



PADDINGTON GREEN
POLICE STATION

Economic Impact Assessment

Economic Impact Assessment –
November 2022 - GLA0711

NOVEMBER 2022

Economic Impact Assessment Paddington Green Police Station

November 2022

Contents

Executive Summary	i
Economic and Social Value Infographic	iii
Full Circle Infographic	iv
1. Introduction	1
2. Policy Context	3
3. Socio-Economic Context	9
4. Economic and Fiscal Impacts	20
5. Economic Impact of Commercial Floorspace	25
6. Generating Long Term Social Value	29
7. Conclusion	38
Appendix 1: Economic Impact Assessment Methodology	40
Appendix 2: Full Circle Methodology	43

Client

Berkeley Homes (Central London) Ltd

Our reference

BERL3011

November 2022

Executive Summary

Mixed-Use Redevelopment Contributing to Wider Regeneration Ambitions

1. The redevelopment of Paddington Green Police Station ('PGPS') will introduce a greater range of uses and vibrancy to a landmark site, within an area undergoing significant change and regeneration. The residential-led mixed use development will deliver active commercial uses at the lower levels to the street, repair the existing hostile pedestrian environment on the site and put placemaking and environmental improvements at the heart of the proposal, completing the ambition being delivered across the West End Gate ('WEG') Masterplan.
2. The redevelopment of PGPS and the WEG Masterplan as a whole will play a critical role in delivering the Council's Church Street Masterplan. PGPS and the wider WEG development will deliver a significant amount of affordable housing to be taken on by the City of Westminster which will free up sites for redevelopment within the wider Church Street Masterplan.

Bringing Economic and Social Benefits from a Range of Uses

3. The economic benefits of the scheme are significant, delivering a substantial number of employment and training opportunities for the local and wider area through the construction phase, and also in the completed development through the proposed range of flexible commercial floorspace, likely to include retail and leisure uses.
4. The inclusion of additional flexible Class E uses will complement the town centre uses being delivered along Edgware Road as part of the wider WEG development and provide ground floor activity to draw people into and through the PGPS site. The development will deliver significant additional spend to the Church Street/Edgware Road District Shopping Centre from the increased resident and worker population.
5. The development will include:
 - A total of 556 residential units, accommodating circa 1,254 new residents. The significant number of new homes provided represents over half of one year's worth of Westminster's annual housing delivery target (985 homes), and over 5% of Westminster's ten year London Plan housing target (9,850 homes) through this site alone.
 - 1,079 sq m (GIA) of (flexible) non-residential uses falling within Use Class E, which will predominantly comprise flexible commercial uses across the ground floor including shops, cafés and other uses. This quantum of Class E floorspace has the potential to support up to 51 - 68 net additional FTE jobs on site.
 - Combined, the residential and commercial elements of the scheme will increase footfall in the area, having a positive impact on local expenditure estimated as an additional £19.9 million spend a year as measured through Turley's Full Circle impact model, including £3.8 million a year in Church Street/Edgware Road District Shopping Centre which lies immediately adjacent the site.

- Design features which will encourage physical activity and related health benefits, including cycle storage and changing facilities and a public realm which prioritises pedestrian and cycle movement.
 - The streetscape will be redesigned and reanimated in order to encourage social interaction, which will help foster community cohesion and support positive mental health.
6. A number of economic impacts will arise during construction and operation of the Proposed Development in addition to those mentioned above:
- 225 FTE direct construction jobs per annum, with potential to support 145 apprenticeship-years, equating to an average of 20 on-site apprentices on average during construction, creating a social value of £1.9 million during the construction phase.
 - A net additional uplift of £271.8 million in economic productivity (Gross Value Added) over the course of the construction phase and up to £6.0 million a year once operational, including multiplier effects across London. Concentrated in Westminster, the Proposed Development is estimated to add a net additional uplift of £199.8 million in economic productivity (Gross Value Added) over the course of the construction phase and up to £3.8 million a year once operational, including multiplier effects.
 - An additional £200,000 in business rates per annum for collection by Westminster City Council, and £760,000 in additional annual Council Tax payments to Westminster City Council.
7. The range of economic, social and Full Circle impacts are shown in the infographics on the following pages. Where applicable these show the impacts in terms of the net additional benefits accounting for leakage, displacement and multiplier effects.
8. The redevelopment of the PGPS site will give rise to a number of positive economic and social benefits in its own right. These will align with the Berkeley Group's 'Our Vision' long-term business strategy, which is characterised by the overarching ambition to be defined by the creation of high-quality places, generating long-term value and having a positive impact on society, as well as contributing to the wider WEG Masterplan as a whole which will play a critical role in delivering the Council's Church Street Masterplan.

Economic and Social Value Infographic

PROPOSED DEVELOPMENT: Comprehensive residential-led mixed use redevelopment to provide 556 new homes and 1,079 sq m of flexible Class E commercial floorspace

SITE: Paddington Green Police Station, City of Westminster

Construction Phase: Economic Impacts



Significant Investment

In the construction of the scheme



214 gross jobs per annum

FTE (full time equivalent) jobs during construction (7.1 years)

Generating 120 direct jobs

Which will be net additional (FTE) for London residents inclusive of 80 for Westminster residents

Plus 105 indirect/induced jobs

Which will be net additional (FTE) for London residents inclusive of 4 for Westminster residents



£271.8 million GVA¹

Generated during construction, including £199.8 million concentrated in Westminster

Operational Phase: Economic Impacts



50 - 67 on-site jobs

FTE jobs, encompassing a variety of occupations

Generating 34 - 45 direct jobs

Which will be net additional (FTE) jobs in London, inclusive of 19 - 25 in Westminster

Plus 17 - 23 indirect/induced jobs

Which will be net additional (FTE) and taken by residents of London, inclusive of 1 in Westminster



£4.4 - 6.0 million GVA

Generated each year, £2.8 - 3.8 million of which will be concentrated in Westminster



£200,000 Business Rates

Collected each year by Westminster City Council

Social Value Impacts



Employment, skills and training

Investment in training and skills through supporting apprenticeships and trainees during the construction phase



Construction phase social value of £1.9 million

Through provision of 145 construction apprenticeship-years³



Physical activity and active travel

Through provision of cycle spaces and changing facilities and public realm which prioritises pedestrian and cycle movement



Reducing social isolation and promoting interaction

Through design interventions to animate the streetscape

¹ GVA (Gross Value Added) measure the value of output created (i.e. turnover) net of inputs used to produce a good or service (i.e. production of outputs). It provides a key measure of economic productivity. Put simply the GVA is the total of all revenue into businesses, which is used to fund wages, profits and taxes

² Above floorspace figures in sq m (GIA)

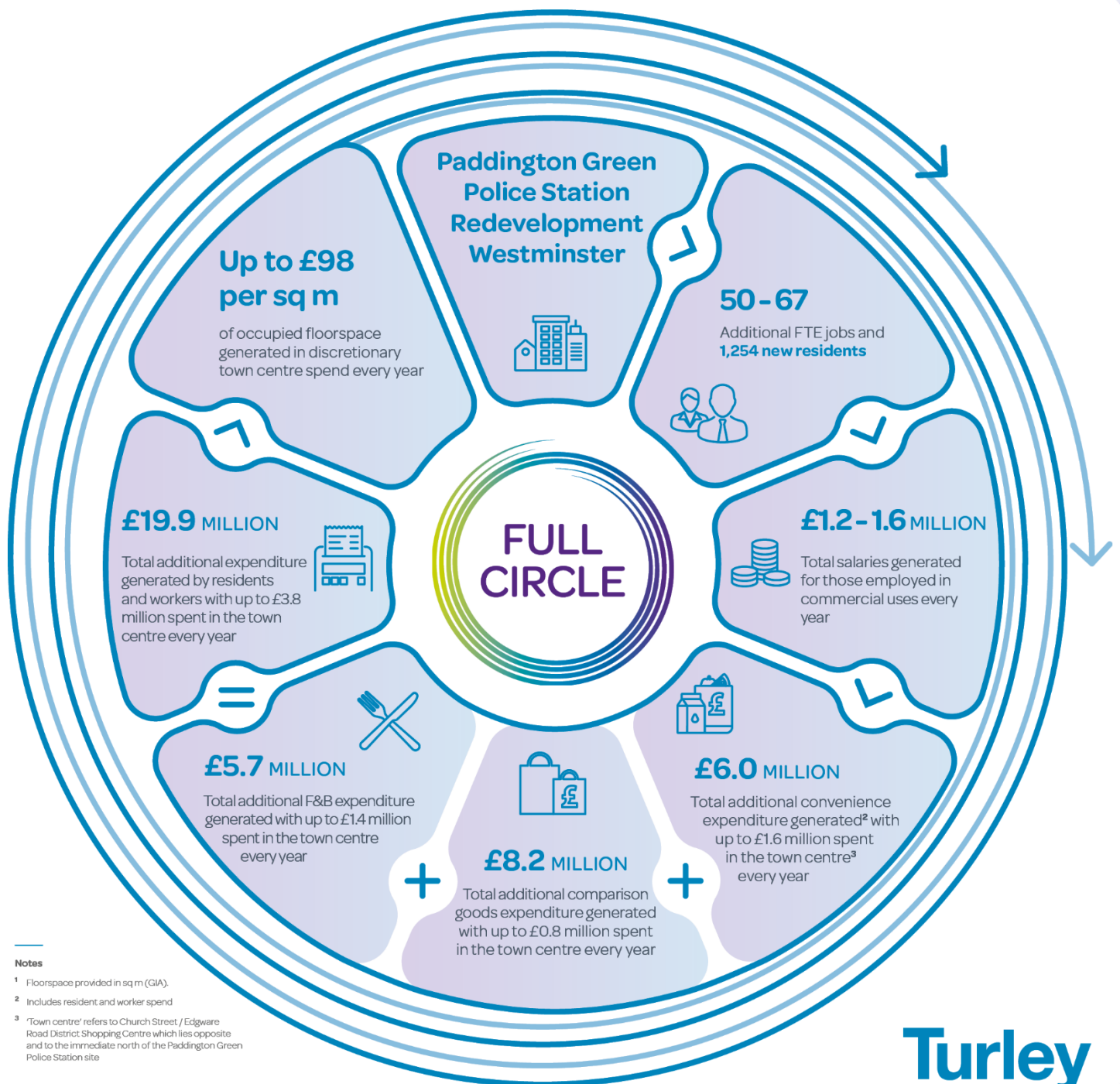
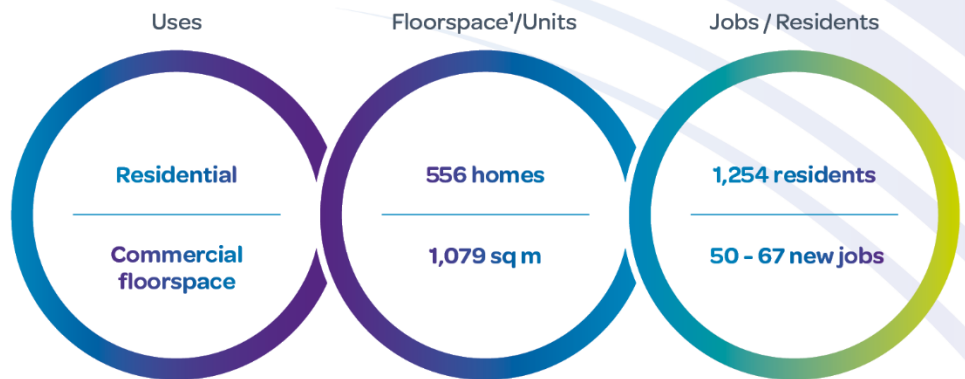
³ Equating to an average of 20 apprentices on-site throughout the construction phase.

Paddington Green Police Station, Westminster



PROPOSED DEVELOPMENT:

Comprehensive residential-led mixed use redevelopment to provide 556 new homes and Class E flexible commercial floorspace



Notes

¹ Floorspace provided in sq m (GIA).

