push the community forward. ...[The challenge is] finding the right person to run it....[We] bring in the right space managers that also believe in the ethos. So, you know, [CWS manager name] is very much now the beating heart of the community, which is really important'. MGR1/CW1/HoTSWLEP

- Finding the 'right' person to be the manager is vital. The role requires strong interpersonal skills, high emotional intelligence, discretion, commercial sensitivity, reasonably detailed knowledge of the users as people, their businesses.

"I feel like the vicar of [this CWS] often times, you know? You just sort of ask a person, "Are you all right today?" and then suddenly you end up in a conversation where they just "ah-ha" and then they're crying,... because you know, people have got things going on in their lives....I've been told that I'm approachable in that, if somebody tells me something - it's between us." MGR1/CW1/HoTSWLEP

- They also had the ability to see and facilitate connections between users, either when approached for advice/a contact by a tenant, or when they have good knowledge of their users, they can proactively introduce users to each other who might find complementarities in their businesses as suppliers/buyers, skills, knowledge or through shared experiences.

"...you'll find that it's really lovely and organic,... you can have two clients sitting together talking in there and I look through, I'm like a proud mum - one of them might be an IT provider or you know, security of IT, and then all of a sudden, they've got a client that needs that support 'cause they're growing. So, then they start working together and that's a lovely thing to see 'cause, you know, they're local businesses working together". MGR2/CWS1/SSLEP

Flexible working

- CWS are generally lauded for offering users low-cost, flexible working spaces on patterns of weekly or monthly contracts which reduce fixed/variable costs associated with ownership of real estate or letting on a longer-term basis.

- However, the level of flexibility is potentially even greater in provincial CWSs, with some CWS facilitating arrangements e.g., "10 days access over 3 months", "unlimited hours monthly hotdesking" or "dedicated desks 3-days per week". This is particularly appreciated by start-up entrepreneurs and sales personnel whose jobs involve travel to meet customers, or workers who travel semi-regularly to the area.

- Also, how the spaces are used can be very variable, even from a single CWS (depending on its configuration and target user group):

"So, you could have a pod on Monday, but you could have a hot desk on Tuesday; you could be down in the 3D printers on Wednesday, you could have a conference room on Thursday, you could have this room for a whole week, you could have it for a whole month," MGR1/CW2/HoTSWLEP

- Some CWSs may offer the opportunity for users to scale up/down flexibly and rapidly within their own space – in some instances, entire teams of 10-15 people come in on the same 3 days a week to use as a 'rented office space' for collaborative work and the same space is used by a different set of individuals flexibly on the other two days.

- However, common across the provinces, is the lack of grow-on space for successful companies who need to scale-up either within the CWS building itself, or within other buildings in the area.

Business models

- It was quite apparent (from our interviews with CWS owner/managers), that there were a broad range motives for establishing CWSs in provincial places. In particular, both private providers and public providers felt supporting local businesses, developing local entrepreneurs and contributing to the socio-economic state of the local area to be of primary importance. We observed several business models for doing so.

- **County councils** have recognised CWSs as an opportunity to simultaneously support local businesses with low rents, whilst reviving the life of existing (often council owned) buildings and high streets. Sometimes, the spaces were created in existing municipal organisations like public libraries.

- Some councils appear more strategic in their approach – surveying the local community for existing provision, as well as levels of demand in a prospective location, in partnership with another organisation e.g., the NFU, the Chamber of Commerce, neighbouring districts and borough councils.

- Whereas, observation and anecdotal interview evidence suggests in other councils, the opening of CWSs outpaces the level of demand and many CWSs are operating with low levels of usage.

- **Local Enterprise Partnerships (LEPs)** view CWSs as a means of supporting local industrial strategies and economic plans and may create specialist or generalist CWSs accordingly. If they were able to, they created these within buildings that could provide grow-on space in the form of private offices. Users from the office spaces could still use the CWSs if they desired. The rental of office space on a more conventional basis (6–12-month basis) provided more stable and regular income than a CWS, and so they were able to plan and budget for the facility with more certainty.

- **Local Chambers of Commerce** may establish CWSs as a 'free' benefit to their paid members – the facilitation and enabling of greater networking among its members in this space was seen as an additional way to provide business support and an informal way to hear their voices about issues of concern to the local business community.

