

16 Socio-economics

16.1 Introduction

16.1.1 This chapter of the Environmental Statement (ES) assesses the socio-economic effects of the Bank Station Capacity Upgrade (BSCU). The chapter comprises an assessment of the following potential impacts which could arise as a result of the BSCU:

- direct and indirect employment creation during construction;
- impacts on business operations during construction, including those arising from utilities works;
- displacement of economic activity (businesses) from the Whole Block Site;
- impacts on economic activity arising from the blockade;
- effects on the wider economy resulting from the enhanced transport system;
- the net operational phase employment change as a result of the BSCU construction works;
- change in provision of retail space; and
- cumulative effects in relation to both construction and operation.

16.1.2 At the scoping stage the scope of the socio-economic impact assessment included consideration of the effects of the demolition and construction activities on the amenity of nearby businesses, residential properties and places of worship through noise or vibration, air quality or odour or visual impacts acting in combination to cause a significant amenity effect. These community effects are included within the scope of the relevant topic chapters (Chapter 9: Noise and Vibration, Chapter 12: Air Quality and Chapter 7: Townscape and Visual Effects) and Chapter 17: Inter-relationships and Cumulative Effects.

16.2 Legislative and Policy Context

Legislation and National Policy

Business Plan (2010-2015) (Department for Transport, 2012)

16.2.1 The Government's overarching vision for the transport system is set out within the Department for Transport's (DfT's) *Business Plan 2010-2015*. It recognises that by facilitating the movement of goods and people, and by targeting investment in new projects that promote growth, transport can make an

important contribution to build a more balanced, dynamic and low-carbon economy that will play a key role in fostering future prosperity.

National Planning Policy Framework (Department for Communities and Local Government, 2012)

16.2.2 The principles of sustainable development underpin the *National Planning Policy Framework (NPPF)* and its associated technical guidance. It identifies in *paragraph 7* three dimensions to sustainable development, all of which can be related to transport, namely:

- economic: contributing to building a strong, responsive and competitive economy;
- social: supporting strong, vibrant and healthy communities, by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being; and
- environmental: contributing to protecting and enhancing our natural, built and historic environment and, as part of this, use natural resources prudently, reduce waste and pollution, and mitigate and adapt to climate change (including moving to a low carbon economy).

16.2.3 Amongst its Core Principles the *NPPF* states in *paragraph 17* that local authorities and decision takers should seek to actively manage patterns of growth to make the fullest possible use of public transport, walking and cycling, and focus significant development in locations which are or can be made sustainable.

Regional Policy

The London Plan (Greater London Authority, 2011)

16.2.4 A number of *The London Plan* policies are relevant to the BSCU:

- *Policy 2.10 Central Activities Zone*: The Central Activities Zone (CAZ) designation (which includes the Bank Monument Station Complex) represents the area of London with the greatest levels of economic activity. Including the City's government, business, commercial, cultural and entertainment activities, the CAZ is fundamental to London's role as a world city and global business location. Policy guidance for the CAZ emphasises the improvement of transport infrastructure for local residents, workers and visitors to the area.
- *Policy 6.4 Enhancing London's Transport Connectivity* seeks to enhance London's transport connectivity by 2031, by working with strategic partners

to improve public transport. This includes the completion of upgrades to the London Underground network to improve connectivity and the movement of goods and people as a foundation to economic growth.

Mayor's Transport Strategy (Greater London Authority, 2010)

- 16.2.5 The six goals set out within the *Mayor's Transport Strategy (MTS)* are all of relevance to the BSCU Project, with three being of particular relevance to socio-economics:
- to support economic development and population growth;
 - to enhance the quality of life for all Londoners; and
 - to improve transport opportunities for all Londoners.
- 16.2.6 Regarding economic development and population growth, *Policy 1*, and its justification, stresses the requirement for the relevant stakeholders *to develop London's transport system in order to accommodate sustainable population and employment growth.*
- 16.2.7 *Policy 5* states that *stakeholders will seek to ensure efficient and effective access for people and goods within central London through providing improved central London connectivity and appropriate capacity.* Capacity issues are a key priority within the *Strategy* that states that only rail-based modes can provide the sufficient capacity to cater for the very high volume 'same time, same place' demand that occurs twice a day during the week to and from central London. The *MTS* refers specifically to the Bank Monument Station Complex and the role its operation can play in bringing benefits to the economy through ensuring the transport network is accessible to all.
- 16.2.8 To improve transport opportunities for London residents, the importance of improving accessibility is recognised in the *MTS*, with *Policy 21* stating that the Mayor will promote measures to improve the physical accessibility of the transport system, including streets, bus stops, stations and vehicles.
- 16.2.9 In specific reference to supporting regeneration and tackling deprivation, *Policy 22* of the *MTS* states that stakeholders will seek to *improve access to jobs and services in deprived areas.*

Local Policy

Core Strategy (City of London Corporation 2011a)

- 16.2.10 The *Core Strategy* lists five strategic objectives that underpin the vision for the City of London. *Strategic Objective 1: A World Financial and Business Centre* seeks to ensure that *the City will remain the world's leading international financial and business centre and a driver of the national economy, continually innovating and developing new business areas, delivering growth and*

prosperity for its communities. Transport improvements such as the BSCU have a major role to play in ensuring this economic objective is achieved.

Bank Area Enhancement Strategy (Publica and Atkins, 2012)

- 16.2.11 The *Bank Area Enhancement Strategy* sets out the City of London Corporation's vision for transport and public realm improvements in the area up to 2022. The strategy has four key objectives for the area, one which is:*to contribute to sustainable growth in the future that will maintain the City of London's status as an international leading financial centre.*
- 16.2.12 The *Strategy* also identifies capacity at Bank Monument Station Complex as a key challenge and pressure for the area.