² Includes resident and worker spend

³ 'Town centre' refers to Church Street / Edgware Road District Shopping Centre which lies opposite and to the immediate north of the Paddington Green Police Station site

1. Introduction

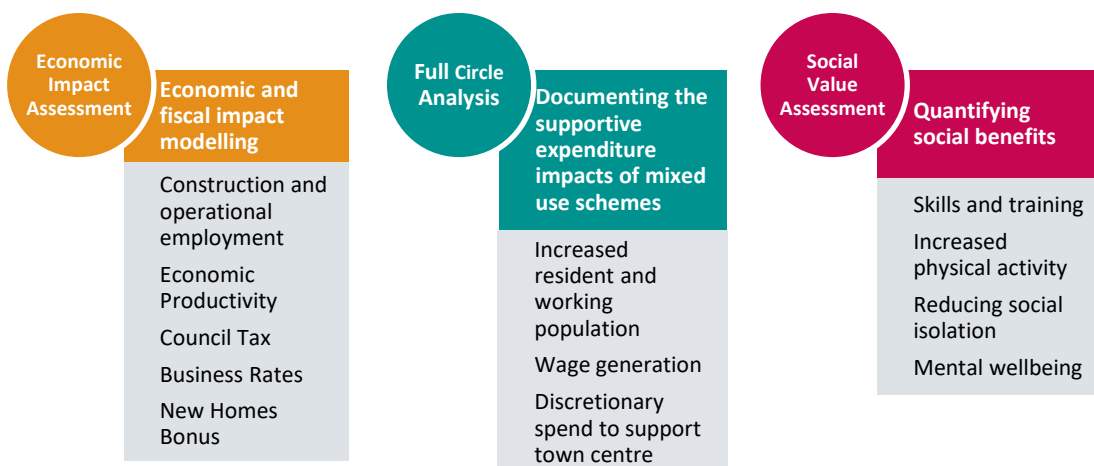
Proposed Scheme and Development Context

- 1.1 This Economic Impact Assessment has been prepared by Turley Economics on behalf of Berkeley Homes (Central London) Limited. The report supports the application for the comprehensive residential-led mixed use redevelopment of the Paddington Green Police Station ('PGPS') site. The Proposed Development includes provision of 556 new homes (Use Class C3) and 1,079 sq m (GIA) of flexible non-residential floorspace (Use Class E), with associated car parking, infrastructure, public realm and landscaping.
- 1.2 The redevelopment and delivery of the PGPS site represents the completion of Berkeley's Masterplan for the wider West End Gate site, phase 1 and 2 of which are currently being delivered. The West End Gate Masterplan is Westminster's single largest housing site, which in total across the three phases (including PGPS) will deliver nearly 1,400 new homes to Westminster including 394 affordable homes, alongside a range of complementary employment uses, transformative public realm and place shaping improvements.

Purpose of the Report

- 1.3 The purpose of this report is to evidence the economic, regeneration benefits and wider social benefits that the Proposed Development will generate for the local economy of Westminster and more widely across Greater London. The policy (Chapter 2) and socio-economic development context (Chapter 3) are first considered. Then three distinctive pieces of analysis are presented which each consider the economic and fiscal impacts (Chapter 4), wider regenerative benefits of the mixed-use scheme (the 'Full Circle' analysis) (Chapter 5) and social impact (Chapter 6).
- 1.4 The three areas of analysis and reported benefits are summarised in Figure 1.1.

Figure 1.1: Outline of the Report



Source: Turley Economics, 2022

Assessment Approach

- 1.5 The assessment draws on a variety of methodologies, which are discussed in detail in the appendix. The economic impact assessment and Full Circle analysis are informed by a bespoke Economic Benefits Model developed by Turley Economics. This utilises approaches in line with government guidance. The Social Value assessment builds on this modelling and draws on the financial proxy data included in the National Themes, Outputs, Measures (TOMs) Framework.
- 1.6 For the purpose of the assessment, three spatial scales have been established to form a study area. This has been informed by an understanding of the relevant economic geography of the area, alongside consideration of the availability and reliability of data at a variety of spatial scales. The defined spatial scales of the study area are as follows:
- The **neighbourhood impact area**, comprising the three ‘Middle Super Output Areas’¹ which converge at the Site. This MSOA covers the areas defined as Church Street, Bryanston & Dorset Square and Paddington & St George's Fields². A neighbourhood impact area has been selected as this is where effects from wider public realm improvements and active travel will be concentrated. Where data is available, economic baseline indicators have been presented at this scale.
 - **The local impact area**, covering the City of Westminster, the local authority area within which the proposal is located.
 - **The wider impact area**, covering the functional regional area of London. The 2011 Census recorded that circa 74% of jobs within Westminster are taken by residents living within the London region, indicating a relatively high level of containment of employment and associated expenditure at this level. It is considered that the majority of socio-economic effects would be concentrated within this wider impact area.
- 1.7 Further detail on the methodology is provided at Appendix 1 and 2.

¹ Middle Super Output Areas (MSOAs) are a geographic hierarchy defined by the ONS which are designed to enable consistent reporting of small area statistics. England’s MSOAs contain populations of between 5,000 and 10,000 residents, with an average of 7,200 residents.

² House of Commons Library (2021) MSOA Names. These are the ‘recognisable names’ defined by the House of Commons Library. The statistical names are Westminster 009; Westminster 012 and Westminster 015.

2. Policy Context

- 2.1 This section provides an overview of the relevant economic and social value policy and strategy context. It demonstrates the national, regional and local Government priority to support sustainable economic development through the planning system, particularly in terms of policies focusing on high street regeneration and investment, such as provision of retail and other complementary uses, as well as those promoting health and wellbeing.

National Policy and Strategy

The National Planning Policy Framework is supportive of economic development in centres

- 2.2 In July 2021, the Ministry of Housing, Communities & Local Government (MHCLG) published the revised National Planning Policy Framework (NPPF)³, with this – along with the accompanying Planning Practice Guidance (PPG)⁴ – setting out the Government’s planning policies for England.
- 2.3 As with the 2012 framework, the revised NPPF and PPG continue to be built around a policy commitment to sustainable development, outlining the expectation that future development will play in meeting economic and social objectives. Details of these objectives are provided at paragraph 8 of the revised NPPF:

“an economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure; and

a social objective – to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities’ health, social and cultural well-being”⁵

- 2.4 At the heart of the NPPF is a presumption in favour of sustainable development, which requires local authorities to adopt a positive approach in order to seek opportunities to meet the “development needs of their area.”⁶ Clarification is provided through Section 6 of the NPPF – ‘Building a strong, competitive economy’ – which states that:

“Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business

³ Ministry of Housing, Communities & Local Government (2021) National Planning Policy Framework

⁴ Ministry of Housing, Communities & Local Government (2021) Planning Practice Guidance (PPG)

⁵ Ministry of Housing, Communities & Local Government (2021) National Planning Policy Framework (para 8)

⁶ Ministry of Housing, Communities & Local Government (2021) National Planning Policy Framework (para 11)

needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential.”⁷

2.5 Promoting effective and sustainable development and regeneration in terms of town centres and streetscapes are issues that cut across much of the NPPF’s priorities, including:

- **Ensuring the vitality of town centres**, through taking a positive approach to their growth and management;
- **Achieving well-designed places**, maintaining a strong sense of place, using the arrangement of streets, spaces, building types and materials to create attractive, welcoming and distinctive places to live, work and visit; and
- **Promoting healthy and safe communities**, promoting social interaction through mixed-use developments, strong neighbourhood centres and street layouts that allow for easy pedestrian and cycle connections within and between neighbourhoods as well as active street frontages.

The government encourages a diversification of high streets and town centres

2.6 In 2021, the Build Back Better High Streets⁸ provided an update from the 2018 Future High Street Fund document. In 2018, over 4 million people were employed on the high streets and just over 1 in 6 British people live on or around the high street. Therefore, the government provided £10 billion of funding for urban regeneration of the high streets and town centres.

2.7 The government aims to create a vision that combines the planning, design and management of public spaces and local community assets to create a sense of place on the high streets. The goal is to reinvent high streets so that they are the “*hives of economic and social activity that local communities expect.*” The key priorities set out are as follows:

- Breathing new life into empty buildings;
- Supporting high street businesses;
- Improving the public realm;
- Creating safe and clean spaces; and
- Celebrating pride in local communities.

⁷ Ministry of Housing, Communities & Local Government (2021) National Planning Policy Framework (para 81)

⁸ Department for Levelling Up, Housing and Communities (2021) Build Back Better High Streets

- 2.8 Overall, the strategy aims to make high streets greener, healthier and more sustainable as well as provide diverse, mixed use places to reflect the priorities of local communities.

London Policy and Strategy

The London Plan identifies the town centre network as vital for the economy

- 2.9 The core principle of the London Plan is to promote ‘good growth’ across London; this is considered to be “*growth that is socially and economically inclusive and environmentally sustainable*”⁹. Good growth underpins the whole of the London Plan and policies within the plan. ‘Growing a good economy’ (Policy GG5)¹⁰ is one of six priorities which are being promoted as part of this agenda. Planning for sufficient employment and industrial space in the right locations to support economic development is of key importance as well as ensuring there is sufficient high-quality and affordable housing to support growth within London.
- 2.10 The Plan emphasises that employment in the capital is projected to increase by an average of 49,000 jobs every year until 2041, which “*will bring many opportunities, but it will also lead to increasing and competing pressures on the use of space.*”¹¹ It is therefore stated that economic regeneration will have to be supported through the provision of “*good-quality employment space.*”¹²
- ### ***The Greater London Authority examines the benefits of ‘High Streets for All’***
- 2.11 The High Streets for All¹³ plan set out by the Greater London Assembly, aims to “*deliver enhanced public spaces and exciting new uses for underused high street buildings in every Borough by 2025, working with London’s diverse communities*”. This is required to promote local employment and protect and enhance community and cultural spaces.
- 2.12 Within London, there are over 600 high streets which makes up 20% of all the high streets in the UK. Some 90% of Londoners live within ten minutes of the local high street. However, across London the ‘performance’ of high streets varies. This is a result of shifting consumer behaviour, changing the nature of work and swindling local authority resources amongst other factors.
- 2.13 Reinvigorating the high street should reflect the modern uses of high streets. For example, 45% of high street usage was for non-retail related function (suggesting high streets in London support social exchanges). In addition, cultural, creative and night time uses add both social and economic value to high streets, with these sector contributing one in six jobs in the capital (and £58 billion for the UK economy).

⁹ Greater London Authority (2021) The London Plan, para 1.0.1

¹⁰ *Ibid*, para 1.5.6

¹¹ *Ibid*, para 1.2.1

¹² *Ibid*, para 1.5.3

¹³ Greater London Authority (2021) High Streets for All. Available at:

<https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/recovery-context/high-streets-all#acc-i-61470>

Westminster Policy and Strategy

The Westminster City Plan prioritises positive economic growth

Overview

2.14 The Westminster City Plan 2019 -2040¹⁴ was adopted in April 2021. The Plan sets out the vision for the City of Westminster up to 2040, outlining the strategic policy framework that will deliver the Council’s vision of Westminster as an area where:

- People feel they belong to connected and thriving communities;
- Improvements in air quality will improve quality of life; and
- The character of the city is preserved, but is also adaptable to change.

2.15 To meet this Vision, key objectives set out by the Plan include:

- Increase the stock of high-quality housing and provide variety in terms of size, type and tenure to meet need and promote mixed and inclusive communities;
- Enable job growth across a range of sectors vital to the UK economy, and ensure those from disadvantaged backgrounds benefit from the opportunities this presents;
- Enhance connections by improving options for cycling, walking, leisure, sport and play, whilst prioritising pedestrians and improving the interchange between transport modes;
- Improve air quality, minimise noise and other polluting impacts, and reduce carbon and water demands by minimising detrimental impacts from development;
- Promote quality in the design of buildings and public spaces, ensuring that Westminster is attractive and welcoming; and
- Making sure that neighbourhoods continue to thrive.