- One of the private providers of CWSs adopted a **partnership model** predominantly into 'under-served towns' across England. They partner with councils, charities or companies that have space that is not being fully used, help convert it into a CWS, and assist with its marketing "to make it vibrant again", with both partners sharing the revenue.

- A similar model of support as opposed to ownership, was found in Devon, only this time undertaken by the council themselves.

- **Devon County council** does not own any CWSs but has invested in creating a network among purposefully selected, smaller CWSs in its area – **Devon Work Hubs**. It supports the network members by signalling grant funding opportunities and supports their marketing activities. It has a common marketing channel, to showcase the various spaces with case study videos and vignettes. It can also connect members to other council departments and initiatives such as adult literacy programmes, if need be.

- A key factor common to these CWSs in the provinces is offering access to good quality space on highly flexible yet low-cost terms as noted previously. However, this means some spaces operate on precarious business models.

- Many CWSs rely on high volume of desk/ meeting space bookings, rather a steady numbers of regular users per week for example. Many do not, cannot or will not offer offices for rent, which might provide a steadier income stream.

- Given the CWS concept is less well understood in the provinces, to educate the local community about the CWS, the opportunities and support it provides, and to drive business growth, many CWS providers offer 'free trials' of their spaces for a day/few days. They all offer 'as much as you want' free tea and coffee to users.

- Parking (where available) is again usually free and is a significant factor for provincial CWSs because access to them by public transport is often either not straightforward, or non-existent.

- All these additional costs appear to be absorbed by the CWS provider rather than built into their tariffs.

- Among **private providers**, many of the spaces were either not, or barely making profits; where they were, these were reinvested in to the CWS.

- In some case private owners did not take salary or wages for their services even though they were very hands on managing the spaces, moving furniture, refilling coffee stocks, taking bookings, and highly engaged in building relationships with their users to better support them. These entrepreneurial owners made their incomes from other businesses they owned.

  "I have two businesses and literally do everything myself …for a lot of my events my friend comes and helps me for free because I don't have the revenue. …I mean I don't get paid for working here yet. …. if my business doesn't grow enough this year, it could spell the end of us because otherwise I'm not growing, I can't pay myself, I can't pay someone else, but equally if I can't cover those costs…., you know… "MGR1/CW1/TVBWLEP

- During the emergence from the pandemic, supporting the life blood of the local business community was critical to the mission of the CWSs that had survived through COVID19. They resisted passing on the higher costs associated with overheads such as sanitation and reduced capacity (due to the 2m spacing rules), to their tenant users, conscious that they were in even more tenuous financial situations:

  "…we saw a lot of goodwill, not for any reason apart from we think it's the right thing to do. So, there's some people in the space that don't pay any money…So X&Y are seeing difficulties in their business in terms of their cash flow, you know, their rental was it four grand a month, so we've discounted them for the next three months to three grand, we're taking the grand off for no other reason than we know they're going through difficulties". MGR1/CW1/HoTSWLEP

- Users recognised these sacrifices and appreciated it. This serves the CWS because users want to support the survival of the CWS – the user and the provider end up in a mutually supportive relationship, strengthening the local business community.

Informal learning & knowledge exchange

- If established in line with local industrial strategy, a specialist focus in the CWS may arise as it is likely a concentration of such firms *already exist* in the area, and the CWS seeks to act as a magnet to pull additional ones in. The CWS can facilitate degrees of *specialist* knowledge exchange, whilst the users protect proprietary knowledge aspects by working elsewhere (from home/formal office):

  "… [CWSs] just attract people who are open, and collaborative don't they? The people who are kind of like, "oh don't steal my ideas", they just don't go [in]". MGR1/CW6/HoTSWLEP

- However, most provincial CWSs do not have the local density to attract users from any single industry. Such CWSs tend to attract users from a diverse range of sectors hence knowledge exchange tends to be *between*, rather than *within* sectors.

- Knowledge exchange in CWS tends to be ad-hoc & informal. It can relate to technical advice (e.g., on software) between CWS users (often with different skillsets) which facilitates some learning, but also stepping in to help each other out, or passing on of contacts to third parties that may be of benefit to another CWS user:

  "last week we had someone come in and say, 'I need to build a new website and I don't know what to build it in', so just as I'm saying, 'I've had my own experience with this and this…', someone else is saying, 'well actually I've got this, and it didn't work for me, and this is why…'. So, it's kind of just, in the same way that in a normal workplace those conversations happen, now it's kind of across totally different people and businesses." MGR1/CW1/TVBWLEP

- CWSs with a strong 'community vibe' are more likely to support cross-fertilisation of knowledge, new idea formation and new product development, through 'side-hacks'.