16.3 Assessment Methodology

- 16.3.1 The assessment seeks to identify and assess the impacts and effects arising from the BSCU (both positive and negative) relative to the existing socio-economic baseline. Where adverse effects are deemed significant, mitigation measures are defined.
- 16.3.2 The principal socio-economic effects can be considered to broadly relate to the following outcomes of the BSCU:
- potentially adverse effects on employment during construction and operation through displacement of businesses;
 - potentially adverse effects relating to the temporary blockade of the Northern Line during the construction phase along the route of the blockade through displacement of economic activity at businesses;
 - beneficial effects on employment through creation of new employment opportunities both directly and through indirect support for businesses that serve the BSCU and its construction; and
 - wider economic benefits generated by enhanced transport connectivity and positive outcomes related to this such as improved productivity.
- 16.3.3 These effects are considered at different spatial levels according to the nature of the impact considered, in an approach which is consistent with the *Additionality Guide 4th Edition* (Homes and Communities Agency, 2014).
- 16.3.4 The principal economic impact area of the BSCU is considered relative to Greater London, as this represents the most appropriate labour market catchment area. This area is commonly known as the Travel to Work Area (TTWA) and has been derived by analysing 2001 Census data (the Office of National Statistics plans to prepare an update of Travel to Work Area reflecting 2011 Census data, but this is not scheduled for release until 2015).

- 16.3.5 The City of London is highly accessible from all areas of Greater London, and served by labour from all boroughs across Greater London, although there are capacity constraints to access at particular locations, including at the Bank Monument Station Complex. This labour market also incorporates the population that may reasonably be expected to benefit from the BSCU.
- 16.3.6 Where more local analysis is deemed relevant, conditions have been assessed at *2011 Census* (ONS, 2011) ward level. However, this level of analysis has only been presented in a limited number of places due to the small population counts at ward level.
- 16.3.7 Table 16.1 presents the different components of the assessment and the geographical scale at which they are assessed.

Table 16.1: Socio-economic Impacts by Geographical Scale

Receptor and Impact	Geographical Area of Impact	Rationale for Impact Area
Employment generation during the demolition and construction phase (direct and indirect impacts)	Greater London	Travel to Work Area, derived from Census 2001
Displacement of businesses through demolition activities	Within the Whole Block Site	Area at which businesses will be subject to displacement
Businesses and economic activity affected by temporary blockade of Northern Line	Business specific (including employees of the business) locations within close proximity of affected stations and Greater London	Area at which businesses will be subject to displacement Travel to Work Area, derived from Census 2001
Effects of the enhanced transport system on the wider economy	City of London and Greater London	Travel to Work Area, derived from Census 2001
Employment generation during the operational phase (direct and indirect impacts)	Greater London	Travel to Work Area, derived from Census 2001
Retail provision	City of London Central Activities Zone	Professional judgement

- 16.3.8 Baseline data sources have included the *2011 Census*, *Office of National Statistics (ONS) Labour Force and Neighbourhood Statistics* and *ONS Business Register and Employment Survey* (ONS, 2012).

Significance Criteria

- 16.3.9 The assessment of potential effects uses the evaluation criteria described within Chapter 6: Method of Assessment. Effects are assessed on the basis of:
- magnitude of change - this entails consideration of the absolute number of people or businesses affected and the size of area in which impacts will be experienced;
 - relative scale of the impact - this entails consideration of the magnitude of each impact in its relevant market context (for example, the impacts on local employment will be considered in the context of the overall size of the local labour market);
 - receptor sensitivity (see below) established through baseline conditions; and
 - scope for adjustment – economies adjust themselves continually to changes in supply and demand, and the scope for the changes brought about by the BSCU will therefore be a criterion in assessing significance.
- 16.3.10 The assessment process has sought to quantify impacts as far as possible; however, some impacts can only be evaluated on a qualitative basis.

Receptor Sensitivity

- 16.3.11 A receptor or resource can experience a socio-economic impact in different ways:
- as an economic gain and/or financial loss; and
 - as a gain or loss of a resource or access to a resource.
- 16.3.12 The sensitivity of receptors will be identified on a case by case basis with reference made to relevant guidance wherever applicable and/or employing professional judgement. Determination of this will vary depending on the type of receptor.
- 16.3.13 Where the receptor is an individual or group, the following factors will inform the classification of sensitivity:
- the importance of the affected resource to the user (receptor);
 - the scarcity of a resource from which the receptor derives benefit; or
 - the receptor's capacity to tolerate a loss or gain of that resource.
- 16.3.14 Where the receptor is a business, consideration of the following factors will be undertaken to determine their sensitivity:
- the degree to which a business depends on its location in terms of:

- supply side factors (e.g. access to the labour market); and
- demand side factors (e.g. whereby the business derives a substantial portion of its business due to its location);
- the uniqueness or degree of specialisation of the business (e.g. if that business were to close, is there an alternative resource which customers could access); and
- the availability of alternative sources of employment (itself a combination of the transferability of a worker's skills and the size and general economic health of the relevant respective industry sector(s) in which workers may seek alternative employment).

Classification of Effects

- 16.3.15 Following analysis of the impacts of the BSCU and the sensitivity of resources and receptors that will potentially be affected, the resultant effect is classified as being either:
- negligible;
 - minor;
 - moderate; or
 - major.
- 16.3.16 These categories are broadly defined on a seven-point scale that has been generated in line with typical EIA methodological approaches, as shown in Table 16.2.
- 16.3.17 Following the classification of effects using this methodology, further consideration of whether an effect is significant and requires mitigation has been carried out using professional judgement, taking account of:
- the beneficial, adverse or neutral nature of the effect;
 - whether the effect is temporary or permanent; and
 - the duration or likelihood of the effect.
- 16.3.18 The category of an effect is generally considered to be significant where it is predicted at a moderate or major level.
- 16.3.19 If mitigation is proposed, the residual effect following mitigation is categorised using the same system to consider whether residual significant effects are likely.