Housing

2.16 The Plan outlines that an additional 20,685 homes will be delivered in Westminster over the period to 2040, and it is stated that high-density housing will be required to meet demand for:

“Good, affordable housing that will contribute towards healthier, happier lives. Housing that makes the most of the land available and embodies the very highest standards of design”

¹⁴ City of Westminster Council (2021) Westminster City Plan 2019-2040

Economic Development and Employment

- 2.17 To support economic growth, the Plan targets the provision of 63,000 new jobs over the period to 2040.
- 2.18 Between approximately 230,000 and 322,000 sq m of new retail floorspace is estimated to be required in Westminster over the plan period, with it being highlighted that a significant proportion of retail growth will be through intensification uses, where some additional building height can also accommodate office floorspace growth and other town centre uses, and that the focus will be on:

“Providing a mix of commercial uses that provide activity at street level, and creates a welcoming, attractive and healthy environment for consumers to shop, access services, and spend leisure time, whilst also supporting their role as major employment hubs and visitor destinations”

Health and Sustainable and Active Travel

- 2.19 The Plan highlights the importance of sustainable transport in terms of meeting health objectives. It is highlighted that Westminster performs poorly in terms of air quality measures, and the Plan outlines that discouraging motor vehicle use will contribute to reducing the exposure of the population – and particularly children and vulnerable people – to transport-related air pollution.
- 2.20 As such, Policy 25 of the Plan states that *“Development must promote sustainable transport by prioritising walking and cycling in the city”*, highlighting that measures such as improvements to public realm (such as crossings, places to rest, wayfinding and permeability) should be made to facilitate this. Additionally, the provision of cycle parking and other facilities (such as changing rooms and showers at employment sites) is also identified as a significant measure by which cycling will be promoted.

The Westminster Economic Development Strategic Framework supports a dynamic local economy

- 2.21 Westminster’s Economic Development Strategic Framework (EDSF)¹⁵ was published in 2015, and outlines the Council’s strategy for supporting a dynamic local economy, generating opportunities for residents, entrepreneurs and businesses, and, by extension, enabling the area to continue to make a strong contribution to London and the wider UK.
- 2.22 The EDSF sets out its strategic principles for prioritising projects based on the two pillars of:
- Encouraging long-term investment in economic capital, including infrastructure, skills and knowledge; and
 - Promoting a dynamic economy that encourages innovation and helps resources flow to their most productive use.¹⁶

¹⁵ Westminster City Council (2015) Economic Development Strategic Framework

¹⁶ *Ibid*, page 6

- 2.23 It is additionally stated that the Council, wherever possible, will prioritise projects which can align activity and investment with partners within and beyond London.
- 2.24 A key Strategic Theme of the EDSF concerns ‘Places’; the Council states that the guiding principle of its approach is to ensure that Westminster remains distinctive, vibrant, accessible and commercially attractive through a number of means, including:
- Working with partners to champion and shape Westminster’s key economic locations;
 - Investing in rejuvenating Westminster’s high streets and street markets through securing external funding and partnerships; and
 - Delivering the workspaces needed by a broad range of businesses.¹⁷

Summary

- 2.25 There is a clear national and local policy priority to safeguard and enhance the vitality of town centres and for such locations to adapt to serve the changing needs of communities. Research has shown that mixed-use high streets (including a range of retail, leisure and residential units) offer greater resilience in the face of recent macro-economic challenges in comparison with those that rely on their retail offer.
- 2.26 GLA and Westminster City Council planning policy supports the delivery of new and enhanced housing and employment opportunities through upgrading the quality of building stock through sensitive regeneration, with high level of policy support also given for improving health and air quality through prioritising sustainable and active travel modes. The Council’s economic priorities include securing long-term investment and supporting a dynamic economy for this area.

¹⁷ *Ibid*, page 26

3. Socio-Economic Context

3.1 This section establishes the socio-economic context of the neighbourhood in which PGPS is located, relative to the wider comparator geographies of Westminster and London as a whole. This includes analysis of:



Resident Population

Population and Age Profile

3.2 The area immediately surrounding the Proposed Development (the neighbourhood impact area) is characterised by a slightly younger working-age population, with 32% of the total population aged 16-34, compared to 31% in Westminster and 28% in London as a whole. In contrast, the neighbourhood impact area has a slightly lower proportion of older working-age people (aged 35-64) than is seen in wider Westminster and London as a whole.

Table 3.1: Resident population by age-group, 2020

	Neighbourhood		Westminster	London
	Residents	% of total	% of total	% of total
Aged 0-15	6,516	17%	17%	21%
Aged 16-34	12,294	32%	31%	28%
Aged 35-64	14,176	37%	40%	39%
Aged 65+	4,962	13%	13%	12%
Aged 16-64	26,470	70%	71%	67%
Total	37,948	100%	100%	100%

Source: Population Estimates via Nomis, 2022

3.3 Whilst the working-age population of the neighbourhood has grown at the same rate (17%) since 2011 as in the wider Westminster borough, these growth rates are notably higher than in London as a whole (7%). The population aged 65+ increased more drastically in the neighbourhood (42%) than in Westminster (38%) and London as a whole (7%). The increase in the population in the neighbourhood area (20%) is lower than that in Westminster (23%), both of which are significantly higher than the increase in London.

Table 3.2: Change in resident population by age group, 2011 – 2020

	Neighbourhood		Westminster	London
	Change	% Change	% Change	% Change
Aged 0-15	1,003	18%	39%	14%
Aged 16-34	1,015	9%	4%	-5%
Aged 35-64	2,913	26%	31%	17%
Aged 65+	1,458	42%	38%	21%
Aged 16-64	3,928	17%	17%	7%
Total	6,389	20%	23%	10%

Source: Population Estimates via Nomis, 2022

- 3.4 The provision of city centre homes and flexible commercial uses could therefore serve to support further growth in the neighbourhood’s working-age population, and maximise the economic benefits (such as increased expenditure and public revenues) that this group provides.

Economic Activity and Employment

- 3.5 The ONS’s quarterly Annual Population Survey¹⁸ (reported only at the borough level) indicates that economic activity and employment in Westminster remain lower than that in London as a whole.

Table 3.3: Economic activity (residents aged 16 - 64), July 2021-June 2022

	Westminster	London
Economically active	71%	80%
Employed	67%	76%
Unemployed	4%	4%
Economically inactive but want a job	29%	20%

Source: Annual Population Survey via Nomis, 2022

- 3.6 Analysis of the latest ONS data¹⁹ shows that the number of people claiming unemployment benefits principally for the reason of being out of work has increased significantly at all spatial spaces since January 2020 – and particularly in the neighbourhood impact area – highlighting the impact of the Covid-19 pandemic.

¹⁸ ONS Via Nomis (2022) Annual Population Survey: July 2021-June 2022

¹⁹ ONS Via Nomis (2022) Claimant Count: January 2020; September 2022

Table 3.4: Claimant Count (residents aged 16+): January 2020 – September 2022

	January 2020	September 2022	Change	% Change
Neighbourhood	630	1,245	615	98%
Westminster	3,785	6,375	2,590	68%
London	177,870	287,600	109,730	62%

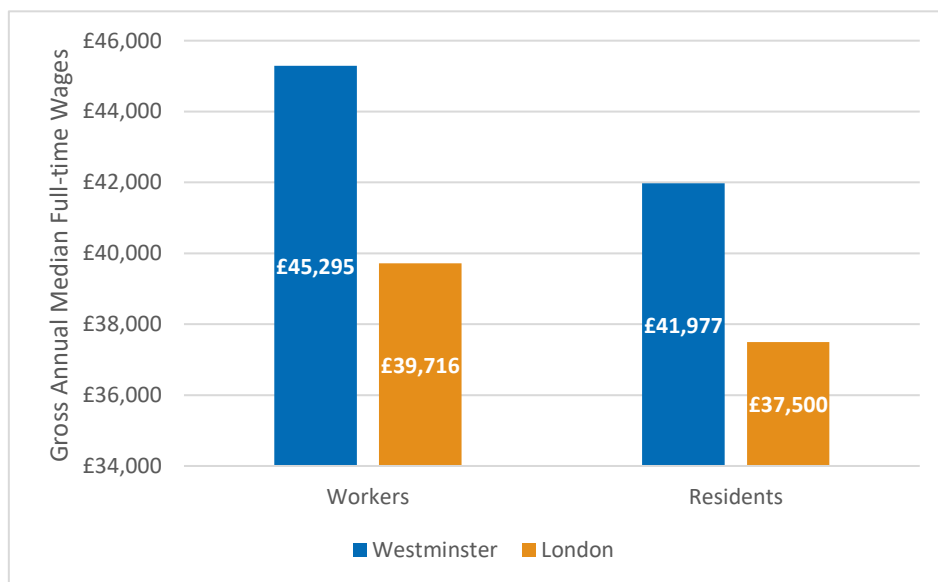
Source: Claimant Count via Nomis, 2022

- 3.7 The creation of job opportunities as a result of the Proposed Development which could potentially be taken by Westminster residents could therefore serve to support further growth in employment and economic activity in the borough.

Earnings

- 3.8 Both workplace-based and residence-based annual earnings are higher in Westminster than the London average²⁰. Whilst the fact that the average Westminster workplace-based wage is slightly lower than residence-based earnings would suggest that a proportion of the resident population commute outside of the borough to access higher-paying jobs, the fact that the average workplace-based wage in the borough is nonetheless higher than in London as a whole demonstrates that the area is a location for high-paying employment.

Figure 3.1: Resident and workplace gross annual median full-time wages in Westminster and London, 2021



Source: Annual Survey of Hours and Earnings via Nomis, 2022

Retail and Leisure Expenditure

- 3.9 Retail and leisure expenditure is closely linked to earnings. Data from Precisely (via GeoInsight) enables analysis to be conducted as to the leisure and retail expenditure habits of residents of the neighbourhood impact area and wider comparator

²⁰ ONS Via Nomis (2022) Annual Survey of Hours and Earnings 2021 – Workplace analysis / Residence analysis

geographies. It is estimated that residents of the neighbourhood impact area spend circa £10,698 on retail goods and £5,755 on leisure goods, activities and services per annum.

3.10 Whilst lower than the average in the City of Westminster, it remains notably higher than the annual average expenditure of residents of London as a whole. This provides an indication as to the level of disposable income available to a high number of the neighbourhood’s residents and suggests that an expanded, high-quality neighbourhood retail and leisure offer would see demand from, and attract, local residents.

Figure 3.2: Average annual resident retail and leisure expenditure, 2022



Source: Precisely via GeoInsight, 2022

Health and Wellbeing

3.11 People’s health and wellbeing should be considered as a key component of the assessment of impact of new development, and is therefore given significant attention within the London Plan. Analysis of Office for Health Improvement and Disparities (OHID) data²¹ provides an overview of key public health indicators and outcomes in the City of Westminster in comparison with London and nationally.

- Life expectancies for both men (85 years) and women (87 years) are higher in Westminster than recorded in London (respectively 80 and 84 years) and nationally (respectively 79 and 83 years).
- A significantly lower proportion of adults in Westminster are classified as overweight or obese (45%) than in both London (56%) and nationally (64%).
- It is noted that childhood obesity is more prevalent in the borough (where 41% of Year 6 children are obese) than in London (38%) or England (35%).

²¹ Office for Health Improvement and Disparities (2022) Public Health Outcomes Framework

- A similar percentage of adults are physically active²² (65%) in Westminster and in London, which is lower than the percentage in England as a whole (66%).
- A lower rate of people in Westminster are admitted to hospital with alcohol-related conditions than recorded in London and nationally, and a lower proportion of the borough's adult population are smokers.
- Rates of people being killed or seriously injured on roads are far higher (over double) in Westminster (at 376 people per billion vehicle miles) than in London (166 per billion vehicle miles) and England as a whole (86 per billion vehicle miles).

Business Base

Key Sectors

- 3.12 Gross Value Added (GVA) measures the value of output created (i.e. turnover) net of inputs purchased, and is used to produce a good or service (i.e. production of the output). GVA therefore provides a key measure of economic productivity.
- 3.13 Experian publishes estimates of the GVA generated annually in local authorities, broken down by sector.²³ The below table presents Experian's estimates for the City of Westminster, which shows that professional & other private services is by far the most productive sector in the borough (generating over £21.9 million GVA annually on average between 2017 and 2021), followed by Finance & Insurance (£13.1 million) and Information & communication (£10.8 million).