Networking & cooperation

- In CWSs, it is relatively common for business relationships or collaborations to arise between CWS users with different skillsets/ expertise/experiences.

  "the interior designer that comes in, is now using one of the accountants that comes in" MGR1/CW1/TVBWLEP

- Often it is the CWS manager who plays a key role as a conduit in facilitating new introductions and collaborative relationships between users.

  "...there's an illustrator, children's author. She had written a number of books before she started coming to the space but didn't know how to self-publish them, {or} turn it into a business. So, we connected her with a website copywriter .... a business mentor to help her clarify what exactly it was that she wanted to do and got some help with her social media to grow it into an actual business. It went from being just these book ideas that she had on her computer to actual self-published books and a business plan." MGR1/CW6/HoTSWLEP

- Most users are connected to their own external (to the CWS) business/social networks but through interpersonal networking (within the CWS), these wider connections may become to open to other CWS users.

  "...a company was falling apart...a lot of [its operations] were in our CWS... and people's livelihoods and shared investments were on the line. So, we leaned into our networks and pulled in some quite experienced CEOs to come in and help them negotiate their way through the contract and that was all done voluntarily. They came in and got experts to come and fight." MGR1/CW3/HoTSWLEP

- In more technological/sectoral specialised CWSs, new formal collaborative networks can arise even among normally rival actors within a CWS, especially in relation to co-developing specific funding bids.

Training provision

- A continuous theme in government policies is the need to improve the skills of the UK workforce but often this requires taking time to attend a formal course at college/online.

- In provincial areas, the majority of businesses are individual entrepreneurs, micro firms or SMEs. Such firms can rarely afford to bring in trainers to enhance their skills. They also are unable to spare time to attend courses on a regular basis.

- Yet, the CWS provides opportunities to access training at little, to no extra time, or financial cost to the user. A user can share their knowledge through lunchtime events, or host workshops for other users in the space; the CWS can seek to bring in trainers (or leverage relationships with its local Chamber of Commerce) to support its user tenants who have shared interests or specific skills needs.

" there's Biscuit club on a Wednesday at 3pm… anybody can come down…. They've got the Lunch and Learn… they [the CWS managers] work very hard at going round making sure they keep communicating with everybody' USR3/CW1/HoTSWLEP

"…so, many of our members are trainers but we do offer our space as somewhere that they could come and do training,…We're doing a series with an accountant and a lawyer on how to prepare your business for succession, things to think about when building your business to sell. So, we have anything from politics, practical, influencing, all sorts of areas for different people to come and work with us in different ways.' MGR1/CW1/SSLEP

"…we do ones on business planning, funding, sales…. And then also we've done ones on how to use Canva for your social media marketing or how to use Zero for your accounting…. it's really whatever anyone needs to help them grow that business, we'll find an expert and do it". MGR1/CW3/HoTSWLEP

Relationships to external community building

- Virtually all provincial CWSs purposefully seek to support the wider local business community more broadly. This ranges from simple spill-over effects from CWS users using the high street retail and hospitality outlets, to prioritising local suppliers within their supply chains, to participating in Business Improvement District (BID) initiatives.

"…we want to see the local area flourish… we do really love to champion other small businesses, other startups within the locale of where we are… something like doing shout outs for them [on social media]…, it could be using their products in some of our events. So, trying to kind of help see prosperity, and encouragement within local businesses as well." MGR1/CW3/SSLEP

- CWSs support their users by showcasing them to the local business community.

"…we've got a couple of members who have written books so we're going to have a book launch evening or meet the author…we do a lot of work with supporting up and coming artists…, we're trying to use the space more as a way of connecting, not a community in [a standard] way but a wider *business community*". MGR1/CW1/SSLEP

- They also seek to give the local community access to businesses, work opportunities, and events beyond what residents of such peripheral areas might be aware of.

"[We host] community events so that we can contribute back into this area and give people an experience of things that they might not necessarily be able to access being a little more remote, and in the countryside." MGR1/CW1/TVBWLEP

CWS support of local charities

- CWSs have been used by local charity workers in administrative and office-based roles, as their own premises have closed, and the growth of online channels have risen.