Table 16.2: Definitions of Socio-economic Effects

Effect	Description of Effect
Major adverse effect	All or a large number of receptors are adversely affected. The effect is likely to make a measurable negative difference on receptors at local area level.
Moderate adverse effect	A moderate number of receptors are adversely affected. The effect may make a measurable negative difference on receptors at local area level.
Minor adverse effect	A small number of receptors are adversely affected. The effect is likely to make a small measurable difference on receptors at local area level.
Negligible effect	Few or no receptors are affected. The effect is unlikely to make a measurable difference on receptors at local area level.
Minor beneficial effect	A small number of receptors are beneficially affected. The effect is likely to make a small measurable difference on receptors at local area level.
Moderate beneficial effect	A moderate number of receptors are beneficially affected. The effect may make a measurable beneficial difference on receptors at local area level.
Major beneficial effect	All or a large number of receptors are beneficially affected. The effect is likely to make a measurable beneficial difference on receptors at local area level.

16.4 Baseline Conditions

Overview

16.4.1 This section establishes the current baseline, and where appropriate, the future baseline for years 2016/17 when demolition will start (construction at the Whole Block Site is schedule to proceed directly after demolition) and 2021, with regards to the following matters:

- overview of London's economy including key sectors as measured by the number of businesses and levels of employment;
- employment in London's construction industry;
- a profile of the local resident population in terms of qualification levels, employment and unemployment;
- an overview of the existing businesses on-site; and
- information to establish the importance of the transport network in supporting the London economy.

- 16.4.2 Due to its central location with maximum rated public transport accessibility level (PTAL), the number of lines running through the station complex and the connectivity it creates with the rest of London, Bank is the key station within the City of London.

Economy

London's Role within the World Economy

- 16.4.3 London is a globally competitive centre of economic activity. In productivity terms, London's performance is comparable to cities such as Paris, Frankfurt, Munich and Milan as opposed to other UK cities. London's productivity in 2012 was in line with Frankfurt and Munich's performance whereas Stockholm (due to high-value added manufacturing), Paris (due to higher productivity in business services) and Brussels were recorded as being significantly more productive than London. Also, although London's productivity has remained competitive in recent years having shown positive growth in 2011 and 2010, growth levels have been below competitor cities such as Stockholm, Munich and Frankfurt (Oxford Economics, 2013).

Gross Value Added

- 16.4.4 The City of London is a particularly important economic centre with its high concentration of financial and professional services firms and their associated contribution to national economic output. Eighteen per cent of the gross value added to the UK economy from the financial and professional services sector comes from businesses in the City of London with this sector also accounting for 70 per cent of the City of London's gross value added (Oxford Economics, 2013). The 'clustering' of such firms contributes greatly to the overall labour productivity of the City of London.
- 16.4.5 The City of London, therefore, plays a pivotal role within London's economy and the UK as a whole. It is the most economically productive area in the UK, with an average output per worker of £121,900 per annum compared to the London average of £74,600 (Table 16.3). This is due to a combination of factors including the type of sectors and profile of businesses located here and the concentration of high skilled employment; as well as the productivity gains related to agglomeration, where businesses located near to one another work disproportionately more efficiently than they otherwise would.
- 16.4.6 To illustrate the relative contribution of the City of London to the Greater - London economy in terms of gross value added, the average output per worker in different areas of workplaces in London is shown in Table 16.3 below.

Table 16.3: Average Output per Worker According to Area of Workplace

Area of Workplace	Output per Worker
City of London	£121,900
Inner London (excluding City)	£81,400
Westminster	£78,500
London Average	£74,600
Outer London	£55,100

Source: Department for Transport - WebTAG (2012)

- 16.4.7 At present, the City of London contributes over £50bn, or around a fifth of London's total output (in gross value added terms) from jobs in the area – and almost half of all of London's output in financial and professional services. This is important in itself – but also supports a significant number of jobs, land value and development in surrounding areas through support services. The City of London must be able to continue to prosper and develop to avoid damaging the economy of London and the UK as a whole.
- 16.4.8 Bank Station is currently operating at or near capacity and is subject to numerous temporary closures caused by overcrowding on the platforms throughout year. Temporary closures are necessary when the congestion creates potentially dangerous overcrowding on the platforms and passageways.
- 16.4.9 Temporary closures and control measures contribute considerably to passenger comfort and increased journey times, with a knock on economic effect of reducing potential working hours and productivity.
- 16.4.10 Having an effective transport interchange is therefore critical to the functioning of the City of London and to enable further growth in its economic base, particularly through retention of employment in the local economy and enabling growth in levels of employment that may be constrained currently.
- 16.4.11 Bank currently has 97,000 passengers using the station during the morning peak. This is predicted to increase to 100,000 by 2016 and to 107,000 by 2026. This increase is a consequence of the projected employment growth within the City of London. As London's population continues to increase, employment and economic growth is projected to increase too.

Business Sector Profile

- 16.4.12 In terms of business numbers, the professional, scientific and technical services sector accounts for the largest proportion of businesses (37 per cent) in the City of London, with the financial and insurance (20 per cent), and business administration and support services (10 per cent) sectors also accounting for relatively large numbers of businesses within the City of London Corporation's administrative area (ONS, 2012a). Taking the above factors into account, it is concluded that the sensitivity of London's economy to change is medium. This is due to the large and established nature and scale of the economy in productivity terms and the globally competitive market that it operates within.