Table 3.5: GVA by sector in Westminster, annual average 2017-21 (top sectors)

Sector	GVA (£million)	% of total
Professional & Other Private Services	£21,913	30%
Finance & Insurance	£13,071	18%
Information & communication	£10,778	15%
Public Services	£10,003	14%
Wholesale & Retail	£6,761	9%
Accommodation, Food Services & Recreation	£5,927	8%
Construction	£2,210	3%
Other ²⁴	£3,076	4%
Total	£73,739	100%

Source: Experian, 2022

²² Defined as undertaking a minimum of 150 minutes (2.5 hours) of moderate physical activity per week in bouts of 10 minutes or more.

²³ Experian (2022) Local Market Forecasts Quarterly: September 2022

²⁴ 'Other' sectors are: Transport & storage; Manufacturing; Utilities, Extraction & Mining and Agriculture, Forestry & Fishing

Business Profile

- 3.14 The latest figures from the ONS's UK Business Counts²⁵ show that the professional, scientific & technical sector has the largest number of businesses in the neighbourhood (725 businesses, or 19% of all local businesses). The representation of this sector is therefore a broadly comparable proportion (slightly lower) to that recorded in wider Westminster and in London as a whole.
- 3.15 With 435 businesses (11% of the total number), the property sector is better represented in the neighbourhood than in the City of Westminster or London as a whole, as is the Retail sector and accommodation and food services, highlighting the neighbourhood as a significant location for these uses.

Table 3.6: Businesses by industry, 2022 (top 6 sectors)

	Neighbourhood		Westminster	London
	Businesses	% of total	% of total	% of total
Professional, scientific & technical	725	19%	23%	21%
Property	435	11%	10%	5%
Retail	380	10%	8%	9%
Business administration and support services	375	10%	10%	9%
Information and Communication	350	9%	10%	12%
Accommodation and Food services	340	9%	5%	5%
Other ²⁶	1,220	32%	35%	39%
Total	3,825	100%	100%	100%

Source: UK Business Count via Nomis, 2022

- 3.16 The high representation of Professional scientific & technical businesses indicate that the neighbourhood is an established location for the high-productivity sectors that – as shown by the previous analysis of GVA – contribute significantly to the borough and wider city's economic output.
- 3.17 In addition to this, the presence of a significant number of accommodation & food services and retail enterprises strongly indicate that the area is an active high street location.

²⁵ UK Business Counts (2022) enterprises by industry and employment size band

²⁶ 'Other' sectors are: Agriculture, forestry & fishing; Mining, quarrying & utilities; Manufacturing; Construction; Motor Trades; Wholesale; Transport & storage (inc. postal); Financial & insurance; Public administration & defence; Education; Health; Arts entertainment, recreation and other services

Employment

- 3.1 The Business Register & Employment Survey (BRES)²⁷ highlights that the health sector is the greatest contributor to employment in the neighbourhood, largely due to it accommodating St Mary's Hospital.
- 3.2 Additionally, traditional office-based sectors such as professional, scientific & technical, information & communication and business administration & support services are also strongly represented in terms of the neighbourhood's employment. The accommodation & food services and retail sectors also contribute to employment in the neighbourhood, highlighting its leisure role.

Table 3.7: Jobs by industry, 2021 (top 6 sectors)

	Neighbourhood		Westminster	London
	Jobs	% of total	% of total	% of total
Health	11,750	23%	5%	11%
Professional, scientific and technical	8,650	17%	17%	15%
Information and communication	5,225	10%	9%	8%
Accommodation and Food Services	5,400	10%	10%	7%
Business administration & support services	4,600	9%	8%	10%
Retail	3,050	6%	7%	8%
Other ²⁸	12,905	25%	43%	42%
Total	48,000	100%	100%	100%

Source: BRES via Nomis, 2021

Property Markets

Housing Market

- 3.3 The median sales price for residential properties in the neighbourhood impact area was £882,500 in 2021²⁹. Whilst significantly higher than the Greater London median of circa £497,000, this is lower than the median price of £900,000 paid for housing in the borough of Westminster as a whole.

²⁷ BRES (2021) Business Register and Employment Survey : open access

²⁸ 'Other' sectors are: Agriculture, forestry & fishing; Mining, quarrying & utilities; Manufacturing; Construction; Motor Trades; Wholesale; Transport & storage (inc. postal); Financial & insurance; Property; Public administration & defence; Education and Arts, entertainment, recreation & other services

²⁹ HM Land Registry (2022) Land Registry Price Paid Data

Table 3.8: Property sales, 2021 (calendar year)

	Neighbourhood	Westminster	Greater London
Number of sales	214	3,316	127,276
Median price paid	£882,500	£900,000	£497,500

Source: Land Registry, 2022

- 3.4 Further analysis of Land Registry data confirms that the vast majority of houses sold in 2021 in the neighbourhood were flats, which in general commanded a notably lower value than the few terraced properties transacted during the year.

Table 3.9: Property sales by type in neighbourhood area, 2021 (calendar year)

Property Type	Number of sales	Average price paid
Flat	174	£769,500
Terraced	18	£2,357,750
Other*	22	£1,350,000
Total property sales	214	£860,000

Source: Land Registry, 2021

*Other does **not** include detached or semi-detached

Commercial Markets

- 3.5 Whilst office uses account for a significantly greater quantum of overall floorspace in the neighbourhood than retail uses, analysis indicates that the neighbourhood's commercial offer is orientated towards the retail market in terms of its role in the borough, accommodating a greater share of Westminster's total retail properties and floorspace than recorded for office uses.
- 3.6 Average rents in the neighbourhood area for retail is similar but office floorspace is lower than the average across Westminster borough, this relative affordability potentially being attractive to prospective occupiers.
- 3.7 Vacancy and availability of retail floorspace in the neighbourhood impact area and in Westminster borough as a whole appears constrained. There is greater vacancy of office floorspace, albeit in both the neighbourhood and Westminster as a whole, the vacancy rate remains below the 10% generally considered optimal to provide for adequate levels of churn.

Table 3.10: Stock of commercial (retail and office) floorspace, October 2022

	Neighbourhood		Westminster	
	Retail	Office	Retail	Office
Number of properties	627	418	3,945	4,286
<i>% of Westminster total</i>	16%	10%		
Total floorspace (sqm)	209,686	562,531	1,872,052	7,427,222
<i>% of Westminster total</i>	11%	8%		
Average property size (sqm)	334	1,346	475	1,733
Vacancy Rate ³⁰	3.10%	4.60%	4.00%	4.70%
Average Rents (£/sqm)	£946	£609	£915	£707

Source: CoStar, 2022

Church Street/Edgware Road Health Check Report

3.8 The PGPS site is located opposite and immediately to the south of the Church Street / Edgware Road District Shopping Centre. Westminster City Council commissioned a detailed Health Check Report³¹ for the centre in 2013. The Health Check identifies the health and vitality of the designated District Shopping Centre based on a variety of measures and evidence gathered from a shopper survey, a footfall survey, a trader survey and a location audit. The report sets out the following relating to the current health of the shopping area:

- Church Street / Edgware Road is a 'T' shaped shopping area off a very busy arterial route into the West End. It is a mixed-use centre primarily serving local residents and to a lesser extent workers. It has a good selection of food shops, cafés, takeaways and services. The centre does not offer the same range of comparison shopping found in more central centres.
- Supermarkets within the centre include Tesco Metro on Church Street, a new ALDI store on Edgware Road to the north of the centre and a Sainsbury's Local to the south of the centre opposite the PGPS site. There are also a high number of smaller independent and ethnic food shops across the centre, with the majority of food and drink uses located along Edgware Road. The eastern end of Church Street contains a renowned concentration of independent antiques traders.
- In addition to the shop units, Church Street is home to a diverse and very busy street market, comprising over 200 pitches, selling everything from fresh food to clothing, homewares and other types of goods. The street market is a key anchor

³⁰ Vacant space refers to all space not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done would also be considered vacant space. The Vacancy Rate is the percentage of the area's total floorspace.

³¹ The Retail Group (November 2013) Queensway / Westbourne Grove: 2013 Health Check Report

for the centre, particularly for the resident population, and is key to the centre's vitality and viability. The market trades Tuesday through to Saturday, with Saturday the busiest and most dominant day.

- At the time of the last on-street survey, the age profiles of the consumers visiting the centre were evenly split, with a slight dominance towards the 35-49 age group (31%) with 50-64 second (25%). The youngest group (ages 18-34) were the smallest group (20%). 64% of interviewees lived locally and 36% did not.
- 69% of respondents stated that shopping was their reason for visiting Church Street/Edgware Road. All other reasons were less than 10% each, with work and commuting/passing through/going to and from home as the second and third reasons for visiting the centre.
- The results of the survey suggest that convenience shopping is a key driver for both locals and workers. Comparison goods shopping was recorded as being a weak trigger for visits. Consumers on weekdays are attracted by the convenience goods offer, whereas on weekends, the market dominates as an attraction to the area and has a larger number of comparison stores.
- The vast majority of consumers walked to Church Street/Edgware Road (56%) or travelled by bus (31%). This reflects the locally dominated consumer profile and the area's dependence on the pedestrian environment and public realm.
- Overall, when asked what they would like to see in the area, 59% of consumers stated they wanted to see the market improved with 37% of people stating they wanted to see better quality shops.
- When asked to rate Church Street/Edgware Road, consumers generally scored the district shopping centre positively. The most highly rated feature of the centre was its accessibility by public transport. The general shopping environment, number of places to eat/drink, ease of pedestrian movement and street life/character were all rated well. Availability of parking, parking charges and traffic congestion were all rated poorly.

3.9 In 2019, the City of Westminster published a further Health Check analysis of the centres within the borough.³² This summarised Church Street / Edgware Road District Shopping Centre as having a convenience core function which is complemented by a range of other town centre uses catering primarily to the local surroundings. At the time of the last survey, the centre had a slightly higher vacancy rate than other district centres (11.53%). The study concluded however that as the centre is identified as a key area for regeneration, its health may improve as a result of investment in the vicinity.

Summary

3.10 The neighbourhood has a similar resident profile to the City of Westminster as a whole in terms of the proportion who are of working age, albeit a slightly higher proportion of residents are aged under 35 in the neighbourhood than in the wider borough. The

³² City of Westminster (2019) City Plan 2019-2040 Town Centre Health Checks Report

relative affluence of the neighbourhood area (and, indeed, of Westminster as a whole) is demonstrated by higher than average earnings and levels of disposable income than in London as a whole. Evidence published by Public Health England also suggests that Westminster's resident population is on average in relatively good health in comparison with London as a whole.

- 3.11 Businesses within the professional services, particularly scientific and technical, make a strong contribution to the neighbourhood area's economic productivity and business base. The accommodation & food services and retail sectors also support significant levels of employment in the neighbourhood.
- 3.12 Analysis indicates that median house prices in the neighbourhood are slightly lower than across Westminster, albeit higher than those recorded in London as a whole.
- 3.13 Vacancy rates in the neighbourhood for retail and office floorspace are low in Westminster as a whole, and, whilst being slightly higher in the neighbourhood area, are still relatively low in terms of allowing optimal levels of turnover to facilitate churn and market choice. Average rents in the neighbourhood area for retail floorspace are significantly lower than the average across Westminster borough, this relative affordability potentially being attractive to prospective occupiers.
- 3.14 In terms of the health and offer of the district shopping centre which lies opposite and immediately to the north of the PGPS site, Church Street / Edgware Road is a mixed-centre which primarily serves local residents and to a lesser extent workers. The centre has a strong convenience goods core function although it also has a good selection of cafés, takeaways and services. The centre does not offer the same range of comparison goods shopping found in more centrally located district centres. The Church Street market, which sells everything from fresh food to clothing, homewares and other types of goods, is a key anchor for the centre, particularly for the resident population, and is key to the centre's vitality and viability.
- 3.15 The most recent health check of the centre undertaken by the Council³³ concluded that whilst the vacancy rate at the time was slightly higher than other district centres in the borough, as the centre is identified as a key area for regeneration, its health may improve as a result of investment in the vicinity.