  "we've got a lot of people coming in who are employed, we've seen a rise in people who work for charities coming in where they've maybe shut down their headquarters." MGR1/CW6/HoTSWLEP

- Additionally, many of the CWSs seek to support local charities, by offering meeting rooms for events, and services in kind, in addition to raising awareness and funds.

  "We give discounts to charities and social enterprises and we're quite flexible with our pricing as well because again, we don't want it to be a – it's not run as a business, and I think Jim's the same as us. Been doing this for ten years. I've never taken a penny." MGR1/CW1/HoTSWLEP

"We're partnering with a couple of charities. The revenues that we're bringing in is then feeding into that local charity. So, there's a really nice kind of connection there as well". MGR1/CW3/SSLEP

"We give to local charities (through our income), we give to St Petrock's, CoCreate, Butterfly Children's Hospice who work in China, they're based in Exmouth. We made decisions to give to local charities." USR5/CW1/HoTSWLEP

CWS outreach to schools and school leavers in the peripheries

- Of particular value, we believe, is how a number of CWSs purposefully reach out to schools:

"…we are trying to come up with different ideas of how you make students aware of the breadth of the different types of businesses that we have in this area because I think that is a huge issue …, if you were to go to certain schools and ask students to name five businesses, I bet not one of them would mention any of our businesses that we work with."
USR2/CW1/SSLEP

"… we ran a series of workshops for everything from sort of design thinking, prototyping, electronics, computing over the weekend, and we had the head of design from X University, the design school, and he brought over five graduates as well and it was just this amazing opportunity. We wrote the exercise around 'What would you do to your town and city?' and by the end of the weekend, we had about 17 kids that had come up with these brilliant ideas. Then we were trying to get the council involved so that we could say, 'now can we implement some of this to show this innovation path - from idea, from school, straight the way through to how you implement it and make it visible' ..".
MGR1/CW1/HoTSWLEP

Photo by Kenny Eliason on Unsplash

- We found evidence that such efforts by provincial CWSs specifically can be invaluable to the area because of its multiple business profile and its strong sense of both internal community and as an actor within the wider community.

"...we have an enormous school in [town name], ...They are just now beginning to allow some outreach [after Covid] so we are back speaking to them again...to try and get students to come to us. We would like to go back ...just saying 'you live here, there's thing's on your doorstep. You've got people here that are competing in literally global class businesses on your doorstep. Do you want to come in and meet them?'... the first person just came through, he's 17 and just an incredible illustrator and animator, and he doesn't know what to do next. But in us [the CWS], between us all [its users], we've got some quite handy connections that he's got in contact with."
MGR1/CW1/HoTSWLEP

- CWS are unique from other types of business in this way.

"My son started eight months ago after leaving college, didn't want to go to university or anything, and he started at a recruitment business within my CWS and I don't think there's one person, one business he doesn't know in there. ...he's discovered so many different types of businesses that you can go and work for, or start... It's so funny because if he'd been working for that recruitment company on the High Street with their own building, he would never have met these other companies. He knows the physios; he knows a lady that owns a scientific company. He goes and sits in her office and talks to her, you know, about her business. He's met someone who does crypto...and it's brilliant because he hated college, he's not academic, he's very much a people person and he is a totally different character from when he was at college." MGR2/CW1/SSLEP

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Discussion

- We have highlighted how CWSs in provincial regions are very different to CWSs in the core cities and urban hubs, in who they attract, in the way they build their internal communities, their support for the local business community and their connections to the wider social community of their location.

- The potential for CWSs to help develop their local areas is significant, if nurtured and supported appropriately:

  We [the CWS] provide an invaluable springboard into a region. I'm a firm believer that flexible coworking spaces are essential for startup and growth stage businesses.' MGR1/CW3/SSLEP

- However, whilst they are beginning to gain traction and rise in both supply and demand in provincial areas, to date they are largely being under leveraged by local councils and apparently invisible to UK policymakers.

- However, in this respect, such CWSs could help themselves further, and their local councils could seek to help them collectively, to raise their profiles through providing better evidence of their influence and impact on their local areas.

- Few of the CWS owner/managers we interviewed kept *systematic* databases on a range of key indicators one might have imagined as standard:
  - Types of user by size, sector.
  - Number of regular users.
  - Number of ad hoc users.
  - Popularity of different types of contracts.
  - Number and type of events held, with what frequency.
  - Proximity of users to the space.
  - Number of businesses supported.
  - Number of businesses that move to grown on space.