Employment

- 16.4.13 In 2012, 5.03 million people were employed in the Greater London area. The number is projected to increase to 5.11 million by 2014 (BERR, 2011). According to the 2001 Census, 13 per cent of the London workforce lives outside Greater London (ONS, 2001). Comparable figures from the 2011 Census are not yet available.
- 16.4.14 A total of around 380,000 employee jobs are supported within the City of London. The largest number of employee jobs (around 160,000) are employed within the finance and insurance sector. This sector therefore accounts for 42 per cent of all employee jobs, which is ten times larger than the corresponding figure for Greater London. The City of London also has a significant concentration of employment within professional, scientific and technical jobs. The sector accounts for 95,600 jobs (24 per cent of all employment in the City of London), double the proportion of employment within this sector in Greater London and more than three times that recorded nationally.

Labour Force

- 16.4.15 The City of London labour force is characterised by having a high economic activity rate amongst its working age population and a below average rate of unemployment. The 2011 Census indicates that around 79 per cent of the working age population of the City of London is economically active, compared to 72 per cent across Greater London as a whole and 70 per cent across England (ONS, 2011a). Of the City of London's economically active population, 93 per cent are in employment, which again is higher than recorded for Greater London (87 per cent) and England (89 per cent).

Construction Employment

- 16.4.16 The construction sector in the City of London is reported to employ over 3,800 people or less than one per cent of employee jobs. In 2010 there were estimated to be 144,400 private sector construction workers in Greater London (BERR, 2011). Although there is plenty of construction work taking place in the City of London, the apparent low proportion of construction jobs is likely to reflect the general absence of construction company head offices, on which the figure is based.

Unemployment

- 16.4.17 Within the City of London the proportion of the labour force who are unemployed is four per cent, which is lower than recorded for Greater London (seven per cent) or England (six per cent) (ONS, 2011).
- 16.4.18 Ward-level data for unemployment is available from the *2011 Census*. There were 187 unemployed people within the City of London, equivalent to three per cent of the population aged 16-74 years old (ONS, 2011). This is compared to 215 people recorded in 2001, an unemployment rate of four per cent (ONS, 2001).
- 16.4.19 A more recent but not comparable measure of unemployment shows that in August 2013, there were 91 Job Seekers Allowance (JSA) benefit claimants in the City of London area or 1.6 per cent of the working age population (ONS, 2014).

Future Baseline Employment (2016 and 2021)

- 16.4.20 Forecasts produced by Greater London Economics predict that employment level across Greater London will grow in both the short term (up by 2.9 per cent between 2011 and 2016) and longer term (up by 6.0 per cent between 2011 and 2021). These or higher levels of growth are predicted in the City of London with the area surrounding Bank Station expected to experience a continued increase in employment.
- 16.4.21 *The London Plan* sets out employment growth projections for each London Borough. This estimated that the City of London would grow significantly from 339,000 jobs in 2007 to 435,000 in 2031, which represents a growth of approximately 28 per cent. The draft *Further Alterations to the London Plan* (GLA, 2014) has revised these projections from 418,000 in 2011 to 475,000 in 2036 which represents growth of a further approximately 14 per cent. This demonstrates how the actual growth of employment in the City of London has far outstripped what was predicted in *The London Plan* (GLA, 2011).
- 16.4.22 Across London, the two largest employment sectors within the City of London - financial and insurance activities and professional, scientific and technical

services - are expected to show strong growth levels over both the short and long term. Employment in these sectors is expected to increase by 7.1 per cent up to 2016 and 14.4 per cent up to 2021.

- 16.4.23 Construction output in Greater London is expected to grow by 1.9 per cent a year as a result of infrastructure schemes such as station upgrades and Crossrail; commercial development including in the City of London and City Fringe; and residential development, including at the Vauxhall Nine Elms Battersea Opportunity Area and London Legacy Development Corporation area amongst others. To meet demand created by the industry, the Construction Skills Network predicted average increases in the total number of construction workers in Greater London (including architectural and professional services) of 0.6 per cent by 2017 (Construction Skills Network, 2013).
- 16.4.24 Taking these factors into account the employment market within the City of London is considered to have medium sensitivity.

Population and Skills

- 16.4.25 Information is set out below on population change, employment age, unemployment levels and qualifications, skills and deprivation. This information is presented to set a context to the assessment of potential socio-economic impacts. Receptor sensitivity is not stated for receptors which have been included in this section as these have been included solely to provide a contextual profile of the area.

Population

- 16.4.26 Table 16.4 presents population change between 2001 Census and 2011 Census data (ONS, 2001 and 2011) in the City of London area and compared to Greater London. The rates of change indicate that population growth in the two areas show the resident population within the City of London area has grown at a slower rate than the Greater London average (three per cent compared to 14 per cent) over the ten year time period.

Table 16.4: Population Change 2001 – 2011

	City of London	Greater London
2001 Census	7,181	7,172,091
2011 Census	7,375	8,173,941
% Change 2001 - 2011	3	14

Source: ONS, 2011

- 16.4.27 Table 16.5 below presents the profile of the City of London's resident working age population. Over three quarters of the City of London residents are of working age, compared to under two-thirds in Greater London (64 per cent).

Table 16.5: Resident Working Age Population, 2012

	City of London (%)	Greater London (%)
All people aged 16-74	76	64
Male aged 16-74	79	65
Female aged 16-74	74	64

Source: ONS, 2012c

Qualifications, Skills and Deprivation

- 16.4.28 In 2011, residents of the City of London had higher qualification levels than the regional average, with 68 per cent of working age residents holding an NVQ4+ qualification compared with 38 per cent in London. Approximately seven per cent of the population in the City of London have no qualifications, compared to a London figure of 18 per cent (ONS, 2011).
- 16.4.29 The City of London area is ranked 259th out of 326 local authorities in England in terms of deprivation and is amongst the least deprived local authority areas in London (DCLG, 2010). Within the City of London only one of the five Lower Super Output Areas (LSOAs) ranks within the top 40 per cent of the most deprived LSOAs in England.