³³ Ibid.

4. Economic and Fiscal Impacts

This section presents the quantified employment impacts likely to be generated during the construction phase (Q3 2023 to Q4 2030) and subsequent operational phase. The assessed impacts include full-time equivalent (FTE) jobs and economic productivity impacts, which is measured as Gross Value Added (GVA), along with the financial benefits accrued for Westminster City Council. A full methodology is provided in Appendix 1.

Construction Phase

Uplift in Employment

- 4.1 The scale of investment in the construction of the Proposed Development has the capacity to support approximately 1,516 person-years of direct employment within the construction sector³⁴. This equates to an average of 214 full-time equivalent (FTE) construction jobs per annum on-site over the construction period (circa 7.1 years)³⁵.
- 4.2 Reflecting on the skills of the labour force and the latent demand for construction employment in Westminster and London³⁶, some of the construction jobs created will be filled by Westminster residents and those living in London more widely³⁷. While some positions may be filled by employees already working on construction projects in the local area (this being termed 'displacement'), the construction phase will create new employment opportunities for those living in the borough.
- 4.3 Basing assumptions as to the above factors on recommendations in the HCA's Additionality Guide³⁸, it is estimated that, out of the 214 FTE jobs created on-site, circa 120 direct FTE construction jobs are likely to be held by residents in London, of which 80 could be held by Westminster residents.
- 4.4 The positive economic impacts of the Proposed Development during this phase will extend beyond construction employment. Expenditure on construction materials, goods and other services will have far-ranging benefits both locally and further afield as it filters down the supply chain. As a result the initial investment in the Proposed Development is amplified in an economic 'multiplier' effect both locally and across the wider impact area. The construction of the Proposed Development could support a further 105 FTE jobs within the wider impact area via indirect and induced effects, including 4 FTE jobs in Westminster.

³⁴ Construction costs advised by the applicant on a confidential basis. See the economic impact assessment methodology outlined at Appendix 1 for further details.

³⁵ 1 FTE is equivalent to 1 employee working full-time for 1 year. A person-year of employment is defined as the amount of work done by an individual during a working year. As the construction period is 1 year, the person years of employment will therefore be the same as the number of FTEs.

³⁶ ONS via Nomis (2022) Jobseeker's Allowance by Occupation (September 2022)

³⁷ ONS via Nomis (2022) Census 2011 - Location of usual residence and place of work by sex (WU01UK)

³⁸ HCA (2014) Additionality Guide, 4th Ed.

- 4.5 Taking the above factors into account, a total of 225 net additional FTE positions per annum could be generated across London (sum of direct and indirect effects), inclusive of 84 jobs for Westminster residents. This is summarised in the following table.

Table 4.1: Construction Phase – Net additional FTE employment

Net FTE Employment Generation	Local Impact Area	Wider Impact Area
Person-years of Employment		1,516
Construction Period (Years)		7.1
Gross FTE Employment		214
Direct Net Additional FTE Employment	80	120
Indirect / Induced Net Additional FTE Employment	4	105
Total Net Additional FTE Employment	84	225

Source: Turley Economics, 2022

Economic Productivity

- 4.6 The construction phase of the Proposed Development will generate a significant increase in GVA. GVA measures the value of output created (i.e. turnover) net of inputs purchased, and is used to produce a good or service (i.e. production of the output). GVA therefore provides a measure of economic productivity.
- 4.7 The estimated construction capital expenditure associated with the Proposed Development could deliver a net additional £271.8 million GVA contribution to the wider London economy over the construction period. This net additional figure is the sum of the direct and indirect impacts. Of this total, the net additional impact within Westminster is circa £199.8 million. This is summarised at Table 4.2.

Table 4.2: Construction Phase – Total net additional GVA

Net GVA Generation	Local Impact Area	Wider Impact Area
Gross Direct GVA (Annual)		£27.8 million
Indirect / Induced Net Additional GVA (Annual)	£0.4 million	£10.6 million
Net Additional GVA (Annual)	£28.2 million	£38.4 million
Net Additional GVA (Total Construction Period)	£199.8 million	£271.8 million

Source: Turley Economics, 2022

Operational Phase

Uplift in Employment

- 4.8 Once fully operational, the Proposed Development will support significant levels of employment within its commercial floorspace. These jobs will be in a variety of industries and occupations, which will attract significant levels of consumer expenditure generated from Class E commercial floorspace.
- 4.9 Based on recommendations in the HCA’s Employment Density Guide³⁹ and analysis provided within the accompanying ES submission⁴⁰, the Proposed Development is estimated to provide space to support between 50-67 gross FTE jobs on site.
- 4.10 In addition to accommodating new businesses or businesses which are able to take on more staff due to the provision of appropriate space, it is important to recognise that commercial floorspace will also be used by both those already working in Westminster or London (‘displacement’) and those living outside of the Borough or London (‘leakage’). These assumptions allow the calculation of the net additional benefit to the local and wider economy. These assumptions are informed by the HCA Additionality Guide⁴¹.
- 4.11 Based on the ES Chapter⁴² regarding commuting patterns and labour force capacity in Westminster, it is estimated that the scheme will generate 34-45 direct net additional jobs for London residents, of which 19-25 may be held by Westminster residents.⁴³
- 4.12 The operation of the Proposed Development will have indirect / induced effects through supply chain spending, procurement and employee spend. Therefore the direct effect is amplified, resulting in a multiplier effect. It is estimated that an additional 17-23 indirect / induced FTE jobs would be generated across the wider impact area, of which 1 is likely to be taken by those living in Westminster.
- 4.13 The gross, direct, indirect and subsequent net additional impact are summarised in Table 4.3.

Table 4.3: Operational Phase – Net additional FTE employment

	Local Impact Area	Wider Impact Area
Gross FTE Employment	50 - 67	
Direct FTE Employment	19 - 25	34 - 45
Indirect / Induced FTE Employment	1	17 - 23
Total Net Additional FTE Employment	20- 26	51 - 68

³⁹ HCA (2015) Employment Density Guide 3rd Ed.

⁴⁰ See reference to the Ramboll Socio-economic ES chapter at Appendix 1 for further details.

⁴¹ HCA (2014) Additionality Guide 4th Edition. See the economic impact assessment methodology outlined at Appendix 1 for further details.

⁴² Ramboll (2022) Socio-economic ES Chapter

⁴³ Assumptions regarding retention within the local impact area derived from the Ramboll Socio-economic ES chapter.

Economic Productivity

- 4.14 The occupiers of the commercial floorspace will positively contribute to the economic productivity of Westminster and the wider economy of London. Through its operation, the Proposed Development could deliver an annual uplift in productivity – measured in GVA contribution – of circa £4.4 – 6.0 million to the wider impact area economy, of which £2.8 – 3.8 million will be generated locally in Westminster. This is summarised in Table 4.4:

Table 4.4: Operational Phase – Net additional GVA per annum

GVA Generation	Local Impact Area	Wider Impact Area
Gross Direct GVA	£2.7 - £3.7 million	
Indirect / Induced Net Additional GVA	£0.1 million	£1.7 – 2.3 million
Total Net Additional GVA Impact	£2.8 – 3.8 million	£4.4 – 6.0 million

Source: Turley Economics, 2022

Business Rates

- 4.15 The Proposed Development’s commercial floorspace will make business rate payments to Westminster City Council. This will subsequently go towards funding services within the borough and the rest of Greater London, and so constitute an important source of public revenue.
- 4.16 Analysis of nearby commercial units of similar use indicates that the business rates to be collected annually by Westminster City Council will equate to circa £200,000 per annum as a result of the Proposed Development, of which £60,000 will be retained by Westminster City Council and 40,000 by Greater London Authority.

Increased Council Tax Revenue

- 4.17 Based upon the mix of new homes to be developed and their estimated Council Tax banding, the Proposed Development is expected to generate £760,000 in additional Council Tax payments annually once fully occupied⁴⁴. Over a ten year period, this will amount to approximately £7.6 million in Council Tax payments at 2022/23 rates.
- 4.18 This could provide an important source of revenue funding for Westminster City Council in delivering public services as well as investing in maintaining and enhancing local infrastructure.

Summary

- 4.19 In summary, the construction phase of the Proposed Development will deliver the following economic benefits:
- An average of **214 gross FTE jobs** per annum supported throughout the Proposed Development’s 7.1 year construction phase;

⁴⁴ Based on 2022/23 Council Tax rates in Westminster.

- An average of **120** direct net additional FTE jobs supported at the scale of the wider impact area, plus **105** indirect and induced jobs. This equates to a total of **225** net additional jobs for London residents during construction, inclusive of **84** likely to be held by Westminster residents; and
- Total construction phase productivity (GVA) contribution of **£271.8 million**, including **£199.8 million** generated in Westminster.

4.20 The operational phase of the Proposed Development will deliver the following economic benefits:

- At least **50-67 gross FTE jobs** accommodated on site once operational;
- A total of **34 - 45** net additional operational phase FTE jobs for London residents, including 19-25 within Westminster in a variety of roles and occupations;
- Net additional productivity impacts equating to an annual GVA uplift of **£4.4 – 6.0 million** for the London economy, including **£2.8 – 3.8 million** generated within Westminster;
- Annual additional business rate income of **£200,000 per annum**, for collection by Westminster City Council, of which **£60,000 per annum** will be retained by Westminster City Council and **£40,000 per annum** retained by Greater London Authority and
- **£760,000** in additional Council Tax payments annually to Westminster City Council, equating to a total of £7.6 million over ten years.

5. Economic Impact of Commercial Floorspace

The following section of the report quantifies the expenditure generated by the increased resident and working population, and the 'Full Circle' spin-off benefits generated for Church Street/Edgware Road District Shopping Centre by the Proposed Development.

Increased Resident and Working population

- 5.1 Once all the residential units within the Proposed Development are fully occupied, it is estimated that there will be circa 1,254 residents living on site.⁴⁵
- 5.2 The occupation of new housing by a range of households can also deliver further benefits. New housing can make an important contribution to the competitiveness of towns by providing accommodation that will appeal to, and attract, new skilled people to live in the area. New homes will sustain the local labour force and ensure that the long-term economic competitiveness of Westminster and the wider impact area is enhanced. It will also contribute to the economic resilience of the area by enhancing the supply of resident labour, thereby making the area attractive to employers.
- 5.3 The latest evidence suggests that 71.1% of Westminster residents are of working age (16-64), of whom 67.1% are in employment. Assuming that the delivery of up to 556 new homes will grow the population in line with the existing resident profile suggests that the Proposed Development could attract at least **822 additional residents of working age**.⁴⁶ However, this is likely to be higher given the central location of the development. Based on current employment rates, the Proposed Development is likely to accommodate **775 employed residents**, of whom a significant proportion could work in management and professional occupations – with higher skills and earnings – based on the existing occupational profile of Westminster residents.⁴⁷ This is demonstrated in the following table:

Table 5.1: Breakdown of Population and Labour Force

Population and Labour Force	No. Residents
Total residents on site	1,254
Residents of working age (16 – 64 years)	822
Employed residents	775

Source: Turley Economics (2022)

⁴⁵ Derived from the Ramboll Socio-Economic ES Chapter. This has been modelled by entering the residential accommodation schedule into the GLA's Population Yield Calculator selecting the Geographical Aggregation: Inner London and the Public Transport Accessibility Level (PTAL): 5-6.