- Additionally, more complex, difficult to gather data would ideally be desirable:
  - Number of collaborations amongst co-workers.
  - Number new business set up thanks to the colocation in a CWS.

- For councils details on the Gross Value Added (GVA) of the CWS per annum and its aggregation to the regional level(s) could be useful.

- Our interviews often provided anecdotal evidence of these issues, and when pressed, CWS managers indicated that they could 'probably get that sort of data together if needed', but it was not a priority given all their other operational responsibilities. Their key concerns were to watch their bottom line, and seek to maintain the post-covid, momentum in the usage of their space.

- In the case of Devon Workhubs, part of Devon County Council, they did collect this sort of information on their network of members, but at a rudimentary level - more for accounting and auditing purposes, rather than for strategic policy formulation.

- We recognise the time and resources such data gathering would take. Such resources are in short supply in the CWSs themselves, as well as councils/LEPs in provincial areas.

- However, this lack of data collection and monitoring of the performance of CWSs, would seem to make it difficult to spot causes of losses, or opportunities for their growth, to aid their survival and to better assist with the socioeconomic development of their local areas.

- Fragmentation and scale become issues for CWSs in provincial regions.

- Without a strategic perspective from the level of the CWSs themselves, and better monitoring from the councils, LEPs and/or Chambers of Commerce, it becomes difficult to…:

  - …to write strong bid applications to funding bodies, and grant providers.

  - …fully assess the impact of CWSs on their region (which they proclaim to want to support).

  - …to voice the contribution of CWS in the local economy within regional and national policy debates.

- There is a role for councils/LEPs/local Chambers of Commerce or some other agency to gather and aggregate data from CWSs within various levels of geography because coordination and pooling of information and data could help overcome these problems.

"I think, if we could narrow down … that small group of [say five] things that, you know, maybe [CWS MANAGER W]'s hub could contribute two of those five things, maybe we could contribute towards three of them, maybe [CWS MANAGER X] could contribute towards four of them and [CWS MANAGERS Y and Z] were, you know, more established in the city, then maybe you could hit all five, but it's how do we figure out those metrics that we need so that all of us - large or small - can contribute to a message to be passed on?'.
MGR1/CW4/HoTSWLEP

Recommendations to CWS owners & managers

The recommendations here derive from the aggregation of all our observations across CWSs. Some CWSs do many of these things, and do them well already, whilst others do a few of them but have the potential to expand what they do, and how they engage with their local communities even more:

- Continue to **educate the local community** about the CWS concept, what it is, what it does, the facilities it offers, and the variety of contracts available and how it can benefit the local business and broader community.

- Highlight the potential to **overcome social isolation**, but **within a professional workspace,** Signal the importance of experimenting with CWSs in their area to find the one with the right facilities and vibe for them, with the continuation of free sessions.

- Articulate with anecdotes, vignettes and vlogs, the knowledge exchanges experienced by users and the benefits they gained. Similarly, highlight how observation and colocation can lead to **skills development and other training opportunities**.

- **Create a dedicated CWS manager role** and recruit a person with a unique set of interpersonal skills to act as both the lynchpin or heart of the CWS community, and as a broker between different users of the space. Ensure this is distinct from the role of a receptionist who performs administrative duties.

- **Adopt an appropriate business model** and ensure market research on the demand and supply of space is conducted. Does your space support specific local industrial or economic strategies? How will you evidence that?

- **Keep better systematic data** about your users, their characteristics and patterns of use. **Invest in developing performance metrics.** This will help not only the strategic management of your specific CWS but will provide robust evidence of the good work you do, which tends to only be reported anecdotally.

- Continue to **reach out to charities and schools** (for instance, through 'placement/work shadowing opportunities'), to show the next generation that there are/could be more job opportunities and careers in their area than they were aware of.

- **Look to form a regional CWS association (maybe a national association, with regional chapters),** so that CWSs in the provinces can pool their voices together, to amplify a unified and evidenced message - create an institutionalised voice to be involved in local policy planning.

Conclusion

- Curious as to why countries across Europe and were developing economic strategies for the use of remote work in rural regions, yet the absence of similar in the UK, we conducted this pilot study to gain an insight into CWSs in provincial areas in England - what forms did they take, what do they do, what benefits they had on their users and the wider local business community and regional economy.