Retail Provision

- 16.4.30 Within the CAZ, in which the BSCU is located, there are a number of retail centres. These range from internationally important centres like the West End and Knightsbridge to local centres that primarily serve the needs of local residents (GLA, 2011).
- 16.4.31 Based on the good supply and variety of retail premises currently found within the City of London it is assessed that the need for new retail floorspace such as that provided as a part of new development is low and therefore the sensitivity is low. The high level of existing retail provision means changes to retail space provision are unlikely to have a material impact on the total provision of retail premises in the area.

Existing Businesses within the Whole Block Site

Offices

- 16.4.32 There are six office buildings in the Whole Block Site with a total of 9,434m² of office floor space. The office floorspace dates from the 1950s to the 1970s and contains workspace which does not match the needs of modern office occupiers in terms of flexibility, quality and efficiency. It is estimated that this floorspace potentially supports around 1,200 gross full time office jobs. Vacant floorspace accounted for around six per cent of total office floorspace in the City of London in 2013 (Jones Lang La Salle, 2014) indicating that there is reasonable availability of floorspace for businesses seeking to move to the area

or moving within the area, although vacancy levels are generally on a downward trend.

- 16.4.33 Taking this into account, the sensitivity of office businesses, occupiers and property owners to displacement is considered to be low as it is expected that alternative premises could be found in the local area.

Retail

- 16.4.34 There is a mobile phone retail unit and a fast food retailer at 135 Cannon Street and another fast food retailer on the ground and basement levels of 145 Cannon Street.
- 16.4.35 In 2013, it was identified that 66 per cent of retail units in the City of London were in A1 use (shops), three per cent in A3 use (restaurants and cafes) and one per cent were in A5 use (hot food takeaways) (City of London, 2013). As a whole, the proportion of these which were vacant was nine per cent, increasing from five per cent recorded in 2008. In all 66 per cent of these vacant units were suitable for A1 use, 14 per cent for A3 use and three per cent for A5 use. This would imply that whilst there is some availability of alternative floorspace for retailers within the City of London, the market is somewhat constrained for restaurant and hot food takeaway occupiers.
- 16.4.36 Taking this into account, the sensitivity of retail businesses, occupiers and property owners to displacement is assessed to be medium as it is expected that finding alternative premises in the local area may not be straightforward for all types of occupier, particularly for restaurant and hot food takeaway businesses.

Transport and Future Transport Growth

- 16.4.37 The Bank Monument Station Complex is one of LUL's most heavily used stations. In 2012, a total of 48 million entry and exits were recorded, making it the fourth busiest London Underground station and the main transport interchange for the City of London and East London. Entry and exit data show that passenger flows through Bank Monument Station Complex have increased steadily over time, rising from 41 million in 2007.
- 16.4.38 Bank Station is currently used by 337,000 people a day, an increase of 50 per cent since 2003. By 2026 demand at Bank is forecast to rise by around a further 10 per cent. This represents 107,000 passengers during the morning peak compared to 97,000 currently.
- 16.4.39 Public transport use in London has increased at a faster rate than forecast within the Mayor's Transport Strategy. In 2011 it was 4.6 per cent higher than previously forecast (TfL, 2012). Transport use is driven by trends in population and employment, both of which are expected to increase in the City of London in the short and medium term. As a result, year on year passenger numbers

continue to increase at Bank Monument Station Complex. The station is already considered to be at critical capacity at peak times.

- 16.4.40 The high passenger numbers at the Bank Monument Station Complex mean there are occasions when the station is temporarily closed or trains do not stop. The anticipated increase in passenger numbers means such actions are likely to be used increasingly in the future with no corresponding increase in station capacity. This will also lead to increased congestion at other stations and modes of transport as passengers seek alternative transport options.
- 16.4.41 Temporary closures caused by the lack of capacity can have a negative effect on the productivity of businesses in the City of London as some workers caught up in the closures can be late for work or can miss meetings. The congestion and temporary closures can also create a negative impression of the locality and are likely to dissuade some potential businesses from choosing to locate in the area. In this instance, the sensitivity rating is high as businesses are considered to be susceptible to changes in public transport accessibility.
- 16.4.42 Table 16.6 summarises the sensitivity of socio-economic receptors in relation to the BSCU.

Table 16.6: Summary of Sensitivity of Receptors

Receptor	Sensitivity
Economy	Medium
Employment	Medium
Retail Provision	Low
Existing Businesses in the Whole Block Site - Offices	Low
Existing Businesses in the Whole Block Site - Retail	Medium
Transport and Future Transport Growth	High

16.5 Incorporated Mitigation

- 16.5.1 The increase in station capacity resulting from BSCU will serve as a mitigating measure to the increasing constraints on the transport network in central London and the corresponding constraints on economic growth.
- 16.5.2 London Underground Limited is committed to achieving the objectives of the Greater London Authority (GLA) Group Responsible Procurement (RP) Policy (GLA, 2012) and the TfL Guidance for Suppliers, which are designed to respond to relevant European and UK Government legislation and best practice. As the contractor of the BSCU, Dragados will adhere to the principles and specific requirements of both the RP policy and the TfL Guidance for Suppliers. These principles and requirements have been addressed in detail

by Dragados, through the preparation of a BSCU Responsible Procurement Plan for LUL approval, which includes consideration of:

- encouraging a diverse range of suppliers, including use of ‘CompeteFor’, and implementation of a Supplier Diversity Plan;
- promoting fair employment practices, such as through application of the London Living Wage and apply a consistent approach to effective management of labour and industrial relations;
- promoting workforce welfare, including through the contractor’s Workforce Welfare Policy;
- meeting strategic labour needs and enabling training opportunities; including via a Strategic Labour Needs and Training (SLNT) plan;
- community benefits, comprising commitments towards engaging the local supply chain and providing opportunities for local people;
- ethical sourcing practices, set out in accordance with TfL’s Ethical Sourcing Policy; and
- promoting greater environmental sustainability, including through the Dragados Environmental Management System (EMS).