⁴⁶ Local Authority Profile for Westminster – ONS via Nomis (2022) Census 2011

⁴⁷ ONS via Nomis (2022) Annual Population Survey (July 2021 – June 2022)

Expenditure from new residents

- 5.4 An occupied new home also represents a net gain to the local economy, as household income and expenditure in the local economy will occur over a long period in which the home is occupied. This income will be used to meet housing and other fixed household costs, although a considerable proportion will be available for discretionary expenditure within the local economy. Expenditure from new residents living on the Proposed Development will contribute towards sustaining local shops and businesses within the nearby Church Street/Edgware Road District Shopping Centre and within the wider economy, which in turn provide an important source of local employment.
- 5.5 Upon completion of the Proposed Development in 2030, Precisely estimates that residents in the local area will spend an average of £11,200 annually per person on convenience and comparison retail goods and services, excluding online shopping.⁴⁸ On this basis, the new residents could generate total retail expenditure of circa **£14.0 million on convenience and comparison goods and services.**
- 5.6 In addition, it is estimated that in 2030, residents in the local area will spend an average of £6,500 annually on leisure goods and services. The Proposed Development could therefore generate further expenditure of **£8.2 million per annum on leisure goods and services.**
- 5.7 Further evidence published by the HBF estimates that households spend an average of £5,462 on furnishing and decorating supplies to ‘make a house feel like a home’ when they move.⁴⁹ Therefore, the residents of the Proposed Development also have the potential to generate one off **expenditure of circa £3.0 million upon first occupation.** This level of expenditure is considered to be a conservative estimate when reflecting on further evidence in the HBF report, which indicates new homes can generate higher levels of average ‘first occupation’ expenditure.
- 5.8 Table 5.2 summarises the increased levels of expenditure by new residents. These categories of expenditure overlap and are therefore not mutually exclusive.

Table 5.2: Summary of expenditure associated with new residential population

Category of Expenditure	Amount (£) per annum
Expenditure on convenience and comparison goods	£14.0 million
Expenditure on leisure goods and services	£8.2 million
Expenditure on ‘making a house feel like a home’	£3.0 million

Source: Turley Economics, 2022

⁴⁸ Rates of special forms of trading (SFT) deducting using forecasts within the Precisely Retail Expenditure Product Guide (2022)

⁴⁹ HBF - Economic Footprint of UK House Building (2018)

Increased Discretionary Spend

- 5.9 In addition to the increase in available expenditure, mixed use development can lead to significant expenditure benefits within the local economy. Residential and commercial uses are mutually supportive uses which can lead to an increase in town centre expenditure when located together. This expenditure will circulate through the economy and contribute to supporting existing businesses within the area. This is described as the 'Full Circle' impact of mixed-use development.
- 5.10 Turley's 'Full Circle model' calculates annual expenditure associated with occupied mixed-use developments as workers, residential occupiers and other occupants of developments spend money during the daytime and in the evening within nearby centres. The outcome of the analysis is to calculate the amount of discretionary spending generated per sq m of the Proposed Development.
- 5.11 The Full Circle modelling provides a broader and more comprehensive assessment of economic benefits, alongside the traditional measures of jobs and productivity.

Expenditure impact of new residents and employees

- 5.12 As outlined in Chapter 4, the Proposed Development will result in a minimum of 50 - 67 ~~gross~~ ~~FTE~~ ~~net~~ additional jobs on site in a variety of retail and flexible commercial based roles. Alongside the commercial development, the residential units are estimated to accommodate 1,254 residents,⁵⁰ a number of whom will be spending money within the local economy.
- 5.13 The salaries of future employees within the Proposed Development are estimated at £1.2 - £1.6 million per annum. A proportion of the salaries of workers and new residents will be spent on convenience, comparison and food and beverage ('F&B') goods within Church Street/Edgware Road District Centre. Based on the latest expenditure data and growth forecasts from Precisely⁵¹, it is estimated that a total of £19.9 million will be spent by residents and workers on convenience, comparison and F&B goods each year, excluding online shopping expenditure.
- 5.14 Of the total expenditure, it is estimated that around 20% is likely to be spent within the local area in Church Street/Edgware Road District Shopping Centre. This will generate £3.8 million total local expenditure which will support existing shops and those coming forward as part of the wider regeneration of the PGPS site. This could help support up to 11 additional FTE jobs in the retail, recreation and food services sectors.⁵² The estimated total expenditure effects are summarised in Table 5.3.

⁵⁰ Derived from the Ramboll Socio-Economic ES Chapter.

⁵¹ 2022-based data release via Precisely GeoInsight and Precisely Retail Expenditure Product Guide (2022/23)

⁵² Based on the combined GVA per FTE job in the arts, entertainment & recreation; and accommodation and food sectors (BPE 2022)

Table 5.3: Residential and Worker Expenditure Impacts

Description	Total expenditure per annum	Discretionary spend in Church Street/Edgware Road District Centre
Convenience expenditure (food shopping)	£6.0 million	£1.6 million
Comparison expenditure (non-food shopping)	£8.2 million	£0.8 million
Food & Beverage (F&B) expenditure	£5.7 million	£1.4 million
Total generated expenditure	£19.9 million	£3.8 million

Source: Turley Economics Full Circle Economic Model

Full Circle Impact

- 5.15 In total, it is estimated that up to **£98 per sq m (net) of occupied commercial and residential floorspace in the Proposed Development will be generated in discretionary spend each year** for Church Street/Edgware Road District Shopping Centre. This demonstrates that through introducing a wider mix of uses into central location, there is likely to be an uplift in custom and spending at existing and new businesses within the adjacent district centre.
- 5.16 The comprehensive mixed-use redevelopment of the PGPS site will form a major part of the expanded retail and community offer of Church Street/Edgware Road District Centre. Existing occupiers within the district centre will benefit from the attraction of additional spending generated by new residents and workers of the scheme, leading to increased expenditure retention and an enhanced retail offer for the centre.

Summary

- 5.17 Overall, the Proposed Development at the PGPS site will generate substantial additional expenditure and discretionary spending for the local economy:
- Based on the outputs of the economic modelling, the total expenditure generated by the residential occupiers and retail/workers of the Proposed Development will be approximately **£19.9 million per annum**. This includes spending on convenience, comparison and F&B goods.
 - The amount of discretionary spin-off expenditure generated for all retail businesses by residents and workers of the scheme, equates to approximately **£3.8 million per annum**. This increased custom **could support up to 11 FTE additional jobs** within the local economy.
 - Based on these outputs, every square metre of occupied floorspace within **the Proposed Development will generate approximately £98 of discretionary spending per annum** to support local retailers within Church Street/Edgware Road District Shopping Centre.

6. Generating Long Term Social Value

- 6.1 The Proposed Development will have a positive social impact on a variety of stakeholders, including employees, local government and institutions such as the NHS.
- 6.2 Social Value promotes a different way of capturing 'value' beyond traditional measures of economic output, such as GVA. It can be quantified in terms of the benefit to the individual (e.g. increased personal wellbeing) or as a wider cost saving (e.g. cost savings to the NHS).
- 6.3 The importance of creating social value is also highlighted through the principles outlined in the Berkeley Group's 'Our Vision' document, the organisation's long-term business strategy. This is characterised by the overarching ambition to be defined by the creation of high-quality places, generating long-term value and having a positive impact on society.⁵³ Our Vision articulates the strategy across the following five areas of strategic focus:
- **Customers**, through aiming to provide prospective owner-occupiers to have the same chance as investors to purchase new build properties by:
 - Implementing a 'UK First Policy' which requires that every home is made available in the UK either first or at the same time as launching overseas;
 - Support the Mayor of London's campaigns to put Londoners first on the property market; and
 - Encouraging lenders to introduce mortgage offers which give every purchaser a fair chance of buying a new build home.
 - **Homes**, through building high quality and well-designed homes which minimise environmental impacts and provide residents with the opportunity to live healthy, sustainable lifestyles.
 - **Places**, through creating well-designed, high quality, safe and sustainable places which will endure as settled, vibrant communities, where people choose to live, work and spend their time, that directly encourage people's wellbeing and quality of life, and offer them a space and a base from which to lead safe, fulfilling and sustainable lives. They include sustainable infrastructure and amenities, and are designed to be resilient to the effects of climate change.
 - **Operations**, through making decisions with a focus on long-term goals which promote sustainable design and sustainable delivery of projects, including working towards increasing off-site manufacture (with potential benefits including improved quality, reduced build time on site, minimised environmental impacts and growth in skills and training opportunities) and working with supply

⁵³ Berkeley Group (2022) Our Vision: Celebrating 10 years of achievement

chains to develop a zero waste strategy, focusing on key wastes including plastics.

- **Our People**, through recruiting and retaining a high calibre workforce, supporting both direct employees and the wider workforce of on-site contractors, with safety being a key focus area across all operations, in addition to enhancing health and wellbeing and enabling more young people to get into work. This includes schemes to engage with young people, education providers and employers to transform perceptions of careers in the built environment, as well as diversity and inclusion programmes to create an inclusive environment where employees can reach their full potential, irrespective of their identity or background.

- 6.4 The importance of delivering social benefits (or 'social value') in Westminster is articulated through the latest version of the Council's 'City for All' Vision and Strategy.⁵⁴ The wider ambitions of the City for All programme are based on three pillars. These pillars of activity are as follows: Creating a greener and cleaner city; enhancing vibrant communities; and creating a smart city that utilises technological advancement.
- 6.5 Social value is also considered within procurement in projects undertaken by the Council on contracts with values over £100,000 per annum. This is following the requirements outlined in Public Service (Social Value) Act 2012.
- 6.6 The scheme's social value contribution is considered, and quantified where possible, in reference to the following themes:
- Providing Healthy Housing;
 - Investment in training and skills;
 - Physical activity and active travel; and
 - Social isolation and community cohesion.
- 6.7 The purpose of this analysis is to evidence the social benefits which are likely to be generated by the development.

Providing Healthy Housing

- 6.8 The Proposed Development includes the provision of a significant number of new homes as an important part of its make-up. The provision of new homes has direct benefits in terms of addressing proven market needs. The provision of quality homes designed to facilitate healthy lifestyles also have wider benefits which are considered in this section.

⁵⁴ City of Westminster (2021) City for All- Vision and Strategy 2020/21

- 6.9 The Proposed Development will provide up to 556 new homes and will make a significant contribution towards its potential 1,254 residents' health and wellbeing by providing a range of types and sizes of homes to meet a diverse range of needs.
- 6.10 A person's ability or otherwise to access housing which is of good quality, is affordable, and which meets their needs can have a significant impact on their physical and mental health. As outlined by guidance published by OHID,⁵⁵ there are risks to an individual's health associated with living in:
- A cold, damp, or otherwise hazardous home (an unhealthy home);
 - A home that does not meet the household's needs due to risks such as being overcrowded or inaccessible to a disabled or older person (an unsuitable home); and / or
 - A home that does not provide a sense of safety and security including precarious living circumstances and / or homelessness (an unstable home).
- 6.11 Poor housing conditions have all been shown to be associated with physical illnesses including eczema, hypothermia and heart disease, with respiratory health also having been shown to be particularly affected in both adults and children. Poor physical conditions can also negatively impact on mental health, due to the stress caused by living in insecure, overcrowded, cold, polluted or damp conditions.⁵⁶ As such, 'Housing Quality and Design' is identified as a key determinant of health by the NHS HUDU.⁵⁷ Research commissioned by Shelter⁵⁸ reported 20% of English adults surveyed stated that a housing issue had negatively impacted upon their mental health in the last 5 years. The Proposed Development will therefore have a positive impact on health and wellbeing in the local area through accommodating c. 1,254 people in new, high-quality and healthy housing.