- We found that CWSs were present in the provincial areas, pre-pandemic, but provision grew in the emergence from COVID19, with the change of work patterns desired by workers and permitted by employers, dynamics which are only possible due to digital technologies.

- They bring opportunities to entrepreneurs, freelancers and SMEs to operate their businesses in a professional environment outside of their homes at relatively low cost, and on flexible terms.

- However, the CWS concept is perhaps still less understood by people who reside and who have always worked in the provinces, relative to those who have had experiences of working in core cities in the UK or internationally.

- The marketing message of what CWSs are, and their benefits beyond low costs and flexible contracts needs to continue and to strengthen, particularly emphasising the benefits of belonging to a locally-embedded community (information exchange, knowledge sharing and idea creation, business contacts, introductions to local suppliers, users, auxiliary and complementary services. The ability to experience and experiment with new technologies and equipment to improve productivity, or to use said equipment on a semi-regular basis).

- Provincial CWSs in even this pilot study are collectively similar, in terms of their basic functional offerings, to their core city-based counterparts, and to each other, yet at a deeper level of analysis, they revealed rich variety in their ownership structures, business models working cultures and environments – in large part, formed, shaped and driven by the CWS manager/owner. Potential users need to be aware of this and experience several CWSs to find a 'fit' with their preferences.

- Through their provision of professional workspaces, provincial CWSs, can help keep skilled professionals in the region (as they work predominantly locally, commuting to core-city offices just a few days per week).

- As a result, provincial CWSs also have the potential to help local skills development:
  - directly but informally by users 'teaching' each other at an operational, day-to-day level,
  - directly but formally by users hosting information and training sessions within the CWS to other users of the space, or the wider business community or by bringing in formal trainers to the space;
  - indirectly by showing local school pupils, and local job seekers, opportunities beyond the obvious in their high streets, traditional factories, and public sector organisations.

- CWSs in the provinces can also help strengthen the socioeconomic fabric of their local areas through their support of charities, schools and colleges.

- CWS beyond core-city regions are potentially significant economic agents in regional development and levelling up missions and deserve greater policy attention.

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Appendix - methodology

- We examined CWSs within three English regions (outside London: Staffordshire and Stoke-on-Trent - SSLEP, Heart of South-West - HoSWLEP and Thames Valley Berkshire – TVBLEP. These were selected for this pilot project via a combination of convenience, and purposeful sampling to identify their distinct socio-economic geographies and associated challenges. Our objective was to provide indicative cross-region insights on CWS, industry users and the potential for regional policy lessons.

- The sample generated qualitative data from CWSs located in a traditional Midlands industrial region seeking to reverse a period of long-term decline, a second-tier vibrant city in the South-West, and several CWSs in both rural towns (some within commuting distance of London) and coastal areas.

- Between February and May 2023, we visited 8 CWSs across all three LEP regions (plus some additional CWS manager interviews via Microsoft Teams in August 2023). The sample included a mix of owner-manager CWS, partnership-type CWSs, a Further Education co-sponsored one, and one run through a local Chamber of Commerce.

- In total, we conducted 12 interviews with CWS owners and/or managers and ran 11 focus groups with CWS users. In total, 60 CWS managers and users participated in the study. Both the interviews and focus groups were held at the CWS premises and lasted between an hour and an hour and a half.

- We also conducted 7 online interviews (lasting an hour) with policymakers (from Council Level and LEP level), or bodies with significant influence on shaping local policy. Transcriptions were generated simultaneously with the interview recording by MS Teams software.

- Topics across all interviews included the use and characteristics of CWSs, the degree of networking, knowledge transfer and co-learning among users, and between CWSs in the region/across the CWS parent organisation, and the role of CWSs in reviving regional economies. For the purposes of this document, our attention is on those responses that relate to issues around policy or policy deficits.

- The interviews and focus groups were conducted by the research team and were digitally audio-recorded before being professionally transcribed. The research team were aware of the danger of response bias and followed procedures to avoid such potential biases in the questioning techniques employed, so as to ensure reliability and validity in the data collection This included issuing each participant with an information sheet, a consent form and providing assurances about the anonymity of interviewees. The project was also given ethical approval by our home university.

- Following transcription, we used a directed content analysis to identify emergent themes **from our interactions.**

We thank those who participated in this pilot study for sharing their time and experiences so generously and openly.

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