16.5.3 Dragados’ approach to delivering RP is to develop strong collaborative working relationships with the supply chain and key stakeholders. This is important for being able to maximise the opportunities for achieving positive environmental and socio-economic sustainability impacts through RP. The specific environmental interfaces with RP on the BSCU are mainly around ethical sourcing and environmental sustainability. There will be close liaison between RP and the environment team on this throughout the duration of the BSCU. Where appropriate, relevant Environmental Sustainability KPI’s that have an influence on the delivery of the RP plan will be identified and monitored against, e.g. procurement of timber.

16.5.4 Dragados will comply with the principles of the Ethical Trading Initiative and also cascade contractual requirements for compliance, to their supply chain. Dragados have developed a set of standard ethical sourcing, responsible procurement and social sustainability questions that form part of their subcontractor/supplier tendering package. Dragados will work with recognised industry codes and standards for sourcing ethical and environmentally sustainable products and services. Examples of these include Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) for timber, Certification Authority for Reinforcing Steels (CARES) for reinforced steel and BES 6001 (Responsible Sourcing of Construction Products) for a range of other construction products where practicable. Dragados will engage suppliers that are Achilles link up registered

(supply chain pre-qualified), and members of the Ethical Trading Initiative (ETI) and Supplier Ethical Data Exchange (Sedex).

16.6 Assessment of Effects

Construction

Utilities and Potential Grout Shaft Works

- 16.6.1 Utilities works including potential grout shaft works are unlikely to have any impact on sensitive socio-economic receptors and therefore there are no socio-economic effects which are likely to be significant.

Construction Employment Generation (Including Demolition)

Gross Employment

- 16.6.2 It is estimated that the construction phase of the BSCU could result in the creation of approximately 1,800 person years of employment opportunities or approximately 180 full-time equivalent jobs (based on the convention that 10 employment years is equivalent to one full-time equivalent job). There will also be additional employment opportunities created through the period of demolition activities at the Whole Block Site.
- 16.6.3 Of the 180 jobs, some 13 per cent are expected to live outside Greater London meaning that 160 jobs will be likely taken up by Greater London residents. Most of these 160 jobs will be new jobs, with some displacement expected from work sites in other areas, amounting to around 40 jobs resulting in 120 new jobs being created for Greater London residents.

Indirect Employment

- 16.6.4 In addition to the direct demolition and construction employment generated by the project itself there will be an increase in local employment arising at supply businesses and as a result of local spend by the construction workers. A multiplier of 1.7 has been used to determine this number of additional jobs (Homes and Communities Agency, 2014). This will amount to around another 80 new jobs through indirect employment. With the direct employment reported above, total employment of around 200 jobs (FTE) for Greater London residents is predicted; overall this is considered to represent a moderate, and therefore significant, beneficial effect.

Businesses Displaced at Whole Block Site - Offices

- 16.6.5 The demolition of office floorspace in the Whole Block Site will result in displacement of businesses. It is estimated that the existing site potentially supports around 1,200 gross full time jobs.

- 16.6.6 Of the buildings in the Whole Block Site, four are exclusively office uses (10 King William Street, 20 Abchurch Lane, 14 Nicholas Lane and 12 Nicholas Lane), and two provide office space on all floors except for the ground, which provides retailing space. These buildings are all between five and seven storeys. The office spaces are currently primarily used by financial, insurance and recruitment firms.
- 16.6.7 There are a number of businesses located within the buildings. Based on the nature of activities taking place within the businesses (general office) it is not considered likely that any office occupiers will have particular relocation problems given the type of premises they require and the likely availability of these within the City of London. These businesses will also be able to seek assistance from the City of London Corporation's City Property Advisory Team who will seek to keep businesses in the City of London.
- 16.6.8 On the basis that the impact is considered low and the sensitivity of the receptors (office businesses and their employees) is also low, displacement of businesses prior to the demolition of these premises will represent a negligible effect.

Businesses Displaced at the Whole Block Site - Retail

- 16.6.9 As noted in the baseline, there is currently a mobile phone retail unit and a fast food retailer at 135 Cannon Street and another fast food retailer on the ground and basement levels of 145 Cannon Street.
- 16.6.10 Based on the availability of alternative premises it is envisaged that the two fast food takeaways may have some difficulty finding premises to relocate to in the City of London. The phone retail unit is likely to find it easier to relocate. These businesses will be able to seek assistance from the City of London Corporation's City Property Advisory Team who will seek to keep businesses in the City of London.
- 16.6.11 Taking these factors into account, the magnitude of impact is considered to be low and, given the sensitivity of the receptors (retail businesses and their employees) is medium, displacement of businesses prior to the demolition of these premises will have a minor adverse (not significant) effect.