Investment in Training and Skills

- 6.12 The Proposed Development will support additional full-time employment during construction. During this period there will also be opportunities for apprentices and local employment, aligning particularly with the 'Our People' component of the Berkeley Group's 'Our Vision' strategy.
- 6.13 Westminster City Council's Code of Construction Practice⁵⁹ outlines Westminster City Council will *"support the removal of barriers to employment for local residents"* and *"where appropriate, new developments will also be required to contribute towards initiatives that provide employment, training and skills development for residents."*

⁵⁵ Public Health England (2017) Guidance: Improving health through the home

⁵⁶ Shelter (2013) People living in bad housing – numbers and health impacts

⁵⁷ NHS Healthy Urban Development Unit (2019) Rapid Health Impact Assessment Toolkit (4th Edition)

⁵⁸ Shelter (2017) The Impact of Housing Problems on Mental Health

⁵⁹ City of Westminster (2022) Code of Construction Practice February 2022

- 6.14 A previous iteration of the Westminster City Council's Code of Construction Practice⁶⁰ outlines that an 'Employment and Skills Plan' (ESP) needs to be provided by Level 1 schemes which includes a variety of commitments. This includes a commitment to one apprenticeship start⁶¹ or trainee start per £2 million in contract value. Developers and other construction enterprises may also wish to participate in the CITB - Construction Skills Evolve Shared Apprenticeship Scheme in order to access support regarding the recruitment and management of apprentices.
- 6.15 Based on the estimated construction value of the scheme and using the Westminster City Council's Code of Construction Practice, circa 145 apprenticeship or trainee years⁶² could be supported during the construction phase, equating to an average of 20 on-site apprentices or trainees on average throughout construction. Based on secondary research by the Social Value Portal, it is estimated that there is a proxy financial social value of £251.79 which can be attributed to each week of an apprenticeship (Level 2, 3 or 4+), equating to £13,093 per annum. The financial value represents the productivity gain to society.⁶³ If this number of apprenticeships are supported during construction, it is estimated that the scheme will generate a social value benefit of **£1.9 million during the construction phase.**
- 6.16 Similarly, The Home Builders Federation⁶⁴ estimates that a Proposed Residential Development consisting of 565 homes would result on average 19 on-site apprentices, graduates or trainees per annum. Whilst this is less than the estimate based off the Westminster City Council's Code of Construction Practice, the Home Builders Federation estimate does not take into account the proposed commercial floorspace. Therefore, the 19 on-site apprentices supported during construction of the residential units is estimated to generate a social value benefit of **£1.8 million during the construction phase.**
- 6.17 On this basis, the social value generated from supporting apprenticeships on the site of the Proposed Development during the construction phase is estimated to deliver between £1.8 - £1.9 million.

Physical activity and active travel

- 6.18 Once complete, the Proposed Development will provide opportunities for new residents to participate in an active lifestyle. Active travel is a key priority for Transport for London through the introduction of the 'Healthy Streets Approach' in the Mayor's Transport Strategy⁶⁵ and London Plan.⁶⁶ The concept of the approach is that 10 different indicators will improve air quality, reduce congestion and encourage

⁶⁰ City of Westminster (2016) Code of Construction Practice July 2016

⁶¹ An apprenticeship outcome is defined as an individual pursuing a formal apprenticeship framework incorporating either NVQ level 2 or 3 (as per Westminster City Council's Code of Construction Practice)

⁶² The ratio of apprentices / trainees to the construction value is set out in the Westminster City Council's Code of Construction Practice 2016

⁶³ Social Value Portal (2020) National TOMs Framework 2020. Social Value Indicator (NT10: Number of apprenticeships completed or supported) is based on current economic benefit to the individual and the annualized future lifetime value to society of achieving the qualification.

⁶⁴ Home Builders Federation (2022) HBR Housing Calculator. Available at: <https://www.hbf.co.uk/policy/policy-and-wider-work-program/hbf-housing-calculator/>

⁶⁵ Transport for London (2018) Mayor's Transport Strategy

⁶⁶ Greater London Authority (2021) The London Plan

Londoners to use cars less and to walk, cycle and use public transport more. These indicators are included at Figure 6.1.

Figure 6.1: Healthy Streets Approach



Source: *Transport for London, 2018*

- 6.19 The London Plan states that “*Development proposals and Development Plans should deliver patterns of land use that facilitate residents making shorter, regular trips by walking or cycling.*” Overall, the London Plan aims to implement policies that will improve health and reduce health inequalities. The opportunities to improve the health outcomes are aligned with the ten Healthy Streets Indicators as outlined in the Mayor’s Transport Strategy. Development proposals should demonstrate how the scheme aligns with these indicators.
- 6.20 The GLA’s ‘High Streets for All’⁶⁷ plan highlights the importance of ensuring that high streets are local, walkable destinations and important points of connectivity. The plan aims to enhance the existing public and cultural spaces. Some 90% of Londoners live within ten minutes of the local high street. The main aim for London’s high streets is to strengthen relationships across diverse communities by promoting community and cultural exchanges as well as to make the high streets more attractive places to visit. The plan makes a number of recommendations to help deliver inclusive high streets, such as investing in public realm and using interventions to promote civic pride and local identity. This includes temporary interventions to be made in response to the public health issues arising from the pandemic to promote walking, cycling and wider

⁶⁷ Greater London Authority (2021) High Streets for All. Available at: <https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/recovery-context/high-streets-all#acc-i-61470>

accessibility. This includes developing more high street greening and cycling infrastructure, new local civic and cultural infrastructure.

- 6.21 The Proposed Development will create new pedestrian and cycling routes in the area and the overall design of the public realm has been developed with an emphasis on pedestrian and cycle movement, with the aim of increasing footfall and permeability and encouraging active travel. The healthy streets indicators will be met by the Proposed Development through:
- Providing for pedestrians from all walks of life through creating new green public space within Newcastle Place to encourage recreation, relaxation and socialising;
 - Promoting walking and cycling through the creation of a pedestrian / cycle friendly, clean-air route between Edgware Road and Paddington Green;
 - Promoting walking through activation of and improving the fabric of the adjacent streets;
 - Promoting cycling through the provision of abundant short-stay visitor parking;
 - Promoting public transport use through enhancing access to Edgware Road Underground station and the existing bus stops along Harrow and Edgware Roads;
 - Providing places to stop and rest, through the provision of multiple seating and dwelling locations within the landscape;
 - Providing shade and shelter through optimising the provision of new tree and shrub planting throughout the public realm;
 - Providing things to see and do with active frontages and uses at ground floor level, a series of attractive destinations within the landscape and elements such as sculptural water feature to animate these spaces; and
 - Creating an improved streetscape in which people can feel relaxed and safe.
- 6.22 Cycle storage will be provided within the Proposed Development, with over 1,000 (1,066) dedicated basement cycle spaces for residents and employees, encouraging active travel. All long stay cycle space for residents and employees will therefore be secure within the building with short stay visitor cycle racks also being available outside the building. It is also noted that cycling is already popular in the area, and the nearest cycle hire station is located just opposite the Site at the junction of the Westway and Edgware Road.
- 6.23 The above design principles can be seen to align particularly with the 'Homes' and 'Places' components of the Berkeley Group's 'Our Vision' strategy.
- 6.24 The Proposed Development is also within a sustainable location for walking and cycling. It is immediately adjacent to Edgware Road underground station, 10 minute

cycle of Cycle Super Highway Number 3 and a short walk from Hyde Park. There are also a series of quietways⁶⁸ for pedestrians and cyclists in the local vicinity.

- 6.25 Together these factors will encourage those travelling to the site to do so via active travel modes. This will help to fulfil TfL's target for 80% of all trips in London to be made on foot, by cycle or using public transport by 2041.⁶⁹
- 6.26 Improved physical activity through active travel has important health benefits. Physical activity improves both physical and mental health, according to the NHS,⁷⁰ with regular exercise having effects, amongst other benefits, such as up to a 35% lower risk of coronary heart disease and stroke. According to a literature review by Public Health England, there is evidence that indicates that prioritising active travel can lead to health gains including improved weight status among children and adults.⁷¹

Social isolation and community cohesion

- 6.27 The scheme is designed in an inclusive way which will maximise community cohesion. The proposals aim to vastly increase footfall in the area and create a new series of landscape spaces that can be activated throughout the day and into the evening, providing opportunities for socialising and relaxation. Again, these design principles can align particularly with the 'Homes' and 'Places' components of the Berkeley Group's 'Our Vision' strategy.
- 6.28 This is important given the London context. A 2017 report on social isolation in London found that over 50% of participants felt that they either lacked companionship, felt left out or felt isolated from others,⁷² highlighting the extent that loneliness affects people in the capital. Signs of loneliness were found consistently across all ages, however, *"the youngest age group (15-34 years) were most likely to report ever feeling that they lacked companionship or left out."*⁷³ The design of the commercial and residential space means that the development will play a role in addressing this issue.
- 6.29 Loneliness and isolation are strongly associated with reduced physical and mental health, reduced happiness and wellbeing and lack of a sense of worth and value within society.⁷⁴ Evidence published by ONS⁷⁵ reveals that compared to those who have low ratings of loneliness, those who report feeling lonely are:
- Almost 10 times more likely to report low feelings of worth (10.5% compared with 1.1%).

⁶⁸ Quiet cycle routes on lower traffic back streets

⁶⁹ Mayor of London (2018) Mayor's Transport Strategy

⁷⁰ Available at: <https://www.nhs.uk/live-well/exercise/exercise-health-benefits/>

⁷¹ Public Health England (2017) Spatial Planning for Health: An evidence resource for planning and designing healthier places

⁷² Ipsos MORI (2017) Social Isolation in London

⁷³ Ipsos MORI (2017) Social Isolation in London

⁷⁴ Age UK (no date) Loneliness and Isolation – Evidence Review

⁷⁵ ONS (2015) Insights into Loneliness, Older People and Well-being

- Over 7 times more likely to report low life satisfaction (15.2% compared to 1.9%).
- Over 3 times more likely to report feeling unhappy (18.8% compared to 5.6%).
- Twice as likely to report feeling anxious (34.8% compared to 15.1%).
- People who live on their own are more than twice as likely to report feeling lonely (31% compared to 13%).

6.30 In addition, several studies have highlighted the link between social isolation and poor mental and physical health.^{76,77} This can be accentuated where there are people living in close proximity but without means to interact. As a campus director at Northumbria University stated *“despite much being written about students living their lives online, one of the key insights for me is there is still clearly a need for buildings and services that help facilitate genuine human connections.”*⁷⁸

6.31 The Proposed Development will deliver 556 new homes which will accommodate an estimated 1,254 residents. While the benefit of community interaction and reduced loneliness cannot be estimated quantitatively, research has shown that inclusive environments that encourage interaction can have an important impact on people’s wellbeing.⁷⁹ This demonstrates the social value that could be achieved by the Proposed Development and its key role in enhancing social and community interaction, tackling levels of loneliness and isolation amongst residents and minimising the associated impacts on health and wellbeing.

Summary

6.32 The Proposed Development will generate important social value benefits, which include:

- Increased **investment in training and skills** through supporting apprenticeships and trainees during the construction phase. As an illustration, a scheme of this scale could support 145 apprentices which would generate a social value of £1.9 million during the construction phase.
- The provision of cycle spaces and changing facilities and prioritisation of cycling and walking through the design of the public realm provide enhanced **opportunities for physical activity and active travel**. Evidence shows a strong relationship between physical activity and improved health outcomes, such as cardiovascular disease.

⁷⁶ University of Southampton (2017) Lonely students at greater risk of mental health problems, available at <https://www.southampton.ac.uk/news/2017/05/student-loneliness.page>

⁷⁷ Reavley, N. (2019) A time of transition: loneliness and university students, available at <https://www.epigeum.com/epigeum-insights/news/transition-to-university-loneliness/>

⁷⁸ <https://universitybusiness.co.uk/Article/uk-students-admit-loneliness/>

⁷⁹ N. Wates (2014) The Community Planning Handbook: How People can shape their cities, towns and villages in any part of the world

- The scheme has been intelligently designed to animate the streetscape and **reduce social isolation and promote social interaction.**

7. Conclusion

- 7.1 The redevelopment of Paddington Green Police Station represents a significant opportunity for Westminster and the local Church Street area, completing Berkeley's long held wider West End Gate Masterplan, the early phases of which are currently being delivered. The Masterplan represents Westminster's single largest housing site, and an opportunity for transformative placemaking to be delivered to the local area.

Bringing significant economic and social benefits to the area

- 7.2 The economic benefits of the scheme are significant, delivering a substantial number of employment and training opportunities for the local and wider area through the construction phase, as well as the operational phase through the proposed range of commercial uses. This will drive business rates and other benefits for Westminster, and also deliver significant additional spend to the Church Street/Edgware Road District Shopping Centre from the resident and worker population at PGPS.