Effects on Businesses from the Blockade

- 16.6.12 The BSCU construction works will require the temporary closure of the Northern Line between Moorgate and Kennington, beginning with a full closure (closed in both directions) lasting for 40 days, followed by a partial closure (southbound closed only and northbound trains not stopping at Bank Station) for 77 days.
- 16.6.13 For both shops and restaurant businesses at stations affected by these closures, there could result in a potential loss of trade. Of the affected stations,

one, Borough Station, does not have alternative lines or branches passing through it and so would effectively have a reduced customer base over 40 days. However, it is not anticipated that any businesses would close as a direct result of the blockade at this location. Retail units around the station that rely on passing trade may experience a temporary reduction in trade during the blockade; however it is expected that people who use the station for work will continue to travel to the area by other means such as by foot, bus or by using an alternative station (such as London Bridge) and in doing so may still pass these businesses during the course of their journeys. The duration of the closure means that any loss of trade experienced by businesses around this station will be of a short-term and temporary nature, with any losses being reduced during the partial closure when compared to the full closure period.

- 16.6.14 At Bank Station, the blockade will result in no Northern Line service from the station for both the full and partial closure periods. This will result in fewer people using the station, as they use alternative routes, though it is anticipated that some will continue to use the station by way of alternative lines. Businesses around Bank Station may also currently experience disruption arising from the existing capacity constraints. Although it is anticipated that employees of businesses in the area around the station may experience some journey disruption, it is not expected that this will have a significant impact on businesses' trade, as any disruption will be of a short-term and temporary nature.
- 16.6.15 At all other stations, the presence of other lines and interchange options with other modes will mean that potential customers will potentially decrease but to a more limited degree. Some customers will continue to access the stations using alternative lines or transport mode. Any loss of trade at businesses at these locations, where experienced, will be of a short-term nature and temporary with any losses being reduced during the partial closure when compared to the full closure period.
- 16.6.16 These factors considered, the impact of the temporary closure of the Northern Line will be low. Therefore, given that the sensitivity of businesses to loss of trade is medium, this represents a minor adverse (not significant) short term effect on business receptors around stations affected by the temporary blockade of the Northern Line.

Operation

Effects of the Enhanced Transport System on the Wider Economy

- 16.6.17 As outlined in Section 16.4, the Bank Monument Station Complex is London's fourth busiest London Underground station and is the main transport interchange for the City of London and East London. At present the station operates at its critical capacity in the peak periods, with operational control

measures being necessary on a regular basis. These measures impose severe effects on customers (principally City workers and visitors) commuting to and from the City of London on a daily basis. They also impose costs and delays on the wider network and create knock on effects on nearby stations. These effects generate direct and indirect costs but, just as importantly, adversely affect both the efficient operation of the City of London and its reputation. All of these effects will become more severe with the addition of forecast growth, including the growth already committed in large scale consented developments in the City of London.

- 16.6.18 The case for enhanced capacity and for improvements to the environment of the station is compelling, although the economic effects are harder to quantify.
- 16.6.19 Analysis undertaken in support of this application has identified that one effect of not improving Bank Station would be a relative loss of employment in the City of London as the capacity for workers to commute to and from the City would not be available. The analysis, in assessing employment impacts as a particular effect in isolation, estimated conservatively that employment losses could total up to 830 jobs, based on a reduction in peak hour commuting trips caused by the capacity issues at the station, resulting in a loss of economic activity estimated at £560m over 60 years.
- 16.6.20 The BSCU business case identifies additional benefits and follows the traditional approach of valuing the user benefits derived from the proposed improvements. These benefits include:
- journey time savings, resulting from passengers experiencing improved movement within the station, both at station entry/exit points and when interchanging between some services; for example, between the Northern Line and DLR;
 - improved user comfort from lower levels of crowding arising from reduced need to queue to access platforms/train services;
 - improved safety and security resulting from substantial improvements to fire and evacuation protection measures and the installation of a new CCTV system as part of the works;
 - reductions in station operating costs resulting from the reduced need to implement, labour intensive, station control measures;
 - the provision of step free access to the Northern Line and DLR which will improve social inclusion by enhancing the ability for all to access London's opportunities and services;
 - improved journey reliability arising from reductions in train dwell time on the Northern Line and subsequent impacts on line operation, including enabling the upgrade of the Northern Line to realise its targeted train frequency, and

avoidance of DLR service disruptions currently experienced when station control measures are implemented.

- 16.6.21 The direct benefits of the BSCU, represent important benefits to commuters and others who use Bank Station. They translate into real life enhancements in the quality of the everyday experience of City workers who themselves are important to the national economy. Their full consequence may never be fully quantified but it is reasonable to anticipate that such benefits will result in the greater efficiency of the City of London as a place of work, greater potential for staff recruitment and retention and a consequent increased propensity for businesses to stay and to invest in the City of London.
- 16.6.22 The potential impact of the BSCU expands wider than the direct benefits. The scheme will help facilitate the continuing economic growth of the City of London by protecting existing jobs and helping to attract further investment in the area.
- 16.6.23 In addition, the enhanced transport links should maintain the City of London's strong connection to London's other major economic centres such as Canary Wharf, London Bridge, Kings Cross, Mayfair and the West End, which encourages business to business benefits.
- 16.6.24 The potential scale of growth in the City of London, the employment linked to it and also the strategic importance of the City of London financial centre to the UK economy mean the magnitude of the impact of the enhanced transport system is considered to be high. Given the sensitivity of receptors (i.e. workers, businesses) are high this represents a major beneficial (significant) effect.

Operational Employment Generation

Station Employment

- 16.6.25 The regular overcrowding experienced at Bank Station as a result of capacity constraints has meant that a greater number of personnel have been required to manage issues that arise from overcrowding than is typical at other stations. Due to the capacity improvements brought about by BSCU, the number of personnel required to manage crowd levels will reduce and be considered to more typical of that of a central London Underground station. Although fewer personnel will be required as a result of this improved operational efficiency, there will be no direct loss of employment as a result of the BSCU as the resources will be re-allocated elsewhere within the business' operations in response to wider development on the network.