Generating long lasting benefits during construction phase

- 7.3 An average of 214 FTE jobs annually will be supported throughout 7.1-year construction phase. This equates to an average of 120 direct FTE jobs supported across London, plus 105 indirect and induced jobs. Increased construction employment will support additional economic output into the local economy, creating 84 net additional FTE jobs in Westminster. The total construction phase productivity (GVA) contribution is £271.8 million, which includes £199.8 million generated in the City of Westminster.

Uplift in residential and commercial space will create long lasting economic benefits for the local economy and for the City of Westminster

- 7.4 A total of 51 - 68 FTE net additional jobs are estimated to be accommodated on site for residents living in London once the development is completed and occupied, inclusive of 19 – 25 FTE net additional jobs for residents of Westminster.
- 7.5 The uplift in employment will generate economic output for the local economy. The net additional productivity impacts equate to an annual GVA uplift of £4.4 - £6.0 million for the London economy, including £2.8 - £3.8 million generated within Westminster.
- 7.6 It is estimated that there will be an annual net additional business rate increase of £200,000 for collection by Westminster City Council, of which £60,000 per annum will be retained by Westminster City Council and £40,000 by the Greater London Authority.
- 7.7 The uplift in Council Tax receipts is estimated at £760,000 per annum for Westminster City Council, equating to a total of £7.6 million over ten years.

Wider regeneration benefits created through mixed use development

- 7.8 Occupiers of the scheme's homes and commercial uses will spend approximately £19.9 million a year. Of this, there is likely to be an amount of discretionary expenditure

spent with retail businesses within Church Street/Edgware Road District Shopping Centre. This equates to an estimated £3.8 million per annum and could support up to 11 additional jobs within the local economy.

- 7.9 Based on these outputs, for every square metre of occupied floorspace within the Proposed Development, £98 of discretionary spending will circulate through the local economy each year, supporting local retailers within Church Street/Edgware Road District Shopping Centre.

The development makes an important social value contribution

- 7.10 Increased investment in training and skills through supporting apprenticeships and trainees during the construction phase will lead to significant social benefits. As an illustration, a scheme of this scale could support 145 apprenticeship-years, equating to an average of 20 on-site apprentices on average over the construction period, which would generate a social value of £1.9 million during the construction phase.
- 7.11 Other aspects of the scheme promote positive health outcomes for the existing and future population, including promoting physical activity and related health benefits, through provision of cycle storage and changing facilities and a public realm which prioritises pedestrian and cycle movement. The streetscape will also be redesigned and reanimated in order to encourage social interaction, which will help foster community cohesion and support positive mental health.
- 7.12 Overall, the redevelopment of Paddington Green Police Station will deliver lasting economic and social benefits. These align with the Berkeley Group's 'Our Vision' long-term business strategy which is characterised by the overarching ambition to be defined by the creation of high-quality places, generating long-term value and having a positive impact on society, supporting the ambitions of Westminster City Council within a significant area of regeneration.

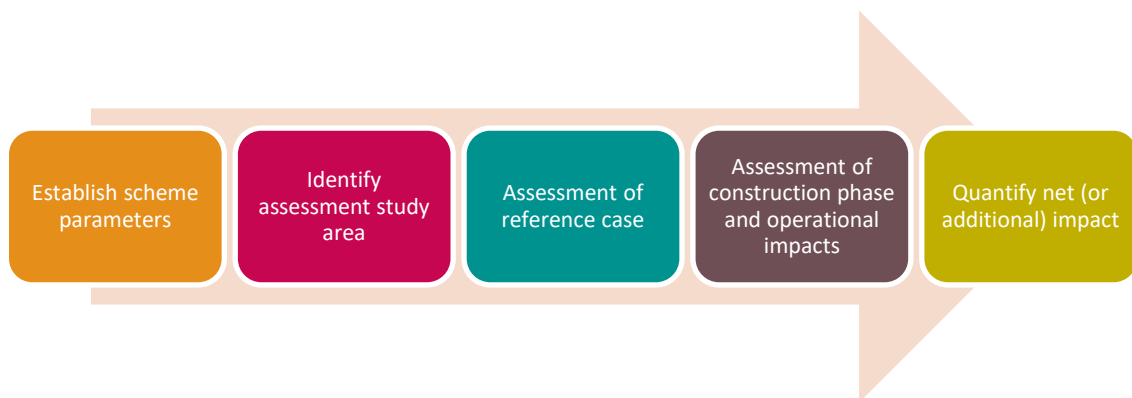
Appendix 1: Economic Impact Assessment Methodology

Overview of Approach

This Economic Impact Assessment utilises Turley’s Local Economic Benefits (LEB) methodology established by Turley Economics, providing a robust logical framework for evaluating the economic impacts of development proposals. The economic assessment has been undertaken in accordance with best practice guidance, namely the HCA’s *Additionality Guide (4th Edition)* (2014) and the *Employment Densities Guide (3rd Edition)* (2015). The following methodology has been applied to the assessment.

The following steps are taken when estimating the economic impact assessment of a given scheme:

Summary of Assessment Approach



Source: Turley Economics, 2022

Assessment Study Area

For the purposes of this assessment the impact area has been determined using available Census data on labour market containment. This has resulted in two spatial scales of measurable economic impact being identified:

- **The local impact area**, covering the City of Westminster, the local authority area within which the proposal is located.
- **The wider impact area**, covering the functional regional area of London. The 2011 Census recorded that circa 74% of jobs within Westminster are taken by residents living within the London region, indicating a relatively high level of containment of employment and associated expenditure at this level. It is considered that the majority of socio-economic effects would be concentrated within this wider impact area.

Construction Phase

The construction phase impacts within the assessment include construction expenditure, full-time equivalent (FTE) construction jobs and Gross Value Added (GVA) (productivity) impacts. In order to calculate these impacts, the following methodology has been used:

- **Employment** – The estimated construction cost for the total scheme has been provided by the client on a confidential basis. This is divided by the annual average turnover per employee in the construction sector for London⁸⁰ in order to calculate the likely direct person-years of employment. The total number of person years of employment generated directly by the construction programme is then divided by the number of years over which the construction of the project is envisaged,⁸¹ to give gross FTE jobs. Allowances for leakage and displacement are then made⁸² in order to calculate net FTE jobs generated by the development, and a multiplier is applied to estimate indirect and induced employment.⁸³
- **Productivity** - The average annual GVA generated per FTE worker in the construction sector is calculated using Experian local market forecasts.⁸⁴ This is applied to the net FTE construction jobs estimated to be generated by the Proposed Development to calculate workplace-based GVA. The all-sector annual average GVA generated per FTE workers in Westminster and London has been applied to the number of indirect and induced jobs supported at each spatial scale in order to calculate the GVA generated by multiplier effects. Direct, indirect and induced GVA is subsequently summed to calculate total net additional GVA per annum, which is then multiplied out by the number of years of construction to give a total construction phase productivity figure.

Operational Phase

Operational impacts refer to the impacts that will be generated during the ‘lifetime’ of the Proposed Development. The following indicators have been assessed:

- **Employment** – Jobs associated with the retail floorspace are calculated by applying the employment densities for each type of space as per the HCA’s Employment Density Guide.⁸⁵ As with the construction phase, consideration of appropriate allowances for leakage and displacement is made in line with national guidance⁸⁶ in order to calculate

⁸⁰ Department for Business, Energy and Industrial Strategy (2022) Business Population Estimates

⁸¹ Estimated construction period of 7.1 years (85 months) provided by the client.

⁸² For consistency with the ES submission, leakage and displacement assumptions at the local impact area level (Westminster) have been derived directly from the Socio-Economic ES Chapter prepared by Ramboll. Leakage assumptions at the wider impact area level (London) have been applied in line with Census 2011 commuting patterns for Westminster and London (Census 2011 Table WU01UK). In line with the HCA (2014) Additionality Guide 4th Edition recommendations, a low level of displacement (25%) has been assumed at the scale of Westminster, reflecting the potential for some activity to be displaced by construction. .

⁸³ A multiplier of 1.05 has been applied at the local level (Westminster) (as identified within the Ramboll Socio-Economic ES Chapter), with this increasing to 1.87 at the regional (London) scale.

⁸⁴ Experian (September 2022) Local Market Forecast Quarterly: 2017-2021 average

⁸⁵ HCA (2015) Employment Density Guide 3rd Edition. Employment creation figures have been derived directly from the Socio-Economic ES Chapter prepared by Ramboll for consistency with the Environmental Statement submission.

⁸⁶ As with the construction phase, leakage and displacement assumptions at the local impact area level (Westminster) have been derived directly from the Socio-Economic ES Chapter prepared by Ramboll. Leakage assumptions at the wider impact area level (London) have been applied in line with Census 2011 commuting patterns for Westminster and London (Census 2011 Table WU01UK). In line with the HCA (2014) Additionality Guide

a net figure of FTE job creation, before local and regional level multipliers are applied to the employment generated to estimate indirect and induced effects⁸⁷.

- **Productivity** – The average annual GVA per FTE employee for the appropriate activities has been sourced from Experian⁸⁸ and applied to the net additional operational phase jobs estimated to be generated by the Proposed Development. As with the construction phase, indirect and induced GVA has been calculated on the basis of the average GVA per FTE worker figures for Westminster and London.
- **Resident Population** – For consistency with the Environmental Statement submission, the resident population has been derived directly from the Ramboll Socio-Economic ES Chapter.⁸⁹
- **Business Rates** – The rateable values of the commercial floorspace at the Proposed Development was estimated with reference to average rateable values per sq m of nearby properties with similar uses. Total business rate receipts from the Proposed Development were subsequently calculated with reference to the Government’s business rate multipliers for 2022/23. Westminster City Council will retain 30%, Greater London Authority 20% and the UK Government will retain 50%.

4th Edition recommendations, a low level of displacement (25%) has been assumed at the scale of Westminster, reflecting the potential for some activity to be displaced by construction. A lower (10%) allowance for displacement has been allowed at the London level, reflecting the latent labour force capacity at this scale.

⁸⁷ A multiplier of 1.05 has been applied at the local level (Westminster) (as identified within the Ramboll Socio-Economic ES Chapter), with this increasing to 1.5 at the regional (London) scale.

⁸⁸ Experian (September 2022) Local Market Forecast Quarterly: 2017-2021 average

⁸⁹ This has been modelled by Ramboll entering the residential accommodation schedule into the GLA’s Population Yield Calculator selecting the Geographical Aggregation: Inner London and the Public Transport Accessibility Level (PTAL): 5-6.

Appendix 2: Full Circle Methodology

Overview of Approach and Data Sources

This assessment utilises Turley’s Full Circle Economic Model (FCEM) methodology, providing a robust and logical framework for evaluating the economic benefits of development proposals.

The assessment is informed by the outputs of the Economic Impact Assessment, the Precisely expenditure data (2022-based release), Precisely Retail Expenditure Product Guide (2021/22) and statistical data sources published by the Office for National Statistics (ONS).

In the absence of an up-to-date retail evidence base examining local shopping patterns in Westminster, assumptions regarding discretionary spending have been informed by information contained within the ‘Church Street/Edgware Road Health Check Report’ (November 2013), prepared by The Retail Group on behalf of Westminster City Council and the ‘Kensington and Chelsea Retail and Leisure Needs Study Update’ (April 2016), prepared by NLP on behalf of RB Kensington and Chelsea. This has been supplemented by worker expenditure surveys undertaken by Nationwide Building Society (2020) and by Visa (2014).

The focus of the assessment is on the economic spin-off benefits of the Queensway Parade proposal for existing businesses within Church Street/Edgware Road District Shopping Centre. Per capita expenditure figures used to inform the assessment are derived for the Westminster City Council authority area and exclude Special Forms of Trading (‘SFT’) for convenience and comparison goods (non-store retail sales including online shopping). The design year for the scheme has been chosen as 2030 when the scheme is likely to be complete and operational. All values are given in 2020 prices.

Turley Office
12 Brownlow Mews
Roger Street
London
WC1N 2JU

T 020 7851 4010