Employment Generating Space

- 16.6.26 In terms of employment generating space, the BSCU includes a minimum of 90m² NIA of floorspace for retail uses. Applying a best practice occupancy rate of 19m² per employee (Homes and Communities Agency, 2010) it is estimated

that the BSCU will generate around four gross full time jobs. Table 16.7 provides a breakdown of jobs created by the various activities on site.

Table 16.7: Gross Employment Generation of the BSCU Floorspace

Use	Floorspace (m ²)	Employment Density (m ² /emp)	Gross Employment
Retail (A1 use) (NIA)	90	19	4

Note that figures do not always add up due to rounding.

- 16.6.27 Making the same assumption regarding leakage outside Greater London, displacement and a 1.7 multiplier, and taking into account the jobs displaced, it is estimated that the total net increase in employment is around six employees, of which approximately five are from the Greater London area, see Table 16.8.

Table 16.8: Employment Generation of the BSCU Floorspace

	Employees		
	Greater London	Outside Greater London	Total
Gross impact	4	1	5
Displacement	-1	0	-1
Net direct employment	3	1	4
Indirect employment	+2	0	+2
Total	5	1	6

Employment Generation resulting from BSCU Floorspace Provision

- 16.6.28 When taking into account the impact of the new employment generating space it is estimated that there will be an increase of around six jobs as result of the BSCU of which five will be from the Greater London area.
- 16.6.29 Within the context of employment within Greater London the impact of this level of employment generation is considered to be low. As the sensitivity of the receptors (workers and the Greater London economy) is medium, the change in employment generation during the operation phase of the BSCU will represent a minor (and not significant) beneficial long term effect.

Effect on Retail Provision

- 16.6.30 The BSCU will provide 90m² NIA of retail space. The *Core Strategy* has set out a target of increasing the amount of retail floorspace in the Cheapside and St Paul's area by 41 per cent by 2017 (City of London Corporation, 2011).
- 16.6.31 The new retail accommodation will be of modern high quality with high standards of sustainability. However as the amount of space being provided is modest within the context of wider supply, the provision of the space is considered to constitute a low impact.

16.6.32 Based on the low sensitivity of the retail sector to new floorspace provision and the low impact arising from the modest reduction in the amount of retail floorspace as a result of the BSCU, it is judged that there will be a negligible long term effect on retail provision within the City of London (which is not significant).

16.7 Mitigation

16.7.1 As there are no expected significant adverse effects, no additional mitigation is proposed.

16.8 Residual Effects

16.8.1 This chapter has analysed the magnitude of socio-economic effects of the BSCU compared to baseline conditions. Table 16.9 lists the resulting effects according to the significance criteria outlined earlier in this chapter (and in Chapter 4: Method of Assessment).

16.9 Inter-relationships and Cumulative Effects

16.9.1 The BSCU has been assessed in the context of other proposed or consented developments in close proximity to the BSCU Work Sites. The scenario which has been considered within the cumulative assessment comprises the developments as outlined within Chapter 17: Inter-relationships and Cumulative Effects.

16.9.2 As previously set out the construction works for the scheme require the demolition of the Whole Block Site which will result in the temporary loss of commercial floorspace. The replacement building is likely to result in a net increase of commercial floorspace which will replace this loss of commercial space. This would therefore result in a net increase in employment supported by the Whole Block Site following the completion of the construction works for BSCU and the OSD.

16.9.3 In addition, the OSD will replace existing older office stock with high quality office space better suited to modern working patterns, which will be more sustainable and efficient. This will further help to improve the quality of the office stock within the City of London, which together with the BSCU, will assist in attracting new business to locate to the area.

16.9.4 No significant cumulative effects with other developments are expected.

Table 16.9: Assessment of Residual Effects

Receptor and Effect	Significance	Explanation
Construction		
Effects arising from Utilities works (Arthur Street)	No effect (Not Significant)	No effects which are likely to be significant will be experienced by socio-economic receptors.
Construction employment generation (including demolition)	Moderate Beneficial (Significant)	Given the length of the construction period (64 months) and the scale of employment created (200 net jobs) there will be a positive impact on the London economy.
Demolition of the Whole Block Site – Impact on displaced office businesses	Negligible (Not Significant)	It is anticipated that the businesses and their employees will be able to find alternative premises / employment locally within the City of London.
Demolition of the Whole Block Site – Impact on displaced retail businesses	Minor Adverse (Not Significant)	It is anticipated that retail businesses may experience some difficulty in relocating their activities owing to relatively low availability of alternative floorspace/premises. Businesses will be able to seek assistance with relocation from the City of London Corporation's City Property Advisory Team.
Blockade of the Northern Line	Minor Adverse (Not Significant)	The blockade will not result in the direct closure of businesses. Businesses around Borough Station may experience some short-term loss of trade as a result of disruption to passenger journeys. It is anticipated that businesses and their employees in the vicinity of other stations, including Bank, may also experience some effects from journey disruption however these will not be significant.
Operation		
Effects of the enhanced transport system on the wider economy	Major Beneficial (Significant)	Reduced station closures and disruption, reduced journey times and better access to the City of London for commuters will support businesses and the London economy, particularly in terms of employment.
Operational employment generation	Minor Beneficial (Not Significant)	The BSCU will create employment opportunities through station retail provision.
Effect on retail provision	Negligible (Not Significant)	The BSCU will provide small but high quality retail floorspace in an area where there is already good supply of such premises / floorspace.

16.10 Assumptions and Limitations

16.10.1 There are no specific assumptions or limitations that apply to this assessment of socio-economic impacts.

16.11 Conclusions

16.11.1 In summary, it is considered that the BSCU will have an overall major beneficial effect on the economy of Greater London, through:

- direct and indirect employment generation during the construction phase; and
- greater economic growth in both the local and wider economies through an enhanced transport system.

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